Universal Registration Document 2022

ANNUAL FINANCIAL REPORT

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SNFP refers to the Statement of Non-Financial Performance (*Déclaration de performance extra-financière*).

UNIVERSAL REGISTRATION DOCUMENT

ANNUAL REPORT 2022

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document has been filed on March 21, 2023, with the *Autorité des Marchés Financiers* (the "AMF") as the competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129.

This Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and all amendments to the Universal Registration Document. The combined document is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This is a translation into English of the Universal Registration Document of the Company issued in French in the xHTML format, which includes the Annual Financial Report for the financial year ended December 31, 2022, and is available on the AMF's website (www.amf-france.org) and on the Company's website (www.axa.com).

This Universal Registration Document (which we also refer to as our "Annual Report") includes **(i)** all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) as well as in Article 222-3 of the AMF General Regulation (*Règlement Général de l'AMF*) (please refer to the cross-reference table on page 535 of this Universal Registration Document which indicates the relevant sections of this Universal Registration Document corresponding to the items referred to in Article 222-3 of the AMF General Regulation), **(ii)** all information required to be included in the management report of the Board of Directors' to AXA's Shareholders' Meeting to be held on April 27, 2023, prepared pursuant to Articles L. 225-100 *et seq.* and L. 22-10-35 *et seq.* of the French Commercial Code (*Code de commerce*) (the relevant sections of this Universal Registration Document corresponding to such required information have been approved by AXA's Board of Directors and are referred to in the cross-reference table on page 529 of this Universal Registration Document); and **(iii)** all the elements required to be included in the corporate governance report established pursuant to Articles L. 225-37 *et seq.* and L. 22-10-8 *et seq.* of the French Commercial Code (*Code de commerce*) (the relevant sections of this Universal Registration Document corresponding to such required disclosures have been approved by AXA's Board of Directors and are referred to in the cross reference table on page 530 of this Universal Registration Document). The cross-reference table on page 531 of this Universal Registration Document indicates the items of Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 to which the information contained herein corresponds.

CERTAIN PRELIMINARY INFORMATION ABOUT THIS ANNUAL REPORT

In this Annual Report, unless provided otherwise, **(i)** the "Company", "AXA" and "AXA SA" refer to AXA, a *société anonyme* (a public limited company) organized under the laws of France, which is the publicly traded parent Company of the AXA Group, and **(ii)** the "AXA Group", the "Group" and "we" refer to AXA SA together with its direct and indirect consolidated subsidiaries.

The Company's ordinary shares are referred to in this Annual Report as "shares", "ordinary shares", "AXA shares" or "AXA ordinary shares". The principal trading market for AXA's ordinary shares is the regulated market Euronext in Paris (Compartment A), which we refer to in this Annual Report as "Euronext Paris".

The Group's consolidated financial statements and related notes are prepared in accordance with International Financial Reporting Standards (IFRS) (the "Consolidated Financial Statements") and published in Euro ("Euro", "euro", "EUR" or "€").

Unless otherwise stated, all amounts in this Annual Report are **(i)** expressed in Euro, with applicable foreign exchange rates presented on page 40 of this Annual Report, and **(ii)** presented in millions for convenience. Such amounts may have been rounded. Rounding differences may exist, including for percentages.

Where reference is made to a website in this Universal Registration Document, the contents of such website do not form part of this Universal Registration Document. No information, document or material from the website of the Company (www.axa.com) or any other source shall form part of this Universal Registration Document, unless such information, document or material is expressly incorporated by reference into this Universal Registration Document.

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Cautionary statement regarding forward-looking statements and the use of non-gaap financial measures

This Annual Report may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to the Group's future business, financial condition, results of operations, performance, and strategy. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar meaning. Such statements are based on Management's current views and assumptions and, by nature, involve known and unknown risks and uncertainties; therefore, undue reliance should not be placed on them. Actual financial condition, results of operations, performance or events may differ materially from those expressed or implied in such forward-looking statements, due to a number of factors including, without limitation, general economic and political conditions and competitive situation; future financial market performance and conditions, including fluctuations in exchange and interest rates; frequency and severity of insured loss events, and increases in loss expenses; mortality and morbidity levels and trends; persistency levels; changes in laws, regulations and standards; the impact of acquisitions and disposal, including related integration issues, and reorganization measures; and general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of catastrophic events, including weather-related catastrophic events, pandemics, terrorist-related incidents or acts of war. Please refer to Part 5 "Risk Factors and Risk Management" of this Annual 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 to the Consolidated Financial Statements, this Annual Report refers to certain non-GAAP financial measures, or alternative performance measures, used by Management in analyzing the Group's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding the Group'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 Consolidated Financial Statements included in Part 6 "Consolidated Financial Statements" of this Annual Report. The non-GAAP financial measures used by the Group are defined in the Glossary set forth in Appendix V to this Annual Report.

Chairman's Message

It is likely that when we look back in a few years, the year 2022 will appear as a turning point and the beginning of a new era.

Barely out of the COVID-19 crisis, the world has had to deal with the war in Ukraine, the energy crisis, the return of inflation, and rapidly rising interest rates, all of which were unanticipated.

As our annual report on future risks has shown, this disruption has resulted in a sharp increase in the overall level of risk of all kinds, and as well in a sharp increase in the perception of risk by decision-makers and public opinion around the world.

In addition, 2022 was once again a year of numerous, high-intensity natural disasters, reflecting the situation we face with climate change.

Against this difficult backdrop, AXA confirmed both the robustness of its business model and the relevance of the strategic reorientation decided upon and implemented six years ago. Thanks to its reduced exposure to financial risks and its strengthening of its Property & Casualty insurance activities, notably in commercial insurance and health, the Group has seen further growth in its business and earnings, while consolidating its solid positioning. This good financial health has enabled the Group to increase its return to shareholders while accelerating its development.

Furthermore, at a time when the economic slowdown is further weakening the most vulnerable and climate change is threatening our planet, AXA has also become even more involved with those who are marginalized by these threats. The Group and all of its employees are strongly committed to translating our purpose, which is "to act for human progress by protecting what matters", into action. In this respect, I am proud that this year AXA received the highest rating in the insurance sector in the S&P Global Corporate Sustainability Assessment.

In addition, the Group has accelerated the development of its inclusive insurance programs to offer accessible and affordable products to populations on the margins of insurance coverage. In 2022, more than 11 million people benefited from these advantageous offers, and we hope to extend this coverage to an additional 1 million beneficiaries in 2023. The Group has also continued to actively contribute to environmental matters, notably with the launch of the "*AXA Forests for Good*" program to help restore forest ecosystems.

The year 2022 also saw the transition of the chairmanship of your Board of Directors. After six years in this position, Denis Duverne has passed the torch to me, having successfully supported the Group in its strategic reorientation. I would like to take this opportunity to warmly thank him for his work within the Group and then as Chairman of the Board.

Since I took office in April 2022, I have set myself three main objectives.

First, to further strengthen the cohesion of the Board of Directors and to deepen the dialogue with Thomas Buberl, the CEO, and his team.

Second, to ensure even closer monitoring of risks on the one hand, and of the sustainability strategy on the other. To this end, the Board's committees have been reorganized, with the transformation of the Finance Committee into a "Finance & Risk Committee", and the Compensation & Governance Committee into a "Compensation, Governance & Sustainability Committee".

Finally, to support Thomas Buberl and his team in the development of the new strategic plan to be implemented from 2024. This new plan will be an opportunity for AXA to enter a new phase of its development based on growth, financial strength and in service for the greater good.

On behalf of the members of the Board of Directors, I would like to thank Thomas Buberl, his team and all the Group's employees for their boundless engagement and their strong mobilization for the company and its development.

Antoine Gosset-Grainville
Chairman of the Board of Directors

“AXA confirms the strength of its model”

Chief Executive Officer’s Message

In addition to a pandemic that is not yet over and severe climatic events in the United States and Europe, 2022 has seen the world enter a new phase of instability fueled by the war in Ukraine and its consequences. Against this difficult backdrop, AXA once again demonstrated its strength, dynamism and the relevance of its mission: to act for human progress by protecting what matters.

The Group’s 2022 performance was remarkable, with revenues up 2% to €102 billion and a 12% increase in underlying earnings per share. This reflects the strong momentum of our operating entities, notably in France and Europe, and the successful repositioning of AXA XL, which despite natural catastrophes and the war in Ukraine, recorded an operating profit of more than €1.2 billion for the second year in a row.

The quality of our results is also reflected in the trust placed in us by our 93 million customers. We have invested heavily to improve their experience, both in our agencies and online. These efforts have paid off and I am proud that more than 80% of our business lines now have a satisfaction rate (NPS - Net Promoter Score) that is greater than or equal to the market average, compared to 70% at the launch of the “*Driving Progress 2023*” plan. Our clients’ satisfaction is our first reward, and I would like to thank them for their loyalty.

With a Solvency II ratio of 215% as of December 31, 2022, the Group once again demonstrates the strength of its balance sheet. This allows us to pursue an attractive capital management policy, accelerated this year with the successful transformation of AXA SA into an internal reinsurer, and which has enabled us to launch a share buyback program that positions the Group’s payout ratio to shareholders at a level similar to its major European competitors.

This solid performance allows us to fully play our role towards our stakeholders. In 2022, we paid out nearly €50 billion in claims to our clients and €5.9 billion in interest to remunerate their savings. AXA also supported the growth and transformation of the economy through more than €30 billion of reinvestments. In an increasingly complex and uncertain world, we are fully mobilized to help everyone move forward with peace of mind.

We continued to deploy our sustainability strategy in each of the Environment, Social and Governance areas, and were rewarded with the highest rating in the insurance sector in the S&P Global Corporate Sustainability Assessment.

Our performance in 2022 therefore confirms our ability to achieve the objectives of our “*Driving Progress 2023*” plan, which is entering its final phase, and we have begun to focus on an ambitious next strategic plan.

Finally, 2022 was marked by the appointment of Antoine Gosset-Grainville as Chairman of the Board of Directors. I am grateful for the relationship of trust that we have built up over the past months and for his support.

In conclusion, I would like to salute the exceptional work of our 145,000 employees, agents and partners, almost 30% of whom are also AXA shareholders. Their energy and commitment are our greatest strength and a tremendous source of pride for me.

Thomas Buberl
Chief Executive Officer

Strategic orientations

Despite a gradual normalization of the COVID-19 crisis and its associated uncertainties, the Russia-Ukraine war then triggered additional supply-side disruptions, resulting in soaring inflation, energy prices, and interest rates, which consequently led to a volatile macroeconomic landscape. Nevertheless, the challenging environment still poses various threats and opportunities for the insurance industry:

- **Macroeconomic and geopolitical environments: (i)** Russia-Ukraine war increasing geopolitical tensions between blocks, thereby threatening global solidity and growth, **(ii)** surging energy prices in Europe, **(iii)** persistent and broadening inflation and instability on interest rates have triggered a rapid and synchronized tightening of monetary conditions, **(iv)** impact from climate change, and **(v)** uncertainty on the Chinese economy with a recent reopening accompanied by lingering COVID-19 concerns, which all heavily impacted the outlook of the global economy;
- **Increasing pressure on the insurance industry: (i)** increasing complexity and cost of regulation (*e.g.*, IFRS 17 [1] coming into force from January 1, 2023, together with government interventionism, especially for European players (*e.g.*, restrictions on foreign cloud providers), **(ii)** higher frequency and severity of emerging risks (*e.g.*, natural catastrophes, cyber risks), and **(iii)** inflation challenging profitability even after raising prices;
- **Growth opportunities: (i)** new insurance needs that are triggered by the increase in the type of risks (*e.g.*, climate change, energy transition, and cyber security) as well as continued evolution of global GDP's main growth drivers towards more digital, service and capital-light industries, **(ii)** rising interest rates and downturn of equity markets drive new customers towards investments in Life and Savings products, **(iii)** rising demand for Health and Protection insurance, and **(iv)** tech & data becoming more and more critical to bringing value-for-money services to customers, differentiating from peers and optimizing operations.

In this environment, we believe that "*Driving Progress 2023*" and its underlying assumptions continue to support our business model resilience and help us grow our business sustainably. In 2022, AXA has been consistently executing its strategy with strong delivery across its five strategic priorities:

1) **Expand Health and Protection: (i)** solid growth in Health revenues of 16% in 2022, **(ii)** distinctive digital assets (*e.g.*, DHP [2]) deployed in six European countries and value-added services (*e.g.*, teleconsulting and homecare service providing seamless end-to-end healthcare journeys), and **(iii)** development of more inclusive offers and products for our customers;
2) **Simplify customer experience and accelerate efficiency: (i)** outperformance in NPS [3] targets with 100% of LoBs [4] at or above average, out of which 81% of our LoBs in Health and Protection are above average, **(ii)** digital platforms rolling out (*e.g.*, Emma app launched in six Asian countries, Angel.fr), **(iii)** the delivery of customer journey digitalization objectives and digitally-enabled agent experience are well on track for all the entities, and **(iv)** overall acceleration on efficiency and product simplification (*e.g.*, via cloudification, IT legacy decommissioning, straight-through processing, organizational simplification);
3) **Strengthen underwriting performance: (i)** technical excellence with 2022 Property & Casualty combined ratio at 94.6%, improved by a strong price increase strategy and successful re-underwriting measures at AXA XL (notably significant reduction of CAT exposure in reinsurance), and **(ii)** a strategic program launched to develop a Digital Commercial Platform to better serve commercial customers;

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4) **Sustain our climate leadership position: (i)** the variable payout of market and operational entity heads is subject to sustainability qualitative and quantitative criteria (investment portfolio carbon footprint reduction has been included as a key indicator for calculating AXA Group's STIC [(5)] to track and reduce the carbon intensity of our portfolio by 20% between 2019 - 2025), **(ii)** strengthening our engagement as a climate leader (co-founder and chair of Net Zero Insurance Alliance, among the first insurers of Net Zero Asset Owner Alliance, member of TNFD [(6)]), **(iii)** AXA Forest for Good program has been launched to strengthen biodiversity preservation, and **(iv)** achieving 91/100 at the S&P Global ESG score 2022 in the context of the Corporate Sustainability Assessment (CSA), positioning AXA Group in the top 1% of the insurance industry, and thus confirming our integration in the Dow Jones Sustainability Indices in 2022;
5) **Optimization of cash efficiency across the Group: (i)** continuous focus on cash remittance of €5.5 billion achieved in 2022 above budget, **(ii)** continued Group simplification with the closing of disposals of Singapore and Malaysia, transformation of AXA SA into the Group's internal reinsurer after its merger with AXA Global Re, integration of Architas into a new business unit of AXA Investment Managers, **(iii)** increasing the scale in some of its core European markets by entering into exclusive negotiation stage for the acquisition of the Groupe Assurances du Crédit Mutuel España in Spain to strengthen its presence in Property & Casualty and Health segments, **(iv)** Life & Savings in-force initiatives (sale of closed life pension portfolio in Germany) resulting in a €16 billion reduction of reserves, **(v)** strong solvency position, above ambition's level, and **(vi)** implementation of several share buy-back programs executed by October 2022 (€1 billion), reflecting the strength of its balance sheet and demonstrating AXA Group's financial discipline.

In 2023, AXA is resolutely focused on delivering our "*Driving Progress 2023*" objectives as well as the preparation of our next strategic chapter. Our next plan will represent a continuation of our strategic plan.

As expectations are rising on corporate responsibility, we continue to strengthen our leadership and engagement on ESG topics, both in terms of target setting and impact measurement, continuing to put into practice our purpose "*act for human progress by protecting what matters*".

(1) IFRS 17 = International Financial Reporting Standards 17: Accounting for insurance contracts.

(2) DHP = Digital Health Platform.

(3) NPS = Net Promotion Score.

(4) LoBs = Line of Businesses.

(5) STIC = Short Term Incentive Compensation.

(6) TNFD = Taskforce on Nature-related Financial Disclosures.

Sustainable
((*value creation*)) SNFP

Our resources

Relational capital

93 million customers
We serve both corporate and individual customers.

Human capital

145,000 employees
Our workforce's diverse range of profiles and professions enables AXA to be effective, profitable and well managed. We also work closely with our distributors: agents, brokers and bankers.

Economic and financial capital

The funds required for our business come from our equity, as well as our shareholders and bondholders.

Stakeholder capital

We work closely with external providers of products and services.

Social and environmental capital

Our climate and biodiversity strategy help to reduce the Group's carbon footprint and to strengthen our commitments.

Our purpose

"Act for human progress by protecting what matters"

Our strategic plan

Driving Progress 2023

Our strategic plan includes two components: business and sustainability.

Business strategy

P&C
Protecting the tangible and intangible assets of individuals and companies.

Health
Supporting patients throughout their care journey and being a key player in prevention.

Life & Savings
Helping our customers to realize their projects by protecting and growing their assets.

Asset management
Driving economic flows towards sustainable projects that are useful to society and the real economy.

Sustainability strategy

URD – Chapter 4 / "Sustainability"

As an insurer

- **Inclusive insurer:** products and services for vulnerable populations
- **Green premiums:** products and services that support the transition towards a more sustainable and less carbon-intensive economy

As an investor

- **Reduce the carbon footprint of AXA's portfolio** (equity, corporate debt and real estate)
- **Green investments:** green assets (bonds, real estate, debt, infrastructure) and impact investments (protection of forests, ecosystems, etc.)

As an exemplary company

- **Climate trainings:** awareness initiatives and certification of employees on climate issues (AXA Climate Academy)
- **Reduce the carbon footprint of AXA's own operations** (energy, car fleet, business travel, IT equipment and services)

Our value creation

(2022 figures)

For our customers

- **More than €50 Bn in payments** made to our customers
- **€5.90 Bn in interest** paid to our policyholders
- **11 million customers** covered by **an inclusive protection**

For our workforce

- **€8.3 Bn in wages and bonuses** paid
- **16,000 recruitments** globally
- **eNPS :** 35 points / **iNPS :** 40 points

For our shareholders

- **€3.5 Bn in dividends** paid to close to 300,000 shareholders
- **More than 30% employee shareholders,** holding more than 4% of the capital

For the economy and the society

- **More than €30 Bn invested** in the economy annually
- **€11 Bn paid in taxes and social security contributions,** 40% of which paid in France
- **€43 M of donations** worldwide
- **56,600 volunteering acts**
- **€250 M** cumulated since 2007 to support scientific research through the **AXA Research Fund**

For the environment

- **€25.1 Bn in green investments**
- **87% of employees upskilled on climate issues**

2022 Full Year Earnings

Growth across main lines of business

Revenues
€102bn
+2%

P&C COMMERCIAL
34%
of revenues
+1%

HEALTH
17%
of revenues
+16%

PROTECTION
15%
of revenues
+3%

Underlying Earnings
€7.3bn

P&C
€4.4bn

HEALTH
€0.6bn

L&S
€2.6bn

ASSET MANAGEMENT
€0.4bn

BANKING & HOLDINGS
€-0.8bn

Profitability indicators

P&C
Combined ratio
94.6%

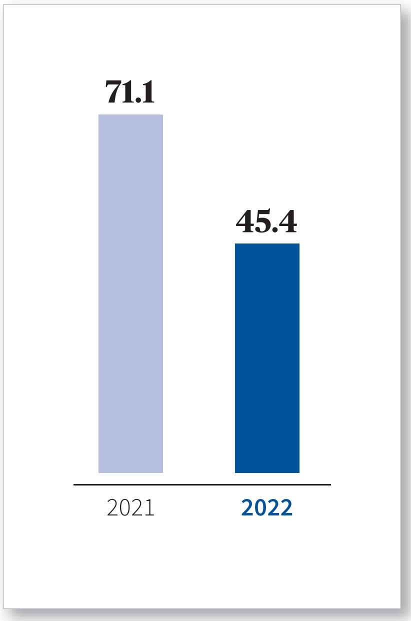
HEALTH
Combined ratio
96.5%

PROTECTION
Combined ratio
92.4%

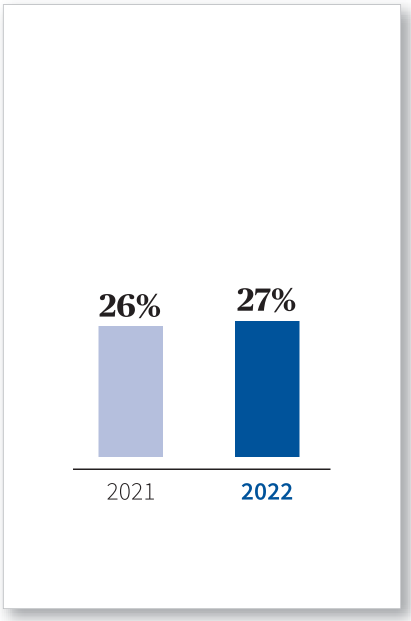
Financial strength and dividend

Shareholders' equity

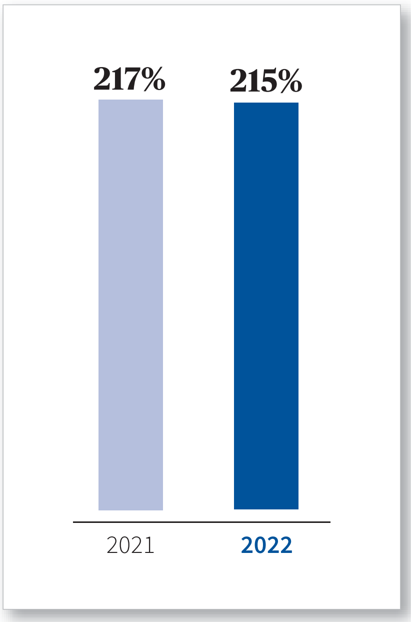
In Euro billion



Debt gearing

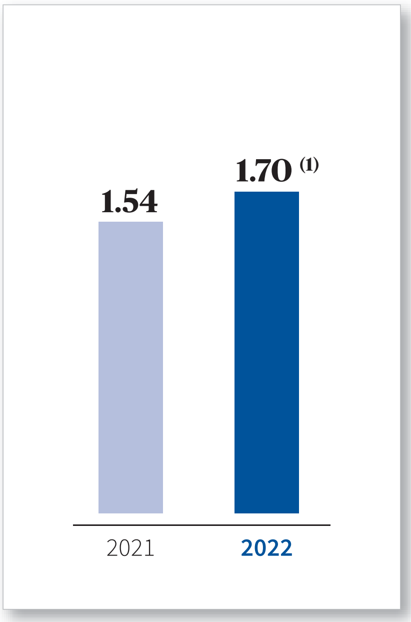


Solvency II ratio



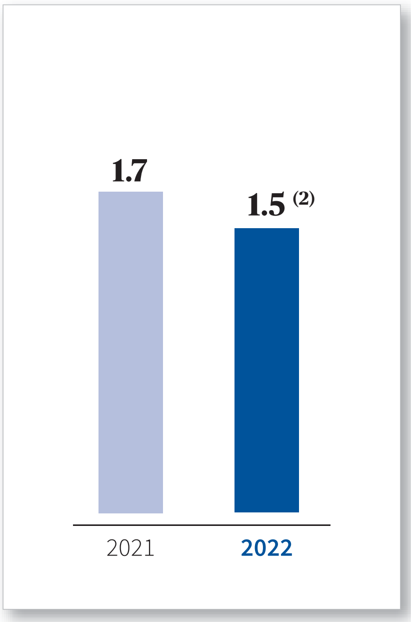
Dividend

In Euro per share



Share buy-backs

In Euro billion



(1) Proposed dividend, submitted for approval at the annual Shareholders' Meeting on April 27, 2023.

(2) Including €1.0 billion related to the share buy-back program announced on August 3, 2022, and €0.5 billion announced on February 24, 2022, to neutralize earnings dilution from disposals.

"Driving Progress 2023": 2022 achievements

Underlying earnings per share (CAGR [(1)] 2020-2022)

+10% [(2)]

+3% to +7%
UEPS CAGR 2020–2023E

Set to exceed the targeted range [(3)]

Underlying Return on Equity

14.5%

13% to 15%
2021 - 2023E

Solvency II ratio

215%

190%
Target capital level

Cash remittance

€5.5bn

€14bn
cumulative 2021 - 2023E

Set to exceed the targeted range [(3)]

(1) *Compound Annual Growth Rate.*

(2) *Based on 2020 rebased Underlying earnings.*

(3) *Assuming current operating conditions persist.*

THE AXA GROUP

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AXA SA is the holding company of AXA Group, a worldwide leader in insurance, with total assets of €697 billion for the year ended December 31, 2022.

AXA operates primarily in five hubs: France, Europe, Asia, AXA XL, and International (including Middle East, Latin America and Africa).

AXA has four main operating activities: Property & Casualty, Life & Savings, Health, and Asset Management. In addition, various holding companies within the Group conduct certain non-operating activities.

1.1 KEY FIGURES

IFRS indicators

IFRS indicators presented below are derived from the Consolidated Financial Statements for the year ended December 31, 2022.

The table set out below is only a summary. You should read it in conjunction with the Consolidated Financial Statements for the year ended December 31, 2022 included in Part 6 – "Consolidated Financial Statements" of this Annual Report.

(in Euro million)	2022	2021	2020
Income Statement Data			
Revenues	102,345	99,931	96,723
Net consolidated income - Group Share	6,675	7,294	3,164

(in Euro million except per share data)	2022	2021	2020
Balance Sheet Data			
Total assets	696,697	775,491	804,589
Shareholders' equity - Group share	45,353	71,135	71,610
Shareholders' equity per share [(a)]	17.5	27.4	27.3
Dividend per share [(b)]	1.70	1.54	1.43

(a) Shareholders' equity per share is calculated based on the actual number of outstanding shares at each period-end presented. Shares held by AXA and its subsidiaries (i.e. treasury shares) are deducted for the calculation of outstanding shares. Undated debt is excluded from shareholders' equity for this calculation.

(b) An annual dividend is generally paid each year in respect of the prior year after the Annual Shareholders' Meeting (customarily held in April or May) and before September of that year. Dividends are presented in this table in the year to which they relate and not in the year in which they are declared and paid. A dividend of €1.70 per share will be proposed at AXA's Shareholders' Meeting that will be held on April 27, 2023. Subject to the Shareholders' Meeting approval, the dividend will be paid out on May 10, 2023, with an ex-dividend date of May 8, 2023.

Activity and Earnings indicators

The table set out below presents the key activity and earnings indicators. You should read it in conjunction with Section 2.3 “Activity report” and the Glossary set forth in Appendix V of this Annual Report.

(in Euro million, except percentages)	2022	2021	2020
Property & Casualty Gross Revenues	51,581	49,339	48,729
Property & Casualty Combined Ratio [(a)]	94.6%	94.6%	99.5%
Health Gross Revenues	17,418	15,222	14,711
Health Combined Ratio [(a)]	96.5%	95.1%	94.5%
Life & Savings Gross Revenues	31,515	33,306	31,524
Annual Premium Equivalent (APE)	6,036	5,911	5,336
New Business Value (NBV)	2,225	2,593	2,480
Underlying earnings Group share [(a)]	7,264	6,762	4,264

(a) Alternative Performance Measures. For further information, refer to Section 2.3 “Activity Report” and the Glossary set forth in Appendix V of this Annual Report.

Assets under management

The table below sets forth the total assets managed by AXA’s subsidiaries, including assets managed on behalf of third parties:

	At December 31,		
(in Euro million)	2022	2021	2020
AXA			
General Account assets	477,513	574,412	597,259
Assets backing contracts with financial risk borne by policyholders (Unit-Linked)	76,467	86,315	77,802
Subtotal	**553,980**	**660,727**	**675,062**
Managed on behalf of third parties [(a)]	378,494	390,323	357,026
TOTAL ASSETS UNDER MANAGEMENT	**932,474**	**1,051,050**	**1,032,087**

(a) Include assets managed on behalf of Mutuelles AXA.

For additional information on AXA’s revenues by segment, see Section 6.6 - Note 21 “Information by segment” of this Annual Report.

For additional information on AXA’s segments, see Section 2.3 “Activity report” and Section 6.6 - Note 3 “Consolidated statement of income by segment” of this Annual Report.

Dividends and dividend policy

The Company pays dividends in Euro. Future dividends will depend on a variety of factors including AXA's earnings, financial condition, applicable capital and solvency requirements, prevailing financial market conditions and the general economic environment. Proposals for dividend payments are made at the discretion of the Board of Directors and are submitted for approval to the Shareholders' Meeting.

AXA's dividend policy is based on underlying earnings per share. AXA targets to pay aggregate dividends in a general range of 55%-65% of Underlying Earnings per share. The dividend proposed by the Board of Directors in any particular year may vary considerably depending on a variety of factors (as noted above) which may have an impact on this target from one year to another. In assessing the dividend to be paid in any given year, Management tries to strike the appropriate balance between **(i)** prudent capital management, **(ii)** reinvestment of previous results to support business development and **(iii)** an attractive dividend for shareholders.

A dividend of €1.70 per share for the 2022 fiscal year will be proposed to the Shareholders' Meeting to be held on April 27, 2023.

The following table sets forth information on the dividends declared and paid in respect of the last five fiscal years:

Fiscal year	Distribution *(in Euro million)*	Number of shares *(on December 31)*	Net dividend per share *(in Euro)*	Dividend per share eligible for a tax relief *(in Euro)*	Gross dividend per share *(in Euro)*
2018	3,249	2,424,916,626	1.34 [(b)]	1.34 [(b)]	1.34 [(b)]
2019	1,765	2,417,695,123	0.73 [(c)]	0.73 [(c)]	0.73 [(c)]
2020	3,458	2,418,389,408	1.43 [(d)]	1.43 [(d)]	1.43 [(d)]
2021	3,729	2,421,568,696	1.54 [(e)]	1.54 [(e)]	1.54 [(e)]
2022	3,998 [(a)]	2,351,770,945	1.70 [(f)]	1.70 [(f)]	1.70 [(f)]

(a) Amount based on the number of shares issued as of December 31, 2022. Final Proposal to be submitted to the Shareholders' Meeting to be held on April 27, 2023.

(b) The gross amount of dividends will be subject to a unique withholding tax liquidated at an overall rate of 30%, unless in case of express and irrevocable option for the progressive scale on income tax which would then apply to all capital income paid in 2019. The option for the progressive scale would give right to the 40% tax relief pursuant to paragraph 2° of article 158.3 of the French General Tax Code, i.e., €0.54 per share for fiscal year 2018.

(c) The gross amount of dividends will be subject to a unique withholding tax liquidated at an overall rate of 30%, unless in case of express and irrevocable option for the progressive scale on income tax which would then apply to all capital income paid in 2020. The option for the progressive scale would give right to the 40% tax relief pursuant to paragraph 2° of article 158.3 of the French General Tax Code, i.e., €0.29 per share for fiscal year 2019.

(d) The gross amount of dividends will be subject to a unique withholding tax liquidated at an overall rate of 30%, unless in case of express and irrevocable option for the progressive scale on income tax which would then apply to all capital income paid in 2021. The option for the progressive scale would give right to the 40% tax relief pursuant to paragraph 2° of article 158.3 of the French General Tax Code, i.e., €0.57 per share for fiscal year 2020.

(e) The gross amount of dividends will be subject to a unique withholding tax liquidated at an overall rate of 30%, unless in case of express and irrevocable option for the progressive scale on income tax which would then apply to all capital income paid in 2022. The option for the progressive scale would give right to the 40% tax relief pursuant to paragraph 2° of article 158.3 of the French General Tax Code, i.e., €0.62 per share for fiscal year 2021.

(f) Proposal to be submitted to the Shareholders' Meeting to be held on April 27, 2023. The gross amount of dividends will be subject to a unique withholding tax liquidated at an overall rate of 30%, unless in case of express and irrevocable option for the progressive scale on income tax which would then apply to all capital income paid in 2023. The option for the progressive scale would give right to the 40% tax relief pursuant to paragraph 2° of article 158.3 of the French General Tax Code, i.e., €0. 68 per share for fiscal year 2022.

Dividends not claimed within five years after the payout date become the property of the French Public Treasury.

For further information on AXA's dividend, see Note 29.5 "Other items: Restriction on dividend payments to shareholders" in Part 6 "Consolidated Financial Statements" and Section 7.3 "General Information – Bylaws – Rights, preferences and restrictions attached to the shares" of this Annual Report. For additional information regarding the factors and risks that may cause the proposed dividend amount to vary or otherwise impact our capacity to pay dividends, see paragraphs "The Group's or its insurance or reinsurance entities' failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition", "We are dependent on our subsidiaries to cover our operating expenses and make dividend payments", and "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging legal, regulatory and reputational risks in the various jurisdictions in which we operate" in Section 5.1 "Risk Factors" of this Annual Report.

Ratings

The Group is rated by recognized rating agencies which assess the financial strength and the creditworthiness of the Company and certain of its insurance subsidiaries. The ratings set forth below are subject to revision or withdrawal at any time by the assigning rating agency in its sole discretion. Credit ratings are intended to reflect the ability of AXA to meet its payment obligations and may not reflect the potential impact of all risks on the value of AXA's securities. A rating is not a recommendation to buy, sell or hold securities. None of these ratings should be construed as an indication or forecast of the historical or potential performance of AXA's securities nor should any such rating be relied upon for the purpose of making an investment decision with respect to any of the Company's securities. The Company does not undertake to maintain its ratings, nor in any event shall the Company be responsible for the accuracy or reliability of any of the ratings set forth below. The significance and the meaning of individual ratings vary from agency to agency.

INSURER FINANCIAL STRENGTH & COUNTERPARTY CREDIT RATINGS

At the date of this Annual Report, the relevant ratings for the Company and its principal insurance subsidiaries were as follows:

		Insurer financial strength ratings			Counterparty credit ratings		
Agency	**Date of last review**	**AXA SA**	**AXA's principal insurance subsidiaries**	**Outlook**	**Senior debt of the Company**	**Outlook**	**Short term debt of the Company**
S&P Global Ratings	March 28, 2022	A+	AA-	Stable	A+	Stable	A-1+
Moody's Investors Service	July 1, 2022	Aa3	Aa3	Stable	A1	Stable	P-1
A.M. Best Rating Services	July 8, 2022	A+ Superior	-	Stable	aa- Superior	Stable	-

SOCIALLY RESPONSIBLE INVESTMENT (SRI) RATINGS SNFP

AXA Group's social, societal, environmental and governance performance is rated by a number of specialists, including investors, brokers and rating agencies that focus specifically on the SRI market, as well as specialist organizations focused on single sustainability themes. The Group generally ranks amongst the top performers in its industry and is also included in the main international sustainability indices:

- DJSI World and DJSI Europe (based on S&P Global's study);
- Euronext Vigeo Eiris, World 120, Europe 120, France 20 and Eurozone 120 (based on Vigeo Eiris research);
- FTSE4GOOD (based on FTSE Russell research).

The AXA Group's main SRI ratings are listed below (not all ratings are updated annually):

Agency/Organisation	**Scores & ratings**
S&P Global **"Corporate Sustainability Assessment" (CSA) ranking** (a)	91/100 *Percentile ranking*: 100th
Vigeo Eiris	67/100 – Sector leader
FTSE ESG	3.7/5
Sustainalytics	*ESG Risk Rating*: 16.7 – Low risk (b)
CDP	B
MSCI	AAA

(a) The results of the CSA are a reference performance indicator for AXA Group and is one of the performance metrics used to calculate long term incentives (AXA Performance Shares) since 2016.

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

FURTHER INFORMATION REGARDING EXTRA-FINANCIAL RATINGS PROVIDERS

S&P Global. Corporate Sustainability Assessment (CSA) evaluates each year over 7,500 companies using criteria that are both industry-specific and financially material. AXA is included in indices that use CSA data, including the Dow Jones Sustainability Indices. https://www.spglobal.com/esg/csa/about/

Vigeo Eiris is an ESG (Environmental, Social and Governance) rating agency. Its methodology leverages a number of sustainability criteria based on international standards. AXA is included in indices that use Vigeo Eiris data, including Euronext Indices.

http://www.vigeo-eiris.com/about-us/methodology-quality-assurance/https://vigeo-eiris.com/solutions-investors/esg-indices-ranking/

FTSE Russell is a provider of benchmarks, analytics, and data solutions across asset classes. Each year FTSE Russell rates over 4,000 companies, measuring their exposure to and management of ESG issues. https://www.ftse.com/products/indices/esg

Sustainalytics is an ESG (Environmental, Social and Governance) rating agency covering more than 14,000 companies. The agency focuses on corporate governance, material ESG issues, and controversies. https://www.sustainalytics.com/esg-ratings/

The **CDP** (formerly known as the Carbon Disclosure Project) runs a global disclosure system that enables companies, cities, states and regions to report on their environmental impacts. The CDP also transforms this data into analysis on critical environmental risks, opportunities and impacts. https://www.cdp.net/en

MSCI is an independent provider of research and data for institutional investors. MSCI's research analysts assess thousands of data points across 35 ESG issues, focusing on both risks and opportunities. https://www.msci.com/esg-ratings

1.2 HISTORY

AXA originated from several French regional mutual insurance companies: "Les Mutuelles Unies".

1982

Takeover of Groupe Drouot.

1988

Transfer of the insurance businesses to Compagnie du Midi (which subsequently changed its name to AXA Midi and then AXA).

1992

Acquisition of a controlling interest in The Equitable Companies Incorporated (United States), which subsequently changed its name to AXA Financial, Inc. ("AXA Financial").

1995

Acquisition of a majority interest in National Mutual Holdings (Australia), which subsequently changed its name to AXA Asia Pacific Holdings Ltd. ("AXA APH").

1997

Merger with Compagnie UAP.

2000

Acquisition of **(i)** Sanford C. Bernstein (United States) by AXA's asset management subsidiary Alliance Capital, which subsequently changed its name to AllianceBernstein (now AB); **(ii)** the minority interest in AXA Financial; and **(iii)** Japanese Life insurance company, Nippon Dantaï Life Insurance Company; and

Sale of Donaldson, Lufkin & Jenrette (United States) to Credit Suisse Group.

2004

Acquisition of the American Insurance Group MONY.

2005

FINAXA (AXA's principal shareholder at that date) merged into AXA.

2006

Acquisition of Winterthur Group.

2008

Acquisition of Seguros ING (Mexico).

2010

Voluntary delisting of AXA SA from the New York Stock Exchange and deregistration with the Securities and Exchange Commission (SEC); and

Sale by AXA UK of its traditional Life and Pensions businesses to Resolution Ltd.

2011

Sale of **(i)** AXA's Australian and New Zealand Life & Savings operations and acquisition of the AXA APH Life & Savings operations in Asia; and **(ii)** AXA Canada to the Canadian insurance group Intact.

2012

Launch of ICBC-AXA Life, a Life insurance joint venture in China with ICBC; and

Acquisition of HSBC's Property & Casualty operations in Hong Kong and Singapore.

2013

Acquisition of HSBC's Property & Casualty operations in Mexico.

2014

Acquisition of **(i)** 50% of TianPing, a Chinese Property & Casualty insurance company; **(ii)** 51% of Grupo Mercantil Colpatria's insurance operations in Colombia; and **(iii)** 77% of Mansard Insurance plc in Nigeria.

2015

Acquisition of Genworth Lifestyle Protection Insurance; and

Launch of AXA Strategic Ventures, a venture capital fund dedicated to emerging strategic innovations in insurance and financial services.

2016

Sale of AXA's UK (non-platform) investment and pensions businesses and its direct Protection businesses to Phoenix Group Holdings.

2017

Announcement of the intention to IPO AXA Equitable Holdings, Inc. in the US to create significant additional financial flexibility and accelerate AXA's transformation.

2018

Acquisition of the XL Group, creating the #1 global P&C Commercial lines insurance platform; and

Initial public offering ("IPO") of the US subsidiary, Equitable Holdings, Inc. [(1)], on the New York Stock Exchange.

2019

Sale of AXA's remaining stake in Equitable Holdings, Inc. (EQH) [(2)]; and

Acquisition of the remaining 50% stake in AXA Tianping.

2020

Sale of AXA's Life & Savings, Property & Casualty and Pension businesses in Poland, Czech Republic and Slovakia to UNIQA Insurance Group AG.

2021

Sale of AXA's insurance operations in Greece to Generali;

Sale of AXA's insurance operations in the Gulf Region to Gulf Insurance Group;

Combination of the non-life insurance operations in India of Bharti AXA General Insurance Company Limited into ICICI Lombard General Insurance Company Limited; and

Sale of AXA's Belgian banking operations (AXA Bank Belgium) to Crelan Bank AXA and Crelan have entered into a long-term P&C and Protection insurance distribution partnership.

2022

Sale of AXA's insurance operations in Singapore to HSBC Insurance (Asia-Pacific) Holdings Ltd;

AXA SA received regulatory approval from the *Autorité de contrôle prudentiel et de résolution* ("ACPR") to operate as a licensed reinsurer;

Sale of AXA's insurance operations in Malaysia to Generali; and

Exclusive negotiations to acquire Groupe Assurances du Crédit Mutuel España and strengthen AXA's P&C and Health presence in Spain.

For further information concerning Group subsidiaries (including the Group's equity interest and voting rights percentages), please see Section 6.6 - Note 2 "Scope of consolidation" of this Annual Report.

(1) Formerly known as AXA Equitable Holdings, Inc.

(2) Excluding shares of common stock of EQH, primarily related to the EQH shares delivered on redemption of the AXA SA bonds mandatorily exchangeable into EQH shares, matured in May 2021.

1.3 BUSINESS OVERVIEW

AXA operates in five hubs (France, Europe, Asia, AXA XL and International) and offers a broad range of Property & Casualty, Life & Savings, Health, and Asset Management products and expertise.

The nature and level of competition vary among the countries where AXA operates. AXA competes with insurance companies along with banks, asset management companies, investment advisors and other financial institutions.

The principal competitive factors are as follows:

- size, strength and quality of the distribution channels, in particular the quality of advisors;
- range of product lines and product quality, feature functionality and innovation;
- price;
- quality of service;
- investment management performance;
- historical level of bonuses with respect to participating contracts;
- crediting rates on General Account products;
- reputation, visibility and recognition of brand; and
- ratings for financial strength and claims-paying ability.

For additional information on markets, see Section 2.2 "Market environment – Market conditions" of this Annual Report.

The table set out below presents AXA's Gross revenues (after intercompany eliminations) by line of business.

	Gross revenues [a]											
	Property & Casualty		**Life & Savings**		**Health**		**Asset Management [b]**		**Banking**		**Total**	
	Years ended December 31,											
(in Euro million)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
France	7,992	7,450	13,972	15,264	7,131	5,425	0	0	242	211	29,338	28,349
Europe	17,788	16,930	9,449	9,746	6,333	5,886	0	0	0	0	33,570	32,562
Asia	2,208	2,102	7,057	7,021	2,294	2,206	0	0	0	0	11,559	11,329
AXA XL	19,071	18,588	161	175	0	0	0	0	0	0	19,232	18,763
International	2,952	2,990	649	853	1,431	1,495	0	0	0	330	5,033	5,668
Transversal & Central Holdings	1,569	1,279	227	247	228	210	1,589	1,523	0	0	3,613	3,259
TOTAL	**51,581**	**49,339**	**31,515**	**33,306**	**17,418**	**15,222**	**1,589**	**1,523**	**242**	**541**	**102,345**	**99,931**

(a) Net of intercompany eliminations.
(b) From January 1, 2022, the scope of the Asset Management segment also includes Architas.

France

GROSS REVENUES

	Gross revenues [a] Years ended December 31,	
(in Euro million)	2022	2021
TOTAL	**29,338**	**28,349**
Of which:		
Gross written premiums	29,094	28,138
Other revenues [b]	244	212

(a) Net of intercompany eliminations.
(b) Include fees and charges related to investment contracts with no participating features and revenues from other activities.

PRODUCTS AND SERVICES

AXA offers in France a full range of insurance products, including Life & Savings, Property & Casualty and Health. Its offering covers a broad range of products including Motor, Household, Property and general liability insurance, Banking, Savings Vehicles, and other investment-based products for both Personal/Individual and Commercial/Group customers, as well as Health, Protection, and retirement products for individual and professional customers.

In addition, leveraging on its product and distribution expertise, AXA France has developed an Employee Benefit offer internationally to individuals, corporates, and other institutions.

NEW PRODUCT INITIATIVES

In Life & Savings, AXA France has enriched its Unit-Linked offering by adding green structured funds, by enabling customers to invest in sustainable and durable projects through corporate bonds. AXA France also has launched *Mon coach Épargne* – a teleconsultation platform that connects customers to wealth management advisors, to receive financial investments advice or have a better understanding of their pension plan.

In Health and Protection, the program *Les bilans de Santé* was launched to provide personalized health advice and medical screenings to employees. Two new other services *Suivi de qualité de vie* and *Prévention Burn-out* have been also launched to help customers and their relatives in their daily lives.

In Property & Casualty, AXA France and Stellantis launched the partnership *Drive & Connect* which allows customers who buy smart cars to get significant Motor insurance premium discounts according to their driving style.

Lastly, within the Credit & Lifestyle Protection (CLP) business, AXA Partners has launched “Valentina”, a virtual agent that manages the continuing claims payments for illness claims. Combining Optical Character Recognition with Robotic Process Automation, “Valentina” reads forms, validates customers’ eligibility, and processes the claim payment in the systems, without human intervention. Already available in Sweden, Norway, and Finland on illness covers, “Valentina” will expand to offer other covers (such as unemployment) and in more countries.

DISTRIBUTION CHANNELS

In France, AXA distributes its insurance products through exclusive and non-exclusive channels including exclusive agents, salaried sales forces, direct sales, banks, as well as brokers, independent financial advisors, aligned distributors or wholesale distributors and partnerships.

Europe

The European market includes AXA's operations in seven countries (Switzerland, Germany, Belgium, the United Kingdom, Ireland, Spain and Italy).

GROSS REVENUES

(in Euro million, except percentages)	Gross revenues [(a)] Years ended December 31, 2022		2021	
Switzerland	5,560	17%	5,060	16%
Germany	11,550	34%	11,344	35%
Belgium	3,578	11%	3,486	11%
United Kingdom & Ireland	5,758	17%	5,317	16%
Spain	2,717	8%	2,686	8%
Italy	4,407	13%	4,669	14%
TOTAL	**33,570**	**100%**	**32,562**	**100%**
Of which:				
Gross written premiums	*33,106*		*32,108*	
Other revenues [(b)]	*464*		*454*	

(a) Net of intercompany eliminations.
(b) Include fees and charges related to investment contracts with no participating features, net revenues from banking activities and revenues from other activities.

PRODUCTS AND SERVICES

Except for the United Kingdom & Ireland (where AXA operates only in Property & Casualty and Health), AXA offers in Europe a full range of insurance products, including Life & Savings, Property & Casualty and Health. Its offering covers a broad range of products including Motor, Household, Property and General Liability insurance, term life, whole life, universal life, endowment, deferred annuities, immediate annuities, and other investment-based products for both Personal/Individual and Commercial/Group customers.

NEW PRODUCT INITIATIVES

The transformation from *Payer-to-Partner* continues in European markets, with the objective of becoming a full-fledged and innovative partner for their customers. In this context, AXA focuses on delivering high value-added services and insurance coverage in all lines of business.

- In Germany, AXA launched a new Unit-Linked regular premium pension product *Greeninvest Fondsrente* to offer individual customers a valuable product with investments in sustainable funds and portfolios grouping ecological, social and ethics considerations;
- In Belgium, several initiatives have been launched in Property & Casualty, with a consistent aspiration to keep enlarging product and service offers. During the fourth quarter, AXA started a partnership in tripartite with Mazda allowing to further consolidate, along with its existing Motor partnerships, its leadership in the Belgian Motor market. Continuous improvements are also ongoing towards the self-employed and SME segments with the launch of an online offer called "AXA Business pack". This new offer, awarded by the 2022 Belgium Insurance Sectorial DECAVI, aims at helping policyholders in easily subscribing online comprehensive tailor-made insurance icovers;
- In the United Kingdom & Ireland, with a new digital-only Retail Motor product ("Moja") that has been launched to offer additional flexibility and simplicity to suit customers' evolving needs by providing services *via* smartphone or tablet at an affordable price;
- In Switzerland, besides the further development of several services and partnerships currently launched with the ambition to better assist customers, a new modular Motor insurance product applying sophisticated pricing techniques has been successfully introduced;
- In Spain, with developing the strategic partnership with *Correos* to better distribute AXA's products across all Spanish regions, benefitting from the extended network, particularly in rural areas.

DISTRIBUTION CHANNELS

In Europe, AXA distributes its insurance products through exclusive and non-exclusive channels that vary from country to country, including exclusive agents, salaried sales forces, direct sales, banks and other partnerships (*e.g.*, car dealers), brokers, independent financial advisors and aligned or wholesale distributors.

Asia

The Asian market includes AXA's operations in seven countries (Japan, Hong Kong, Thailand, Indonesia, China, the Philippines and South Korea).

GROSS REVENUES

	Gross revenues [a] Years ended December 31,			
(in Euro million, except percentages)	2022		2021	
Japan	5,450	47%	5,670	50%
Hong Kong	4,423	38%	4,073	36%
Asia Emerging Markets	1,048	9%	941	8%
South Korea	637	6%	645	6%
TOTAL	**11,559**	**100%**	**11,329**	**100%**
Of which:				
Gross written premiums	*11,501*		*11,293*	
Other revenues [b]	*57*		*37*	

(a) Net of intercompany eliminations.
(b) Include fees and charges related to investment contracts with no participating features, net revenues from banking activities and revenues from other activities.

Asia Emerging Markets includes **(i)** the Property & Casualty entity in Thailand, the non-bancassurance Life & Savings entity in Indonesia and the Property & Casualty entity in China (AXA Tianping) which are fully consolidated, and **(ii)** the joint ventures in China, the Philippines, Thailand, and Indonesia which are consolidated under the equity method and do not contribute to gross revenues.

PRODUCTS AND SERVICES

AXA operates in Asia primarily in the Protection and Health lines, but it also provides some complementary Savings products. It also has a comprehensive portfolio of Property & Casualty products, including Motor, for both Personal and Commercial customers. AXA's overarching focus is on delivering good value for its customers through the provision of advice and solutions from health-related needs *via* critical illness products to managing balance sheet risks (*e.g.*, reducing shareholders' exposure to the investment market risks such as General Account savings products). The product portfolio varies by market reflecting factors such as differing customer needs, market specific regulations and the competitive environment.

In addition to its attractive product propositions, AXA also prioritizes superior service. For example, its portfolio includes Emma, the digital assistant that, in addition to making servicing requests simpler and more efficient, provides access to a comprehensive range of related services including wellness advice and support.

NEW PRODUCT INITIATIVES

AXA continues to strengthen its position in Asian markets and improve its customer propositions with initiatives including:

- launching new products such as Health Unit-Linked in Japan, a new standalone critical illness endowment product in Indonesia, and new short-term Health products to drive the diversification of the Motor business in China;
- conducting Health & Productivity Management workshops with SMEs in Japan;
- renewing AXA multi-year agreement to provide general insurance products to HSBC's customers mainly in Hong Kong;
- developing a leadership position in the mental health space, *e.g.*, the *Fit to Flourish* and *Make time for Me time* campaigns throughout the regions;
- supporting AXA Group's initiative to make insurance accessible to emerging customers, notably in China, Indonesia, the Philippines, and Thailand.

DISTRIBUTION CHANNELS

In Asian markets, AXA deploys a multichannel distribution strategy to maximize its customer reach. It has an extensive intermediated distribution network of tied agents, bancassurance joint ventures leading domestic banks (China, Indonesia, the Philippines, and Thailand) and effective relationships with independent broker networks (Japan, China and Hong Kong). AXA also has successful direct distribution, particularly for Property & Casualty products in Japan and South Korea.

AXA XL

GROSS REVENUES

(in Euro million)	Gross revenues [(a)] Years ended December 31, 2022		2021	
Property & Casualty Insurance	15,859	82%	13,955	74%
Property & Casualty Reinsurance	3,213	17%	4,634	25%
Life & Savings	161	1%	175	1%
TOTAL	**19,232**	**100%**	**18,763**	**100%**
Of which:				
Gross written premiums	*19,150*		*18,698*	
Other revenues [(b)]	*82*		*64*	

(a) Net of intercompany eliminations.
(b) Include fees and charges related to investment contracts with no participating features and revenues from other activities.

PRODUCTS AND SERVICES

AXA XL, through its operating subsidiaries, is a leading provider of Property & Casualty insurance and reinsurance coverages to industrial, commercial and professional firms, insurance companies and other enterprises on a worldwide basis. Through its main operations, AXA XL provides:

- insurance, with a broad range of coverages, including property, primary and excess casualty, excess and surplus lines, environmental liability, professional liability, construction, marine, energy, aviation & satellite, fine art & specie, livestock & aquaculture, accident & health and crisis management, among other risks;
- reinsurance, with casualty, property risk, property catastrophe, specialty, and other reinsurance lines on a global basis with business being written on both a proportional and non-proportional treaty basis, as well as a facultative basis;
- risk consulting, as clients receive customized Risk Management solutions and consulting services to understand and quantify the risks companies face or may face in the future. The objective is to help them avoid preventable losses and mitigate the impact of losses that do occur.

NEW PRODUCT INITIATIVES

AXA XL continues to be at the forefront of bringing innovative solutions to the market by:

- supporting clients to adopt new technology solutions that manage business risks, AXA XL's North America Environmental team launched a tailored *Environmental Ecosystem*. It is a suite of curated technology solutions, delivered through concierge tech advisory services. Using its Tech Library, Champions and Ambassadors network – a team of deeply knowledgeable advisors – AXA XL guides clients on their tech adoption journey;
- identifying and mitigating pollution and environmental risks for companies' sites in Europe and the UK, AXA XL launched a new risk assessment service. Available *via* its *Risk Scanning* service, it combines the expertise of AXA XL's risk consultants, machine learning and artificial intelligence applications to turn environmental and climatological data from a variety of sources into actionable risk insights;
- helping companies pinpoint potential property exposures across their business locations, AXA XL enhanced its risk assessment services in the US and Canada. By leveraging the experience of AXA XL's consultants and new technologies, through its *Risk Scanning* service, it allows for a more thorough, cost-effective assessment across all of a business' properties in a fraction of the time. *Via* a digital application, based on both customer- and external-sourced data, the tool analyzes the risk of property location exposures and proposes actions and protection recommendations to mitigate risks.

DISTRIBUTION CHANNELS

The majority of AXA XL business originates *via* a large number of international, national and regional producers, acting as the brokers representing current and prospective policyholders. This channel is supported by client and country management teams, which include sales and distribution representatives in key markets throughout the world.

Underwriting authority is also contractually delegated to selected third parties which are subject to a financial and operational due diligence review prior to any such delegation of authority, as well as ongoing reviews and audits as deemed necessary with the goal of assuring the continuing integrity of underwriting and related business operations.

International

International markets include AXA's operations in more than 20 countries, including **(i)** Mexico, Colombia, Brazil, Turkey, Morocco, Nigeria and Luxembourg that are fully consolidated, combined with **(ii)** Russia (Reso) and India Life & Savings that are consolidated under the equity method and do not contribute to gross revenues. Further details on the scope of market activities are defined in the Glossary set forth in Appendix V of this Annual Report.

GROSS REVENUES

(in Euro million)	Gross revenues [(a)] Years ended December 31, 2022	2021
TOTAL	**5,033**	**5,668**
Of which:		
Gross written premiums	*5,005*	*5,305*
Other revenues [(b)]	*28*	*363*

(a) Net of intercompany eliminations.
(b) Include fees and charges related to investment contracts with no participating features and revenues from other activities.

PRODUCTS AND SERVICES

In international markets, AXA offers insurance products, including Property & Casualty, Health and Life & Savings. Types and specificities of the products offered by AXA vary depending on geographies and cover a broad range of products including Motor, Household, property and general liability insurance, health, term life, whole life, universal life, endowment, and other investment-based products for both Personal/Individual and Commercial/Group customers.

NEW PRODUCT INITIATIVES

Continuing to accelerate digital Health services capabilities and covers, through the implementation of innovative tools, International markets leverage on an already existing vertical integration set-up. An integrated ecosystem between medical assets and the insurance offer is provided to customers, either through onsite services in clinics, remote teleconsultation and digital services or through home services in Colombia, Egypt [(1)] and Mexico.

While teleconsultation is already in place (primary care and specialties including wellbeing and mental health) through their own network of clinics in Mexico, Egypt [(1)] and Colombia, or with external partners in Turkey, Luxembourg and Brazil, additional innovative Health products/services have been launched such as symptom checkers, triage and home services. New initiatives have also been launched to better support the customer on their health, like in Morocco with the launch of a Health complementary product for individuals.

In addition, International markets continue to accelerate the customer experience digitization throughout all customer interactions from sales to claims, with a holistic view covering direct, agents and brokers digital capabilities. *e.g.* in Mexico (new portal with health providers network consultation in all channels, optimization of the pricing and actions to minimize the average cost increase due to the inflation context), in Brazil (digitalization of services for broker), in Egypt [(1)] (health claims submission, Cancer & Shield online quotation or digital health card), and Morocco (full development of the digital ecosystem for claims process).

DISTRIBUTION CHANNELS

In International markets, AXA distributes its insurance products through exclusive and non-exclusive channels that vary from country to country, including exclusive agents, salaried sales forces, direct sales, banks and other partnerships (*e.g.*, car dealers), as well as brokers, independent financial advisors, and aligned or wholesale distributors.

(1) The subsidiaries in Egypt are not consolidated in AXA Group's financial statements.

Transversal & Central Holdings

This segment includes operations from transversal entities and non-operating activities conducted by the central holding companies within the Group.

GROSS REVENUES

(in Euro million, except percentages)	Gross revenues [a] Years ended December 31, 2022		2021	
AXA Investment Managers	1,589	44%	1,523	47%
AXA Assistance	1,725	48%	1,414	43%
Others [b]	299	8%	322	10%
TOTAL	**3,613**	**100%**	**3,259**	**100%**
Of which:				
Gross written premiums	*1,559*		*1,284*	
Other revenues [c]	*2,054*		*1,975*	

(a) Net of intercompany eliminations.
(b) Include AXA Liabilities Managers, AXA SA Reinsurance, AXA Life Europe.
(c) Include fees and charges related to investment contracts with no participating features and revenues from other activities.

As a responsible investor, business and employer, **AXA Investment Managers ("AXA IM")** actively invests for the long-term so that its clients, people and communities can move forward. Through its operating entities located across 19 countries, its high excellence-approach enables to provide the best global investment opportunities across both asset classes in alternative *via* AXA IM Alts and traditional through AXA IM Core.

To further enhance its investment offering in 2022, AXA IM created a new business unit to further develop its offering in private markets *via* AXA IM Prime, and an ETF platform with a focus on Active Management and Responsible Investment.

Lastly, with the ambition to be the world's leading responsible asset manager, in line with the Group's green investment target of €26 billion by 2023, AXA IM invests in green, socially responsible and sustainable markets. Continuing the commitment to becoming net-zero by 2050, as disclosed in the May 2022 report of the Net Zero Asset Managers Initiative (NZAMI), AXA IM had 65% of total assets under management ("AUM") as of the end of 2021 that are managed in line with the Net Zero standards that apply Environmental, Social and Governance (ESG) principles, from stock selection to corporate actions and culture.

AXA Assistance, through its operating subsidiaries, provides its customers across the world with assistance services in emergencies and everyday situations. AXA Assistance operates through six business lines (vehicle, travel, health, home, consumer electronics and legal protection) to offer customer-focused services.

In 2022, AXA Assistance developed and launched several innovations and partnership extensions:

- continued deployment of *E-Care* for Direct Assurance, AXA France, and AXA Belgium. *E-Care* is the new Case Management System (CMS) developed for Motor and Home, including bespoke functionalities like geo-localization, diagnostics, and automated processes to enhance and speed up the customer journey;
- a one-stop-shop for travel customers, *My Trip Companion*, gives access to customers' cover levels, FAQs and a digital claims solution should they a loss occur;
- *via* an application *My Easy Santé Pro*, AXA Assistance provides sophisticated employees' health support. Through personalized health plans based on check-ups using blood data analysis and expert consultations, employees receive an individual coaching and get access to motivational wellness resources;
- included in the renewal of the partnership with a major French energy company, *Home Check-Up service* provides a brand new remote diagnostic tool to check up on electric and plumbing *via* a messaging application offered to customers;
- extension of the partnerships with:
  - *Trip.com* by launching travel cancellation and medical insurance solutions in Germany, France, Spain, and the United Kingdom,
  - *Accor* by providing bespoke travel insurance tailored to the type of travel, purpose, and equipment they need, and cover them before, during and after their stay.

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ACTIVITY REPORT AND CAPITAL MANAGEMENT

2

2.1 OPERATING HIGHLIGHTS

Governance

Antoine Gosset-Grainville was appointed Chairman of AXA and Thomas Buberl was renewed as CEO

On April 28, 2022, at the Annual Shareholders' Meeting, AXA's shareholders approved all of the resolutions submitted to them by the Board of Directors.

Thomas Buberl was reappointed by the shareholders as a member of the Board of Directors for a four-year term. The Board of Directors, which met after the Annual Shareholders' Meeting, confirmed the renewal of Thomas Buberl as Chief Executive Officer and the appointment of Antoine Gosset-Grainville as Chairman of the Board of Directors, replacing Denis Duverne, for the duration of their term of office as directors.

Alexander Vollert was appointed member of AXA's Management Committee

On July 19, 2022, AXA announced the appointment of Alexander Vollert, AXA's Chief Operating Officer and CEO of AXA Group Operations (AXA GO), as member of the Group's Management Committee, effective September 1, 2022.

Significant transactions

AXA Germany to sell a closed life and pensions portfolio

On July 14, 2022, AXA announced that AXA Germany entered into an agreement with Athora Deutschland GmbH ("Athora Germany"), a licensed insurer in Germany, to sell a portfolio of €16 billion of life and pensions insurance reserves (1) in Germany. The portfolio has been closed to new business since 2013 and is mainly composed of traditional Savings policies, with an average guaranteed rate (2) of 3.2%. The reduction of guarantees on AXA's balance sheet resulting from the sale will further diminish the Group's exposure to financial market risk.

Under the terms of the agreement, AXA Germany will sell the portfolio to Athora Germany for a consideration of €633 million (3), representing an implied multiple of 18x 2022E earnings (4). The sale is expected to result in estimated net cash proceeds of €0.4 billion to AXA SA. AXA intends to offset the earnings dilution from the disposal with a share buy-back to be launched following the closing of the transaction. As part of the transaction, AXA IM will enter into an agreement to provide asset management services to Athora until 2028.

AXA and Athora are committed to ensuring a smooth transfer of the portfolio and, as such, AXA Germany will provide administrative services to support Athora Germany until 2028. Thereafter, Athora Germany will take over the management of the contracts with all guarantees, terms and conditions remaining unchanged.

The transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is currently expected to close in the fourth quarter of 2023.

AXA has completed the sale of its insurance operations in Malaysia (5)

On August 30, 2022, AXA announced that it completed the sale to Generali of its 49.99% shareholding in AXA Affin General Insurance as well as its 49% shareholding in AXA Affin Life Insurance.

(1) *General Account reserves, under IFRS, estimated as of half-year 2022.*

(2) *Weighted-average guaranteed interest rate as of full-year 2021, based on local statutory reserves.*

(3) *Consideration including contractual adjustments.*

(4) *2022 estimated underlying earnings of the portfolio under IFRS standards.*

(5) *Operations of AXA XL and AXA Partners in Malaysia are not within the scope of this transaction.*

AXA entered into an agreement to acquire Groupe Assurances du Crédit Mutuel España and strengthen its P&C and Health presence in Spain

On October 18, 2022, AXA announced that AXA Spain entered into exclusive negotiations with *Groupe des Assurances du Crédit Mutuel* ("GACM SA") for the acquisition of its subsidiary *Groupe Assurances du Crédit Mutuel España* ("GACM España"), a predominantly P&C and Health insurer in Spain. The definitive agreements were signed in December 2022 after completion of information requirements and consultation with the relevant works councils. Under the terms of the transaction, AXA would acquire GACM España for a cash consideration [(1)] of €310 million, representing a price-to-own funds [(2)] multiple [(3)] of 1.0x. The estimated price-to-earnings [(4)] multiple is ca. 9x, after the implementation of expected capital and cost synergies.

The transaction is subject to customary closing conditions, including the receipt of required regulatory approvals. The transaction is expected to close in the third quarter of 2023.

PARTNERSHIPS AND INNOVATION

AXA announced the launch of a strategic program to develop a Digital Commercial Platform

On June 15, 2022, AXA announced the launch of a strategic program to build a Digital Commercial Platform. This platform will aggregate different services to transform AXA's value proposition to better serve its commercial customers, in line with AXA's "*Driving Progress 2023*" strategic plan.

The ambition of the Digital Commercial Platform is to fully leverage the combination of real time data and analytics collected through satellites, drones and sensors, with AXA's expertise in risk prevention services and the Group's underwriting and claims capabilities. With this platform, AXA aims to build an ecosystem of new services to tackle the evolving protection needs of corporate clients.

CAPITAL/DEBT OPERATIONS

AXA announced the successful placement of €1.25 billion dated subordinated notes due 2042

On January 6, 2022, AXA announced the successful placement of €1.25 billion of Reg S subordinated notes due 2042 to institutional investors, to be used for general corporate purposes including the refinancing of part of its outstanding debt [(5)].

The initial fixed coupon was set at 1.875% *per annum* until the end of the six-month call window period (July 2032), when it will become a floating coupon based on 3-month EURIBOR plus a margin including a 100 basis points step up. Investor demand was strong with a book subscribed more than two times.

The notes are treated as capital from a regulatory and rating agencies' perspective within applicable limits. The transaction has been structured for the notes to be eligible as Tier 2 capital under Solvency II.

The notes are rated BBB+/Stable by Standard & Poor's, A3(hyb)/Stable by Moody's and BBB/Positive by Fitch. Settlement of the notes took place on January 10, 2022.

Execution of a share repurchase agreement in relation to AXA's share buy-back program of up to €0.5 billion as announced on February 24, 2022

On February 25, 2022, AXA executed a share repurchase agreement with an investment services provider, whereby AXA bought back its own shares for a maximum amount of €0.5 billion to neutralize earnings dilution from the disposals [(6)] announced after December 1, 2020 [(7)], as initially communicated on November 4, 2021, and confirmed on February 24, 2022. The share repurchase agreement was executed in accordance with the terms of the share repurchase program authorized by the Annual Shareholders' Meeting of April 29, 2021.

Under the share repurchase agreement, shares were bought back commencing on February 28, 2022, and ending at the latest on April 27, 2022. On each day during the purchase period, the price per share to be paid by AXA [(8)] was determined on the basis of the volume-weighted average share price.

AXA cancelled all repurchased shares related to the up to €0.5 billion share buy-back program.

(1) *Cash consideration subject to potential contractual adjustment.*

(2) *Own Funds is the surplus derived from the Solvency II balance sheet.*

(3) *Consolidated figures for GACM España which notably includes Agrupació AMCI, Atlantis Vida and GACM Seguros Generales.*

(4) *Based on 2021 Net income which excludes the earnings generated by the credit insurance business that is out of the scope of this transaction and is adjusted for expected cost synergies.*

(5) *Includes the US$ 850 million 5.5% undated subordinated notes redeemed on January 22, 2022, following the notice of early redemption published on January 4, 2022.*

(6) *Disposals announced after December 1, 2020 and either closed (Greece on May 31, 2021 and Singapore on February 11, 2022) or expected to be closed in 3Q22 (Malaysia, subject to closing conditions).*

(7) *As communicated during AXA's Investor Day on December 1, 2020.*

(8) *The purchase price did not exceed the maximum purchase price approved by the Annual Shareholders' Meeting of April 29, 2021.*

AXA announced the successful placement of €1.25 billion dated subordinated notes due 2043

On May 25, 2022, AXA announced the successful placement of €1.25 billion of Reg S subordinated notes due 2043 with institutional investors. The notes will be used for general corporate purposes, including the refinancing of part of the Group's outstanding debt, comprising AXA XL US$ 500 million 4.45% subordinated notes due 2025 and AXA XL €500 million 3.25% subordinated notes due 2047 (callable in 2027) (1).

The initial fixed rate was set at 4.25% *per annum* until the end of the six-month call window period (March 2033), when the interest rate will become a floating rate based on three-month EURIBOR plus a margin including a 100 basis points step up. Investor demand was strong with a book subscribed close to two times.

The notes are treated as capital from a regulatory and rating agencies' perspective within applicable limits. The transaction has been structured for the notes to be eligible as Tier 2 capital under Solvency II.

The notes are rated A-/Stable by Standard & Poor's, A3 (hyb)/on Review for Upgrade by Moody's and A-/Positive by Fitch, which reflect notably the recent upgrade of AXA SA's long term issuer credit rating by S&P (2) and Fitch (3), as a result of the transformation of AXA SA into the Group's internal reinsurer.

The settlement of the notes took place on May 31, 2022.

Completion of AXA SA's transformation into the Group's internal reinsurer following its merger with AXA Global Re

On July 1, 2022, AXA announced that AXA SA, the holding company of AXA Group, completed its transformation into AXA Group's internal reinsurer (4). The transformation is the result of AXA SA being granted a reinsurance license from the *Autorité de contrôle prudentiel et de résolution* ("ACPR" – the French Prudential Supervision and Resolution Authority) (5) as announced on May 10, 2022, and its merger on December 31, 2022 with its captive reinsurer AXA Global Re.

AXA SA will reinsure for 2022 certain of its European P&C carriers, through annually renewable 25% quota-share reinsurance treaties, with retroactive effect to January 1, 2022.

The transformation of AXA SA into the Group's internal reinsurer aims to enhance capital fungibility across AXA Group, in line with AXA's capital management policy.

Execution of a share repurchase agreement in relation to AXA's share buy-back program of up to €1 billion as announced on August 3, 2022

On August 4, 2022, AXA executed a share repurchase agreement with an investment services provider, whereby AXA bought back its own shares for an amount of €1.0 billion as communicated on August 3, 2022. The share repurchase agreement was executed in accordance with the terms of the share repurchase program authorized by the General Shareholders' Meeting of April 28, 2022.

Under the share repurchase agreement, shares were bought back commencing on August 8, 2022, and ending on October 3, 2022. On each day during the purchase period, the price per share to be paid by AXA (6) was determined based on the volume-weighted average share price. AXA cancelled all repurchased shares related to the up to €1.0 billion share buy-back program. All information regarding transactions in own shares are disclosed on AXA Group (7) website.

Shareplan 2022

On August 22, 2022, the AXA Group announced that it would offer to its employees, in and outside of France, the opportunity to subscribe to shares issued by way of a capital increase reserved for employees ("Shareplan 2022"). This operation, deeply rooted in AXA's culture, is a powerful lever to strengthen the existing links with its teams, by associating them even further with the Group's performance and its long-term successes. Approximately 21,000 employees in 37 countries, representing nearly 19% of the eligible employees, subscribed to Shareplan 2022, enabling them to invest in AXA shares at preferred terms.

The aggregate proceeds from the offering amounted to nearly €297 million, for a total of approximately 14 million newly issued shares, subscribed to a price of €19.15 for the classic plan and €22.16 for the guarantee plus offer. The new shares were created with full rights as of January 1, 2022. This offering increased the total number of outstanding AXA shares to 2,350,254,451 as of November 25, 2022.

Following Shareplan 2022, AXA's employees hold 4.2% of the AXA share capital and 5.8% of the voting rights.

(1) Following the exercise of the respective make-whole option by AXA XL related to each such series of notes, redeemed on June 29, 2022.

(2) On May 11, 2022, S&P upgraded its long-term Issuer Credit Rating of AXA SA by one notch to A+ from A and removed it from CreditWatch with positive implications. The outlook is stable.

(3) On May 16, 2022, Fitch upgraded its long-term Issuer Default Rating on AXA SA by one notch to A+ from A and removed it from Rating Watch Positive. The outlook is positive.

(4) The completion of the merger with AXA Global Re followed the receipt of customary regulatory clearances.

(5) The grant of AXA SA's reinsurance license followed approval by the shareholders of necessary changes to AXA SA's Bylaws at the Annual Shareholders' Meeting held on April 28, 2022.

(6) The purchase price did not exceed the maximum purchase price approved by the General Shareholders' Meeting of April 28, 2022.

(7) https://www.axa.com/en/page/governance-transactions-own-share

AXA completed the execution of a cash tender offer for two series of subordinated notes

On August 29, 2022, AXA announced a cash tender offer for each of the following two series of AXA SA subordinated notes:

- US$1,250 million 8.60% Subordinated Notes due December 15, 2030;
- US$750 million Series B Fixed to Floating Rate Undated Deeply Subordinated Notes (6.379% coupon until first call date in 2036).

Each tender offer was subject to a maximum tender amount of US$500 million in respect of the 8.60% Subordinated Notes due December 15, 2030, and a maximum tender amount of US$300 million in respect of the Series B Fixed to Floating Rate Undated Deeply Subordinated Notes.

The tender offers expired at 11:59 p.m., New York City time, on September 26, 2022. Each tender offer included an early tender period which terminated automatically on September 12, 2022 (1). Investors having participated in the tender offers after this date have received a lower consideration for their notes.

The cash tender offer on these two series of AXA SA subordinated notes was completed on September 26, 2022, for a total debt amount repurchased of US$616 million (2).

The transaction is part of AXA's active management of its debt structure and allowed AXA to optimize its capital base.

For further information concerning the tender offers, please refer to www.dfking.com/axa and to AXA Group website (3).

AXA announced the successful placement of €850 million senior notes due 2030

On October 6, 2022, AXA announced the successful placement of €850 million of Reg S senior unsecured notes due 2030 with institutional investors. The notes will bear a fixed coupon of 3.75% *per annum*. Investor demand was strong with a book subscribed close to 3 times.

The notes are rated A+/Stable by Standard & Poor's, A1/Stable by Moody's and A+/Positive by Fitch.

The settlement of the notes took place on October 12, 2022.

This issuance is part of AXA Group's funding plan for 2022 and the proceeds will be used for general corporate purposes, including the refinancing of part of the Group's outstanding debt.

This issuance announced brings the total net debt issuance for the Group to ca. €1 billion since January 1, 2022.

OTHER

AXA published its Climate and Biodiversity Report 2022

On June 30, 2022, AXA announced the publication of the 7th edition of its climate report, renamed Climate and Biodiversity Report (4). This report responds to legal obligations in terms of extra-financial reporting, notably the first year of implementation of the new Article 29 of the French Climate Law, as well as to the voluntary approach of two initiatives in which AXA plays a leading role, the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD) launched in June 2021.

In this report, AXA highlights the different dimensions of its action to fight climate change and protect biodiversity: governance, strategy, risk management and quantitative indicators of the impact of its actions.

The report's key metric, the "warming potential", which measures the impact of the Group's investments on global warming by 2050, continues to improve. As of December 31, 2021, it stood at 2.6°C, down 0.1°C compared to December 31, 2020, and below the market (2.9°C). Its calculation model has been strengthened since our 2020 Climate Report by integrating, for example, Scope 3 (5) emissions when available. The report also indicates a clear improvement in the carbon footprint of AXA's investment portfolio, with a 29% decrease in 2021 compared to 2019. Finally, the amount of green investments totaled €22.6 billion, close to the target of €26 billion by 2023. The report thus highlights the transition trajectory thus begun, but also underlines the efforts that remain to be made to accelerate it.

New this year, the report details AXA's action to preserve biodiversity and its support for the creation of the TNFD. Today, more than 50% of the world's economic output depends on nature. The objective of the TNFD is therefore to direct financial flows towards investments in the sector that are beneficial to ecosystems and to ensure that each player integrates this risk into its activities. AXA is leading the way and reports on its first initiatives in this area, both in terms of commitment (policy to combat deforestation through its investments and insurance activities) and the experimentation of new metrics (corporate biodiversity footprint).

(1) At 5:00 p.m., New York City time.

(2) Details of the terms of the cash tender offer available at https://www.axa.com/en/investor/regulated-informations-financial-operations

(3) https://www.axa.com/en/investor/regulated-informations-financial-operations

(4) The Climate and Biodiversity Report 2022 is available on the AXA website at the following address: https://www.axa.com/en/press/publications/2022-climate-report

(5) The terms Scope 1, Scope 2 or Scope 3 are used in the context of a product or organisation's greenhouse gas (GHG) emissions report. Scope 3 includes the indirect impacts of an entity, which do not result from its operations but from sources it does not own or control, upstream of its activities (purchase of IT equipment, office equipment, car fleet, catering, employee travel, etc.).

AXA strengthened its support for forest ecosystems by launching the AXA Forests for Good program

On September 14, 2022, AXA announced the launch of the *"AXA Forests for Good"* program to help restore damaged forest ecosystems and make them more resilient to climate change.

The 3-year program will be deployed on 600 of the 15,000 hectares of forest owned by AXA in France and managed by AXA IM. To carry out this project, AXA will be supported by a consortium of actors, led by Reforest'Action, and including of *France Nature Environnement*, Inrae, *Jura Nature Environnement*, *AgroParisTech* and *Société Alpine de Protection de la Nature-France Nature Environnement Hautes-Alpes*. They will combine their environmental, social, technical, and educational expertise.

The *"AXA Forests for Good"* program will have 4 main objectives:

- to study the impact of global warming and land artificialization on the loss of biodiversity thanks to the measurements of the consortium's experts who will visit the plots every quarter;
- restore the forest. After testing several restoration options, the consortium will make recommendations for species that promote the multifunctionality of the forest, *i.e.*, the development of biodiversity, carbon capture and the production of biomaterials;
- strengthen AXA's leadership on climate and biodiversity issues. The practices developed through this program can then be applied at the European level and shared with the private and public forestry sector;
- contribute to a better understanding of the role of forests. Externally, the consortium's members will raise awareness of biodiversity issues in schools thanks to this project. Internally, AXA will propose actions through AXA Hearts in Action and awareness-raising operations to its partners and employees.

With *"AXA Forests for Good"*, the Group is strengthening its global forest protection plan. In 2021, AXA announced a €1.5 billion investment program to support the sustainable management of forest ecosystems and the protection of biodiversity.

AXA released its 2022 Future Risks Report: Climate change is becoming the number one concern around the world

On October 24, 2022, AXA released the ninth edition of its Future Risks Report. This global survey measures and ranks the evolution of perceptions of emerging risks. It is based on responses from a panel of 4,500 risk experts from 58 countries and a representative sample of 20,000 people from 15 countries. This report is produced in partnership with the IPSOS research institute and the geopolitical analysis consultancy Eurasia Group.

In 2022, for the first time, climate risk tops the list of experts' concerns in all regions of the world and became the main concern of the general public in the United States. This replaces cyber risk that was identified as the leading concern in the United States in 2021 and the second highest concern in all other geographies.

Geopolitical risks come in second place, overtaking cyber and pandemic risks. 95% of the experts surveyed expect geopolitical tensions to persist and spread throughout the world. As an indirect consequence, energy-related risks are now in fourth place, up from 17th place in 2021.

Economic risks are increasing and fueling social tensions. For the first time, experts rank three economic risks in their top 10: financial instability, macroeconomic deterioration, and monetary and fiscal stress. Inflation is becoming an important concern for both experts and the general public.

In the general population, the feeling of vulnerability remains at a very high level (80% of respondents consider themselves more vulnerable than five years ago) and is even increasing in the face of certain risks such as climate change and the energy crisis. Furthermore, confidence in certain categories of decision-makers to find solutions is worsening, particularly regarding public authorities (58% *versus*. 62% in 2021), private companies (45% *versus* 47% in 2021) and even scientists (66% *versus* 75% in 2021). This general trend can be explained by the fact that the public believes that the level of preparation of public authorities for certain risks – such as climate change, cyber or geopolitical tensions – is insufficient.

AXA published an Investor Presentation on its implementation of IFRS 17 and IFRS 9

On November 2, 2022, AXA published a presentation for investors and analysts on its implementation of IFRS 17 and IFRS 9 accounting standards, which became effective on January 1, 2023.

The key highlights of the presentation are the following [(1)]:

- underlying earnings power is expected to be unaffected in aggregate post-transition;
- shareholders' Equity [(2)] is expected to be broadly stable on transition;
- a Contractual Service Margin of ca. €34 billion [(3)] is expected to be created on transition;
- the implementation is expected to result in limited reporting changes, reflecting the Group's focus on technical lines;
- the new standards will have no impact on the Group's cash and capital management, its Solvency II ratio, or its strategy; and
- the Group's "*Driving Progress 2023*" key financial targets [(4)] are re-affirmed.

AXA achieved the highest rating in the insurance sector in the S&P Global Corporate Sustainability Assessment and confirms its place in the Dow Jones Sustainability Indices

On December 14, 2022, AXA received the highest score in the insurance industry in the 2022 edition of the Corporate Sustainability Assessment (CSA), an S&P Global assessment of corporate sustainability performance. With a score of 91/100 (as of November 18, 2022), up 4 points from 2021, AXA also achieved its highest score since the inception of the study. In detail, AXA has obtained a score of 94/100 on social, 91/100 on governance & economy, and 82/100 on environment.

In addition, for the 16th consecutive year, AXA is included in the Dow Jones Sustainability Indices (DJSI), an index used by investors to identify leading companies in the field of sustainable development. Only the highest-ranked companies in the CSA meeting several additional criteria set by S&P Global, are eligible for inclusion in the DJSI.

Performance in the DJSI is one of the seven indicators of the AXA Progress Index, a tool launched in 2021 by the Group to track its progress on sustainable and responsible development. Several KPIs included in this index are taken into account in the remuneration of the Group's executives and nearly 5,000 employees.

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(1) *These key highlights and all information in the press release, dated November 2, 2022 and the related presentation are expressly qualified by the cautionary statements included therein.*

(2) *Shareholders Equity excluding Other Comprehensive Income.*

(3) *Contractual Service Margin refers to a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognize as it provides insurance contract services under the insurance contracts in the Group, the quantum of which is pre-tax in the press release dated November 2, 2022.*

(4) ***(i)** Underlying earnings per share growth at the high end of the 3-7% CAGR target range between 2020E (rebased for COVID-19 and excess Natural Catastrophe losses) and 2023E, **(ii)** Underlying return on equity between 13% and 15% between 2021E and 2023E, **(iii)** Solvency II ratio at approximately 190%, **(iv)** cumulative cash upstream in excess of €14 billion for 2021E-2023E.*

2.2 MARKET ENVIRONMENT

Financial Market Conditions

In 2022, the recovery in the global economy was upended by the war in Ukraine. Energy prices surged as a result of sanctions and retaliatory measures on Russia, particularly on gas supply, triggering acceleration of inflation. In response, central banks accelerated their plans for tightening monetary policy by increasing interest rates. Even if GDP growth held up relatively well, the outlook deteriorated and the risk of recession in 2023 increased significantly.

In Europe, inflation hit 9.2% at year-end, primarily from higher energy prices. The economic activity, however, held up relatively well with GDP expanding in the first half (+0.6% in the first quarter and +0.8% in the second quarter) largely due to higher post COVID-19 demand. The European Central Bank (ECB) responded with policy rate hikes to alleviate the impacts of inflation, while most Eurozone economies put in place measures to protect purchasing power. These two effects drove a slight slowdown of GDP growth in the second half of the year. It levelled at +0.3% in the third quarter and posted a limited +0.1% expansion in the fourth quarter leading to an annual GDP growth of 3.5% *versus* 2021.

The United Kingdom was also impacted by the acceleration of inflation with the surge in energy prices as a consequence of the war in Ukraine. Despite continued policy rate hikes by the Bank of England, inflation reached 9% in April, and peaked at 11% in October. This weighed on economic activity with GDP down -0.1% in the second quarter (*versus* +0.6% in the first quarter). The resignation of Prime Minister Boris Johnson and social tensions contributed to a decline in GDP of -0.3% in the third quarter. Compared to the fourth quarter last year, GDP was stable in the fourth quarter of 2022, and it reached a +4% annual growth by year-end.

The United States also saw a sharp rise in inflation with a peak by the end of June (+9%), led by supply-chain disruptions as well as rising energy and commodity costs in the first semester. Thanks to government measures including efforts to protect purchasing power and to narrow the trade deficit, and to the Federal Reserve's action on its policy rate, inflation declined to 6.5% by year-end. As a result, after two quarters of negative evolution in the first semester of 2022, the United States GDP staged a rebound in the second semester of the year with +0.8% annualized in the third quarter and +2.9% in the fourth quarter, leading to a +2.1% annual GDP growth.

In Asia, China faced economic difficulties caused by the continuation of its "Zero COVID" strategy. In this context, its annualized GDP decreased by -2.7% in the second quarter but marked a rebound in the second half (+3.9% in the third quarter and +2.9% in the fourth quarter) thanks to the rapid recovery of industrial production, fiscal and monetary policy measures, and the exit from the "Zero COVID" policy. These events led to a limited annual growth of +3%. In Japan, inflation also hit record highs in 2022 (+4%) with energy prices being again the primary cause. Japan's accommodative monetary policy led to a sharp depreciation of the Yen, with an impact on imports. While the recovery from the pandemic contributed to the growing level of GDP growth in the first half (-0.4% in the first quarter, +1.1% in the second quarter), the second half was marked by a slowdown (-0.3% in the third quarter, +0.2% in the fourth quarter), leading to a +1.1% annual GDP growth.

STOCK MARKETS

(main indexes, in pts)	December 31, 2022	December 31, 2022/ December 31, 2021	December 31, 2021	December 31, 2021/ December 31, 2020
CAC 40	6,474	-9%	7,153	29%
Eurostoxx 50	3,794	-12%	4,298	21%
FTSE 100	7,452	1%	7,385	14%
Nikkei	26,095	-9%	28,792	5%
S&P 500	3,840	-19%	4,766	27%
MSCI World	2,603	-19%	3,232	20%
MSCI Emerging	956	-22%	1,232	-5%

Source: Bloomberg.

In 2022, global concerns over inflation and higher interest rates, and their negative impacts on the activity, led to significant downward revisions to the economic outlooks. Most financial assets sold off heavily, although oil and other commodities continued to perform well. From mid-October, markets staged a recovery in anticipation of a slowdown in rate hike by central banks. End of 2022, market volatility, however, remained high.

MSCI AC World index recorded a decrease of -19%. Reflecting the 2022 economic context, Energy, Utilities, Healthcare, and Consumer Staples outperformed MSCI AC World while Telecoms, Consumer Discretionary, Technology and Real Estate recorded the worst performance amongst sectors.

In the United States, S&P 500 declined by -19%, with Technology stocks particularly hard hit. Eurostoxx50 recorded a fall of -12% thanks to the performance of Energy, Defense and Financial sectors companies notably in France (CAC40 at -9%), Italy (FTSE MIB at -12%), and Spain (IBEX 35 at -6%). The United Kingdom's FTSE 100 was up slightly (+1%), reflecting the relatively large weight of commodity producers in this index. On the contrary, the United Kingdom's FTSE 250, that is more representative of the United Kingdom economy, dropped by -20%, in line with other major markets. The Japanese Nikkei index recorded a limited drop (-9%) thanks to the accommodative monetary policy of the Bank of Japan. China's Shanghai Composite index fell by -15%, driven by the continuous pressure from the shake-out in the property sector combined with the impacts of the "Zero COVID" policy on the economy.

BOND MARKETS

(in % or basis points (bps))	December 31, 2022	December 31, 2022/ December 31, 2021	December 31, 2021	December 31, 2021/ December 31, 2020
10Y French bond	3.12%	+292 bps	0.20%	+54 bps
10Y German bond	2.57%	+275 bps	-0.18%	+39 bps
10Y Swiss bond	1.62%	+177 bps	-0.15%	+40 bps
10Y Italian bond	4.72%	+355 bps	1.17%	+63 bps
10Y UK bond	3.67%	+270 bps	0.97%	+77 bps
10Y Japanese bond	0.42%	+35 bps	0.07%	+4 bps
10Y US bond	3.87%	+236 bps	1.51%	+60 bps

Source: Bloomberg.

Bond markets suffered from tightening of Central Bank monetary policies. The Federal Reserve hiked policy rates to 4.25%. The 10-year US Treasury yields rose by +236bps to 3.87% after hitting a peak of 4.33% in autumn. A similar pattern was observed in most developed bond markets. In the Eurozone, the ECB raised its policy rates to 2.5%. Benchmark German Bund 10-year yield rose to 2.57% while the French OAT 10-year closed at 3.12%. Peripheral yields also rose sharply, with the 10-year Italian yield at 4.72% at the end of 2022. The UK 10-year Gilt yield closed at 3.67% but hit a high of 4.64% in October following political and financial tensions. On the other hand, the Bank of Japan maintained the same accommodative policy and 10-year Japanese yield increased by only +35 bps over the year.

Credit markets experienced a material repricing in 2022 in the context of higher uncertainties fuelled by inflationary pressure, interest rates hikes and fear of an economic slowdown. In the United States, the CDX IG spread increased from 50 bps to 82 bps and, in Europe, the iTraxx Main index spread nearly doubled from 48 bps to 92 bps. These trends were similar across most CDS indices, from Investment Grade to High Yield credit spreads, with underperformance in Europe due to its closer proximity to the war in Ukraine. Also, the China High Yield index spread remained under pressure for most of 2022 peaking at 3,100 bps in mid-March. However, it improved markedly in the fourth quarter, the spreads tightening to 1,600 bps by the end of December. Part of the improvement in the spread came from the dropout of defaulted names from the index.

EXCHANGE RATES

	End of Period Exchange rate		Average Exchange rate	
(for €1)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
US Dollar	1.07	1.14	1.05	1.18
British Pound Sterling	0.89	0.84	0.85	0.86
Swiss Franc	0.99	1.04	1.00	1.08
Japanese Yen	141	131	138	130

Source: Bloomberg.

Currencies witnessed a marked volatility, dominated by a sharp US Dollar appreciation (+27% *versus* Yen, +6% *versus* Euro and +3% *versus* Swiss Franc). This reflects the combination of the Federal Reserve's proactive monetary policy tightening – whereas other central banks were slower to adjust – and a rising risk sentiment related to the war in Ukraine in Europe. Compared to the Euro, the Swiss Franc appreciated by +5%, while the Japanese Yen was down -7%.

Market Conditions

INSURANCE ACTIVITIES

Main Developed Markets

In 2022, the **French Savings** insurance market was down 3% compared to last year, reaching €144.4 billion of premiums. After a catch-up year and historical records in 2021, the market found its pre-pandemic levels (€144.6 billion of premiums in 2019). This year, the decrease is due to a drop in General Account products in a context of market volatility. Unit-Linked sales maintained 2021 levels with €57.7 billion premiums, which represented a steady 40% of total premiums collected. On the Pension savings market, the *Plan Épargne Retraite* (PER) product continued last year's positive trend (reserves reaching ca. €73 billion), covering up to 6.5 million clients, while the sales of Eurocroissance products almost tripled year-on-year.

The **French Protection & complementary Health** insurance market witnessed the introduction of a new Credit insurance regulation (Loi Lemoine), which came into force in September. The law makes it possible to notably terminate a credit insurance policy and select another one with a different credit insurer, at any time and without penalties. The implementation of a new Health regulation (*100% Santé*) over the last two years, that modifies the terms of co-payment on dentals, eye care and hearing aids, has triggered a large increase in claims frequency that has been accompanied by an increase of the average costs.

The **French Property & Casualty** insurance market faced several challenges in 2022, such as rising inflation which led to an increase in the cost of automobile spare parts and the cost of repair, as well as persistent supply chain disruptions affecting motor and construction business lines. In addition, frequency and severity of climatic events soared and 2022 was strongly affected by hailstorms and droughts, making it the most expensive year since 1999 in terms of natural events.

In **Europe** (excluding France), Property and Casualty insurance markets have been impacted by climate change, primarily early 2022 by a series of winter storms including Eunice and Dudley but also in the summer marked by extreme heat and drought followed by severe thunderstorms with heavy hail. After the unprecedented 2021 impacts, the severe weather events of 2022 highlight that natural catastrophes are increasing in frequency and severity. In addition, war in Ukraine, along with further COVID-19-related lockdowns in China, has added to supply chain issues and increased inflationary pressures. It has been years since European markets have experienced such a level of inflation, adding a layer of uncertainty on the average cost notably in short term lines of business. This challenging inflationary context led insurers to implement mitigation actions on both pricing and claims management. In Life & Savings, the uncertainty related to the economic context led to a decline in activity with lower flows reflecting the customers' risk aversion towards financial markets and investments notably in the Unit-Linked market in Italy (-30.5% decrease in new business premiums in 2022). The rise in interest rates led Life insurers to focus on both in-force retention and new business strategy by managing policyholders' expectation. In Health, digitalization of services continued, notably through the strong development of teleconsultation.

In **Japan,** the Life insurance market further recovered from COVID-19 related disruption and improved by 10.5% in terms of GWP, with strong sales in foreign currency denominated products in the context of interest rate hikes. However, the seventh wave of COVID-19 infections led to significant claims payments and heavily impacted the profitability of main insurers, notably on Health products. To compensate the impact for insurers, a change of governmental guideline was published on September 26, 2022, to limit the claims payment to either hospitalized policyholders or the ones with a high-risk of illness profile. The Property & Casualty insurance market slightly increased by 0.4% as the drop in Personal accidents and Compulsory Automobile Liability Insurance businesses was offset by the increase in Casualty, Marine and Motor.

In **Hong Kong**, the Property & Casualty insurance market remained overall stable while recording growth in General Liability and Workers' Compensation businesses. The Life & Savings insurance market reported a double-digit decline as a result of the continued border restrictions and containment measures in the context of the COVID-19 pandemic, resulting in lower new business sales to Mainland Chinese Visitors. The Health insurance market experienced fierce competition. Tax-deductible voluntary Health insurance certified plans were still among the key products sold during tax season.

Market conditions in the **United States Property** insurance market remained stable, even in the aftermath of Hurricane Ian, which, by early estimates, may amount to a $50-70 billion insurance event. While considered a relatively quiet year for Atlantic hurricane activity, 2022 nonetheless still saw 14 named events, including Hurricanes Ian and Nicole, both of which made landfall.

In the **United States Casualty** insurance market, rates continued to increase, but started showing signs of moderation. Capacity across the market is at an adequate level, although constraints were observed for certain risks (*e.g.*, environmental) and coverages (*e.g.*, Product Recall). With increasing Cyber risk, insurers have been re-assessing their risk appetite. The US casualty market is also facing the challenge of the impact of higher claims inflation – both economic and social.

The **Reinsurance** market remains well capitalized, though capacity was deployed selectively for certain risks. Demand for reinsurance capacity continues to grow, as primary carriers look for financial strength in an uncertain environment. Property premiums have increased the most in response to the effects of higher natural catastrophe activity and high inflation.

Main Emerging Markets

In **Asia Emerging Markets**, the Property & Casualty insurance market benefited from a strong growth in Motor sales across geographies, notably in China where the China Banking and Insurance Regulatory Commission vigorously promoted the standardized development of the Motor insurance and Internet insurance markets, and directed the industry to accelerate the online transformation, and in Thailand, where higher Motor sales were combined with a deterioration of the industry combined ratio following unusually heavy rain and flooding, and an increase in labor cost and spare parts. The Life & Savings insurance market continued to experience sluggish growth in most geographies mostly in the context of the COVID-19 pandemic, whilst showing first signs of recovery with a turnaround of new business sales notably in China and Thailand. The pandemic also increased the awareness of Health products in 2022, addressing the protection gap, notably in China, where the overall market grew by 14.7% in 2022.

In **International Emerging Markets**, the Mexican insurance market grew by +8.5%. Property & Casualty is mainly growing thanks to the Motor business, with price increases that are pressured by the full recovery of mobility, and high-level inflation. Health market grew by +18.4% mainly in group business linked to pricing impacts. After two years of strong impact of COVID-19 claims, the market almost recovered to 2019 pre-pandemic profitability levels. Life & Savings is positively driven by the sales of Unit-Linked products, while Group Life market continues to harden linked to the losses reported in the previous periods. As for Health, the markets recovered in 2022 with lower COVID-19 claims. The Colombian insurance market grew by 20%, driven by an increase in Property & Casualty business notably in Motor, Worker's compensation, SOAT (Personal accident), as well as in Group Life. Turkey saw hyperinflation, with an annual inflation of 64%. This exceptional situation resulted in an increase in average costs but was compensated by material price increases, with P&C gross written premium growing by +133%.

Rankings and Market shares

Please find below AXA's rankings and market shares in the main countries where it operates:

		Property & Casualty		Life & Savings		
		Ranking	Market share *(in %)*	Ranking	Market share *(in %)*	Sources
Main Developed Markets	France	2	12.9	3	8.4	"France Assureurs" as of December 31, 2022.
	Switzerland	1	13.3	4	7.8	Market share based on statutory premiums and market estimations by SIA (Swiss Insurance Association) figures as of January 31, 2023.
	Germany	6	4.8	8	3.4	GDV (German association of Insurance companies) as of December 31, 2021.
	Belgium	1	17.7	4	8.7	Assuralia (Belgium Professional Union of Insurance companies) based on gross written premium as of September 30, 2022.
	United Kingdom	4	8.2	n/a	n/a	UK General Insurance: Competitor Analytics 2021, Global Data, as of December 31, 2021.
	Ireland	1	31.9	n/a	n/a	Insurance Ireland P&C Statistics 2021 as of December 31, 2021.
	Spain	5	4.9	9	3.1	Spanish Association of Insurance Companies. ICEA as of December 31, 2022.
	Italy	5	5.8	9	3.9	Associazione Nazionale Imprese Assicuratrici (ANIA) as of December 31, 2021.
	Japan	13	0.6	9	5.0	Disclosed financial reports (excluding Kampo Life) for the 12 months ended September 30, 2022.
	Hong Kong	1	7.0	7	5.0	Insurance Authority statistics based on gross written premiums as of September 30, 2022.
	XL Insurance in the United States	16	1.8	n/a	n/a	AM Best 2021 as of December 31, 2021, in the United States in Commercial lines.
	XL Reinsurance worldwide	14	2.3	n/a	n/a	AM Best 2021 as of December 31, 2021.
Main Emerging Markets	Thailand	18	1.8	5	7.2	TGIA (Thai General Insurance Association) as of December 31, 2022 and TLAA (Thai Life Assurance Association) as of November 30, 2022.
	Indonesia	n/a	n/a	2	8.7	AAJI Statistic measured on Weighted New Business Premium as of September 30, 2022.
	Philippines	n/a	n/a	6	8.6	Insurance Commission measured on total premium income as of June 30, 2022.
	China	n/a	0.4	n/a	n/a	CBIRC (China Banking and Insurance Regulatory Commission) as of December 31, 2022 [(a)].
	Mexico	3	8.0	12	2.0	AMIS (Asociación Mexicana de Instituciones de Seguros) as of September 30, 2022.
	Brazil	15	1.4	n/a	n/a	SUSEP (Superintendência de Seguros Privados) as of September 2022.

(a) For Property & Casualty insurance market, CBIRC did not disclose information on ranking. For Life & Savings insurance market, CBIRC did not disclose information on market shares and ranking.

ASSET MANAGEMENT ACTIVITIES

While 2021 was a hallmark year for post-pandemic rebound and strong performance for all asset classes, 2022 was impacted by geopolitical tensions which fueled a bear market and unprecedented inflation – highest levels seen in over 40 years. The War in Ukraine disrupted world markets and exacerbated supply chain issues as well as significant macroeconomic and market uncertainties. The resulting volatile environment jolted investor sentiment as witnessed by the widening of spreads and downward equity markets. To stabilize prices, central banks were forced to hike interest rates at historical speeds. As a result, fixed income valuations suffered a meltdown in 2022, ranked amidst one of the most expensive crises.

On the contrary, alternative asset classes experienced a banner year in terms of both fundraising and performance, showing continued strength of investor demand for private debt, infrastructure, and real estate. Real Estate benefited from increased rents tied to inflation and strong fundamentals.

Overall, pressures continue to weigh on asset management margins, with significant drop in revenues and challenge to control costs.

2.3 ACTIVITY REPORT

Activity and Earnings Indicators

ACTIVITY INDICATORS

(in Euro million, except percentages)	December 31, 2022	December 31, 2021	December 31, 2022/ December 31, 2021 [(a)]
Gross revenues [(b)]	**102,345**	**99,931**	**1.7%**
Property & Casualty	51,581	49,339	2.2%
Life & Savings	31,515	33,306	-5.5%
Health	17,418	15,222	16.3%
Asset Management	1,589	1,523	-3.5%
Banking	242	541	15.0%
APE [(c)]	**6,036**	**5,911**	**1.8%**
PVEP [(d)]	**57,300**	**67,929**	**-16.0%**
NBV Margin [(e)]	**36.9%**	**43.9%**	**(6.1 pt)**
NBV/PVEP [(f)]	**3.9%**	**3.8%**	**0.2 pt**

(a) Changes are on comparable basis.
(b) Net of intercompany eliminations.
(c) Annual Premium Equivalent (APE) represents 100% of new regular premiums plus 10% of single premiums, in line with EEV methodology. APE is Group share.
(d) Present Value of Expected Premiums (PVEP) represents the new business volume, equal to the present value at time of issue of the total premiums expected to be received over the policy term. The present value is discounted at the reference interest rate. The measure is not as closely linked to the cash received in the current period as APE. PVEP is Group share.
*(e) New Business Value (NBV) Margin is the ratio of **(i)** New Business Value representing the value of newly issued contracts during the current year to **(ii)** APE.*
*(f) NBV/PVEP is the ratio of **(i)** New Business Value representing the value of newly issued contracts during the current year to **(ii)** PVEP. The ratio of NBV/PVEP is a more economic indicator of profit margin than the NBV Margin.*

(in Euro million, except percentages)	December 31, 2022	December 31, 2021	December 31, 2022/ December 31, 2021 [(a)]
Gross revenues [(b)]	**102,345**	**99,931**	**1.7%**
France	29,338	28,349	3.5%
Europe	33,570	32,562	1.7%
Asia	11,559	11,329	0.4%
AXA XL	19,232	18,763	-6.3%
International	5,033	5,668	24.1%
Transversal & Central Holdings	3,613	3,259	7.4%

(a) Changes are on comparable basis.
(b) Net on intercompany eliminations.

Consolidated Gross revenues amounted to €102,345 million as of December 31, 2022, up 2.4% on a reported basis and up 1.7% on a comparable basis compared to December 31, 2021.

The 2021 comparable basis excludes the contribution of entities disposed in 2021 (€-1.4 billion or +1.4 points), mainly the Gulf Region, AXA Bank Belgium, and AXA Singapore before their disposals.

The 2022 comparable basis neutralizes the foreign exchange rate movements (€+2.0 billion or -2.0 points) notably due to the depreciation of average Euro exchange rate mainly against US Dollar.

GROSS REVENUES

Property & Casualty gross revenues were up 2% (or €+1,096 million) on a comparable basis to €51,581 million:

- **Personal lines** grew by 4% (or €+633 million) driven by **(i)** Motor (+4%) in Turkey (+174%) driven by price increases in a hyperinflationary context, the United Kingdom (+6%) from strong retention and price increases and France (+3%) from price increases and higher new business, and **(ii)** Non-Motor (+4%) in France (+4%) mainly from higher volumes, in Germany (+3%), Belgium (+7%) and Turkey (+119%) all from price increases, and Colombia (+19%) from higher volumes in Compulsory accident insurance, partly offset by the United Kingdom (-7%) mainly due to the run-off of the Travel portfolio;
- **Commercial lines Insurance** grew by 5% (or €+1,537 million) primarily driven by **(i)** Europe (+6%) mainly from price effects in all lines of business, notably Property, combined with positive volume effect in Non-Motor, **(ii)** France (+11%) reflecting favorable price effects and higher new business, **(iii)** Turkey (+111%) from higher average premiums in Motor and Property & Liability in the context of hyperinflation, **(iv)** AXA Assistance (+27%) mainly from the rebound of the Travel business, partly offset by **(v)** AXA XL Insurance (-1%) mainly due to selective underwriting in Casualty lines and lower volumes in North America Professional lines, partly offset by positive price effects across the books;
- **AXA XL Reinsurance** decreased by 27% (or €-1,056 million) primarily due to lower Property Cat exposure in Reinsurance in line with the strategy, partly offset by favorable price effects.

Life & Savings gross revenues were down 5% (or €-1,809 million) on a comparable basis to €31,515 million:

- **General Account Savings** decreased by 13% (or €-1,316 million) mainly driven by **(i)** France (-12%) due to the non-repeat of one large group Pension contract, combined with lower sales of traditional products, partly offset by the continued growth of Eurocroissance, **(ii)** Italy (-17%) due to lower sales through the banking channel in a challenging market environment, and **(iii)** Japan (-30%) mainly from the non-repeat of elevated sales of the capital-light Single Premium Whole Life product in 2021;
- **Unit-Linked** went down by 12% (or €-864 million) notably in **(i)** France (-12%) primarily driven by the non-repeat of a large Group Pension contract, as well as lower sales in individual savings, **(ii)** Hong Kong (-56%) driven by lower sales, from the continued closure of Mainland China border in the context of the COVID-19 crisis;
- **Protection** grew by 3% (or €+404 million) mainly in Japan (+11%) from the strong sales of Protection with Unit-Linked products.

Health gross revenues were up 16% (or €+2,426 million) on a comparable basis to €17,418 million:

- **Group business** grew by 28% (or €+1,931 million) primarily in **(i)** France (+34%) in international (+79%) mainly from two large contracts not renewed in 2023, and to a lower extent in the domestic market (+8%), and **(ii)** the United Kingdom (+17%) from improved retention;
- **Individual business** grew by 6% (or €+495 million) driven by Germany (+4%), Mexico (+14%) and Turkey (+127%) primarily from price increases.

Asset Management gross revenues were down 3% (or €-57 million) on a comparable basis to €1,589 million mainly driven by **(i)** the non-repeat of exceptional performance fees (€-41 million), **(ii)** lower management fees (€-38 million) due to the financial market conditions, partly offset by **(iii)** higher distribution fees (€+21 million) coming from strong commercial momentum.

Average Assets under Management decreased by 6% (or €-44 billion) on a comparable basis to €751 billion mainly driven by continued adverse market headwinds from rising interest rates as well as the resulting equity market downturn.

Banking gross revenues were up 15% (or €+32 million) on a comparable basis to €242 million from AXA Banque France mainly due to a favorable change in the fair value of a derivative instrument hedging loans at cost, partly offset by lower mortgage loans activity in the context of high interest rates.

NEW BUSINESS PERFORMANCE

New business Annual Premium Equivalent [(1)]

New business APE grew by 2% on both reported and comparable basis to €6,036 million, mainly driven by **(i)** Health in France from two large contracts in International group contracts not renewed in 2023, partly offset by **(ii)** Savings mainly in France from the non-repeat of large contracts in Group Pension, as well as in Italy due to lower sales in investment products.

New Business Value Margin [(2)]

New Business Value Margin decreased by 7.0 points on a reported basis and by 6.1 points on a comparable basis to 36.9%, mainly from the update in financial assumptions reflecting the unfavorable effects of both volatile and rising interest rates combined with equity market downturn. **The new Business Value Margin based on PVEP**, which is a more economic indicator to reflect future profit margins, increased by 0.2 point on a comparable basis to 3.9% mainly benefitting from the favorable impact of the rise in interest rates on the discount.

(1) New business Annual Premium Equivalent (APE) represents 100% of new regular premiums plus 10% of single premiums, in line with EEV Group methodology. APE is Group share.

*(2) New Business Value (NBV) Margin is the ratio of **(i)** New Business Value representing the value of newly issued contracts during the current year to **(ii)** APE.*

Underlying Earnings and Net Income Group share

DECEMBER 31, 2022

(in Euro million)	December 31, 2022	Property & Casualty	Life & Savings	Health	Asset Management	Other [(a)]
Investment margin	4,838	2,886	1,770	182		
Fees & revenues	6,313		4,350	1,964		
Net technical margin	18,864	16,305	1,435	1,125		
Expenses	(20,424)	(13,491)	(4,469)	(2,464)		
Amortization of value of purchased life business in-force	(54)		(45)	(9)		
Underlying earnings before tax	**8,947**	**5,700**	**3,040**	**798**	**513**	**(1,104)**
Income tax	(1,819)	(1,250)	(546)	(185)	(130)	292
Income from affiliates and associates	310	74	201	5	30	-
Minority interests	(174)	(93)	(63)	(4)	(14)	0
UNDERLYING EARNINGS GROUP SHARE	**7,264**	**4,430**	**2,632**	**614**	**400**	**(812)**

(a) Other corresponds to banking activities and holding.

(in Euro million, except percentages)	December 31, 2022	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings
Investment margin	4,838	1,509	1,821	82	951	401	73
Fees & revenues	6,313	2,612	1,250	2,294	-	101	56
Net technical margin	18,864	3,107	7,249	1,291	5,248	1,131	838
Expenses	(20,424)	(4,827)	(6,573)	(2,299)	(4,619)	(1,226)	(880)
Amortization of value of purchased life business in-force	(54)	-	(26)	(27)	-	(1)	-
Underlying earnings before tax from insurance activities	**9,538**	**2,401**	**3,722**	**1,341**	**1,580**	**406**	**87**
Underlying earnings before tax from other activities	**(591)**	**(31)**	**90**	**(6)**	**(67)**	**(37)**	**(538)**
Income tax	(1,819)	(537)	(798)	(250)	(303)	(102)	171
Income from affiliates and associates	310	13	(0)	195	-	73	30
Minority interests	(174)	(3)	(112)	(8)	0	(37)	(14)
Underlying earnings group share	**7,264**	**1,842**	**2,902**	**1,272**	**1,210**	**302**	**(265)**
Net capital gains or losses	393	175	356	(18)	(94)	(7)	(19)
Profit or loss on financial assets and derivatives	(482)	(275)	149	(214)	(115)	(78)	50
Exceptional operations	75	-	113	-	4	3	(45)
Goodwill and other related intangible impacts	(283)	-	(34)	(30)	(44)	(174)	(1)
Integration and restructuring costs	(291)	(26)	(64)	(1)	(55)	(9)	(136)
NET INCOME GROUP SHARE	**6,675**	**1,716**	**3,422**	**1,010**	**906**	**38**	**(416)**
Property & Casualty Combined Ratio	94.6%	89.2%	93.3%	97.2%	96.7%	97.8%	100.4%
Health Combined Ratio	96.5%	100.5%	95.7%	81.6%	-	103.0%	98.4%
Protection Combined Ratio	92.4%	95.3%	92.0%	89.6%	-	103.5%	-

2

DECEMBER 31, 2021

(in Euro million)	December 31, 2021	Property & Casualty	Life & Savings [(a)]	Health	Asset Management [(a)]	Other [(b)]
Investment margin	4,500	2,521	1,835	145		
Fees & revenues	6,019		4,295	1,724		
Net technical margin	18,338	15,822	1,143	1,373		
Expenses	(19,997)	(13,146)	(4,503)	(2,348)		
Amortization of value of purchased life business in-force	(50)		(44)	(6)		
Underlying earnings before tax	**8,426**	**5,197**	**2,726**	**888**	**542**	**(926)**
Income tax	(1,731)	(1,104)	(487)	(210)	(147)	216
Income from affiliates and associates	242	53	151	16	22	-
Minority interests	(176)	(87)	(63)	(11)	(14)	(0)
UNDERLYING EARNINGS GROUP SHARE	**6,762**	**4,059**	**2,326**	**684**	**402**	**(710)**

(a) Reclassification of Architas activities (previously reported as part of Life & Savings (€-24 million) to Asset Management (€+24 million)).
(b) Other corresponds to banking activities and holding.

(in Euro million, except percentages)	December 31, 2021	France [(a)]	Europe	Asia	AXA XL	International	Transversal & Central Holdings [(a)]
Investment margin	4,500	1,537	1,648	75	855	335	51
Fees & revenues	6,019	2,457	1,195	2,138	-	175	55
Net technical margin	18,338	3,061	6,951	1,293	5,051	1,193	789
Expenses	(19,997)	(4,789)	(6,412)	(2,190)	(4,525)	(1,306)	(774)
Amortization of value of purchased life business in-force	(50)	-	(27)	(22)	-	(1)	-
Underlying earnings before tax from insurance activities	**8,810**	**2,266**	**3,354**	**1,293**	**1,380**	**396**	**121**
Underlying earnings before tax from other activities	**(384)**	**6**	**41**	**(2)**	**(86)**	**67**	**(410)**
Income tax	(1,731)	(540)	(759)	(250)	(134)	(111)	63
Income from affiliates and associates	242	7	(0)	166	-	48	22
Minority interests	(176)	(3)	(104)	(8)	5	(51)	(15)
Underlying earnings group share	**6,762**	**1,737**	**2,532**	**1,199**	**1,165**	**348**	**(219)**
Net capital gains or losses	405	174	161	10	75	(4)	(10)
Profit or loss on financial assets and derivatives	1,128	244	509	127	190	89	(31)
Exceptional operations	(456)	1	(107)	(157)	(1)	(275)	84
Goodwill and other related intangible impacts	(227)	-	(33)	(30)	(155)	(8)	(2)
Integration and restructuring costs	(318)	(140)	(63)	(4)	(81)	(5)	(24)
NET INCOME GROUP SHARE	**7,294**	**2,015**	**2,999**	**1,145**	**1,192**	**144**	**(202)**
Property & Casualty Combined Ratio	94.6%	89.7%	93.3%	98.4%	97.1%	94.3%	97.8%
Health Combined Ratio	95.1%	98.8%	96.1%	76.8%	-	104.1%	99.4%
Protection Combined Ratio	94.7%	100.6%	93.2%	89.7%	-	106.6%	-

(a) Reclassification of Architas activities (previously reported as part of France (€-24 million) to Transversal & Central Holdings (€+24 million)).

Alternative Performance Measures

Underlying earnings, Underlying Return on Equity, Underlying earnings per share, Combined Ratio and Debt Gearing are Alternative Performance Measures ("**APMs**") as defined in ESMA's guidelines and the AMF's related position statement issued in 2015. A reconciliation from 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 in the above tables. Underlying Return on Equity and Underlying earnings per share are reconciled to the financial statements in the table set forth on page 52 of this Annual Report, and the calculation methodology of the Debt Gearing is set out on page 49 of this Annual Report. For further information on any of the above-mentioned APMs, see the Glossary on pages 519 to 523 of this Annual Report.

UNDERLYING EARNINGS

Underlying earnings represent the net income (Group share), before the impact of the following items net of policyholder participation, deferred acquisition costs, Value of Business in-force, taxes, and minority interests:

- realized gains and losses, change in impairment valuation allowances (on assets not designated under fair value option or trading assets) and cost at inception, intrinsic value and pay-off of derivatives used for the economic hedging of realized gains and impairments of equity securities (other than the funds backing contracts where the financial risk is borne by policyholders);
- profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets and liabilities;
- impairments of goodwill, impairments and amortization of intangibles related to customers and distribution agreements;
- integration costs related to newly acquired companies as well as restructuring costs related to productivity improvement plans; and
- exceptional operations (primarily changes in scope and discontinued operations).

UNDERLYING RETURN ON EQUITY

The **Underlying Return on Equity** ("**Underlying RoE**") is calculated as underlying earnings net of financial charges related to undated and deeply subordinated debts (recorded through shareholders' equity as disclosed in Part 6.6 - Note 13 "Shareholders' Equity and Minority Interests" of this Annual Report) divided by the average of opening and closing shareholders' equity excluding:

- reserves relating to the change in the fair value through shareholders' equity as disclosed in Part 6.4 - "Consolidated Statement of Changes in Equity" of this Annual Report;
- undated and deeply subordinated debts as disclosed in Part 6.6 - Note 13 "Shareholders' Equity and Minority Interests" of this Annual Report).

UNDERLYING EARNINGS PER SHARE

Underlying earnings per share corresponds to Group share Underlying earnings net of financial charges related to undated and deeply subordinated debts (recorded through shareholders' equity as disclosed in Part 6.6 - Note 13 "Shareholders' Equity and Minority Interests" of this Annual Report) divided by the weighted average number of outstanding ordinary shares over the period. Shares held by AXA and its subsidiaries (*i.e.*, treasury shares) are deducted for the calculation of outstanding shares.

COMBINED RATIO (APPLICABLE FOR PROPERTY & CASUALTY, HEALTH, AND PROTECTION)

The **Combined Ratio** is the sum of all accident year loss ratio net of reinsurance and the underlying expense ratio.

- All accident year loss ratio net of reinsurance is the ratio of:
  - all accident years claims charge gross of reinsurance + claims handling costs + result of reinsurance ceded on all accident years excluding the unwind of the discount rate used in calculating technical reserves; to
  - earned revenues gross of reinsurance.
- Expense ratio is the ratio of:
  - expenses (excluding claims handling costs, including changes in Value of Business In-force amortization); to
  - earned revenues gross of reinsurance.

DEBT GEARING

Debt Gearing refers to the level of a company's debt related to its long-term capital, usually expressed as a percentage. Debt Gearing is used by the Management to measure the financial leverage of the Group and the extent to which its operations are funded by creditors as opposed to shareholders. AXA's Debt Gearing is calculated by dividing the gross debt (financing debt as disclosed in Part 6.6 - Note 17 "Financing debt" and undated and deeply subordinated debts as disclosed in Part 6.6 - Note 13 "Shareholders' equity and minority interests" of this Annual Report) by total capital employed (shareholders' equity excluding undated and deeply subordinated debts and reserves relating to the change in the fair value of financial instruments and of hedge accounting derivatives) plus gross debt.

Commentary on Group Earnings

UNDERLYING EARNINGS

Underlying earnings amounted to €7,264 million, up €503 million (+7%) *versus* 2021 on a reported basis. On a constant exchange rate basis, underlying earnings increased by €265 million (+4%). Excluding 2021 in-force actions and disposals of AXA Bank Belgium, the Gulf Region, Singapore, Greece, India Property & Casualty and Malaysia, underlying earnings increased by €430 million (+7%).

Property & Casualty underlying earnings increased by €188 million (+5%) to €4,431 million mainly from **(i)** an increase in the investment result by €350 million driven by inflation-linked bonds in Turkey (€147 million) and higher reinvestment yields in the context of rising interest rates across the Group, **(ii)** lower Nat Cat charges (-0.8 point to 4.9%) in Europe (-1.7 points to 4.4%) notably in Germany, Belgium and Switzerland from the non-repeat of summer 2021 European floods and AXA XL (-1.2 points to 6.9%) driven by exposure reductions at AXA XL Re in line with the strategy partly offset by France (+2.5 points to 5.5%) due to higher frequency of storms and drought, **(iii)** an improved expense ratio (-0.6 point) from cost reduction initiatives across geographies combined with favorable business mix, **(iv)** lower income taxes by €109 million as the impact of higher pre-tax underlying earnings was more than offset by a favorable geographical mix, partly offset by **(v)** an unfavorable current year loss ratio excluding Nat Cat charges (+1.3 points) primarily from the impact of the war in Ukraine (+0.8 point) at AXA XL notably in Aviation as well as lower motor frequency benefits in France and Europe. The all year combined ratio increased by 0.1 point to 94.6% due to lower prior years' reserve development (-0.3 point to 2.9%).

Life & Savings underlying earnings increased by €253 million (+11%) to €2,632 million driven by **(i)** an improved technical margin (€+295 million) mainly in France from the non-repeat of the strengthening of actuarial assumptions in Protection business, as well as in Japan notably from volume growth in Protection with Unit-Linked, combined with **(ii)** lower general expenses (€+68 million) from efficiency measures across geographies, primarily in France, partly offset by **(iii)** slightly lower investment margin (€-76 million) that remained resilient at 63 bps, combined with **(iv)** higher income taxes (€-61 million).

Health underlying earnings decreased by €73 million (-11%) to €614 million mainly driven by **(i)** a lower net technical margin as strong revenue growth across most geographies was more than offset by higher COVID-19 claims in Japan and an unfavorable claims experience on two large international group contracts in France, as well as **(ii)** the disposals of the subsidiaries in Singapore, in the Gulf Region and in Greece, partly offset by **(iii)** a higher investment margin reflecting the rise in interest rates notably in the United Kingdom & Ireland, and **(iv)** lower income taxes reflecting lower pretax underlying earnings.

Asset Management underlying earnings decreased by €7 million (-2%) to €400 million driven by **(i)** lower revenues (€-79 million), partly offset by **(ii)** lower expenses (€+46 million) from cost discipline, **(iii)** lower taxes (€+18 million) in line with favorable geographical mix and lower pre-tax underlying earnings, and **(iv)** higher income from affiliates and associates (€+7 million) following the consolidation of Capza, as AXA ownership has increased from 46% to 66% in February 2022.

Other activities underlying earnings decreased by €95 million (-13%) to €-812 million mainly driven by **(i)** the sale of AXA Bank Belgium (€-77 million) in December 31, 2021, **(ii)** lower mortgage loans activity and the unfavorable impact of higher interest rates on new business margin (€-29 million) at AXA Banque France, and **(iii)** higher investments at AXA SA Holding (€-6 million), partly offset by Germany Holding (€+30 million) driven by lower pension costs due to interest rate assumptions update.

NET INCOME

Net income amounted to €6,675 million, down €618 million (-8%). On a constant exchange rate basis, net income decreased by €768 million (-11%) driven by:

- **higher underlying earnings,** up €265 million (+4%) to €7,264 million;
- **net realized capital gains,** down €16 million (-4%) to €393 million mainly from higher impairments notably on equity and lower realized capital gains partly offset by gains on equity hedges;
- **a negative change in the fair value** of Mutual funds and derivatives not eligible for hedge accounting under IAS 39, down €-1,554 million to €-482 million from:
  - the non-repeat of **(i)** 2021 market performance which led to a strong increase in the fair value of Mutual Funds (€+1,091 million) mainly private equity and hedge funds,
  - **(ii)** the significant rise in interest rates in 2022 leading to an opposite effect in the fair value of Mutual Funds (€-279 million) and an **(iii)** unfavorable change in the fair value of derivatives (€-83 million) hedging interest rates and equity,
  - **(iv)** an unfavorable Forex impact (€-120 million) mainly related to the appreciation of USD against most currencies;
- **a higher negative impact of goodwill and other related intangibles** up €27m (+12%) to €-283m due to the full impairment of the goodwill of Reso Garantia (€-167 million);
- **a favorable impact from exceptional operations,** up €531 million to €+75 million, mainly from:
  - the positive impact in 2022 following the disposal of a General Account portfolio in Belgium (€+105 million),

  partly offset by:

  - the non-repeat of the negative impacts in 2021 from **(i)** the losses on the disposal of the activities in Singapore (€-230 million), in Malaysia (€-66 million) and at AXA Bank Belgium (€-47 million), **(ii)** the losses on the disposal of a General Account portfolio in Belgium (€-98 million), **(iii)** the exceptional costs related to the acceleration of the Group IT migration strategy from private to public cloud (€-161 million), **(iv)** the impact of a reinsurance transaction on a closed book of whole-life insurances policies in Hong Kong (€-129 million) and **(v)** the discontinuation of AXA Assistance Greece operations (€-16 million). This was partly offset by **(vi)** the realized gains on the disposal of the non-life insurance activities in India (€+219 million), on the disposal of non-consolidated subsidiaries (€+86 million), and on the sale of the remaining stake in Equitable Holdings, Inc. (€+31 million).

Shareholders' equity Group share

As of December 31, 2022, shareholders' equity Group share totaled €45.4 billion. The movements in shareholders' equity Group share since December 31, 2021, are presented in the table below:

(in Euro million)	Shareholders' equity Group share
At December 31, 2021	**71,135**
Share Capital	(160)
Capital in excess of nominal value	(1,707)
Equity-share based compensation	59
Treasury shares sold or bought in open market	(520)
Deeply subordinated debt (including accumulated interests charges)	(1,197)
Fair value recorded in shareholders' equity	(27,125)
Impact of currency fluctuations	1,184
Dividends	(3,539)
Other	(440)
Net income for the period	6,675
Actuarial gains and losses on pension benefits	981
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	6
At December 31, 2022	**45,353**

Solvency information [1]

As of December 31, 2022, the Group's Eligible Own Funds ("EOF") amounted to €58.5 billion and the Solvency II ratio to 215%, compared to €62.0 billion and 217% as of December 31, 2021.

(in Euro billion)	Group EOF December 31, 2022
Previous closing	**62.0**
Regulatory/model changes	0.7
Opening	**62.7**
Normalized Own Funds generation	6.7
Life & Savings	4.3
Property & Casualty	2.9
Holdings, Banking and Asset Management	(0.6)
Operating variance and change in assumptions	(0.7)
Operating return	**6.0**
Economic variance including foreign exchange	(2.6)
Total return	**3.4**
Management actions [a]	(1.0)
Foreseeable actions [b]	(6.5)
Subordinated debts and others [c]	(0.1)
Closing	**58.5**

(a) Mainly mergers & acquisitions, disposals and new reinsurance transactions.
(b) Dividends to be paid in year N+1 and share buy-back.
(c) Including subordinated debts, capital movements and others.

(1) Prudential information related to solvency, including the Solvency II ratio and the Eligible Own Funds ("EOF") disclosed in the note and the table below, will be detailed in the Group's 2022 SFCR that is expected to be published at a later stage and for which Group's auditors will issue a report.

Shareholder value

EARNINGS PER SHARE ("EPS")

(in Euro, except ordinary shares in million)	December 31, 2022		December 31, 2021		December 31, 2022/ December 31, 2021	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,290**	**2,298**	**2,380**	**2,388**		
Net income (Euro per ordinary share)	2.84	2.83	2.98	2.97	-4.9%	-5.0%
Underlying earnings (Euro per ordinary share)	3.09	3.08	2.76	2.75	12.1%	12.0%

RETURN ON EQUITY ("ROE")

(in Euro million, except percentages)	December 31, 2022	December 31, 2021	December 31, 2022/ December 31, 2021
ROE	**12.8%**	**14.7%**	**-1.8 pts**
Net income [(a)]	6,493	7,100	
Average shareholders' equity	50,648	48,449	
Underlying ROE	**14.5%**	**14.7%**	**-0.1 pt**
Underlying earnings [(a)]	7,081	6,568	
Average shareholders' equity	48,672	44,787	

(a) Including adjustment to reflect net financial charges related to undated and deeply subordinated debts (recorded through shareholders' equity).

Segment information

FRANCE

(in Euro million, except percentages)	December 31, 2022	December 31, 2021 restated [(a)]
Gross revenues [(b)]	**29,338**	**28,349**
Property & Casualty	7,992	7,450
Life & Savings	13,972	15,264
Health	7,131	5,425
Banking	242	211
Underlying earnings before tax	**2,370**	**2,272**
Property & Casualty	1,301	1,191
Life & Savings	1,072	953
Health	28	122
Other [(c)]	(31)	6
Income tax	(537)	(540)
Minority interests	(3)	(3)
Income from affiliates and associates	13	7
Underlying earnings group share	**1,842**	**1,737**
Net capital gains or losses	175	174
Profit or loss on financial assets and derivatives	(275)	244
Exceptional operations	-	1
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(26)	(140)
NET INCOME GROUP SHARE	**1,716**	**2,015**
Property & Casualty Combined Ratio	89.2%	89.7%
Health Combined Ratio	100.5%	98.8%
Protection Combined Ratio	95.3%	100.6%
New business		
APE	2,673	2,586
PVEP	20,565	28,467
NBV Margin	23.0%	29.1%
NBV/PVEP	3.0%	2.6%

(a) Reclassification of Architas activities (previously reported as part of France) to Transversal & Central Holdings.
(b) Net of intercompany eliminations.
(c) Other corresponds to banking activities and holding.

Gross revenues increased by €988 million (+3%) to €29,338 million:

- **Property & Casualty** (€+543 million or +7%) to €7,992 million, driven by price increases and higher new business in both Commercial lines (€+397 million or +11%) and Personal lines (€+146 million or +4%);
- **Life & Savings** (€-1,292 million or -8%) to €13,972 million, driven by **(i)** Group Savings (€-763 million or -38%) mainly due to the non-repeat of two large Pension contracts in 2021, **(ii)** Individual Savings (€-494 million or -6%) due to lower sales in traditional G/A Savings and to a lower extent in Unit-Linked, partly offset by strong sales in Eurocroissance, and **(iii)** Protection (€-35 million or -1%) from lower volumes in Credit and Lifestyle Protection, partly offset by higher volumes in the domestic market. Unit-Linked and Eurocroissance products contributed to 65% of total Individual Savings revenues, compared to 43% on average for the market;

- **Health** (€+1,706 million or +31%) to €7,131 million, driven by higher volumes in Group business (€+1,629 million or +34%) in international mainly from two large contracts not renewed in 2023, and to a lower extent in domestic market in both Group and Individual;
- **Banking** (€+32 million or +15%) to €242 million mainly due to a favorable change in the fair value of a derivative instrument hedging loans at cost, partly offset by lower mortgage loans activity in the context of rising interest rates.

APE increased by €87 million (or +3%) to €2,673 million, mainly driven by **(i)** Health (€+398 million or +41%) from two large in international group contracts, not renewed in 2023, partly offset by **(ii)** Protection (€-154 million or -33%) from lower new business in a mature domestic market and in Credit and Lifestyle Protection, **(iii)** Group Savings (€-86 million or -48%) from the non-repeat of the two large Pension contracts and **(iv)** Individual Savings (€-71 million or -7%) from traditional business despite the growth in Eurocroissance.

NBV Margin decreased by 6.1 points to 23.0%, mainly driven by **(i)** an unfavorable business mix towards Group Health, **(ii)** adverse financial assumptions update reflecting higher interest rates, partly offset by **(iii)** a favorable effect from Eurocroissance. Based on PVEP, the NBV margin increased by 0.3 point to 3.0%.

Underlying earnings before tax increased by €97 million (+4%) to €2,370 million:

- **Property & Casualty** (€+110 million or +9%) to €1,301 million, mainly driven by higher volumes and more favorable prior years' reserve development, including the non-repeat of the settlement offer to restaurants holding non-damage business interruption policies, partly offset by higher natural events, notably hailstorms;
- **Life & Savings** (€+119 million or +13%) to €1,072 million, mainly driven by the non-repeat of the strengthening of actuarial assumptions in Protection business as well as lower general expenses, partly offset by lower investment margin and lower Unit-Linked management fees from unfavorable market conditions;
- **Health** (€-94 million or -77%) to €28 million, mainly driven by unfavorable claims experience on two large international group contracts not renewed in 2023;
- **Banking** (€-38 million) to €-31 million mainly driven by both lower mortgage loans activity and the unfavorable impact of higher interest rates on new business margin.

Income tax expenses decreased by €2 million (-0%) to €-537 million mainly driven by the decrease in the corporate tax rate from 28% to 26%, partly offset by higher pre-tax underlying earnings.

Underlying earnings increased by €105 million (+6%) to €1,842 million.

Net income decreased by €299 million (-15%) to €1,716 million as **(i)** higher underlying earnings and **(ii)** lower restructuring costs were more than offset by **(iii)** the non-repeat of 2021 favorable change in the fair value of Mutual Funds, notably private equity and hedge funds, and **(iv)** the unfavorable change in the fair value of derivatives not eligible to hedge accounting under IAS 39.

EUROPE

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**33,570**	**32,562**
Property & Casualty	17,788	16,930
Life & Savings	9,449	9,746
Health	6,333	5,886
Underlying earnings before tax	**3,812**	**3,395**
Property & Casualty	2,261	2,038
Life & Savings	1,130	1,056
Health	331	260
Holding	90	41
Income tax	(798)	(759)
Minority interests	(112)	(104)
Income from affiliates and associates	-	-
Underlying earnings group share	**2,902**	**2,532**
Net capital gains or losses	356	161
Profit or loss on financial assets and derivatives	149	509
Exceptional operations	113	(107)
Goodwill and other related intangible impacts	(34)	(33)
Integration and restructuring costs	(64)	(63)
NET INCOME GROUP SHARE	**3,422**	**2,999**
Property & Casualty Combined Ratio	93.3%	93.3%
Health Combined Ratio	95.7%	96.1%
Protection Combined Ratio	92.0%	93.2%
New business		
APE	1,587	1,439
PVEP	23,650	24,047
NBV Margin	34.1%	45.7%
NBV/PVEP	2.3%	2.7%

(a) Net of intercompany eliminations.

EUROPE – SWITZERLAND

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**5,560**	**5,060**
Property & Casualty	3,617	3,325
Life & Savings	1,877	1,687
Health	66	47
Underlying earnings before tax	**1,267**	**1,088**
Property & Casualty	944	785
Life & Savings	335	316
Health	(11)	(13)
Income tax	(210)	(207)
Minority interests	(10)	(5)
Income from affiliates and associates	-	-
Underlying earnings group share	**1,048**	**876**
Net capital gains or losses	207	32
Profit or loss on financial assets and derivatives	140	227
Exceptional operations	-	(3)
Goodwill and other related intangible impacts	(22)	(23)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**1,372**	**1,110**
Property & Casualty Combined Ratio	79.5%	83.1%
Health Combined Ratio	117.2%	128.0%
Protection Combined Ratio	88.4%	89.4%
New business		
APE	742	505
PVEP	14,278	10,357
NBV Margin	35.0%	44.4%
NBV/PVEP	1.8%	2.2%
Average exchange rate: €1.00 = Swiss Franc	*1.00*	*1.08*

(a) Net of intercompany eliminations.

Gross revenues increased by €500 million (+10%) to €5,560 million. On a comparable basis, gross revenues increased by €149 million (+3%):

- **Property & Casualty** (€+59 million or +2%) to €3,617 million driven by Commercial lines (€+76 million or +5%) mainly due to higher volumes and positive price effects on Workers' Compensation as well as higher volumes in Liability, partly offset by Personal lines (€-17 million or -1%) as a result of the decrease in Motor from strong market competition partially compensated by the growth in Digital Device Insurance;
- **Life & Savings** (€+76 million or +5%) to €1,877 million due to Group Life (€+56 million or +8%) due to higher regular premiums from semi-autonomous products, and Individual Life (€+20 million or +2%) notably in higher regular premiums from a hybrid product;
- **Health** (€+14 million or +30%) to €66 million from continued portfolio growth in supplementary health business.

APE increased by €237 million (+47%) to €742 million. On a comparable basis, APE increased by €185 million (+37%) driven by Group Life (€+190 million or +46%) due to strong sales of semi-autonomous products.

NBV Margin decreased by 9.4 points to 35.0% mainly driven by financial assumptions update reflecting higher interest rates in Group Life partly offset by actuarial assumptions update. Based on PVEP, the NBV margin decreased by 0.3 point to 1.8%.

Underlying earnings before tax increased by €179 million (+16%) to €1,267 million. On a constant exchange rate basis, underlying earnings before tax increased by €90 million (+8%):

- **Property & Casualty** (€+92 million or +12%) to €944 million driven by a higher technical result (€+128 million) mainly due to lower, though above long-term average, Nat Cat charges combined with more favorable prior years' reserve development as well as lower general expenses from efficiency measures partly offset by a lower investment result (€-35 million) mainly from lower funds distributions;
- **Life & Savings** (€-5 million or -1%) to €335 million driven by a lower investment margin (€-31 million) mainly from lower funds distributions, partly offset by higher fees & revenues (€+16 million) from growth in both Individual and Group Life, a lower VBI amortization (€+6 million) driven by more favorable financial assumptions and a higher technical margin (€+3 million);
- **Health** (€+3 million or +20%) to €-11 million.

Income tax expenses increased by €3 million (+1%) to €-210 million. On a constant exchange rate basis, income tax expenses decreased by €12 million (-6%) driven by favorable tax one-offs, partly offset by higher pre-tax underlying earnings.

Underlying earnings increased by €172 million (+20%) to €1,048 million. On a constant exchange rate basis, underlying earnings increased by €98 million (+11%).

Net income increased by €262 million (+24%) to €1,372 million. On a constant exchange rate basis, net income increased by €165 million (+15%) driven by higher underlying earnings and higher net capital gains (€+160 million) mainly on equities, partly offset by a less favorable change in fair value of Mutual Funds and derivatives not eligible for hedge accounting under IAS 39 (€-97 million).

EUROPE – GERMANY

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**11,550**	**11,344**
Property & Casualty	4,611	4,430
Life & Savings	3,231	3,359
Health	3,708	3,555
Underlying earnings before tax	**992**	**861**
Property & Casualty	585	509
Life & Savings	188	189
Health	119	115
Holding	100	48
Income tax	(275)	(223)
Minority interests	(13)	(9)
Income from affiliates and associates	-	-
Underlying earnings group share	**704**	**630**
Net capital gains or losses	94	28
Profit or loss on financial assets and derivatives	(6)	93
Exceptional operations	8	(3)
Goodwill and other related intangible impacts	(3)	(3)
Integration and restructuring costs	(5)	(12)
NET INCOME GROUP SHARE	**792**	**732**
Property & Casualty Combined Ratio	92.1%	93.3%
Health Combined Ratio	96.8%	96.8%
Protection Combined Ratio	96.4%	96.8%
New business		
APE	383	400
PVEP	5,348	8,403
NBV Margin	30.4%	56.1%
NBV/PVEP	2.2%	2.7%

(a) Net of intercompany eliminations.

Gross revenues increased by €206 million (+2%) to €11,550 million:

- **Property & Casualty** (€+181 million or 4%) to €4,611 million, driven by **(i)** Commercial Non-Motor (€+141 million or +9%) mainly due to new business and higher pricing, especially in Property Mid-Market as well as new business in Liability and in Legal Assistance, **(ii)** Personal Non-Motor (€+51 million or +3%) mainly from price increases, including automatic indexation and new business in Household as well as in Legal Assistance, partly offset by **(iii)** Personal Motor (€-14 million or -1%) reflecting a change in business mix from lower new car registrations, partly offset by the positive impact from price increases;
- **Life & Savings** (€-129 million or -4%) to €3,231 million stemming from traditional General Account Savings products (€-112 million or -7%) combined with lower single premiums in hybrid products (€-111 million or -55%), partly offset by higher regular premiums in both hybrid products (€+83 million or +18%) and Pure Protection (€+22 million or +4%);
- **Health** (€+154 million or +4%) to €3,708 million, driven by price increases in full benefit insurance and by the continued growth in the civil servants' segment.

APE (€-17 million or -4%) to €383 million mainly due to lower new business in both single premiums hybrid and traditional General Account Savings products.

NBV margin decreased by 25.7 points to 30.4% mainly due to financial assumptions update reflecting higher interest rates. Based on PVEP, the NBV margin decreased by 0.5 point to 2.2%.

Underlying earnings before tax increased by €131 million (+15%) to €992 million:

- **Property & Casualty** (€+76 million or +15%) to €585 million, reflecting a lower combined ratio (-1.2 points), driven by price increases and underwriting discipline combined with lower Nat Cat charges from the non-repeat of summer 2021 European floods partly offset by higher claims frequency in Personal Motor as well as a higher investment income (€+11 million);
- **Life & Savings** (€-1 million or -1%) remained stable at €188 million;
- **Health** (€+5 million or +4%) to €119 million from the growth in volumes;
- **Holding** (€+52 million or +107%) to €100 million driven by lower pension costs due to interest rate assumptions update.

Income tax expenses increased by €52 million (+24%) to €-275 million, driven by higher pre-tax underlying earnings combined with lower positive tax one-offs.

Underlying earnings increased by €74 million (+12%) to €704 million.

Net income increased by €59 million (+8%) to €792 million driven by higher underlying earnings and higher net realized gains notably on equities combined with the favorable impact of foreign exchange rates on derivatives not eligible for hedge accounting under IAS 39, partly offset by a less favorable change in the fair value of Mutual Funds.

EUROPE – BELGIUM

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**3,578**	**3,486**
Property & Casualty	2,252	2,187
Life & Savings	1,180	1,166
Health	146	133
Underlying earnings before tax	**455**	**309**
Property & Casualty	142	11
Life & Savings	304	291
Health	10	7
Holding	(1)	(1)
Income tax	(97)	(66)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings group share	**358**	**243**
Net capital gains or losses	79	92
Profit or loss on financial assets and derivatives	(10)	199
Exceptional operations	105	(98)
Goodwill and other related intangible impacts	(2)	(2)
Integration and restructuring costs	(9)	(7)
NET INCOME GROUP SHARE	**521**	**426**
Property & Casualty Combined Ratio	104.1%	104.8%
Health Combined Ratio	95.6%	96.2%
Protection Combined Ratio	96.3%	98.3%
New business		
APE	77	66
PVEP	809	861
NBV Margin	60.4%	64.2%
NBV/PVEP	5.7%	4.9%

(a) Net of intercompany eliminations.

As part of the disposal of AXA Bank Belgium on December 31, 2021, 100% of Crelan Insurance has been acquired and consolidated into AXA Belgium. Crelan Insurance provides protection insurance linked to loans originated by Crelan Bank NV/SA.

Gross revenues increased by €92 million (+3%) to €3,578 million. On a comparable basis, gross revenues increased by €75 million (+2%):

- **Property & Casualty** (€+66 million or +3%) to €2,252 million driven by **(i)** Commercial lines (€+37 million or +4%) notably in Property and Liability due to price increases including automatic indexation as well as strong sales in the SME segment, partly offset by pruning measures in the Mid-Market segment, and **(ii)** Personal lines (€+28 million or +2%) following price increases including automatic indexation, partly offset by lower volumes in Motor resulting from the decrease in new car registrations;
- **Life & Savings** (€-3 million or -0%) to €1,180 million as the decrease in **(i)** General Account Savings (€-33 million or -10%) notably from a change in tax regime in Self-Employed Pension products (€-27 million or -11%) was partly offset by **(ii)** Group Protection with General Account Savings products (€+30 million or +5%) notably from higher single premiums;
- **Health** (€+12 million or +9%) to €146 million driven by new Group contracts.

APE increased by €10 million (+16%) to €77 million. On a comparable basis, APE increased by €5 million (+7%) mainly driven by the sale of a large Group pension contract, partly offset by lower sales in Self-Employed Pension products.

NBV Margin decreased by 3.7 points to 60.4%. On a comparable basis, NBV Margin decreased by 10.4 points mainly driven by an unfavorable business mix towards Group business. Based on PVEP, the NBV margin increased by 0.1 point on a comparable basis to 5.7%.

Underlying earnings before tax increased by €146 million (+47%) to €455 million:

- **Property & Casualty** (€+131 million) to €142 million mainly driven by lower Nat Cat charges following the non-repeat of summer 2021 European floods, despite 2022 winter storms as well as a higher investment result, partly offset by unfavorable prior years' reserve development;
- **Life & Savings** (€+13 million or +4%) to €304 million mainly driven by the integration of Crelan Insurance;
- **Health** (€+2 million or +31%) to €10 million.

Income tax expenses increased by €31 million (+47%) to €-97 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €115 million (+47%) to €358 million.

Net income increased by €95 million (+22%) to €521 million mainly driven by the disposal of a General Account portfolio (€+203 million reflecting the release of its provision booked in 2021, following the closing of the transaction in October 2022) combined with higher underlying earnings, partly offset by the unfavorable change in the fair value of Mutual Funds and derivatives not eligible for hedge accounting under IAS 39 (€-192 million).

EUROPE – UNITED KINGDOM & IRELAND

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [a]	**5,758**	**5,317**
Property & Casualty	3,738	3,533
Health	2,020	1,784
Underlying earnings before tax	**402**	**448**
Property & Casualty	221	323
Health	190	132
Holding	(9)	(7)
Income tax	(31)	(89)
Minority interests	-	0
Income from affiliates and associates	(0)	(0)
Underlying earnings group share	**370**	**358**
Net capital gains or losses	(5)	(4)
Profit or loss on financial assets and derivatives	24	3
Exceptional operations	-	(3)
Goodwill and other related intangible impacts	(6)	(4)
Integration and restructuring costs	(33)	(16)
NET INCOME GROUP SHARE	**350**	**333**
Property & Casualty Combined Ratio	100.1%	95.6%
Health Combined Ratio	92.4%	93.6%

(a) Net of intercompany eliminations.

Gross revenues increased by €441 million (+8%) to €5,758 million. On a comparable basis, gross revenues increased by €351 million (+7%):

- **Property & Casualty** (€+140 million or +4%) to €3,738 million driven by **(i)** Commercial Non-Motor (€+100 million or +9%) in Property (€+71 million or +10%) mainly from price increases in the United Kingdom and higher volumes in Ireland, and in Liability (€+22 million or +8%) mainly from higher volumes, combined with **(ii)** Personal Motor (€+81 million or +6%) notably from strong retention and price increases in the United Kingdom as the market has hardened during the second semester, partly offset by **(iii)** lower volumes in Personal Non-Motor (€-39 million or -7%) due to the transfer of the Travel book in run-off (€-52 million or -57%) partly offset by Household (€+15 million or +3%) notably in Ireland from higher volumes;
- **Health** (€+211 million or +12%) to €2,020 million driven by higher volumes mainly from improved retention in the United Kingdom business combined with underwriting measures in both Group and Individual businesses and from growth in the International business.

Underlying earnings before tax decreased by €46 million (-10%) to €402 million. On a constant exchange rate basis, underlying earnings before tax decreased by €48 million (-11%):

- **Property & Casualty** (€-103 million or -32%) to €221 million mainly driven by the deterioration of the combined ratio (+4.5 points) due to heightened inflation partly offset by price increases, higher natural events, less favorable prior years' reserve development, and higher Motor claims frequency. This was partly offset by a higher investment result;
- **Health** (€+57 million or +43%) to €190 million mainly reflecting higher volumes, better underwriting performance in the International business and a higher investment result;
- **Holding** (€-2 million or -33%) to €-9 million.

Income tax expenses decreased by €58 million (-65%) to €-31 million. On a constant exchange rate basis, income tax expenses decreased by €58 million (-65%) driven by lower pre-tax underlying earnings and by favorable tax one-offs.

Underlying earnings increased by €12 million (+3%) to €370 million. On a constant exchange rate basis, underlying earnings increased by €10 million (+3%).

Net income increased by €17 million (+5%) to €350 million. On a constant exchange rate basis, net income increased by €15 million (+5%) driven by the favorable impact of foreign exchanges combined with the increase in underlying earnings as well as the favorable change in the fair value of Mutual Funds and derivatives not eligible for hedge accounting under IAS 39, partly offset by higher restructuring costs.

EUROPE – SPAIN

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**2,717**	**2,686**
Property & Casualty	1,681	1,663
Life & Savings	770	773
Health	266	250
Underlying earnings before tax	**262**	**261**
Property & Casualty	136	158
Life & Savings	110	87
Health	16	16
Income tax	(66)	(58)
Minority interests	(0)	(0)
Income from affiliates and associates	-	0
Underlying earnings group share	**197**	**203**
Net capital gains or losses	(30)	(2)
Profit or loss on financial assets and derivatives	(9)	(21)
Exceptional operations	-	1
Goodwill and other related intangible impacts	(1)	(2)
Integration and restructuring costs	(8)	(19)
NET INCOME GROUP SHARE	**148**	**160**
Property & Casualty Combined Ratio	97.4%	96.2%
Health Combined Ratio	100.3%	97.1%
Protection Combined Ratio	87.3%	92.0%
New business		
APE	104	114
PVEP	918	1,255
NBV Margin	38.0%	52.9%
NBV/PVEP	4.3%	4.8%

(a) Net of intercompany eliminations.

Gross revenues increased by €31 million (+1%) to €2,717 million:

- **Property & Casualty** (€+17 million or +1%) to €1,681 million driven by both price increases and higher volumes in Commercial lines (€+38 million or +8%), especially in Liability (€+19 million or +14%) partly offset by Personal Motor (€-28 million or -3%) due to lower volumes in a highly competitive market;
- **Life & Savings** remained stable at €770 million as lower sales in Unit-Linked (€-42 million or -10%) were offset by higher sales in both Protection (€+26 million or +12%) and General Account Savings (€+12 million or +10%);
- **Health** (€+16 million or +6%) to €266 million driven by both price increases and higher volumes.

APE decreased by €9 million (-8%) to €104 million mainly driven by lower sales in Unit-Linked products (€-10 million or -19%).

NBV Margin decreased by 14.8 points to 38.0% driven by an unfavorable impact of both actuarial and financial assumptions update, partly offset by a positive business mix from Unit-Linked towards Protection. Based on PVEP, the NBV margin decreased by 0.5 point to 4.3% mainly due to an unfavorable actuarial assumption update in Protection.

Underlying earnings before tax remained stable at €262 million:

- **Property & Casualty** (€-23 million or -14%) to €136 million mainly driven by a higher combined ratio notably due to higher motor claims frequency;

- **Life & Savings** (€+23 million or +26%) to €110 million mainly driven by an improved technical margin reflecting a more favorable claims experience in Pure Protection and General Account Savings;
- **Health** remained stable at €16 million as higher combined ratio is offset by higher investment income.

Income tax expenses increased by €7 million (+13%) to €-66 million driven by unfavorable tax one-off.

Underlying earnings decreased by €6 million (-3%) to €197 million.

Net income decreased by €12 million (-8%) to €148 million mainly due to both higher realized capital losses and impairments, partly offset by lower negative change in fair value of Mutual Funds and derivatives not eligible for hedge accounting under IAS 39, combined with lower restructuring costs.

EUROPE – ITALY

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**4,407**	**4,669**
Property & Casualty	1,889	1,791
Life & Savings	2,390	2,761
Health	128	117
Underlying earnings before tax	**433**	**428**
Property & Casualty	233	251
Life & Savings	193	173
Health	7	4
Income tax expenses/benefits	(119)	(116)
Minority interests	(89)	(90)
Income from affiliates and associates	-	-
Underlying earnings group share	**226**	**223**
Net capital gains or losses	11	16
Profit or loss on financial assets and derivatives	11	8
Exceptional operations	-	-
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(8)	(9)
NET INCOME GROUP SHARE	**240**	**238**
Property & Casualty Combined Ratio	92.4%	90.7%
Health Combined Ratio	97.0%	98.8%
Protection Combined Ratio	85.5%	78.7%
New business		
APE	281	354
PVEP	2,297	3,170
NBV Margin	27.7%	29.9%
NBV/PVEP	3.4%	3.3%

(a) Net of intercompany eliminations.

Gross Revenues decreased by €262 million (-6%) to €4,407 million:

- **Property & Casualty** (€+98 million or +5%) to €1,889 million driven by **(i)** Personal Lines (€+54 million or +4%) mainly in Motor from higher new business through brokers channel primarily from a partnership combined with higher renewals through agents' channel, and **(ii)** Commercial Lines (€+44 million or +8%) from higher volumes and price increases, notably in Property and Liability;
- **Life & Savings** (€-371 million or -13%) to €2,390 million mainly in General Account Savings (€-306 million or -17%) and in Unit-Linked (€-32 million or -5%) reflecting lower sales through the banking channel in a challenging market environment;
- **Health** (€+11 million or +10%) to €128 million, improving both in **(i)** Individual business (€+6 million or +7%) driven by higher renewals and in **(ii)** Group business (€+5 million or +14%) reflecting both higher new business and renewals.

APE decreased by €73 million (-21%) to €281 million mainly from Unit-Linked (€-64 million or -33%) driven by lower sales of Investments products.

NBV Margin decreased by 2.1 points to 27.7% mainly driven by both actuarial and financial assumptions update. Based on PVEP, the NBV margin increased by 0.1 point to 3.4% mainly benefiting from the favorable impact of rising interest rates.

Underlying earnings before tax increased by €5 million (+1%) to €433 million:

- **Property & Casualty** (€-18 million or -7%) to €233 million due to a higher current year combined ratio (+1.8 points) mainly driven by higher Motor claims frequency, partly offset by volumes growth and higher investment income;
- **Life & Savings** (€+21 million or 12%) to €193 million, mainly from higher investment margin combined with improved technical margin;
- **Health** (€+3 million) to €7 million.

Income tax expenses increased by €3 million or +3% manly driven by higher pre-tax underlying earnings.

Minority interests decreased by €1 million or -1% to €89 million as a result of the decrease of AXA MPS underlying earnings.

Underlying earnings increased by €3 million (+1%) to €226 million.

Net income increased by €2 million (+1%) to €240 million mainly from higher underlying earnings.

ASIA

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**11,559**	**11,329**
Property & Casualty	2,208	2,102
Life & Savings	7,057	7,021
Health	2,294	2,206
Underlying earnings before tax	**1,335**	**1,291**
Property & Casualty	129	96
Life & Savings	760	656
Health	452	542
Holding	(6)	(2)
Income tax	(250)	(250)
Minority interests	(8)	(8)
Income from affiliates and associates	195	166
Underlying earnings group share	**1,272**	**1,199**
Net capital gains or losses	(18)	10
Profit or loss on financial assets and derivatives	(214)	127
Exceptional operations	-	(157)
Goodwill and other related intangible impacts	(30)	(30)
Integration and restructuring costs	(1)	(4)
NET INCOME GROUP SHARE	**1,010**	**1,145**
Property & Casualty Combined Ratio	97.2%	98.4%
Health Combined Ratio	81.6%	76.8%
Protection Combined Ratio	89.6%	89.7%
New business		
APE	1,669	1,713
PVEP	12,752	14,285
NBV Margin	62.8%	65.4%
NBV/PVEP	8.2%	7.8%

(a) Net of intercompany eliminations.

ASIA – JAPAN

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**5,450**	**5,670**
Property & Casualty	424	442
Life & Savings	3,656	3,796
Health	1,370	1,432
Underlying earnings before tax	**782**	**832**
Property & Casualty	50	46
Life & Savings	395	300
Health	340	486
Holding	(2)	(0)
Income tax	(223)	(235)
Minority interests	(7)	(8)
Income from affiliates and associates	-	-
Underlying earnings group share	**551**	**589**
Net capital gains or losses	3	9
Profit or loss on financial assets and derivatives	(31)	164
Exceptional operations	-	-
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	-	(4)
NET INCOME GROUP SHARE	**523**	**759**
Property & Casualty Combined Ratio	89.3%	90.5%
Health Combined Ratio	77.4%	68.1%
Protection Combined Ratio	87.9%	88.5%
New business		
APE	652	676
PVEP	7,336	8,085
NBV Margin	121.3%	123.1%
NBV/PVEP	10.8%	10.3%
Average exchange rate: €1.00 = Japanese Yen	*138*	*130*

(a) Net of intercompany eliminations.

Gross revenues decreased by €220 million (-4%) to €5,450 million. On a comparable basis, gross revenues increased by €123 million (+2%):

- **Property & Casualty** (€+9 million or +2%) to €424 million, mainly driven by higher volumes in Motor;
- **Life & Savings** (€+90 million or +2%) to €3,656 million driven by the strong sales in Protection with Unit-Linked products (€+424 million or +32%), partly offset by lower volumes in General Account Savings (€-222 million or -30%) from the non-repeat of elevated sales of a capital light Single Premium Whole Life product in 2021;
- **Health** (€+24 million or +2%) to €1,370 million mainly from higher volumes in Medical rider sales.

APE decreased by €24 million (-4%) to €652 million. On a comparable basis, APE increased by €17 million (+3%) due to strong sales of both Protection with Unit-Linked products (€+37 million) and medical rider products in Health (€+18 million), partly offset by the non-repeat of elevated sales of a capital light Single Premium Whole Life product (€-22 million).

NBV Margin decreased by 1.9 points to 121.3% mainly driven by a change in assumption from higher interest rates, partly offset by favorable business mix. Based on PVEP, the NBV margin increased by 0.5 point to 10.8% driven by a favorable business mix.

Underlying earnings before tax decreased by €50 million (-6%) to €782 million. On a constant exchange rate basis, underlying earnings before tax decreased by €1 million (0%):

- **Property & Casualty** (€+7 million or +15%) to €50 million, mainly from more favorable prior years' reserve development;
- **Life & Savings** (€+118 million or +39%) to €395 million, mainly driven by a higher net technical margin stemming from growth in Protection with Unit-Linked, partly offset by higher acquisition costs in line with revenues growth;
- **Health** (€-125 million or -26%) to €340 million, mainly from higher claims following the strong surge in COVID-19 cases during the summer 2022;
- **Holding** decreased by €2 million to €-2 million.

Income tax expenses decreased by €12 million (-5%) to €-223 million. On a constant exchange rate basis, income tax expenses were almost flat.

Underlying earnings decreased by €38 million to €551 million. On a constant exchange rate basis, underlying earnings decreased by €4 million (-1%).

Net income decreased by €236 million to €523 million. On a constant exchange rate basis, net income decreased by €204 million due to a less favorable change in the fair value of financial assets notably in private equity and hedge funds.

ASIA – HONG KONG

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**4,423**	**4,073**
Property & Casualty	293	250
Life & Savings	3,355	3,183
Health	774	640
Underlying earnings before tax	**532**	**445**
Property & Casualty	48	27
Life & Savings	366	348
Health	118	70
Income tax	(24)	(13)
Minority interests	(0)	-
Income from affiliates and associates	-	-
Underlying earnings group share	**508**	**431**
Net capital gains or losses	(10)	-
Profit or loss on financial assets and derivatives	1	3
Exceptional operations	-	(129)
Goodwill and other related intangible impacts	(11)	(12)
Integration and restructuring costs	-	0
NET INCOME GROUP SHARE	**488**	**293**
Property & Casualty Combined Ratio	89.0%	94.3%
Health Combined Ratio	84.3%	88.8%
Protection Combined Ratio	90.8%	90.7%
New business		
APE	388	431
PVEP	2,257	2,837
NBV Margin	34.4%	34.9%
NBV/PVEP	5.9%	5.3%
Average exchange rate: €1.00 = Hong Kong Dollar	*8.25*	*9.19*

(a) Net of intercompany eliminations.

Gross revenues increased by €350 million (+9%) to €4,423 million. On a comparable basis, gross revenues decreased by €105 million (-3%):

- **Property & Casualty** (€+13 million or +5%) to €293 million mainly from higher volumes in both Personal and Commercial lines;
- **Life & Savings** (€-173 million or -5%) to €3,355 million mainly driven by lower new business as a result of the continued Mainland China border closure as well as reinforced restrictions in the context of the COVID-19 crisis, namely in Unit-Linked products and Protection with Savings, partly offset by in-force growth in Protection;
- **Health** (€+55 million or +9%) to €774 million mainly driven by higher volumes in both Individual and Group businesses.

APE decreased by €43 million (-10%) to €388 million. On a comparable basis, APE decreased by €83 million (-19%) driven by lower sales of Protection with Savings and Unit-Linked products following the continued Mainland China border closure as well as reinforced restrictions in the context of the COVID-19 crisis.

NBV Margin decreased by 0.5 point to 34.4% following lower new business volume as expenses remained stable. Based on PVEP, the NBV margin increased by 0.6 point to 5.9%.

Underlying earnings before tax increased by €87 million (+20%) to €532 million. On a constant exchange rate basis, underlying earnings before tax increased by €32 million (+7%):

- **Property & Casualty** (€+16 million or +61%) to €48 million mainly driven by favorable prior years' reserve development;

- **Life & Savings** (€-20 million or -6%) to €366 million mainly from the recurring impact of a reinsurance transaction on a closed book of whole-life insurance policies implemented in 2H21;
- **Health** (€+36 million or +51%) to €118 million driven by favorable prior years' reserve development.

Income tax expenses increased by €11 million (+80%) to €-24 million. On a constant exchange rate basis, income tax expenses increased by €8 million (+61%) driven by higher pre-tax underlying earnings combined with the non-repeat of a favorable tax one-off in 2021.

Underlying earnings increased by €76 million (+18%) to €508 million. On a constant exchange rate basis, underlying earnings increased by €24 million (+6%).

Net income increased by €195 million (+66%) to €488 million. On a constant exchange rate basis, net income increased by €145 million (+49%) mainly driven by higher underlying earnings combined with the non-repeat of the negative one-off impact of the above-mentioned reinsurance transaction on a closed book of whole-life insurance policies in 2021 (€+129 million).

ASIA – EMERGING MARKETS

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**1,048**	**941**
Property & Casualty	852	765
Life & Savings	46	42
Health	150	134
Underlying earnings before tax	**(27)**	**(21)**
Property & Casualty	(21)	(15)
Life & Savings	(0)	7
Health	(5)	(14)
Income tax	10	9
Minority interests	(1)	(0)
Income from affiliates and associates	195	166
Underlying earnings group share	**178**	**153**
Net capital gains or losses	(5)	1
Profit or loss on financial assets and derivatives	(183)	(41)
Exceptional operations	-	-
Goodwill and other related intangible impacts	(19)	(18)
Integration and restructuring costs	(1)	(1)
NET INCOME GROUP SHARE	**(31)**	**95**
Property & Casualty Combined Ratio	106.4%	105.8%
Health Combined Ratio	108.0%	113.2%
Protection Combined Ratio	122.4%	105.7%
New business		
APE	630	606
PVEP	3,159	3,364
NBV Margin	19.8%	22.8%
NBV/PVEP	3.9%	4.1%

(a) Net of intercompany eliminations.

Scope: (i) The Property & Casualty subsidiary in Thailand, the non-bancassurance Life & Savings subsidiary in Indonesia and the Property & Casualty subsidiary in China (AXA Tianping) are fully consolidated; **(ii)** the bank-insurance Life & Savings subsidiaries in China, Thailand, Indonesia and the Philippines are consolidated under the equity method and do not contribute to the gross revenues while contributing to APE, PVEP and NBV Margin.

Gross revenues increased by €108 million (+11%) to €1,048 million. On a comparable basis, gross revenues increased by €38 million (+4%):

- **Property & Casualty** (€+32 million or +4%) to €852 million from **(i)** Thailand (€+20 million or +20%) driven by higher sales in Motor and Travel, and **(ii)** China (€+13 million or +2%) driven by higher volumes in Non-Motor from both Personal (€+14 million or +23%) and Commercial lines (€+13 million or +21%), partly offset by lower volumes in Motor (€-14 million or -3%) to protect business profitability following the change in price regulation;
- **Life & Savings** remained stable at €46 million;
- **Health** (€+5 million or +4%) to €150 million from **(i)** China (+2 million or +2%) driven by the higher sales from agency and broker channels, partly offset by the discontinuation of a digital partnership, and **(ii)** Indonesia (+2 million or +6%) from higher renewals in Individual business.

APE increased by €23 million (+4%) to €630 million. On a comparable basis, APE decreased by €16 million (-3%) driven by **(i)** the Philippines (€-17 million or -37%) mainly from lower sales of Protection with Unit-Linked products and **(ii)** Thailand (€-10 million or -9%) from Health (€-17 million or -58%) due to the non-repeat of exceptional sales, partly offset by higher sales in Protection with Savings (€+9 million or +13%). This was partly offset by **(iii)** China (€+9 million or +3%) mainly driven by higher sales of regular premium General Account Savings products mainly in 1Q22.

NBV Margin decreased by 3 points to 19.8%. On a comparable basis, NBV Margin decreased by 2.7 points mainly driven by China (-4.2 points) notably from an unfavorable change in product mix towards General Account Savings products. Based on PVEP, the NBV Margin decreased by 0.1 point to 3.9%.

Underlying earnings increased by €24 million (+16%) to €178 million. On a constant exchange rate basis, underlying earnings increased by €16 million (+10%):

- **China** (€+16 million or +74%) to €41 million driven by **(i)** Life & Savings (€+17 million) driven by a higher net technical margin, and **(ii)** Health (€+4 million) mainly from the non-repeat of an unfavorable prior years' reserve development following the discontinuation of a digital partnership, combined with an improved profitability on core branch business. This was partly offset by **(iii)** Property & Casualty (€-4 million) mainly from the negative impacts of the change in price regulation in Motor, partly offset by lower claims frequency in Motor in the context of COVID-19 lockdowns and expense savings;
- **Thailand** (€+8 million or +13%) to €72 million driven by higher net technical margin in Life & Savings (€+10 million);
- **The Philippines** (€-7 million or -28%) to €18 million mainly driven by the unfavorable one-off impact to reflect the prior year losses of a non-consolidated P&C subsidiary; and
- **Indonesia** (€-1 million or -3%) to €46 million mainly driven by Life & Savings (€-2 million).

Net income decreased by €125 million (-132%) to €-31 million. On a constant exchange rate basis, net income decreased by €119 million (-126%) as higher underlying earnings were more than offset by a more unfavorable change in the fair value of financial assets and liabilities, primarily in China.

AXA XL

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**19,232**	**18,763**
Property & Casualty Insurance	15,859	13,955
Property & Casualty Reinsurance	3,213	4,634
Life & Savings	161	175
Underlying earnings before tax	**1,513**	**1,294**
Property & Casualty Insurance	1,475	1,258
Property & Casualty Reinsurance	103	117
Life & Savings	2	5
Holding	(67)	(86)
Income tax	(303)	(134)
Minority interests	0	5
Income from affiliates and associates	-	-
Underlying earnings group share	**1,210**	**1,165**
Net capital gains or losses	(94)	75
Profit or loss on financial assets and derivatives	(115)	190
Exceptional operations	4	(1)
Goodwill and other related intangible impacts	(44)	(155)
Integration and restructuring costs	(55)	(81)
NET INCOME GROUP SHARE	**906**	**1,192**
Property & Casualty Combined Ratio	96.7%	97.1%
o/w Insurance Combined Ratio	94.5%	94.9%
o/w Reinsurance Combined Ratio	105.7%	103.3%
Average exchange rate: €1.00 = US Dollar	*1.05*	*1.18*

(a) Net of intercompany eliminations.

Gross revenues increased by €469 million (+2%) to €19,232 million. On a comparable basis, gross revenues decreased by €1,176 million (-6%) as price increases in most lines of business were more than offset by lower Property Cat exposure in Reinsurance, in line with the strategy, lower transactions in North America Professional lines, and selective underwriting:

- **Property & Casualty Reinsurance** (€-1,056 million or -27%) to €3,213 million driven by **(i)** Property Cat (€-305 million or -36%) and Property Treaty (€-254 million or -28%) from Nat Cat exposure reductions, partly offset by price increases (+7% and +5% respectively), and **(ii)** Specialty and Other lines (€-489 million or -23%) driven by selective underwriting;
- **Property & Casualty Insurance** (€-88 million or -1%) to €15,859 million driven by **(i)** Financial lines (€-352 million or -10%) from North America Professional lines (€-506 million or -20%) mainly driven by lower volumes of transactional business, partly offset by North America CyberTech (€+79 million or +21%) and International Financial lines (€+75 million or +12%) mainly driven by price increases (+31% and +13% respectively), and **(ii)** Specialty (€-68 million or -2%) and Casualty (€-28 million or -1%) mainly in the context of selective underwriting despite price increases (+4% and +6% respectively), partly offset by **(iii)** Property (€+360 million or +11%) mainly from International (€+201 million or +14%) and North America (€+82 million or +12%) driven by price increases (+12%);
- **Life & Savings** (€-32 million or -18%) to €161 million.

Underlying earnings before tax increased by €219 million (+17%) to €1,513 million. On a constant exchange rate basis, underlying earnings before tax increased by €54 million (+4%):

- **Property & Casualty** (€+30 million or +2%) to €1,578 million driven by **(i)** an improved all year combined ratio (-0.4 point) from lower Nat Cat charges (-1.2 points to 6.9%) driven by exposure reductions, positive impacts from price increases and change in business mix, partly offset by the losses related to the war in Ukraine (+2.1 points or €-0.4 billion) notably in Aviation, and less favorable developments on prior years' losses (+0.8 point). **(ii)** Net investment income remained stable (€-8 million or -1%);
- **Holding** (€+26 million or +30%) to €-67 million due to early debt redemption;
- **Life & Savings** (€-2 million or -52%) to €2 million.

Income tax expenses increased by €169 million (+125%) to €-303 million. On a constant exchange rate basis, income tax expenses increased by €135 million (+101%) mainly driven by higher pre-tax underlying earnings and a change in geographical mix.

Underlying earnings increased by €45 million (+4%) to €1,210 million. On a constant exchange rate basis, underlying earnings decreased by €87 million (-7%).

Net income decreased by €287 million (-24%) to €906 million. On a constant exchange rate basis, net income decreased by €385 million (-32%) mainly driven by **(i)** lower underlying earnings, **(ii)** lower net realized capital gains, **(iii)** an unfavorable change in the fair value of foreign exchange derivatives not eligible for hedge accounting, and **(iv)** an unfavorable change in the fair value of alternative assets and equity derivatives net of foreign exchange impacts, notably from the non-repeat of the 2021 strong market rebound, partly offset by **(v)** the non-repeat of the 2021 impairments on intangibles related to transferring capacity away from Lloyd's within Reinsurance.

INTERNATIONAL

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**5,033**	**5,668**
Property & Casualty	2,952	2,990
Life & Savings	649	853
Health	1,431	1,495
Banking	-	330
Underlying earnings before tax	**369**	**463**
Property & Casualty	382	421
Life & Savings	42	13
Health	(18)	(38)
Other [(b)]	(37)	67
Income tax	(102)	(111)
Minority interests	(37)	(51)
Income from affiliates and associates	73	48
Underlying earnings group share	**302**	**348**
Net capital gains or losses	(7)	(4)
Profit or loss on financial assets and derivatives	(78)	89
Exceptional operations	3	(275)
Goodwill and other related intangible impacts	(174)	(8)
Integration and restructuring costs	(9)	(5)
NET INCOME GROUP SHARE	**38**	**144**
Property & Casualty Combined Ratio	97.8%	94.3%
Health Combined Ratio	103.0%	104.1%
Protection Combined Ratio	103.5%	106.6%
New business		
APE	106	172
PVEP	333	1,129
NBV Margin	20.2%	35.8%
NBV/PVEP	6.4%	5.5%

(a) Net of intercompany eliminations.
(b) Other corresponds to banking activities and holding.

Scope: (i) Mexico, Colombia, Turkey, Morocco, Nigeria (since January 1, 2022), Luxembourg and Brazil are fully consolidated; **(ii)** Russia (Reso) and India Life & Savings are consolidated under the equity method and do not contribute to the gross revenues while contributing to APE, PVEP and NBV Margin.

Greece was sold in May 2021 and contributed until March 2021. The Gulf Region and India Property & Casualty were sold in September 2021 and contributed until June 2021. AXA Bank Belgium was disposed on December 31, 2021, and therefore contributed until December 2021. Singapore was sold in February 2022 and Malaysia in June 2022 and contributed until December 2021 and June 2022, respectively.

Gross revenues decreased by €634 million (-11%) to €5,033 million. On a comparable basis, gross revenues increased by €1,029 million (+24%) from Property & Casualty (€+792 million or +31%), Health (€+205 million or +18%) and Life & Savings (€+32 million or +5%):

- **EME-LATAM** (€+965 million or +28%) to €4,163 million mainly driven by Property & Casualty (€+763 million or +38%) from Turkey and Colombia, and Health (€+200 million or +18%) from Mexico and Turkey:
  - Turkey (€+677 million) mainly from price increases resulting from higher inflation in **(i)** Commercial lines (€+336 million) from both Motor and Property, **(ii)** Personal lines (€+252 million) from Motor and **(iii)** Health (€+87 million),

- Mexico (€+129 million or +7%) driven by **(i)** a positive price effect in Health (€+109 million or +12%) and **(ii)** Property & Casualty (€+26 million or +4%) from price increases and higher volumes is both Personal and Commercial lines compensating the non-repeat of large accounts in Commercial Property,
- Colombia (€+123 million or +20%) driven by Property & Casualty (€+124 million or +24%) mainly from higher volumes in both Commercial Non-Motor and Personal Non-Motor,
- Brazil (€+19 million or +11%) mainly from higher volumes in Commercial Non-Motor, and
- Luxembourg (€+18 million or +6%) driven by Life & Savings (€+10 million or +7%) from a large contract and Property & Casualty (€+7 million or +6%);

■ **Africa & Asia** (€+63 million or +8%) to €870 million mainly driven by Life & Savings (€+30 million or +16%) and Property and Casualty (€+29 million or +6%):

- Morocco (€+43 million or +8%) from higher volumes in **(i)** General Account Savings (€+21 million or +14%) and **(ii)** Commercial Non-Motor (€+18 million or +12%), and
- Nigeria (€+18 million or +15%) driven by higher volumes in **(i)** Health (€+11 million or +22%) in Group business and **(ii)** Life & Savings (€+10 million or +46%) in Protection with General Account Savings and Pure Protection.

APE decreased by €66 million (-38%) to €106 million. On a comparable basis, APE increased by €13 million (+14%) from **(i)** Unit-Linked (€+10 million or +72%) from Turkey and Luxembourg, **(ii)** Protection with General Accounts Savings (€+8 million or +17%) from India and Nigeria and **(iii)** General Account Savings (€+3 million or +38%) from Morocco, partly offset by **(iv)** Pure Protection (€-7 million or -34%) in Mexico.

NBV Margin decreased by 15.6 points to 20.2%. On a comparable basis, NBV Margin increased by 5.2 points notably in Mexico, Turkey, and India. Based on PVEP, NBV margin increased by 0.6 point to 6.4% due to Mexico, Morocco, and India.

Underlying earnings before tax decreased by €94 million (-20%) to €369 million. On a constant exchange rate basis, underlying earnings before tax decreased by €78 million (-17%) mainly from **(i)** Banking activities (€-105 million or -100%), **(ii)** Property & Casualty (€-13 million or -3%), partly offset by **(iii)** Life & Savings (€+27 million), and **(iv)** Health (€+12 million or +32%):

■ **EME-LATAM** (€-43 million or -12%) to €308 million driven by:

- the disposals of the activities in AXA Bank Belgium (€-105 million), the Gulf Region (€-45 million) and Greece (€-6 million),

partly offset by:

- Mexico (€+48 million or +54%) driven by Health (€+43 million) and Life & Savings (€+25 million) both due to lower COVID-19 claims, partly offset by Property & Casualty (€-20 million) from a less favorable current year claims experience in Motor,
- Colombia (€+42 million) mainly driven by a higher investment result from inflation-linked bonds in Property & Casualty and a more favorable current year claims experience,
- Turkey (€+17 million or +32%) as a consequence of the extraordinary high level of inflation leading to **(i)** a higher net investment income from inflation-linked bonds, partly offset by **(ii)** unfavorable prior years' reserve development in Motor from increase in minimum wage affecting bodily injury claims and **(iii)** a deterioration of Property & Casualty current year combined ratio, and
- Brazil (€+7 million) mainly driven by the integration of XL Brazil in 2022;

■ **Africa & Asia** (€-36 million or -27%) to €100 million driven by:

- the disposals of the activities in Singapore (€-36 million) and Malaysia (€-14 million),

partly offset by:

- Morocco (€+8 million or +10%) driven by **(i)** Life & Savings (€+14 million) from an improvement in technical margin, partly offset by **(ii)** Property & Casualty (€-6 million or -8%) from a less favorable prior years' reserve development, and
- Nigeria (€+8 million) following its full consolidation in 2022;

■ **AXA Mediterranean Holdings** (€+1 million or +2%) to €-39 million.

Excluding the above-mentioned changes in scope, on a constant exchange rate basis underlying earnings before taxes increased by €129 million (+53%).

Income tax expenses decreased by €9 million (-8%) to €-102 million. On a constant exchange rate basis, income tax expenses decreased by €6 million (-5%) driven by lower pre-tax underlying earnings.

Minority interests decreased by €14 million (-27%) to €-37 million. On a constant exchange rate basis, minority interests decreased by €12 million (-23%) due to the disposal of the activities in the Gulf Region and Malaysia, partly offset by Colombia (€-16 million) from higher underlying earnings.

Income from affiliates and associates increased by €25 million (+54%) to €73 million. On a constant exchange rate basis, income from affiliates and associates increased by €17 million (+36%) mainly from Russia (€+20 million) and India (€+5 million), partly offset by Nigeria (€-9 million) following its full consolidation in 2022.

Underlying earnings decreased by €46 million (-13%) to €302 million. On a constant exchange rate basis, underlying earnings decreased by €44 million (-13%). Excluding the above-mentioned changes in scope, underlying earnings increased by €104 million (+53%).

Net income decreased by €106 million to €38 million. On a constant exchange rate basis, net income decreased by €43 million mainly due to **(i)** lower underlying earnings combined with **(ii)** the impairment of the full goodwill of Reso Garantia (€-148 million), **(iii)** an unfavorable change in fair value of financial assets (€-91 million) and **(iv)** a less favorable foreign exchange impact on financial assets (€-50 million), partly offset by **(v)** the non-repeat of the loss on disposals (€+278 million).

TRANSVERSAL & CENTRAL HOLDINGS

(in Euro million, except percentages)	December 31, 2022	December 31, 2021 restated [(a)]
Gross revenues [(b)]	**3,613**	**3,259**
Property & Casualty	1,569	1,279
Life & Savings	227	247
Health	228	210
Asset Management	1,589	1,523
Underlying earnings before tax	**(451)**	**(289)**
Property & Casualty	50	76
Life & Savings	33	44
Health	5	2
Other [(c)]	(538)	(410)
Income tax	171	63
Minority interests	(14)	(15)
Income from affiliates and associates	30	22
Underlying earnings group share	**(265)**	**(219)**
Net capital gains or losses	(19)	(10)
Profit or loss on financial assets and derivatives	50	(31)
Exceptional operations	(45)	84
Goodwill and other related intangible impacts	(1)	(2)
Integration and restructuring costs	(136)	(24)
NET INCOME GROUP SHARE	**(416)**	**(202)**
Property & Casualty Combined Ratio	100.4%	97.8%
Health Combined Ratio	98.4%	99.4%

(a) Reclassification of Architas activities (previously reported as part of France) to Transversal & Cental Holdings as well as within Asset Management (previously reported in Life & Savings) segment.
(b) Net of intercompany eliminations.
(c) Other corresponds to asset management activities and holding.

AXA INVESTMENT MANAGERS ("AXA IM")

(in Euro million, except percentages)	December 31, 2022	December 31, 2021 restated [(a)]
Gross revenues [(b)]	**1,589**	**1,523**
Underlying earnings before tax	**513**	**542**
Income tax	(130)	(147)
Minority interests	(14)	(14)
Income from affiliates and associates	30	22
Underlying earnings group share	**400**	**402**
Net capital gains or losses	-	-
Profit or loss on financial assets and derivatives	8	(15)
Exceptional operations	-	(1)
Goodwill and other related intangibles impacts	(1)	(2)
Integration and restructuring costs	(5)	(16)
NET INCOME GROUP SHARE	**402**	**369**
"AUM"	845	910
Average Assets under Management	751	785
Asset management fee bps	18.2	17.6
Underlying cost income ratio	66.6%	65.8%

(a) Reclassification of Architas activities (previously reported in Life & Savings) to the Asset Management segment.
(b) Net of intercompany eliminations. Gross revenues amounted to €1,916 million before intercompany eliminations as of December 31, 2022.

Assets under Management ("**AUM**") decreased by €65 billion from December 31, 2021, to €845 billion at the end of December 31, 2022, mainly driven by **(i)** negative and significant market impacts (€-103 billion) from the rise in interest rates and downward equity markets, partly offset by **(ii)** positive net inflows (€+18 billion) from Third-Party clients (€+18 billion) driven by the success of both *Core* and *Alts* platforms, Asian joint ventures (€+4 billion) mainly in China, and Architas (€+1 billion), while AXA Insurance companies decreased by (€-4 billion), and a **(iii)** positive change in scope (€+20 billion) driven by the creation of *AXA IM Prime* business unit (€+17 billion) and consolidation of Capza.

Management fees increased by 0.6 bps to 18.2 bps. On a constant exchange rate basis, management fees increased by 0.6 bps due to a favorable change in product mix from a higher share of Alternative products.

Gross revenues increased by €+66 million (+4%). On a comparable basis, gross revenues decreased by €-57 million (-3%) to €1,589 million mainly driven by **(i)** the non-repeat of exceptional performance fees (€-41 million), **(ii)** lower management fees (€-38 million) due to the market context, partly offset by **(iii)** higher distribution fees (€+21 million) coming from strong commercial momentum in Retail.

Underlying earnings before tax decreased by €-28 million (-5%) to €513 million. On a constant exchange rate basis, underlying earnings before tax decreased by €-33 million (-6%) as a result of lower revenues, partly offset by cost discipline.

The underlying cost income ratio increased by 0.7 point to 66.6%. On a constant exchange rate basis, the underlying cost income ratio increased by 0.3 point.

Income tax expenses decreased by €17 million (-12%) to €-130 million. On a constant exchange rate basis, income tax expenses decreased by €18 million (-13%) mainly driven by lower underlying earnings as well as the decrease in the French corporate tax rate.

Income from affiliates and associates increased by €8 million (+35%). On a constant exchange rate basis, income from affiliates and associates increased by €7 million (+30%) following the consolidation of Capza (€+6 million), as AXA's ownership has increased from 46% to 66% in February 2022.

Underlying earnings marginally decreased by €-2 million (-1%) to €400 million. On a constant exchange rate basis, underlying earnings decreased by €-7 million (-2%).

Net income increased by €33 million (+9%) to €402 million. On a constant exchange rate basis, net income increased by €28 million (+8%) mainly driven by the **(i)** favorable forex impact (€+15 million), **(ii)** lower restructuring costs (€+11 million) due to the reorganization of Rosenberg in 2021, and **(iii)** non-repeat of an unfavorable change in the fair value of a real estate fund (€+8 million).

AXA ASSISTANCE

(in Euro million, except percentages)	December 31, 2022	December 31, 2021
Gross revenues [(a)]	**1,725**	**1,414**
Property & Casualty	1,497	1,204
Health	228	210
Underlying earnings before tax	**(12)**	**(18)**
Property & Casualty	(16)	(19)
Health	5	2
Income tax	11	(14)
Minority interests	(1)	-
Income from affiliates and associates	-	-
Underlying earnings group share	**(1)**	**(32)**
Net capital gains or losses	(2)	0
Profit or loss on financial assets and derivatives	(7)	1
Exceptional operations	(3)	(16)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(65)	(3)
NET INCOME GROUP SHARE	**(79)**	**(50)**
Property & Casualty Combined Ratio	101.8%	101.6%
Health Combined Ratio	98.4%	99.4%

(a) Net of intercompany eliminations.

Gross revenues increased by €311 million (+22%) to €1,725 million. On a comparable basis, gross revenues increased by €329 million (+24%):

- **Property & Casualty** (€+315 million or +27%) to €1,497 million, mainly driven by the rebound of the Travel business in all geographies and to a lesser extent from new business and existing partnerships in Motor and Home;
- **Health** (€+14 million or +7%) to €228 million from higher new business.

Underlying earnings before tax increased by €6 million to €-12 million:

- **Property & Casualty** (€+3 million) to €-16 million, mainly due to **(i)** higher investment result partly offset by **(ii)** slightly higher combined ratio in Motor from an increase in claims frequency and average costs in Europe as well as adverse prior years' development and despite the increase of volumes in Travel;
- **Health** (€+3 million) to €+5 million, mainly from higher volumes.

Income tax expenses decreased by €25 million to €+11 million mainly driven by positive tax one-offs.

Underlying earnings increased by €31 million to €-1 million.

Net income decreased by €30 million to €-79 million mainly driven by higher restructuring costs and the negative impact of the sale of AXA Assistance Morocco, partly offset by higher Underlying Earnings.

AXA SA – HOLDING

(in Euro million)	December 31, 2022	December 31, 2021
Underlying earnings group share	**(768)**	**(762)**
Net capital gains or losses	(15)	(14)
Profit or loss on financial assets and derivatives	17	(36)
Exceptional operations	(5)	16
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(26)	-
NET INCOME GROUP SHARE	**(797)**	**(796)**

Underlying earnings decreased by €6 million to €-768 million, mainly driven by **(i)** higher investments to continue the acceleration of the IT transformation strategy and on the Digital Healthcare Platform, partly offset by **(ii)** the positive impact related to the settlement of tax litigations.

Net income decreased by €1 million to €-797 million, mainly due to **(i)** lower underlying earnings and **(ii)** a favorable change in the fair value of derivatives not eligible for hedge accounting.

2.4 LIQUIDITY AND CAPITAL RESOURCES

Information in this section should be read in conjunction with Note 4 "Financial and insurance Risk Management" in Part 6 "Consolidated Financial Statements" of this Annual Report. The report of the Statutory Auditors on the Consolidated Financial Statements covers only the information included in Note 4.

Liquidity management is a core part of the Group's financial planning and includes the management of our debt and the maturities of our debt instruments and, more generally, the Group's capital allocation strategy. Liquidity resources result mainly from Insurance and Asset Management operations, as well as from capital-raising activities and committed bank credit lines.

Over the past several years, the Group has expanded its core operations (Insurance, Reinsurance, and Asset Management) through a combination of organic growth, direct investments, and acquisitions. This expansion has been funded primarily through a combination of **(i)** dividends received from operating subsidiaries, **(ii)** proceeds from the issuance of debt instruments (mainly subordinated debts) and internal borrowings, **(iii)** the issuance of ordinary shares, and **(iv)** proceeds from the sale of non-core businesses and assets.

Each of the major operating subsidiaries of the Group is responsible for managing its own liquidity position, in coordination with the Company. The Company, as the holding company of the AXA Group, coordinates funding and liquidity management and, in this role, participates in financing the operations of certain of its subsidiaries. Certain of AXA's subsidiaries, including XL Group Limited, AXA Konzern AG, AXA UK Plc. and AXA Mediterranean Holding SA, are also holding companies and consequently, depend on dividends received from their own subsidiaries to meet their obligations. The Group's operating (re)insurance companies are required to meet multiple regulatory constraints and, in particular, minimum solvency ratios. The level of internal dividends paid by operating subsidiaries must therefore take into account these constraints. Cash positions also fluctuate as a result of cash-settled margin calls from counterparties related to collateral agreements on derivatives. While the use of derivatives has been decreasing at the Company level, the Company's statutory results may be significantly impacted by unrealized gains and losses on derivatives used to hedge, in particular, currency and interest rate risks. In addition, since it became a regulated reinsurer in 2022, the Company operates reinsurance activities whose liquidity resources and needs are monitored separately.

The Company anticipates that cash dividends received from its operating subsidiaries and other financing sources available to the Company will continue to cover its operating expenses as a holding (including interest payments on its outstanding debts and borrowings) and dividend payments until the end of the current strategic plan and the Company's next strategic plan to be announced during the course of 2023. AXA expects that anticipated investments in subsidiaries and existing operations, future acquisitions and strategic investments and share repurchase transactions will be funded from available cash remaining after payments of dividends and operating expenses, proceeds from the sale of non-strategic assets and businesses as well as future issuances of debt and/or equity instruments.

Regulatory or governmental authorities may recommend or request holding companies of insurance groups or regulated reinsurers such as AXA to limit their dividend payments and many subsidiaries, particularly insurance entities, are subject to local regulatory restrictions on the amount of dividends they can pay to their shareholders. Since the completion of the Company's transformation into the Group Internal Reinsurer on June 30, 2022, the ACPR, while remaining the supervising authority for the Group, also has supervisory power over AXA as an ACPR-licensed reinsurance company. For more information on these restrictions, see Note 29.4 "Other items: restrictions on dividend payments to shareholders" in Part 6 "Consolidated Financial Statements" and paragraphs "The Group's or its insurance or reinsurance entities failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition", "We are dependent on our subsidiaries to cover our operating expenses, make dividend payments and cover reinsurance claims that may exceed the amount of reinsurance reserves that are held at the Company level" and "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging legal, regulatory and reputational risks in the various jurisdictions in which we operate" in Section 5.1 "Risk Factors" [1] of this Annual Report.

(1) The information provided in Section 5.1 of this Annual report is not required under IFRS and as such is not part of the Consolidated Financial Statements.

Liquidity, sources and needs for Group operating entities

The principal sources of liquidity for the Group's insurance subsidiaries and the Company's reinsurance activities are premiums, investment income and proceeds from sales of invested assets. These funds are mainly used to pay policyholder benefits, claims and related expenses, policy surrenders and other operating expenses, as well as to purchase financial assets and meet potential collateral exchange obligations in relation to derivatives. The liquidity of the Group's insurance operations is affected by, among other things, the overall quality of the Group's investments and the Group's ability to liquidate its financial assets in a timely manner and to meet policyholder benefits and insurance claims as they fall due. The Group regularly reviews the quality of its assets to ensure adequate liquidity in stress scenarios.

Information on projected payments and surrenders related to Life & Savings and Property & Casualty insurance contracts are disclosed in Note 14.10.1 "Payment and surrender projections" in Part 6 "Consolidated Financial Statements" of this Annual Report.

Information in this section should be read in conjunction with, in particular, sub-sections "Market-related risks", "Insurance and reinsurance Pricing and underwriting-related risks" and "Operational risks" in Section 5.1 "Risk Factors" (1) of this Annual Report.

PROPERTY & CASUALTY (INCLUDING REINSURANCE AND HEALTH)

Liquidity needs of Property & Casualty activities can be affected by actual claims experience. Property & Casualty Insurance's net cash flows are generally positive. They can be negative in the case of exceptional loss events, such as natural or man-made catastrophe events. A portion of these cash flows is invested in liquid, short-term bonds, and other listed securities in order to manage the liquidity risk that may arise from such events.

LIFE & SAVINGS (INCLUDING HEALTH)

Liquidity needs of Life & Savings activities can be affected by a number of factors including fluctuations in the level of surrenders, withdrawals, maturities and guarantees to policyholders.

The investment strategy of AXA's Life & Savings subsidiaries is designed to match the investment returns and estimated maturities of their investments with expected cash flows on their insurance contracts. Entities regularly monitor the valuation and duration of their investments and the performance of their financial assets. Financial market performance may affect the level of surrenders and withdrawals on Life insurance policies, as well as immediate and projected long-term cash needs. Group operating entities seek to adjust their investment portfolios to reflect such considerations and react in a targeted manner.

ASSET MANAGEMENT

The principal sources of liquidity for AXA's Asset Management subsidiaries are operating cash flows, repurchase agreements, borrowings from credit institutions, drawings on credit facilities and proceeds from the issuance of ordinary shares (where applicable).

The financing needs of Asset Management subsidiaries arise principally from their activities, which require working capital, in particular to constitute seed money for new funds at AXA Investment Managers.

(1) *The information provided in Section 5.1 of this Annual report is not required under IFRS and as such is not part of the Consolidated Financial Statements.*

Liquidity position

In 2022, AXA continued to follow a prudent approach to managing its liquidity risk. At year-end 2022, the Group had:

- a significant cash position across all business lines (information on cash flows from operations is provided in Note 12 "Cash and cash equivalents" in Part 6 "Consolidated Financial Statements" of this Annual Report). As of December 31, 2022, AXA's consolidated statement of financial position included cash and cash equivalents of €26.2 billion, net of bank overdrafts of €0.5 billion;
- broad access to various markets *via* standardized debt programs: for example, at the end of 2022, this included a maximum capacity of €6.0 billion of French commercial paper, $2.0 billion of US commercial paper, €20.0 billion under a Euro Medium Term Note ("EMTN") program (of which €18.3 billion have already been issued), and €1.5 billion of French *titres négociables à moyen terme*;
- a debt profile characterized by debt that is mostly subordinated, with a long maturity profile. In 2022, AXA SA issued €1.0 billion of debt (net of repayments) and debt stood at €19.3 billion at year-end 2022. Debt gearing (1) increased (27.1% at year-end 2022, *versus* 26.4% at year-end 2021), driven by an increase of debt of €1.2 billion (2). Interest coverage increased (15,6x at year-end 2022, *versus* 14.3x at year-end 2021), driven by higher Group Underlying earnings in 2022.

AXA has put in place a robust liquidity Risk Management framework which is reviewed on a regular basis through a quarterly monitoring of liquidity and solvency requirements in stressed environments both at local and Group level. For additional information, please refer to Section 5.2 "Internal control and Risk Management" (3) and Section 5.5 "Liquidity risk" (4) of this Annual Report.

At year-end 2022, Group entities held, in the aggregate, more than €167 billion of government and related bonds of which €99 billion were issued by Eurozone countries, which enables them to address local liquidity needs through highly liquid assets.

AXA SA maintained a pool of liquid resources pertaining to its role as holding of the AXA Group, made of cash, money market instruments (including through the Group's cash pooling) and highly liquid fixed income investments as well as, following its transformation into a regulated reinsurer, a portfolio of investments backing its statutory reinsurance liabilities. AXA SA also maintained available credit facilities at €7.9 billion at year-end 2022 (€8.5 billion in 2021). AXA SA has its own liquidity requirements resulting mainly from solvency needs of entities under severe stress scenarios, its central reinsurance activities following the transformation of the Group's holding into the Group's main reinsurance captive and collateralized derivatives held by AXA SA. This derivatives book is monitored and managed on a daily basis by the Treasury Department. For additional information on the currencies in which our cash and cash equivalents are held, please refer to paragraph "Exchange Rate Risk related to the operating activities of Group subsidiaries" in Section 5.3 "Market Risks" of this Annual Report. For additional information on the extent to which our borrowings are at fixed rates, please refer to Note 13.1.1 "Change in shareholders' equity Group share in 2022", Note 17 "Financing Debt" and Note 18.2 "Other Debt Instruments Issued, Notes and Bank Overdrafts (Other than Financing Debt) by Issuance" in Part 6 "Consolidated Financial Statements" of this Annual Report. For additional information on the use of financial instruments for hedging purposes, please refer to Note 20 "Derivative instruments" in Part 6 "Consolidated Financial Statements" of this Annual Report.

In addition, as part of its risk control framework, the Company remains vigilant regarding contractual provisions, such as rating triggers or restrictive covenants in financing and other documentation that may give lenders, securityholders or other counterparties the right to accelerate repayment, demand collateral or seek other similar remedies under circumstances that could have a material adverse effect on the Group's consolidated financial position. At year-end 2022, AXA had no rating triggers and no financial covenants in its credit facilities.

(1) Debt gearing is defined in the Glossary set forth in Appendix V hereto.

(2) Debt increase including foreign exchange impact.

(3) Only information contained in Section 5.2 "Internal control and risk management" of this Annual Report and referred to in Note 4 "Financial and insurance risk management" in Part 6 "Consolidated Financial Statements" of this Annual Report is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

(4) This information is not required under IFRS and as such is not part of the Consolidated Financial Statements. Therefore, it is not covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

SUBORDINATED DEBT

On a consolidated basis, subordinated debt that qualifies as financing debt (excluding derivative instruments) amounted to €12,069 million as of December 31, 2022 (€11,804 million including derivatives) after taking into account all intra-group eliminations and excluding undated subordinated debt that qualifies as equity (Undated deeply subordinated notes and undated subordinated notes (TSS/TSDI)), which are included in shareholders' equity, as described in Note 1.13.2 "Undated subordinated debt" in Part 6 "Consolidated Financial Statements" of this Annual Report), compared to €10,780 million as of December 31, 2021 (€10,449 million including derivatives), thus showing an increase of €1,289 million mainly driven by €2,500 million new debt issued, partly compensated by 1,228 million debt reimbursed.

The Group's subordinated debt is described in Note 17 "Financing debt" in Part 6 "Consolidated Financial Statements" of this Annual Report.

FINANCING DEBT INSTRUMENTS ISSUED

On a consolidated basis, AXA's total outstanding non-subordinated financing debt excluding derivatives amounted to €1,672 million at December 31, 2022, an increase of €872 million from €800 million at the end of 2021.

Financing debt instruments issued are described in Note 17 "Financing debt" in Part 6 "Consolidated Financial Statements" of this Annual Report.

FINANCING DEBT OWED TO CREDIT INSTITUTIONS

At December 31, 2022, the Group did not owe any financing debt to credit institutions.

OTHER DEBT (OTHER THAN FINANCING DEBT)

Other debt instruments issued

At December 31, 2022, other debt instruments amounted to €560 million (from €549 million at the end of 2021).

Debt instruments (other than financing debt) issued by Group entities are described in Note 18 "Payables" in Part 6 "Consolidated Financial Statements" of this Annual Report.

Other debt owed to credit institutions (including bank overdrafts)

At December 31, 2022, other debt owed to credit institutions amounted to €3,744 million (including €486 million of bank overdrafts), an increase of €48 million compared to €3,696 million at the end of 2021 (including €680 million of bank overdrafts).

Debt (other than financing debt) owed to credit institutions is described in Note 18 "Payables" in Part 6 "Consolidated Financial Statements" of this Annual Report.

ISSUANCE OF ORDINARY SHARES

For several years, the AXA Group has offered to its employees, in and outside France, the opportunity to subscribe for shares issued through a capital increase reserved for employees. In 2022, approximately 14 million new shares were issued for a total amount of ca. €297 million. To eliminate the dilutive impact of the newly issued shares, AXA has cancelled an equivalent number of treasury shares.

Newly issued shares arising from long term incentive plans (stock options) amounted to 2.146 million shares in 2022. To eliminate the dilutive impact of the newly issued shares, AXA's policy is to systematically buy-back an equivalent number of treasury shares.

DIVIDENDS RECEIVED FROM GROUP SUBSIDIARIES

Dividends received by the Company from its subsidiaries amounted to €4,345 million in 2022 (€3,495 million in 2021), of which €1,939 million were denominated in currencies other than Euro (€1,763 million in 2021).

Uses of funds

Interest paid by the Company in 2022 amounted to €988 million (€921 million in 2021), of which interest on undated subordinated debt was €290 million (€265 million in 2021).

Dividends paid to AXA SA's shareholders in 2022 in respect of the 2021 financial year amounted to €3,539 million, or €1.54 per share, *versus* €1.43 per share paid in 2021 in respect of the 2020 financial year (€3,403 million in total). Those dividends were paid in cash.

In 2022, the Company repurchased €2,303 million of its own shares for purposes other than eliminating the dilutive impact on the Group's Underlying earnings per share from employee share offerings and/or the exercise of stock options, including **(i)** €803,3 million [1] under the €1,700 million share buy-back program announced in November 2021, **(ii)** €500 [2] million under the share buy-back program announced in February 2022, and **(iii)** €1,000 million [3] under a discretionary share buy-back program announced in August 2022.

For additional information, please refer to Appendix III "AXA parent company financial statements" of this Annual Report.

Impact of regulatory requirements

The Group's operations are subject to a wide variety of (re) insurance and other laws and regulations in the jurisdictions in which it operates, including regulatory capital and solvency requirements.

For additional information, please refer to Section 7.3 "General Information – Regulation and Supervision" [4] of this Annual Report.

REGULATORY CAPITAL REQUIREMENTS

The Group's operating (re)insurance entities are subject to local regulatory capital requirements which are designed to protect policyholders and to monitor capital adequacy.

In the event that the Group or any of its insurance or reinsurance entities fail to meet minimum regulatory capital requirements, insurance regulators would have broad authority to require or take various regulatory actions. A failure of the Group and/or any of its (re)insurance entities to meet applicable regulatory capital requirements and/or a severe deterioration of its solvency position may result in the need for significant amounts of new capital. If such a failure occurs at any of the Group's (re)insurance subsidiaries, it could adversely affect the Group's liquidity position. For additional information, see paragraph "The Group's or its (re)insurance entities' failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition" in Section 5.1 "Risk Factors" [5] of this Annual Report.

The Group and AXA SA on a solo basis maintained eligible own funds in excess of their Solvency Capital Requirement at all times during 2022 (in the case of AXA SA, subsequent to its receipt of its reinsurance license) and monitors compliance with such requirement on a continuous basis.

GROUP CAPITAL MANAGEMENT OBJECTIVES

The AXA Group's capital management policy is based on the following principles:

- AXA aims at operating with a target Group Solvency II ratio of approximately 190%;
- AXA intends to pay dividends for an amount representing a pay-out ratio ranging from 55% to 65% of the Group's Underlying Earnings per share;
- finally, AXA applies strict financial discipline in its use of cash. AXA intends to buy back shares to at least neutralize the dilution resulting from employee share offerings and the exercise of stock options or to neutralize the dilutive impact of certain disposals on the Group's Underlying Earnings per share. AXA may also use share buy-backs to return excess financial resources to its shareholders which would usually be assessed on an annual basis taking into account the Group's resources and prospects.

(1) €803,305,340.21.

(2) €499,999,991.

(3) €1,000,000,017.

(4) This information is not required under IFRS and as such is not part of the Consolidated Financial Statements. Therefore, it is not covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

(5) The information provided in Section 5.1 of this Annual report is not required under IFRS and as such is not part of the Consolidated Financial Statements.

If the Group's Solvency II ratio were to deviate excessively below its target level of 190%, AXA may take measures to improve it, such as being more selective on growth initiatives, increasing reinsurance or reducing its appetite for investment risk. In all cases, AXA's policy is to maintain its Group Solvency II ratio above its risk appetite limit level of 140%.

The AXA Group has defined and implemented capital management standards in order to ensure that the Company and its subsidiaries are well positioned from a competitive point of view and maintain an adequate solvency ratio in accordance with local regulatory requirements. In addition, Management has developed various contingency plans. These plans may involve the use of reinsurance, sales of investment portfolios and/or other assets, measures to reduce capital strain of new business, or other measures. There can be no assurance, however, that these plans will be effective and achieve their objectives.

TIERING ANALYSIS OF CAPITAL

Solvency II Eligible Own Funds ("EOF") relate to the Group's and AXA SA's (on a solo basis) available capital resources before the impact of any tiering eligibility restrictions and after consideration of the potential non-availability of certain elements of capital.

Eligible Own Funds are split into three different tiers, based on the quality of each component as defined under Solvency II regulations. The classification depends upon the extent to which the own fund item is immediately available to absorb losses including in case of a winding-up (permanent availability) and subordinated to all other obligations including towards policyholders and beneficiaries. Capital elements of the highest quality are classified in Tier 1. Eligibility limits apply to these components to cover the Group's and AXA SA's (on a solo basis) Solvency Capital Requirement ("SCR").

For compliance with the SCR, the following quantitative limits apply: (a) the eligible amount of Tier 1 items must be at least one half of the SCR, (b) the eligible amount of Tier 3 items must be less than 15% of the SCR, and (c) the sum of the eligible amounts of Tier 2 and Tier 3 items must not exceed 50% of the SCR.

Hybrid debt instruments eligible for Tier 1 must not exceed 20% of the total amount of Tier 1 capital.

DATED AND UNDATED SUBORDINATED DEBT DESCRIPTION

Dated and undated subordinated notes issued by the Company qualify as eligible own funds.

Subordinated notes issued by the Company since January 18, 2015, have been structured to be eligible as own funds regulatory capital under Solvency II regulations. Subordinated notes issued prior to January 17, 2015, mostly benefit from the transitional provisions set forth in Directive 2014/51/EU (Omnibus II), which amended the Solvency II Directive, as they were previously eligible under the Solvency I regime and were issued prior to the entry into force of Delegated Regulation EU 2015/35 of October 10, 2014.

The Company has issued dated subordinated notes ("TSR"), undated subordinated notes ("TSDI") and undated deeply subordinated notes ("TSS"), which include provisions designed to allow the Company to ensure the continuity of its activities in the event its financial position deteriorates.

Certain TSR include clauses which permit or force the Company to defer interest payments. In addition, redemption at maturity is subject to **(i)** the prior approval by the *Autorité de contrôle prudentiel et de résolution* (the "ACPR"), and **(ii)** the absence of any event (a) making the own funds of the Company and/or the Group insufficient to cover its regulatory capital requirements, or (b) pursuant to which the Company would have to take specified action in relation to payments under the notes due to its financial condition, or (c) having an adverse effect on its insurance subsidiaries' claim payments ability.

Pursuant to the terms and conditions of AXA's TSDI, the Company may, at its option, under certain circumstances and shall, in other circumstances, defer interest payment (*e.g.*, no dividend declared or paid in the preceding Annual Shareholders' Meeting or receipt by the Company or by certain of its principal insurance subsidiaries of a regulatory demand to restore its or their solvency position as the case may be). Payment of deferred interest may become due in certain specified cases (*e.g.*, payment of a dividend, notification of the end of a regulatory demand to restore solvency, liquidation of the Company or redemption of the TSDI).

In particular, most of the Company's TSS include loss absorption mechanisms which provide that under certain circumstances where the Company does not meet its regulatory capital requirements, the principal amount of each of the relevant TSS will be written down. In such event, interest will become payable on the reduced principal amount only. The principal may be reinstated when the Company returns to financial health, as defined under the terms and conditions of the TSS.

In addition, for most of the Company's TSS, upon the occurrence of certain events relating to the Company's consolidated net earnings and shareholders' equity, the Company is required to defer payment of interest. In such events, the Company may choose to pay such deferred interest by way of alternative coupon settlement mechanisms within five years (such as, issuance of new shares or other securities including TSS or preference shares, sale of treasury shares, or an increase in the principal amount of the relevant notes, subject to applicable limits), failing which the interest is forfeited. However, the settlement of deferred interest becomes due, on a best-efforts basis, in certain circumstances including redemption of the notes, liquidation of the Company, payment of a dividend or interest on any other TSS, any share buy-back outside the Company's buy-back program, or any redemption or repurchase of other TSS.

2

Finally, under its TSS, the Company has an option to cancel payments of interest upon the deterioration of its financial position, unless certain events have occurred in the preceding year (*e.g.*, a dividend payment or interest payment on any TSS, any share buy-back outside the Group share buy-back program or a repurchase or redemption of any TSS).

FUNGIBILITY OF GROUP CAPITAL

In assessing whether certain fungibility restrictions on capital held by AXA subsidiaries may limit the cover of the Group SCR, the Group considers the following elements:

- whether the own funds items are subject to legal or regulatory requirements that restrict the ability of such items to absorb all types of losses wherever they arise in the Group;
- whether there are legal or regulatory requirements that restrict the transferability of assets to another insurance or reinsurance undertaking; and
- whether making those own funds available for covering the Group SCR would not be possible within a maximum of 9 months.

Finally, own funds which cannot be deemed available at Group level are included in the Group's own funds as long as they are eligible for covering the SCR of the entity which holds them. By exception subordinated debt instruments issued by Group subsidiaries are not deemed available at Group level when such instruments, although eligible to cover the issuing entity's SCR, cannot be deemed available to cover the Group's SCR.

The ACPR currently considers that AXA SA is not subject to requirements relating to financial conglomerates.

For additional information on regulation and capital requirements, please refer to Section 7.3 "General Information Regulation and Supervision – Regulatory Capital and Solvency Requirements" of this Annual Report [(1)].

Subsequent events after December 31, 2022 impacting AXA's liquidity

A dividend per share of €1.70 will be proposed to the Shareholders' Meeting to be held on April 27, 2023. Subject to the Shareholders' Meeting approval, the dividend will be payable on May 10, 2023, with an ex-dividend date of May 8, 2023.

On February 23, 2023, the Group announced a share buy-back program of up to a maximum amount of €1.1 billion and subsequently executed a related share repurchase agreement with an investment services provider on February 24, 2023. AXA intends to cancel all shares repurchased pursuant to this share buy-back program.

For other subsequent events, please refer to Note 32 "Subsequent events" in Section 6 "Consolidated Financial Statements" of this Annual Report.

(1) This information is not required under IFRS and as such is not part of the Consolidated Financial Statements. Therefore, it is not covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

2.5 EVENTS SUBSEQUENT TO DECEMBER 31, 2022

AXA announced the successful placement of €750 million senior notes due 2033

On January 4, 2023, AXA announced the successful placement of €750 million of Reg S senior unsecured notes due 2033 with institutional investors. The notes will be used for general corporate purposes, including the refinancing of part of the Group's outstanding debt.

The notes have a fixed annual coupon of 3.625%. Investor demand was strong with a book subscribed close to 3 times.

The notes are rated A+/Stable by Standard & Poor's and A1/Stable by Moody's.

The settlement of the notes took place on January 10, 2023.

Execution of a share repurchase agreement in relation to AXA's share buy-back program of up to €1.1 billion as announced on February 23, 2023

On February 24, 2023, AXA has executed a share repurchase agreement with an investment services provider, whereby AXA will buy back its own shares for a maximum amount of €1.1 billion, as communicated on February 23, 2023. The share repurchase agreement will be executed in accordance with the terms of the applicable Shareholders' Annual General Meeting authorization (1).

Under the share repurchase agreement (2) announced on February 23, 2023, shares will be bought back commencing on February 27, 2023, and ending at the latest on May 16, 2023. On each day during the purchase period, the price per share to be paid by AXA (3) is determined on the basis of the volume-weighted average share price.

AXA intends to cancel all shares repurchased pursuant to this share buy-back program.

Information regarding share buy-back programs is disclosed on the AXA Group (4) website.

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(1) The Shareholders' Annual General Meeting authorization granted on April 28, 2022, or the authorization expected to be granted by the Shareholders' Annual General Meeting on April 27, 2023, as applicable.

(2) The up-to €1.1 billion share buy-back program will be executed in addition to any other potential share buy-back transactions that may be launched by AXA, including the previously announced share buy-back to be executed following the closing of the sale of the closed Life & Pensions portfolio by AXA Germany.

(3) The purchase price will not exceed the maximum purchase price approved at the applicable Shareholders' Annual General Meeting.

(4) https://www.axa.com/en/investor/share-buyback-programs#tab=share-buy-back-program-total

2.6 OUTLOOK

AXA delivered excellent operational performance in 2022. This reflected the strength of its business model, which has proven resilient in a challenging macroeconomic and geopolitical environment. The Group remains focused on executing its strategic priorities, with an emphasis on growing cash-generative, technical, and fee-based business lines, with reduced sensitivity to financial markets and lower exposure to Nat Cat reinsurance. The Group also remains vigilant with respect to potential short-term challenges, including inflationary pressures, market volatility, risks of economic slowdown, and a more difficult reinsurance marketplace.

AXA is resolutely focused on delivering its "*Driving Progress 2023*" key targets, aided by a very solid balance sheet, the Group's actions to counterbalance the impact of higher inflation, and measures taken to limit the Group's Nat Cat exposure. Considering the strong overall operating performance delivered in 2022, and assuming current operating conditions persist, Management believes that AXA is well positioned to deliver underlying earnings per share growth above the 3-7% CAGR target range over the period from 2020 (rebased for COVID-19 and excess Nat Cat losses) through 2023.

Management also believes that the Group is well positioned to deliver profitable growth in the future and drive customer value, in particular by leveraging unique synergies between AXA's leading global Commercial lines Insurance franchise and strong retail positions in Western Europe and Japan.

AXA's strategy is designed to generate sustained earnings and dividend growth, supported by enhanced cash generation, a strong balance sheet and disciplined capital management. AXA's Management believes that the Group is well placed to create lasting shareholder value and offer an attractive return.

3

CORPORATE GOVERNANCE

3.1 CORPORATE GOVERNANCE STRUCTURE

PRINCIPLES OF GOVERNANCE

Implementing sound corporate governance principles has been a priority at AXA for many years. In this context, AXA chose to adopt, in 2008, the Corporate Governance Code for French corporations *(Code de gouvernement d'entreprises des sociétés cotées)* published by the Afep *(Association française des entreprises privées)* and the Medef *(Mouvement des entreprises de France)* (the "Afep-Medef Code"). The Board of Directors believes that AXA's corporate governance practices **(i)** are in line with the recommendations of the Afep-Medef Code (revised in December 2022 and available on AXA's website – www.axa.com) and its accompanying guide, and **(ii)** have followed the evolution of corporate governance practices in France and abroad, as well as the recommendations and standards of shareholders, regulators, the French High Committee for Corporate Governance *(Haut Comité de Gouvernement d'Entreprise),* proxy advisors, rating agencies and other stakeholders.

PRESENTATION OF AXA'S GOVERNANCE

AXA's corporate governance framework

Since April 2010, AXA has operated with a unitary Board of Directors.

The Board is assisted by three Board Committees: the Audit Committee, the Finance & Risk Committee and the Compensation, Governance & Sustainability Committee.

The Board has adopted internal terms of reference (the "Board's Terms of Reference") which notably detail the role and responsibilities of the Board and its Committees, as well as matters reserved for Board decisions. The Board's Terms of Reference include corporate governance requirements which, in certain instances, go beyond French regulatory requirements notably in relation to the role of the independent directors on the Board Committees.

Separation of the positions of Chairman of the Board of Directors and Chief Executive Officer

The Board decides whether to combine or separate the roles of Chairman and Chief Executive Officer. In line with its practice since the appointment of Mr. Thomas Buberl as Chief Executive Officer in 2016, and the recommendations of the ACPR, the positions of Chairman and Chief Executive Officer are split. Following Mr. Denis Duverne's retirement, the Board on April 28, 2022 **(i)** appointed Mr. Antoine Gosset-Grainville as Chairman of the Board of Directors to replace Mr. Denis Duverne, and **(ii)** renewed Mr. Thomas Buberl's mandate as Chief Executive Officer for a four-year term.

AXA's corporate governance framework is summarized in the table below.

Board of Directors

MEMBERSHIP OF THE BOARD OF DIRECTORS

Board of Directors Diversity Policy

The following diversity policy was adopted by AXA in compliance with Article L.22-10-10, 2° of the French Commercial Code *(Code de commerce)*.

POLICY STATEMENT

In an increasingly complex and highly competitive global environment, it is important for AXA to have directors with diverse and complementary profiles, skills, and experience to drive its current and future strategy and development.

The Board of Directors believes that such diversity is essential for the Board to function optimally, and that diversity is a source of creativity and performance. It also broadens the analytical perspective of the issues discussed at Board meetings.

Consequently, in view of the Group's global presence, the Board of Directors, assisted in this task by its Compensation, Governance & Sustainability Committee, has set a target to have Board members with diverse nationalities and cultures to ensure a balanced and complementary Board, in terms of gender, expertise, experience and tenure.

The members of the Board of Directors are generally appointed for a four-year term. On December 31, 2022, the Board of Directors comprised seventeen members – nine women and eight men. An overview of the Board of Directors as well as the profile, experience and expertise of each director is provided in pages 103 to 111 of this Annual Report.

The objective of this diversity policy is to ensure that, over time, the Board of Directors continues to be composed of members with complementary skills and experience who are collectively able to support the Group's Management in executing its strategic plan and defining long-term objectives.

IMPLEMENTATION AND MONITORING

The Board of Directors and its Compensation, Governance & Sustainability Committee regularly examine the composition of the Board and its Committees.

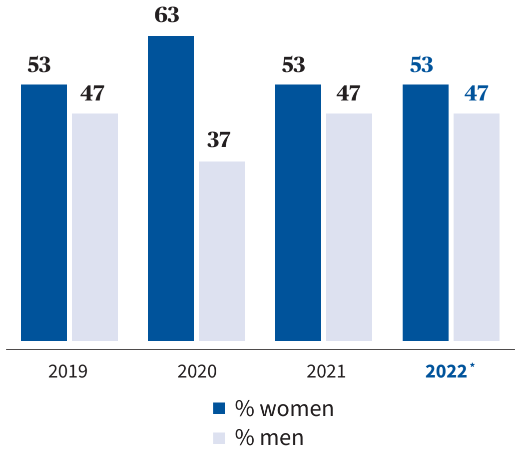
In this context, the Compensation, Governance & Sustainability Committee regularly calls upon external consultants to assist it in identifying and pre-selecting candidates according to predefined selection criteria. Candidates shortlisted by the Committee meet with its members, the Chairman of the Board, the Chair of the other Board Committees and the Chief Executive Officer. The Committee then submits its recommendations to the Board of Directors.

The implementation of the Board of Directors diversity policy is reviewed and monitored each year as part of the Board's self-assessment process. In this respect, the Board notably assesses the selection process for directors and measures the progress made against the predefined diversity targets. The results of this self-assessment are also discussed once a year during a Board meeting.

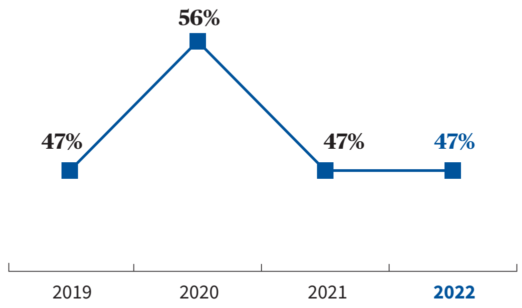
RESULTS OBTAINED IN THE PAST YEAR

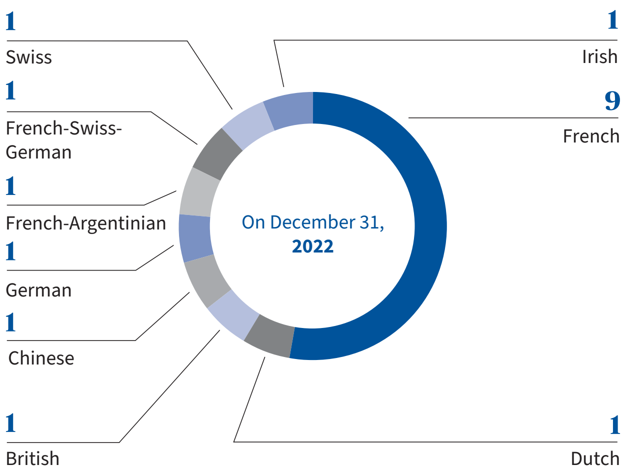
In 2022, the Board, having considered these diversity criteria, managed to reinforce the diversity of profiles and expertise amongst directors, while maintaining a balanced representation of men and women within the Board.

TARGETS OF THE BOARD OF DIRECTORS' DIVERSITY POLICY

Criteria	Targets	Implementation and results obtained in past years
Gender balance	At least 40% of directors of each gender ***(Target met)***	**Representation of women on the Board:** ■ 9 women (stable compared to 2021) and 8 men (stable compared to 2021)  *i.e., a rate of 43% of women and 57% of men (excluding directors representing the employees and the director representing the employee-shareholders) in accordance with legal requirements.*

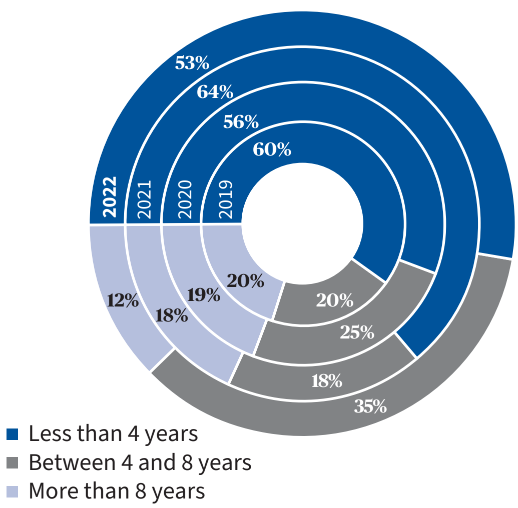
Criteria	Targets	Implementation and results obtained in past years
Nationality of directors	Balanced and complementary composition in terms of nationalities (at least four nationalities represented on the Board) ***(Target met)***	**Non-French directors:** ■ 47% of directors are non-French nationals ■ 8 nationalities are represented on the Board



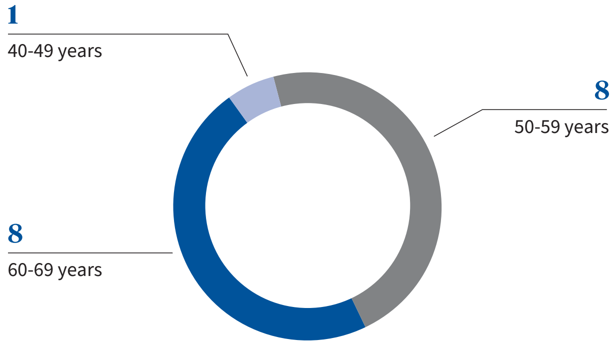


Criteria	Targets	Implementation and results obtained in past years
Tenure of directors	Balanced and complementary composition in terms of tenure (average tenure between 4 and 8 years) ***(Target met)***	**Directors' tenure at December 31, 2022:** ■ Less than 4 years: 9 directors (compared to 11 in 2021) ■ Between 4 and 8 years: 6 directors (compared to 3 in 2021) ■ Between 8 and 12 years: 2 directors (compared to 3 in 2021) ■ Directors' average tenure at December 31, 2022: 4 years (stable compared to 2021)

At December 31, 2022



Criteria	Targets	Implementation and results obtained in past years
Age of directors	No more than one-third of directors over the age of 70 *(Target met)*	■ On December 31, 2022, the directors' average age was 59 years old (stable compared to 2021) ■ No director is over the age of 70

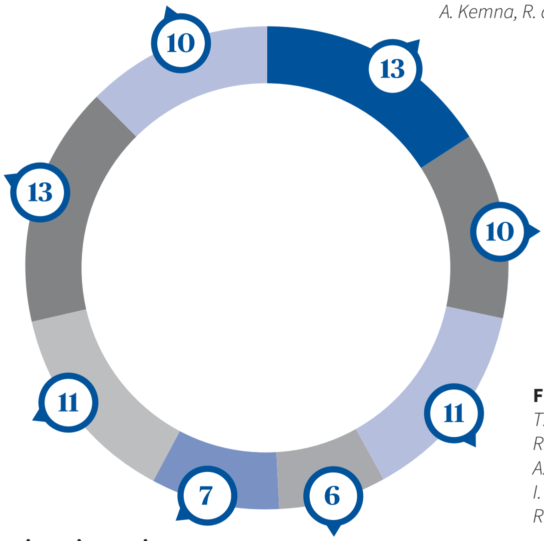


Criteria	Targets	Implementation and results obtained in past years
Independence of directors	At least 50% independent directors *(Target met)*	On December 31, 2022, 11 out of 17 directors were independent, *i.e.*, 65% of the members of the Board of Directors (compared to 71% on December 31, 2021). The Chief Executive Officer, the member of the Board representing the employee shareholders and the members of the Board representing the employees (*i.e.*, 4 directors), are by definition not independent.

Skills and expertise of the members of the Board of Directors

The Board of Directors pays special attention, when selecting its members, to their expertise and experience, including their knowledge of the different regions where the Group is present.

The below skills matrix presents the number of directors with skills and expertise considered critical for AXA's Board of Directors:



Oversight of sustainability
T. Buberl, JP. Clamadieu, B. Cramm, C. Delbos, G. Faury, A. François-Poncet, A.Gosset-Grainville, G. Harlin, I. Hudson, A. Kemna

Experience in AXA business and industries
M. Bièvre, H. Browne, T. Buberl, B. Cramm, R. Duan, R. Fernandez, A. François-Poncet, A. Gosset-Grainville, G. Harlin, I. Hudson, A. Kemna, R. de Oliveira, MF. Tschudin

Knowledge and experience of regulatory and legal matters
M. Bièvre, H. Browne, T. Buberl, JP. Clamadieu, R. Fernandez, A. Gosset-Grainville, G. Harlin, I. Hudson, A. Kemna, R. de Oliveira

Financial expertise
T. Buberl, C. Delbos, R. Duan, R. Fernandez, A. François-Poncet, A. Gosset-Grainville, G. Harlin, I. Hudson, A. Kemna, R. de Oliveira, R. Picard

Experience of customers services and digital strategies
T. Buberl, R. Duan, G. Faury, R. Fernandez, I. Hudson, R. Picard

Experience in growing and emerging markets
T. Buberl, JP. Clamadieu, C. Delbos, R. Duan, G. Faury, R. Fernandez, MF. Tschudin

Risk management, compliance, internal audit
H. Browne, T. Buberl, C. Delbos, R. Fernandez, A. François-Poncet, A. Gosset-Grainville, G. Harlin, I. Hudson, A. Kemna, R. de Oliveira, R. Picard

Leadership and senior management experience
T. Buberl, JP. Clamadieu, C. Delbos, R. Duan, G. Faury, R. Fernandez, A. François-Poncet, A. Gosset-Grainville, G. Harlin, I. Hudson, R. de Oliveira, R. Picard, MF. Tschudin

Composition of the Board of Directors on December 31, 2022 (1)

NUMBER OF DIRECTORS	INDEPENDENT DIRECTOR RATIO	GENDER BALANCE WITHIN THE BOARD OF DIRECTORS	NATIONALITY	DIRECTORS' AVERAGE AGE
17	65%	53%	8	59
	11 independent directors	43% of women excluding directors representing the employees and the employee shareholders	directors out of 17 are non-French nationals – 8 nationalities are represented on the Board	

(1) *For further information on the expertise, experience and directorships of the members of the Board of Directors, please refer to Section "Information on current members of the Board of Directors" below.*

Name (age) and main function [(a)] Principal business address Nationality	Position within the Board of Directors	Number of AXA shares owned on December 31, 2022 [(b)]	First appointment/ term of office
Antoine Gosset-Grainville (56) Partner at BDGS Associés Law Firm 51, rue François 1er – 75008 Paris – France French nationality	Chairman of the Board of Directors	4,268	June 2020/2024 Annual Shareholders' Meeting
Thomas Buberl (49) Director and Chief Executive Officer of AXA 25, avenue Matignon – 75008 Paris – France French, German and Swiss nationalities	Director and Chief Executive Officer	1,003,917 [(c)]	September 2016/2026 Annual Shareholders' Meeting
Martine Bièvre (63) Director of AXA representing the employees AXA France – 203-205 rue Carnot – 94138 Fontenay-sous-Bois – France French nationality	Director representing the employees	419 [(c)]	June 2018/2026 Annual Shareholders' Meeting
Helen Browne (60) Director of AXA representing the employee shareholders 25, avenue Matignon – 75008 Paris – France Irish nationality	Director representing the employee shareholders	152,029 [(c)]	June 2020/2024 Annual Shareholders' Meeting
Jean-Pierre Clamadieu (64) Chairman of the Board of Directors of ENGIE 1, place Samuel de Champlain – 92930 Paris la Défense Cedex – France French nationality	Senior Independent Director Chairman of the Compensation, Governance & Sustainability Committee	11,500	October 2012/2023 Annual Shareholders' Meeting
Bettina Cramm (59) Director of AXA representing the employees AXA Konzern AG – PX Health&Safety – Abraham-Lincoln Park 5 – 65189 Wiesbaden – Germany German nationality	Director representing the employees Member of the Compensation, Governance & Sustainability Committee	2,185	June 2018/2026 Annual Shareholders' Meeting
Clotilde Delbos (55) Companies' director 25, avenue Matignon – 75008 Paris – France French nationality	Independent director Member of the Audit Committee	5,300 [(d)]	May 2021/2024 Annual Shareholders' Meeting
Rachel Duan (52) Companies' director 25, avenue Matignon – 75008 Paris – France Chinese nationality	Independent director Member of the Compensation, Governance & Sustainability Committee	5,600	April 2018/2026 Annual Shareholders' Meeting
Guillaume Faury (54) Chief Executive Officer of Airbus Building B80 – W410 2 Rond-point Dewoitine – BP 90112 - 31703 Blagnac Cedex – France French nationality	Independent director Member of the Compensation, Governance & Sustainability Committee	5,000 [(e)]	April 2021/2025 Annual Shareholders' Meeting
Ramon Fernandez (55) Deputy Chief Executive Officer (*Directeur Général Adjoint*) of Orange 111, Quai du Président Roosevelt – 92130 Issy-les-Moulineaux – France French nationality	Independent director Chairman of the Finance & Risk Committee Member of the Audit Committee	5,577 [(d)]	April 2021/2025 Annual Shareholders' Meeting
André François-Poncet (63) Companies' director 25, avenue Matignon – 75008 Paris – France French nationality	Independent director Member of the Compensation, Governance & Sustainability Committee Member of the Finance & Risk Committee	7,842	December 2016/2024 Annual Shareholders' Meeting

(a) For further information on the expertise, experience, and directorships of the members of the Board of Directors, please refer to Section "Information on current members of the Board of Directors" below.
(b) AXA shares indirectly held through Mutual funds are not taken into account.
(c) On March 12, 2023.
(d) On January 19, 2023.
(e) On March 10, 2023.

Name (age) and main function [(a)] Principal business address Nationality	Position within the Board of Directors	Number of AXA shares owned on December 31, 2022 [(b)]	First appointment/ term of office
Gérald Harlin (67) Companies' director 25, avenue Matignon – 75008 Paris – France French nationality	Director Member of the Finance & Risk Committee	454,975 [(c)]	April 2022/2026 Annual Shareholders' Meeting
Isabel Hudson (63) Companies' director 25, avenue Matignon – 75008 Paris – France British nationality	Independent director Chairwoman of the Audit Committee Member of the Finance & Risk Committee	9,168 [(d)]	June 2020/2024 Annual Shareholders' Meeting
Angelien Kemna (65) Companies' director 25, avenue Matignon – 75008 Paris – France Dutch nationality	Independent director Member of the Audit Committee	7,250	April 2016/2024 Annual Shareholders' Meeting
Ramon de Oliveira (68) Founder and Partner of RdeO Consulting LLC (United States) 580 Park Avenue – New York – NY 10065 – United States French and Argentinian nationalities	Director Member of the Finance & Risk Committee	38,234	April 2009/2025 Annual Shareholders' Meeting
Rachel Picard (56) Chairwoman of the Board of Directors of Criteo 32, rue Blanche – 75009 Paris – France French nationality	Independent director Member of the Audit Committee	500	April 2022/2026 Annual Shareholders' Meeting
Marie-France Tschudin (51) *President, Innovative Medicines International & Chief Commercial Officer*, of Novartis Pharma AG (Switzerland) 4002 Basel – Switzerland Swiss nationality	Independent director Member of the Compensation, Governance & Sustainability Committee	2,695	June 2020/2024 Annual Shareholders' Meeting

(a) For further information on the expertise, experience, and directorships of the members of the Board of Directors, please refer to Section "Information on current members of the Board of Directors" below.
(b) AXA shares indirectly held through Mutual funds are not taken into account.
(c) On March 12, 2023.
(d) On January 20, 2023.

Changes within the membership of the Board of Directors and its Committees in 2022

	Term of office	Appointment	Ratification of cooptation	Renewal
Board of Directors	Denis Duverne *(04/28/2022)* Patricia Barbizet *(04/28/2022)*	Gérald Harlin *(04/28/2022)* Rachel Picard *(04/28/2022)*	Clotilde Delbos *(04/28/2022)*	Martine Bièvre *(04/28/2022)* Bettina Cramm *(04/28/2022)* Rachel Duan *(04/28/2022)* Thomas Buberl *(04/28/2022)* André François-Poncet *(04/28/2022)*
Audit Committee	-	Rachel Picard *(04/28/2022)*	-	-
Finance & Risk Committee	Antoine Gosset-Grainville *(04/28/2022)* Helen Browne *(04/28/2022)*	Gérald Harlin *(04/28/2022)*	-	André François-Poncet *(04/28/2022)*
Compensation, Governance & Sustainability Committee	Patricia Barbizet *(04/28/2022)*	Marie-France Tschudin *(04/28/2022)* Guillaume Faury *(06/22/2022)*	-	Bettina Cramm *(04/28/2022)* Rachel Duan *(04/28/2022)* André François-Poncet *(04/28/2022)*

Changes to the Board at the 2023 Shareholders' Meeting

Mr. Jean-Pierre Clamadieu, member of the Board of Directors and Senior Independent Director, whose term of office expires at the end of the April 27, 2023 Shareholders' Meeting, will not be replaced.

Following the April 27, 2023 Shareholders' Meeting approval, the Board of Directors will therefore be comprised of 16 members including 9 women (56% [1]) and 10 members considered independent (63%) by the Board of Directors in accordance with the Afep-Medef Code criteria.

The composition of the Board Committees will be reviewed during the Board of Directors' meeting following the Shareholders' Meeting of April 27, 2023.

The gender diversity policy applied to the Group's management bodies and the objectives of this policy, together with an action plan and the timeframe within which these actions will be carried out, are presented in Section 4.2 "Employer responsibility" of this Annual Report.

(1) Or a rate of 46% (higher than the minimum of 40% required by law) of women (excluding the directors representing the employees and the director representing the employee-shareholders) in accordance with legal requirements.

Information on current members of the Board of Directors [(1)]

Antoine Gosset-Grainville

Chairman of the Board of Directors of AXA (independent)

Partner at BDGS Associés Law Firm

Born on March 17, 1966

French nationality

Appointed on June 30, 2020 – Term expires at the 2024 Shareholders' Meeting

First appointment on June 30, 2020 (director) – April 28, 2022 (Chairman of the Board of Directors)

Expertise and experience

Mr. Antoine Gosset-Grainville is a graduate of the *Institut d'études politiques* of Paris and holds a "DESS" (post-graduate degree) in banking and finance from the University of Paris IX Dauphine. He was admitted to the Paris Bar (2002) and the Brussels Bar (2002). After graduating from the French *École nationale d'administration*, he began his career, in 1993, at the Inspection Générale des Finances, before taking the position of Deputy General Secretary of the Economic and Financial Committee of the European Union in 1997. From 1999 to 2002, he was advisor for Economic and Industry Affairs in the office of the European Commissioner in charge of Trade. In 2002, he became partner at Gide, where he managed the Brussels office for five years before becoming in 2007 Deputy Director of the Cabinet of the French Prime Minister, in charge of economic and financial issues and the management of the French State's investment portfolio. In 2010, he was appointed Deputy Managing Director of the Caisse des Dépôts et Consignations in charge of finance, strategy, investments and international operations and Interim Chief Executive Officer of the Caisse des Dépôts group from February to July 2012. In April 2013, he co-founded BDGS Associés (law firm). On April 28, 2022, Mr. Antoine Gosset-Grainville was appointed Chairman of the Board of Directors of AXA.

Directorship held within the AXA Group

Chairman of the Board of Directors: AXA*

Directorship held outside the AXA Group

None

Directorships held during the last five years

Director: AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, Compagnie des Alpes, Fnac Darty, Schneider Electric

Thomas Buberl

Member of the Board of Directors and Chief Executive Officer of AXA

Born on March 24, 1973

French, German and Swiss nationalities

Appointed on April 28, 2022 – Term expires at the 2026 Shareholders' Meeting

First appointment on September 1, 2016

Expertise and experience

Mr. Thomas Buberl holds a Master of Economics degree from WHU Koblenz (Germany), a MBA from Lancaster University (UK) and a PhD. in Economics from the University of St Gallen (Switzerland). Mr. Thomas Buberl began his career as a consultant at the Boston Consulting Group for the banking & insurance sector and joined the Winterthur Group in 2005 (acquired by AXA in 2006), first as Chief Operating Officer and then as Chief Marketing and Distribution Officer. He moved to Zurich Insurance Group in 2008 as Chief Executive Officer for Switzerland. At the beginning of 2012, Mr. Thomas Buberl was appointed Chief Executive Officer of AXA Konzern AG (Germany) and member of the AXA Executive Committee. In March 2015, he also joined the AXA Management Committee and became Chief Executive Officer of the global health business line and, in January 2016, of the global life & savings business line. Since September 1, 2016, Mr. Thomas Buberl has been Chief Executive Officer and director of AXA.

Directorship held within the AXA Group

Director and Chief Executive Officer: AXA*

Directorships held outside the AXA Group [(2)]

Director or member of the Supervisory Board: Bertelsmann VerwaltungsGesellschaft (BVG) (Germany), IBM* (United States)

Directorships held during the last five years

Chairman of the Board of Directors: AXA Equitable Holdings, Inc. (United States), AXA Financial, Inc. (United States), AXA Leben AG (Switzerland), AXA Versicherungen AG (Switzerland), XL Group Ltd (Bermuda)

Chairman of the Supervisory Board: AXA Konzern AG (Germany)

Director or member of the Management Committee or member of the Supervisory Board: AXA ASIA (SAS), AXA Equitable Life Insurance Company (United States), Bertelsmann SE & Co. KGaA (Germany), Equitable Financial Life Insurance Company of America (United States) *(formerly known as MONY Life Insurance)*

*(1) Current directorships held by members of the Board of Directors within a listed company are indicated by the following symbol: *.*

*Current directorships held by members of the Board of Directors within companies belonging to the same group are indicated by the following symbol: **.*

(2) Mr. Thomas Buberl obtained the agreement of the Company's Board of Directors before agreeing to hold offices in companies outside the AXA Group.

Martine Bièvre

Member of the Board of Directors of AXA representing the employees

Born on September 4, 1959

French nationality

Appointed on April 28, 2022 – Term expires at the 2026 Shareholders' Meeting

First appointment on June 13, 2018

Expertise and experience

Mrs. Martine Bièvre graduated with a Master's degree in law specialized in insurance law from the University of Lyon (France). From 1984 to 1988, Mrs. Martine Bièvre was a damage regulations and civil liability editor at the UAP branch in Lyon (France). Since 1988, she held various functions such as claim inspector – adjuster, at the UAP Rhône-Alpes Delegation (from 1988 to 1999), at the UAP Bassin Parisien Delegation (from 1990 to 1999), at the AXA Bourgogne Franche-Comté Region (from 1999 to 2004), at AXA Entreprises – IARD Department (from 2004 to 2011) and at AXA IARD et Partenariats (since 2011). From 2015 to 2018, she was director representing the employees on the Board of Directors of AXA France IARD. In June 2018, Mrs. Martine Bièvre was appointed director representing the employees on AXA's Board of Directors.

Directorship held within the AXA Group

Director representing the employees: AXA*

Directorship held outside the AXA Group

Director: Caisse de retraite du personnel de l'UAP (CRUAP)

Directorship held during the last five years

Director representing the employees: AXA France IARD

Helen Browne

Member of the AXA Board of Directors representing the employee shareholders

Born on December 30, 1962

Irish nationality

Appointed on June 30, 2020 – Term expires at the 2024 Shareholders' Meeting

First appointment on June 30, 2020

Expertise and experience

Mrs. Helen Browne graduated in law from the University of Kent at Canterbury (United Kingdom) (English & French Law), and the University of Grenoble (France). She is a Solicitor of the Senior Courts of England and Wales and was admitted to the Paris Bar in 1994. She joined Linklaters in 1987, working in London, Brussels and Paris and then joined the Legal Department of AXA Group in 2001 as Head of Finance before taking on the role of Head of M&A in 2009. In 2014, she was appointed AXA Group Deputy General Counsel and since 2016, she has been AXA Group General Counsel. Since June 2020, Mrs. Helen Browne has been the employee shareholder representative to the AXA Board of Directors and since March 25, 2021, a member of the AXA Management Committee.

Directorships held within the AXA Group

Director representing the employee shareholders: AXA*

Director or member of the Supervisory Board: GIE AXA, XL Insurance Company SE (Ireland)

Directorship held outside the AXA Group

Member: Haut Comité Juridique de la Place Financière de Paris

Directorships held during the last five years

Director: AXA Corporate Solutions Assurance, RESO (Russia)

Jean-Pierre Clamadieu

Member of the Board of Directors and Senior Independent Director of AXA

Chairman of the Board of Directors of ENGIE

Born on August 15, 1958

French nationality

Appointed on April 24, 2019 – Term expires at the 2023 Shareholders' Meeting

First appointment on October 10, 2012

Chairman of the AXA Compensation, Governance & Sustainability Committee

Expertise and experience

Mr. Jean-Pierre Clamadieu is a graduate of the *École nationale supérieure des mines* of Paris and *ingénieur du Corps des Mines*. He began his carrier in various positions within the French Civil Service, in particular for the Ministry of Industry and as technical adviser in the Ministry of Labour. In 1993, he joined the Rhône-Poulenc group and held various executive positions. In 2003, he was appointed Chief Executive Officer of the Rhodia group and in 2008, Chairman & Chief Executive Officer. In September 2011, further to the combination between the groups Rhodia and Solvay, Mr. Jean-Pierre Clamadieu became Vice-Chairman of the Executive Committee of Solvay. From May 2012 to March 1, 2019, Mr. Jean-Pierre Clamadieu was Chairman of the Executive Committee and member of the Board of Directors of Solvay. Since May 18, 2018, Mr. Jean-Pierre Clamadieu has been Chairman of the Board of Directors of ENGIE and was re-elected as Chairman of the Board of Directors on April 21, 2022. On April 2019, the AXA Board of Directors appointed Mr. Jean-Pierre Clamadieu as Senior Independent Director.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chairman of the Board of Directors: ENGIE*, Opéra National de Paris

Director: Airbus*, France Industries

Directorships held during the last five years

Director and Chairman of the Executive Committee: Solvay (Belgium)

Chairman: Cytec Industries Inc. (United States)

Vice-Chairman of the Executive Committee: World Business Council for Sustainable Development (WBCSD) (Switzerland)

Director: Faurecia

Bettina Cramm

Member of the Board of Directors of AXA representing the employees

Born on May 10, 1963

German nationality

Appointed on April 28, 2022 – Term expires at the 2026 Shareholders' Meeting

First appointment on June 20, 2018

Member of the AXA Compensation, Governance & Sustainability Committee

Expertise and experience

Mrs. Bettina Cramm is a graduated Medical Educator from the Martin-Luther University (Halle/Saale – Germany). She started her career in 1984 as a Medical Technical Assistant at the German Klinik of Diagnostik of Wiesbaden (Germany). In 1991, she joined German-Civil-Servants-Insurance (DBV), known today as AXA Konzern AG. From 1991 to 1994, she was Power Clerk General Private Health Insurance at DBV and from 1994 to 2002, Operational Paramedic at DBV-Winterthur Wiesbaden. From 2002 to 2007, Mrs. Bettina Cramm was a Healthcare Consultant at DBV-Winterthur. In 1995, she joined the Works Council at DBV-Winterthur and was a member of the Supervisory Board of DBV-Winterthur Health Insurance (2006-2008), member of the Supervisory Board of DBV Vermittlungsgesellschaft für Versicherungen und Vermögensbildung mbH (2007-2008). From 2008 to 2013, and since her appointment as a director in 2018, she is responsible for the prevention and health promotion at the company medical service at AXA Konzern AG. From 2013 to June 2018, Mrs. Bettina Cramm held various functions as member of the Works Council, Central Works Council, European Works Council and their commissions and member of Supervisory Boards of AXA entities in Germany. From May 2017 to April 2022, she was a member of the Supervisory Board of AXA Konzern AG. In June 2018, Mrs. Bettina Cramm was appointed member of the Board of Directors of AXA representing the employees.

Directorship held within the AXA Group

Director representing the employees: AXA*

Directorship held outside the AXA Group

None

Directorship held during the last five years

Member of the Supervisory Board: AXA Konzern AG (Germany)

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Clotilde Delbos

Member of the Board of Directors of AXA (independent)

Companies' director

Born on September 30, 1967

French nationality

Appointed on May 10, 2021 – Term expires at the 2024 Shareholders' Meeting

First appointment on May 10, 2021

Member of the AXA Audit Committee

Expertise and experience

Mrs. Clotilde Delbos is graduated from EM Lyon. She began her career in California, then at Price Waterhouse in Paris before joining the Pechiney group in 1992. She held various positions in France and in Brussels in Internal Audit, Treasury and Mergers & Acquisitions to then become Division Financial Director (Bauxite Alumina and International Trade). After Pechiney's acquisition by Alcan, Mrs. Clotilde Delbos served as Vice-President & Business Finance Director of the Engineered Products Division from 2005 up until it was sold in 2011 to Apollo Global Management (Private Equity Fund) and the Fonds Stratégique d'investissement. In the new company, Constellium, her last two positions were Deputy CFO and Chief Risk Officer. Mrs. Clotilde Delbos joined Groupe Renault in 2012 as Group Controller. On May 1, 2014, she was appointed Alliance Global Director, Control, in addition to her current role as Senior Vice-President, Groupe Renault Controller. In April 2016, Mrs. Clotilde Delbos is appointed Executive Vice-President, Chief Financial Officer of Groupe Renault. She also became Chair of the Board of Directors of RCI Banque SA. On April 1, 2019, Mrs. Clotilde Delbos, takes over the responsibility of Internal Control on top of her current role. On October 11, 2019, the Board of Directors decides to appoint Mrs. Clotilde Delbos as Chief Executive Officer of Renault SA for an interim period until Mr. Luca de Meo takes office as Chief Executive Officer of Renault SA, and Chairman of Renault s.a.s., effective July 1, 2020. On July 1, 2020, Mrs. Clotilde Delbos became Deputy Chief Executive Officer of Groupe Renault. She remained Chief Financial Officer of Groupe Renault and Chair of the Board of Directors of RCI Banque SA. On January 1, 2021, Mrs. Clotilde Delbos is appointed Chief Executive Officer of Mobilize Brand. She remains Chief Financial Officer (until March 1, 2022), Deputy Chief Executive Officer of Groupe Renault and Chair of the Board of Directors of RCI Banque SA and is a member of the Groupe Renault's Board of Management up until December 31, 2022 when she has left the Groupe Renault and the RCI Banque.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Director: Alstom*

Co-manager: HACTIF Patrimoine

Directorships held during the last five years

Chief Executive Officer by interim: Renault SA

Chairwoman: MOBILIZ INVEST

Chairwoman & Chief Executive Officer: RENAULT NISSAN BV (The Netherlands)

Chairwoman of the Board of Directors: RCI Banque

Chairwoman: Mobilize Ventures, MAI

Chief Executive Officer: Mobilize

Director or member of the Supervisory Board: ALLIANCE VENTURES B.V. (The Netherlands), RENAULT Espana (Spain)

Member of the Management Board: ALLIANCE ROSTEC AUTO B.V. (The Netherlands), RENAULT Nissan B.V. (the Netherlands)

Rachel Duan

Member of the Board of Directors of AXA (independent)

Companies' director

Born on July 25, 1970

Chinese nationality

Appointed on April 28, 2022 – Term expires at the 2026 Shareholders' Meeting

First appointment on April 25, 2018

Member of the AXA Compensation, Governance & Sustainability Committee

Expertise and experience

A native of Shanghai, Mrs. Rachel Duan holds a bachelor's degree in Economics and International Business from Shanghai International Studies University in China and an MBA from The University of Wisconsin (Madison in USA). Mrs. Rachel Duan joined GE in 1996 and worked at GE across multiple business in the US, Japan and China. Since 2006, she has held senior leadership positions including Chief Executive Officer of GE Advanced Materials China and then Asia Pacific, Chief Executive Officer of GE Healthcare China, and Chief Executive Officer of GE China. Most recently, she served as President & Chief Executive Officer of GE Global Markets where she was responsible for driving GE's growth in global emerging markets including China, Asia Pacific, India, Africa, Middle East and Latin America.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Director: Sanofi*, Adecco Group AG* (Switzerland), HSBC* (United Kingdom)

Directorships held during the last five years

President & Chief Executive Officer: GE Global Markets

Chief Executive Officer: GE China, GE Healthcare China

Guillaume Faury

Member of the Board of Directors of AXA (independent)

Chief Executive Officer of Airbus SE

Born on February 22, 1968

French nationality

Appointed on April 29, 2021 – Term expires at the 2025 Shareholders' Meeting

First appointment on April 29, 2021

Member of the AXA Compensation, Governance & Sustainability Committee

Expertise and experience

Mr. Guillaume Faury graduated from the *École polytechnique* in Paris in 1990 and, subsequently, from the *École nationale supérieure de l'aéronautique et de l'espace* in Toulouse. Mr. Guillaume Faury began his career in 1992 as a flight-test engineer for the Eurocopter Tiger helicopter in the Direction Générale de l'Armement (DGA), the French government agency responsible for the development and purchase of defence systems for the French armed forces. Between 1998 and 2008, he held various leadership positions in engineering, programmes and flight testing in Airbus' helicopter business, which at the time operated under the name of Eurocopter. He became Executive-Vice-President for Programmes and a member of the Eurocopter Executive Committee, before being appointed as Executive Director for Research and Development. He then spent four years in the car industry at Peugeot (2009-2013), becoming Executive Vice-President for Research and Development and a member of the company's Management Board. From 2013 to 2018, Mr. Guillaume Faury was Chief Executive Officer of Airbus Helicopters, where his achievements included restructuring its manufacturing system and introducing new technologies. In February 2018, he became President of Airbus' commercial aircraft business. Since April 2019, Mr. Guillaume Faury has been Chief Executive Officer of Airbus and leads the Company's Executive Committee.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chief Executive Officer and director: Airbus SE* **

President: Airbus SAS**

Vice-President: AeroSpace and Defence Industries Association of Europe**

Member of the Advisory Board: Airbus Group Ventures Fund II, L.P.**

Member and First Vice-President of the Board of Directors: Groupement des Industries Françaises Aéronautiques et Spatiales

Directorships held during the last five years

Chairman of the Board of Directors: Airbus Canada Managing GP Inc., Airbus (China) Enterprise Management and Services Co. Limited, Airbus Helicopters España, SA, Airbus Helicopters, Inc., Airbus U.S.A. 220, Inc., Fondation d'Entreprises Airbus

President: Airbus Helicopters (SAS), Airbus Helicopters Holding (SAS)

Chairman of the Supervisory Board: Airbus Operations GmbH

Managing Director (Directeur Général): Airbus

Member of the Board of Directors: Airbus Africa and Middle east FZE, Airbus Americas, Inc., Airbus Defense and Space, Inc., Airbus Defense and Space, SA, Tallano Technologies (SAS)

Member of the Supervisory Board: Airbus Helicopters Deutschland GmbH

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Ramon Fernandez

Member of the Board of Directors of AXA (independent)

Deputy Chief Executive Officer *(Directeur Général Adjoint)* of Orange

Born on June 25, 1967

French nationality

Appointed on April 29, 2021 – Term expires at the 2025 Shareholders' Meeting

First appointment on April 29, 2021

Chairman of the AXA Finance & Risk Committee

Member of the AXA Audit Committee

Expertise and experience

Mr. Ramon Fernandez is a graduate of the *Institut d'études politiques* in Paris (1988) and the *École nationale d'administration* (1993). He began his carrier at the French Treasury before joining the International Monetary Fund in Washington (from 1997 to 1999). Returning to the French Treasury, he held various important positions in different areas. He was also Advisor to the Minister of the Economy, Finance and Industry (2002-2003) and to the French President (2007-2008). In 2008, he was appointed Chief of Staff to the Minister of Labour, Social Relations, Family and Solidarity (2008-2009). From 2009 to 2014, he was Chief Executive Officer of the French Treasury, Chairman of the Agence France Trésor and Chairman of the Club de Paris. Mr. Ramon Fernandez joined Orange on September 1, 2014 as Deputy Chief Executive Officer and Group Chief Financial and Strategy Officer. In May 2, 2018, he was appointed Deputy Chief Executive Officer, Finance, Performance and Europe. From September 2020 to December 31, 2022, Mr. Ramon Fernandez was Deputy Chief Executive Officer, Finance, Performance and Development of Orange. Since January 1, 2023, Mr. Ramon Fernandez has been Deputy Chief Executive Officer *(Directeur Général Adjoint)* of Orange.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chairman of the Board of Directors: Compagnie financière d'Orange Bank**, Orange Bank**, Orange Ventures**

Member of the Board of Directors: Fondation nationale des Sciences Politiques, Institut du Capitalisme responsable, Institut Jean Monnet, Medi Telecom**, Orange Middle East and Africa**

Member of the Supervisory Board: Buyin**, Iris Capital Management SAS**, Orange Pologne**

Directorships held during the last five years

Deputy Chief Executive Officer: Orange

Chairman of the Board of Directors: Buyin

Member of the Board of Directors: Euronext (The Netherlands), Heuler Hermes SA, Orange Belgium

André François-Poncet

Member of the Board of Directors of AXA (independent)

Companies' director

Born on June 6, 1959

French nationality

Appointed on April 28, 2022 – Term expires at the 2024 Shareholders' Meeting

First appointment on December 14, 2016

Member of the AXA Compensation, Governance & Sustainability Committee

Member of the AXA Finance & Risk Committee

Expertise and experience

Mr. André François-Poncet graduated from *École des Hautes Etudes Commerciales* (HEC) and holds a Master in Business Administration (MBA) from the Harvard Business School. He began his career, in 1984, at Morgan Stanley in New York and then in London and in Paris, where he was in charge of the opening of Morgan Stanley French office. After a sixteen-year career at Morgan Stanley, he joined, in 2000, BC Partners (Paris and London) as Managing Partner until December 2014 and then as Senior Advisor until December 2015. From September 2016 to December 2017, Mr. André François-Poncet was a Partner at the French asset manager CIAM in Paris. From January 2018 to December 2022, Mr. André François-Poncet was Group CEO of Wendel SE and Vice-Chairman of the Board of Directors of Bureau Veritas.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chairman: PC Associés

Member of the bureau: Club des Trente

Directorships held during the last five years

Group CEO: Wendel SE

Chairman and Chief Executive Officer: LMBO Europe SAS

Chairman and director: Trief Corporation (Luxembourg)

Vice-Chairman of the Board of Directors and director: Bureau Veritas

Director: Harvard Business School Club de France, Winvest Conseil (Luxembourg)

Member of the European Advisory Board: Harvard Business School

Gérald Harlin

Member of the Board of Directors of AXA

Companies' director

Born on August 21, 1955

French nationality

Appointed on April 28, 2022 – Term expires at the 2026 Shareholders' Meeting

First appointment on April 28, 2022

Member of the AXA Finance & Risk Committee

Expertise and experience

Mr. Gérald Harlin is a graduate of the ESSEC school of business. From 1979 to 1990, he held several positions within the Total group. He was Head of Corporate Finance Department for North America, Mining & Chemical Subsidiaries from 1989 to 1990. Mr. Gérald Harlin started working for the AXA Group in 1990 as Corporate Treasurer and became Head of Corporate Finance in 1991. In 1994, he was appointed Chief Financial Officer of AXA Asset Management Europe and its subsidiaries and Chief Executive Officer of AXA Banque. He joined AXA France in 1997 as Chief Investment Officer. In 2000 he was appointed Market Program Manager of AXA France. He became Chief Financial Officer of AXA France in 2001 until March 2003. From 2003 to 2009, Mr. Gérald Harlin was Executive Vice-President, Finance & Control of the AXA Group. From 2010 to December 2019, Mr. Gérald Harlin was Group Chief Financial Officer. During this period, he was a member of the Group's Executive Committee (July 2008-2016) and a member of the Group's Management Committee (July 2016-2019). In December 2017, Mr. Gérald Harlin was appointed Deputy Chief Executive Officer *(Directeur Général Adjoint)* in addition to his current responsibilities, until September 2020. From December 2019 to September 2020, he was appointed Executive Chairman of AXA Investment Managers, of which he is still a member of the Board of Directors.

Directorships held within the AXA Group

Director: AXA*, AXA France IARD, AXA France Vie, AXA Investment Managers, Catlin Insurance Company, Inc. (United States), Greenwich Insurance Company (United States), Indian Harbor Insurance Company (United States), X.L. America, Inc. (United States), XL Insurance America, Inc. (United States), XL Insurance Company of New York, Inc. (United States), XL Reinsurance America Inc. (United States), XL Select Insurance Company (United States), XL Specialty Insurance Company (United States)

Directorships held outside the AXA Group

Director: AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, Établissement public du Château, du musée et du domaine national de Versailles, Fondation Mérimée

Directorships held during the last five years

Chairman & Chief Executive Officer: AXA China, AXA Investment Managers, AXA Investment Managers Paris, AXA America Holdings, Inc. *(which became AXA Equitable Holdings)* (United States)

Chairman of the Board of Directors: AXA France IARD, AXA France Vie, AXA Real Estate Investment Managers, AXA Holdings Belgium SA (Belgium), AXA Mediterranean Holding S.A.U. (Spain)

Chairman of the Company and Chairman and member of the Management Committee: AXA Oeuvres d'Art, Lor Patrimoine, Oudinot Participations

Chairman and member of the Management Committee: AXA ASIA

Managing Director and member of the Management Board: Vinci B.V. (The Netherlands)

Director: AXA Global P&C, AXA Investment Managers Chorus Limited (Hong Kong), AXA Investment Managers US Inc (United States), AXA Equitable Life Insurance Company (United States), AXA Equitable Holdings, Inc. (United States), MONY Life Insurance Company of America (United States), XL Group Ltd (Bermuda)

Member of the Management Committee: CFP Management

Member of the Supervisory Board: AXA Liabilities Managers

Permanent representative of:

- AXA to the boards of AXA Global Re and AXA Investment Managers
- Société Beaujon to the board of AXA Real Estate Investment Managers

Isabel Hudson

Member of the Board of Directors of AXA (independent)

Companies' director

Born on December 8, 1959

British nationality

Appointed on June 30, 2020 – Term expires at the 2024 Shareholders' Meeting

First appointment on June 30, 2020

Chairwoman of the AXA Audit Committee

Member of the AXA Finance & Risk Committee

Expertise and experience

Mrs. Isabel Hudson graduated with a Master of Arts in French and German from the University of Oxford (United Kingdom). From 1981 to 1993, she held various positions at the Royal Insurance group (United Kingdom). From 1993 to 1995, she was Head of European Development and Operations at the Corporation of Lloyd's (United Kingdom). From 1996 to 1999, she was the International Development Director for GE Insurance Holdings Ltd (United Kingdom) and from 1999 to 2002, she held the positions of Chief Financial Officer and Executive Director of Eureko BV (The Netherlands). From 2002 to 2006, she was an Executive Director of Prudential's UK business and Chairwoman of Prudential International Assurance and from 2006 to 2008, she established and served as Chief Executive Officer of a specialized pension buyout firm Synesis Life. In June 2011, she joined the National House Building Council (NHBC) Board and was non-executive Chairwoman from November 2011 to the end of May 2020. She had also been a non-executive Director of QBE Insurance Group Ltd (Australia) for 9 years. In November 2014, she was appointed to the Board of BT Group plc (United Kingdom). Mrs. Isabel Hudson is also an ambassador for the disability charity, SCOPE.

Directorship held within the AXA Group

Director: AXA*

Directorship held outside the AXA Group

Director: BT Group plc* (United Kingdom),

Directorships held during the last five years

Chairwoman and director: National House Building Council (United Kingdom)

Director: Phoenix Group Holdings Ltd (United Kingdom), RSA Insurance Group plc *(Senior Independent Director)* (United Kingdom), Standard Life PLC (United Kingdom)

Angelien Kemna

Member of the Board of Directors of AXA (independent)

Companies' director

Born on November 3, 1957

Dutch nationality

Appointed on June 30, 2020 – Term expires at the 2024 Shareholders' Meeting

First appointment on April 27, 2016

Member of the AXA Audit Committee

Expertise and experience

Dr. Angelien Kemna graduated with a Master of Arts in Econometrics and a Ph.D. in Finance from Erasmus University Rotterdam (The Netherlands). She has a visiting scholar at the Sloan School, MIT (United States). Dr. Angelien Kemna began her career as Associate Professor in Finance at the Erasmus University from 1988 to 1991. In 1992, she joined Robeco NV and held various positions, notably Investments and Account Management Director from 1998 to 2001. During this period, she was also part-time Professor of Financial Markets at the University of Maastricht (The Netherlands) (1993–1999). From 2001 to July 2007, she worked for ING Investment Management BV (The Netherlands), where she initially held the position of Global Chief Investment Officer and subsequently Chief Executive Officer for the European Region. In the period 2007-2011, Dr. Angelien Kemna was part-time Professor of corporate governance at the Erasmus University and had also various non-executive and advisory positions, most notably Vice-Chairwoman of the Supervisory Board of the Dutch regulatory institution (AFM). In 2009, Dr. Angelien Kemna joined APG group NV as member of the Executive Board with the responsibility of Chief Investment Officer. From September 2014 to November 2017, Dr. Angelien Kemna was Chief Finance & Risk Officer of APG group (The Netherlands).

Directorships held within the AXA Group

Director: AXA*, AXA Investment Managers *(Senior Independent Director)*

Directorships held outside the AXA Group

Director or member of the Supervisory Board: NIBC (The Netherlands), Friesland Campina N.V. (The Netherlands), Naspers* (South Africa), Prosus* (The Netherlands)

Directorship held during the last five years

Director: Railway Pension Investments Ltd (RPMI) (United Kingdom)

3

Ramon de Oliveira

Member of the Board of Directors of AXA

Managing Director of RdeO Consulting LLC (United States)

Born on September 9, 1954

French and Argentinian nationalities

Appointed on April 29, 2021 – Term expires at the 2025 Shareholders' Meeting

First appointment on April 30, 2009

Member of the AXA Finance & Risk Committee

Expertise and experience

Mr. Ramon de Oliveira is a graduate of the University of Paris and of the *Institut d'études politiques* (Paris). Starting in 1977, Mr. Ramon de Oliveira spent 24 years at JP Morgan & Co. From 1996 to 2001, Mr. Ramon de Oliveira was Chairman & Chief Executive Officer of JP Morgan Investment Management. Mr. Ramon de Oliveira was also a member of the firm's Management Committee since its inception in 1995. Upon the merger with Chase Manhattan Bank in 2001, Mr. Ramon de Oliveira was the only executive from JP Morgan & Co. asked to join the Executive Committee of the new firm with operating responsibilities. Between 2002 and 2006, Mr. Ramon de Oliveira was an Adjunct Professor of Finance at both Columbia University and New York University. Mr. Ramon de Oliveira is the Founder and Partner of the consulting firm RdeO Consulting LLC, based in New York. Until October 22, 2021, he was Chairman of the Board of Directors of Equitable Holdings (EQH) and AllianceBernstein (AB), both based also in New York.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Founder and Partner: RdeO Consulting LLC (United States) *(formerly Investment Audit Practice, LLC)*

Director: Antin Infrastructure Partners

Member of the Investment Committee: Polish-American Freedom Fund

Directorships held during the last five years

Chairman of the Board of Directors: AllianceBernstein Corporation (United States), Equitable Holdings, Inc. (United States), Friends of Education *(non-profit organization)* (United States)

Trustee and Chairman of the Investment Committee: Fondation Kaufman (United States)

Chairman of the Investment Committee: Fonds de Dotation du Musée du Louvre

Vice-Chairman: JACCAR Holdings SA (Luxembourg)

Director or member of the Supervisory Board: American Century Companies Inc. (United States), AXA Equitable Life Insurance Company (United States), AXA Financial, Inc. (United States), JP Morgan Switzerland (Switzerland), MONY Life Insurance Company (United States), MONY Life Insurance Company of America (United States), Quilvest (Luxembourg), SunGard Data Systems (United States), Taittinger-Kobrand USA (United States)

Member of the Investment Committee: La Croix Rouge (United States)

Rachel Picard

Member of the Board of Directors of AXA (independent)

Chairwoman of the Board of Directors of Criteo

Born on December 11, 1966

French nationality

Appointed on April 28, 2022 – Term expires at the 2026 Shareholders' Meeting

First appointment on April 28, 2022

Member of the AXA Audit Committee

Expertise and experience

Mrs. Rachel Picard graduated from the *École des hautes études commerciales* (HEC) of Paris. From 1988 to 1991, she was Deputy Sales Manager at Valle Nevado, a ski resort located in Chile. From 1991 to 1993, Mrs. Rachel Picard worked at Eurodisney and in 1993, she joined Frantour (SNCF group, then Accor group), successively as marketing manager (1993-1995), marketing and communications director (1995-1997) and European Tour Operating director (1997-2000). From 2000 to 2004, she was Chief Executive Officer of Atlas Voyages. In 2004, Mrs. Rachel Picard joined the SNCF as Deputy Chief Executive Officer (*Directrice Générale Adjointe*) and then Chief Executive Officer of Voyages-SNCF.com (2007-2010). From October 2010 to April 2012, Mrs. Rachel Picard was Chief Executive Officer of Thomas Cook France. Then, she was Chief Executive Officer of SNCF Gares & Connexions from June 2012 to September 2014. From October 2014 to February 2020, she was Chief Executive Officer of SNCF Voyages (TGV). In June 2017, she was appointed member of the Board of Directors of Criteo and became Chairwoman of the Board of Directors in July 2020.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chairwoman of the Board of Directors: Criteo

Chairwoman: Adoxa Finance

Member of the Supervisory Board: Rocher Participations

Directorships held during the last five years

Chief Executive Officer: SNCF Voyages (TGV)

Director: Compagnie des Alpes, Eurostar Group, Thalys, SNCF e-voyageurs

Marie-France Tschudin

Member of the Board of Directors of AXA (independent)

President, Innovative Medicines International & Chief Commercial Officer, of Novartis Pharma AG (Switzerland)

Born on September 24, 1971

Swiss nationality

Appointed on June 30, 2020 – Term expires at the 2024 Shareholders' Meeting

First appointment on June 30, 2020

Member of the AXA Compensation, Governance & Sustainability Committee

Expertise and experience

Mrs. Marie-France Tschudin graduated with a Master of Business Administration from IMD business school in Switzerland, and a Bachelor of Science from Georgetown University in the United States. Before joining Novartis, Mrs. Marie-France Tschudin spent 10 years at Celgene International in a variety of leadership positions across Europe. She joined Novartis in 2017 as Europe Region Head of Novartis Pharmaceuticals. From March to June 2019, she was President of Advanced Accelerator Applications, a Novartis company. In June 2019, she became President of Novartis Pharmaceuticals. As of April 4, 2022, Mrs. Marie-France Tschudin has been President, Innovative Medicines International & Chief Commercial Officer of Novartis Pharma AG (Switzerland) and a member of the Executive Committee of Novartis (Switzerland).

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

President, Innovative Medicines International & Chief Commercial Officer: Novartis Pharma AG (Switzerland)

President: Novartis Pharmaceuticals (Switzerland)

Director: European Federation of Pharmaceutical Industries and Associations (EFPIA) (Belgium), IMD Foundation (Switzerland)

Directorship held during the last five years

None

3

CORPORATE GOVERNANCE
3.1 CORPORATE GOVERNANCE STRUCTURE

DIRECTORS' INDEPENDENCE

Each year, the Board of Directors assesses the independence of each of its members based on the recommendations of the Afep-Medef Code.

The following table sets out the position of each director of the Company in consideration of the criteria of the Afep-Medef Code on December 31, 2022.

Criterion *(the criterion is considered to be met when it is identified by ✔)*	**Antoine Gosset-Grainville**	**Thomas Buberl**	**Martine Bièvre**	**Helen Browne**	**Jean-Pierre Clamadieu**	**Bettina Cramm**	**Clotilde Delbos**	**Rachel Duan**	**Guillaume Faury**	**Ramon Fernandez**	**André François-Poncet**	**Gérald Harlin**	**Isabel Hudson**	**Angelien Kemna**	**Ramon de Oliveira**	**Rachel Picard**	**Marie-France Tschudin**
1 Not have been an employee or executive officer of the company, or an employee, executive officer or director of a consolidated subsidiary within the previous five years	✔	0	0	0	✔	0	✔	✔	✔	✔	✔	0	✔	0 *	0 *	✔	✔
2 Not have cross-directorships	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
3 Not have significant business relationships	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
4 Not be related by close family ties to a company officer	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
5 Not have been an auditor of the Company within the previous five years	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
6 Not have been a director of the Company for more than twelve years	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	0	✔	✔
7 Not represent a major shareholder of the Company (holding more than 10% of share capital or voting rights)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	0	✔	✔	✔	✔	✔
INDEPENDENT DIRECTOR AFTER ASSESSING THE AFEP-MEDEF CRITERIA	✔	**0**	**0**	**0**	✔	**0**	✔	✔	✔	✔	✔	**0**	✔	✔	**0**	✔	✔

* *The Company considers that the fact that certain members of the AXA Board of Directors hold or have held during the last five years non-executive directorships in one or more Group subsidiaries owned, directly or indirectly, by AXA does not automatically **(i)** place them in a situation of conflict of interest, or **(ii)** impair their independence in any way. The Board believes that allowing its members to sit on the boards of certain Group subsidiaries is beneficial to the Board's overall knowledge and appreciation of the activity, operations, strategy and risk profile of the entire Group. Indeed, directors who hold directorships in subsidiaries may, where appropriate, provide the Board with useful insights and a precise and practical vision of the strategy, operational activities, processes and teams of the concerned subsidiaries, and more generally of the Group's business and organization. Directors who also serve on the boards of Group subsidiaries, however, are required to abstain from participating in the debates and decisions of the AXA Board which could affect the interests of the entity in which they hold a directorship to prevent any conflict of interest or potential independence issues.*

On February 22, 2023, the AXA Board of Directors determined that, on December 31, 2022, eleven of the seventeen Board members were independent after assessing the criteria of the Afep-Medef Code: Mmes Clotilde Delbos, Rachel Duan, Isabel Hudson, Angelien Kemna, Rachel Picard and Marie-France Tschudin and Messrs. Jean-Pierre Clamadieu, Guillaume Faury, Ramon Fernandez, André François-Poncet and Antoine Gosset-Grainville.

One member of the Board of Directors (currently Mrs. Helen Browne) is the AXA employee shareholders' representative. This representative is appointed by the shareholders every four years from a list of candidates selected by the Group's employee shareholders, following an internal selection process.

In addition, since June 2018, two directors representing the employees, Mmes Martine Bièvre and Bettina Cramm, have been members of the AXA Board of Directors.

The Board of Directors does not have any non-voting members (censors).

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is collectively responsible for determining the strategic orientations of the Company, ensuring their implementation in accordance with its corporate purpose and taking into consideration the social and environmental challenges of its activity, and establishing the internal framework for oversight of Executive Management, subject to relevant laws and regulations and the Bylaws of the Company. In addition, the Board *inter alia:*

- chooses the appropriate corporate governance framework;
- appoints and dismisses the Chairman, any Vice-Chairman/ Senior Independent Director, the Chief Executive Officer, any Deputy Chief Executive Officer, any *dirigeant effectif* (executive who effectively runs the Company as required by Solvency II), and determines their respective compensation;
- convenes Shareholders' Meetings;
- proposes directors for appointment to the Shareholders' Meeting and/or coopts directors to the Board;
- reviews and endorses *(arrête)* the Company's and the Group's half-year and annual financial statements;
- presents a report on corporate governance to the Shareholders' Meeting;
- fulfills all the obligations entrusted to it under Solvency II regulations;
- sets the risk appetite and overall risk tolerance limits for AXA SA;
- reviews the strategies and the policies on the taking, management and monitoring of risks as well as the conclusions of the internal assessment of risks and solvency (ORSA – Own Risk and Solvency Assessment – report);
- adopts and oversees the general principles of the Group's Remuneration policy;
- proposes Statutory Auditors for appointment to the Shareholders' Meeting and approves non-audit services.

The Chief Executive Officer, who is also a Board member, is vested with the broadest powers to act in all circumstances on behalf of the Company and to represent the Company in its relationships with third parties. However, the Board of Directors has also reserved the right to approve certain material transactions as set out in its Terms of Reference, including disposals or acquisitions (over €500 million), significant financing operations and any material transaction outside the strategy announced by the Company.

To ensure that the personal interests of the members of the Board of Directors and those of the Company are appropriately aligned, the Board's Terms of Reference provide that each member of the Board of Directors (with the exception of the directors representing the employees) must hold, within two years following his/her first appointment, a number of AXA shares with a value at least equal to the gross annual amount of his/her compensation (director's fees) earned in respect of the previous fiscal year [1].

CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with French law, the Chairman's role is to organize and oversee the work of the Board of Directors. In this context, he sets the agenda of the Board meetings, holds regular discussions with the Chief Executive Officer and the directors, requests any document or information necessary to help the Board of Directors for the preparation of its meetings, verifies the quality of the information provided and more generally, ensures that Board members are in a position to fulfill their role. Prior to each meeting, Board members receive documentation concerning matters to be reviewed, generally eight days in advance of Board meetings.

The Chairman convenes the members of the Board without directors who are members of the Executive Management being present, in particular to allow debates on the performance and compensation of the Executive Management and succession planning.

Mr. Denis Duverne's mandate as Chairman of the Board of Directors having ended at the end of the April 28, 2022 Shareholders' Meeting, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, unanimously decided to appoint Mr. Antoine Gosset-Grainville as Chairman of the Board of Directors to replace him.

Before taking on his new role, Mr. Antoine Gosset-Grainville worked closely with Mr. Denis Duverne for over a year. In this context, the Board of Directors decided to align Mr. Antoine Gosset-Grainville's mission with that of Mr. Denis Duverne as follows [2]:

- to promote the Company's values and culture in particular in relation to corporate responsibility and professional ethics;
- upon request by the Chief Executive Officer, to represent the Company in its relations, nationally and internationally with public bodies, institutions, regulators, shareholders and the Company's main strategic partners and stakeholders;
- to consult with the Chief Executive Officer on major topics and events relating to the Company (including the Company's strategy, major acquisition or divestment projects, significant financial transactions, major community projects and the appointment of the most senior executives of the Group);
- upon invitation of the Chief Executive Officer, to take part in internal meetings with Group executives and teams to provide his opinion on strategic issues or projects; and
- to assist and advise the Chief Executive Officer.

(1) *For this purpose, AXA shares are valued using the closing price of the AXA share on December 31 of the preceding fiscal year.*

(2) *The role of the Chairman is set out in the Board's Terms of Reference which are available on AXA's website.*

In this context, in 2022, the Chairman of the Board of Directors, notably:

- represented the Company at various national and international events attended by certain of the Group's main partners and strategic stakeholders;
- had discussions with the main institutional shareholders of the Company, in particular prior to the Shareholders' Meeting; and
- at the request of the Chief Executive Officer, participated in internal meetings in connection with significant events concerning the Company.

While the Chairman acts in close collaboration with the Chief Executive Officer, his role is contributory in nature and does not confer any executive power. Under French law, the Chief Executive Officer is solely responsible for the Company's operational leadership and management.

SENIOR INDEPENDENT DIRECTOR

Following its decision to split the positions of Chairman and Chief Executive Officer in 2016, the Board of Directors decided to maintain the position of Senior Independent Director.

The Senior Independent Director (Mr. Jean-Pierre Clamadieu), replaces the Chairman of the Board of Directors in the event of temporary incapacity or death, chairs meetings of the Board in the absence of the Chairman, acts, if need be, as spokesperson for the independent directors and informs the Chairman of any potential conflict of interest identified. The Senior Independent Director also reviews, with the Chairman of the Board of Directors, the agenda of Board meetings and the quality of information provided to the Board.

In addition, the Senior Independent Director may convene meetings of independent members of the Board, without the presence of the Chairman and Executive Management, in particular, to assess the performance of the Chairman, review his compensation and prepare his succession plan. He may also request the Chairman to convene the Board on a specific agenda.

The Senior Independent Director reports on his activities to the Shareholders' Meeting.

In 2022, the Senior Independent Director, also acting as Chairman of the Compensation, Governance & Sustainability Committee:

- maintained regular dialogue with the Chairman of the Board and with the Executive Management (*i.e.,* the Chief Executive Officer and the Deputy Chief Executive Officers *(Directeurs Généraux Adjoints)*);
- was actively involved in the preparation of Board and Committees meetings, working closely with the Chairman of the Board of Directors and the Executive Management;
- contributed to the selection process of the future members of the Board of Directors and its Committees;
- worked closely with the Chairman of the Board on the organization of the annual self-assessment of the Board;
- contributed to the review of all communications made to shareholders in particular on corporate governance topics and Executive Management compensation.

He reported on his activities at the Shareholders' Meeting of April 28, 2022.

BOARD ACTIVITIES IN 2022

In 2022, the Board of Directors met nine times and held four executive sessions without the presence of the Executive Management.

In 2022, the Board notably focused on:

- the review of the Group's strategy;
- the examination of the 2021 financial statements and the 2022 half-year financial statements;
- the capital management;
- the review of proposed significant disposals and acquisitions;
- the transformation of the Company into a licensed reinsurer in addition to its current activity as Group holding company;
- the review of the Board Committee reports;
- the review of the ORSA – Own Risk and Solvency Assessment – report and AXA's Internal Model as well as other written policies required under Solvency II;
- the Group's Pre-emptive Recovery Plan;
- internal control and risk management;
- the setting of AXA SA's risk appetite;
- the review of the annual reinsurance programme;
- the review of the Group's Corporate Responsibility strategy and environmental policy;
- the approval of non-audit services;
- the self-assessment of the Board of Directors;
- the review of the Terms of Reference of the Board of Directors;
- the appointment of the Chairman of the Board of Directors and the re-appointments and appointments as well as the independence of its members;
- the review of the composition of the Board and its Committees; and
- the succession plans for the Chairman of the Board and the Executive Management.

3

In March 2022, the Board of Directors held its annual two-day off-site strategy session with presentations by Group senior executives on a variety of key strategic topics related to the implementation of the Strategic Plan.

In 2022, two training sessions were also organized by the Chairman of the Board on reinsurance and on the implementation of IFRS 17 and IFRS 9 accounting standards.

Training sessions were also organized for new members of the Board of Directors to familiarize them with the Group's main activities and issues. These sessions mainly focused on the Group's financial structure, strategy, governance, main activities, Solvency II regulations, reinsurance, risk management, Group IT security, cyber risk, and regulatory developments in the insurance sector.

SELF-ASSESSMENT OF THE BOARD OF DIRECTORS' ACTIVITIES

The Board of Directors conducts an annual self-assessment to review its composition, operating procedures, and overall functioning. The conclusions of this self-assessment are discussed annually at the Board of Directors.

Since 2013, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, has periodically appointed an external consultant to carry out the Board's annual assessment.

In 2021, the Board self-assessment was carried out by a consultant (SpencerStuart) who collected each of the individual director's inputs, views and suggestions on the Board's work and its performance. Each director's view on other members' participation and contribution to the Board's work was also collected.

In 2022, the Board self-assessment was conducted internally, and all directors (except the Chairman of the Board) answered a self-assessment questionnaire and had a meeting with the Chairman of the Board to assess the effectiveness of the Board and each Board member's contribution. The conclusions of each director's personal contribution were shared by the Chairman of the Board who provided individual feedback during dedicated one-on-one meetings with each Board member.

Each director also had a meeting with the Chairman of the Compensation, Governance & Sustainability Committee to collect his/her assessment and suggestions on the personal contribution of the Chairman of the Board of Directors.

During its December 2022 meeting, the Compensation, Governance & Sustainability Committee thoroughly reviewed **(i)** the conclusions of the Board self-assessment and **(ii)** the main areas for improvement and made recommendations to the Board of Directors who examined and approved them during the Board meeting of December 13, 2022.

The 2022 self-assessment demonstrated that the directors' perception of the overall functioning of the Board of Directors, including its dynamics and its performance, remained very positive.

The members of the Board of Directors nevertheless identified the following areas for improvement:

- dedicate more time in Board agendas to non-financial matters, especially to **(i)** HR/Culture, **(ii)** ESG, and **(iii)** trends/future challenges;
- update the Board on the status of the main strategic action points during each meeting;
- maintain a yearly session dedicated to the equity story/market perspective;
- clarify the allocation of responsibility on ESG-related topics amongst Board's Committees; and
- closely monitor the composition of the Board and progressively reduce its size.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN 2022

In 2022, the Board met nine times and the average attendance rate was 97.39%. Board meetings lasted approximately four hours on average.

	Board of Directors		Audit Committee		Finance & Risk Committee		Compensation, Governance & Sustainability Committee	
Directors	**Number of attendance/ Number of meetings**	**Attendance rate**	**Number of attendance/ Number of meetings**	**Attendance rate**	**Number of attendance/ Number of meetings**	**Attendance rate**	**Number of attendance/ Number of meetings**	**Attendance rate**
Denis Duverne	3/3	100%	-	-	-	-	-	-
Antoine Gosset-Grainville	9/9	100%	-	-	2/2	100%	-	-
Thomas Buberl	9/9	100%	-	-	-	-	-	-
Patricia Barbizet	2/3	66.67%	-	-	-	-	1/1	100%
Martine Bièvre	9/9	100%	-	-	-	-	-	-
Helen Browne	9/9	100%	-	-	2/2	100%	-	-
Jean-Pierre Clamadieu	9/9	100%	-	-	-	-	5/5	100%
Bettina Cramm	9/9	100%	-	-	-	-	5/5	100%
Clotilde Delbos	9/9	100%	6/7	87.71%	-	-	-	-
Rachel Duan	9/9	100%	-	-	-	-	5/5	100%
Guillaume Faury	9/9	100%	-	-	-	-	2/3	66.67%
Ramon Fernandez	9/9	100%	7/7	100%	6/6	100%	-	-
André François-Poncet	9/9	100%	-	-	6/6	100%	5/5	100%
Gérald Harlin	6/6	100%	-	-	4/4	100%	-	-
Isabel Hudson	9/9	100%	7/7	100%	6/6	100%	-	-
Angelien Kemna	9/9	100%	7/7	100%	-	-	-	-
Ramon de Oliveira	9/9	100%	-	-	6/6	100%	-	-
Rachel Picard	5/6	83.33%	4/5	80%	-	-	-	-
Marie-France Tschudin	7/9	77.78%	-	-	-	-	4/4	100%
TOTAL ATTENDANCE RATE		**97.39%**		**93.94%**		**100%**		**96.43%**

The Board Committees

In order to ensure a more thorough monitoring of both risks and the sustainability strategy, in 2022 Board Committees were reorganized as follows: the Finance Committee became the Finance & Risk Committee and the Compensation & Governance Committee became the Compensation, Governance & Sustainability Committee.

The Board of Directors is assisted by three Committees: the Audit Committee, the Finance & Risk Committee and the Compensation, Governance & Sustainability Committee.

To ensure a well-balanced governance, the Board's Terms of Reference specifically provide, in addition to French law requirements, that independent directors play a major role in all Board Committees, as follows:

- each Committee is chaired by an independent director;
- all members of the Audit Committee are independent directors;
- all members of the Compensation, Governance & Sustainability Committee are independent directors, with the exception of the director representing the employees who sits on the Committee pursuant to the Afep-Medef recommendations;
- none of AXA's executive officers may be members of the Committees.

Each Committee issues opinions, proposals, or recommendations to the Board of Directors on matters within the scope of its responsibilities with each Committee Chairman reporting to the Board at the following Board meeting. However, under French law, Board Committees do not have any formal decision-making power and are advisory only.

The Committees may request external consulting expertise if necessary. They may also invite external participants to attend their meetings.

All Committees are composed of members with expertise in the relevant areas, and their composition is regularly reviewed by the Board of Directors.

The role, organization and responsibilities of each Committee are set out in the Board's Terms of Reference and in the Audit Committee Terms of Reference available on AXA's website.

AUDIT COMMITTEE IN 2022 [(1)]

Composition: Isabel Hudson (Chairwoman) – Clotilde Delbos – Ramon Fernandez – Angelien Kemna – Rachel Picard

In accordance with the Afep-Medef recommendations, the Audit Committee members are notably competent in the areas of finance and/or accounting.

MEETINGS	ATTENDANCE	INDEPENDENT DIRECTORS
7	93.94%	100%

Main responsibilities

The scope of the Audit Committee's responsibilities is set out in its Terms of Reference which are reviewed and approved each year by the Board of Directors.

The main missions of the Committee are to:

- monitor the financial reporting process and the integrity of the publicly reported results and disclosures made in the financial statements;
- monitor the adequacy and effectiveness of the internal control and risk management frameworks for both AXA SA and the Group;
- form an opinion on the effectiveness, performance and independence of the Group's internal auditors;
- consider the appointment and oversee the process for selecting Statutory Auditors, monitor the Statutory Auditors' audits and review of the Group's consolidated financial statements, as well as the auditors' independence and the breakdown of their fees and make recommendations to the Board as to the appointment of the Statutory Auditors to provide non-audit services;
- monitor the process for preparation of the Group's extra-financial information, and review the extra-financial performance statement *(déclaration de performance extra-financière)* included in the Universal Registration Document as well as any other similar extra-financial report which may require Board approval pursuant to applicable regulations;
- review the documents required under the Solvency II regulations, including written policies for AXA SA and the Group and, jointly with the Finance & Risk Committee, both AXA SA and the Group's ORSA reports as well as any other report which may require Board approval pursuant to Solvency II regulations.

The review of financial statements by the Audit Committee is accompanied by a report from the Statutory Auditors on the main results of the statutory audit and the accounting methods chosen in this regard.

The Committee also receives presentations from the Group Chief Risk Officer, the Group General Counsel and the Group Chief Financial Officer describing the Company's principal risk exposures including those of a social and environmental nature, and where applicable the material off-balance-sheet commitments.

The Committee regularly meets the Statutory Auditors and the Global Head of Internal Audit during *ad hoc* sessions.

The Group Deputy Chief Executive Officer *(Directeur Général Adjoint)* & General Secretary, the Group Deputy Chief Executive Officer *(Directeur Général Adjoint)* in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations, the Group Chief Financial Officer, the Global Head of Internal Audit, the Group Chief Risk Officer, the Group Chief Accounting Officer as well as the Statutory Auditors attend each Audit Committee meeting.

The Chairman of the Board of Directors, as well as the Chief Executive Officer, although not members of the Committee, contribute to the work of the Committee and attend its meetings.

Main activities in 2022

The Committee focused, in particular, on the following issues:

- the 2021 financial statements;
- the 2021 Annual Report (Universal Registration Document);
- the 2022 half-year financial statements;
- internal control and risk management (reports on the financial and operational risks, compliance, litigation, Group Information Security (IT security – cyber risk), on the Group's Internal Financial Control (IFC) function, and the AXA SA and Group's Standards/written policies…);
- compliance with Solvency II regulations and the review of the ORSA, SFCR and RSR reports;
- the review of the main extra-financial disclosures, including the extra-financial performance statement *(déclaration de performance extra-financière)*;
- the results of internal and external audit work;
- the review of Management's draft response to requests sent by the ACPR;
- the review, for recommendation to the Board, of the non-audit services provided by the Statutory Auditors;
- the internal and external audit plans and resources;
- the implementation of IFRS 17 and IFRS 9 accounting standards;
- the review of the Statutory Auditors' rotation process; and
- the review of the annual reinsurance programme.

(1) On December 31, 2022.

FINANCE & RISK COMMITTEE IN 2022 (1)

Composition: Ramon Fernandez (Chairman) – André François-Poncet – Gérald Harlin – Isabel Hudson – Ramon de Oliveira

MEETINGS	ATTENDANCE	INDEPENDENT DIRECTORS
6	100%	60%

Main responsibilities

The main missions of the Committee are:

- to examine and issue an opinion on any plan to sell some or all ownership interests held by the Company, or any acquisition or strategic partnership, whatever form they may take, when their immediate or deferred value exceeds the €500 million threshold;
- to examine and issue an opinion on any sureties, guarantees, endorsements and warrantees in favor of third parties which exceed the delegations of power granted to the Chief Executive Officer by the Board of Directors;
- to examine and issue an opinion on any of the following:
  - securities issuances giving a claim, whether directly or indirectly, to the Company's share capital,
  - share repurchase programs proposed to the Ordinary Shareholders' Meeting,
  - financing operations that could substantially change the Company's financial structure;
- to examine any recommendation to perform a financial transaction of significant size for the AXA Group;
- to review any subject relating to the financial management of the AXA Group including:
  - the policy on financial risk management,
  - the liquidity and financing of the Group,
  - solvency and capital management,
  - the responsible investment policy, its implementation, and its impact on the Group investment portfolio and plans;
- to examine the impact of the main orientations and limits of Asset Liability Management policy on the Group's capital and solvency;
- to review the Group's risk appetite framework developed by the Executive Management for financial, extra-financial, (re)insurance and operational exposures;
- to review AXA SA's risk strategy and appetite and overall risk tolerance limits (including the reinsurance risk);
- jointly with the Audit Committee, review both AXA SA's and the Group's ORSA reports, as well as any report which may require Board approval pursuant to Solvency II regulations.

The Group Deputy Chief Executive Officer *(Directeur Général Adjoint)* in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations, the Group Chief Financial Officer and the Group Chief Risk Officer attend each Finance & Risk Committee meeting.

The Chairman of the Board of Directors, as well as the Chief Executive Officer, although not members of the Committee, contribute to the work of the Committee and attend its meetings.

Main activities in 2022

The Committee focused, in particular, on the following issues:

Finance matters:

- market context and market's view on AXA;
- activity and profitability;
- financial structure & capital management;
- transactions on AXA shares;
- investment plan strategy;
- AXA SA's & the Group's Strategic Asset Allocation;
- Pre-emptive Recovery Plan;
- main M&A projects;
- review of financial authorizations including guarantees; and
- review of any recommendation to carry out a capital increase reserved for the employees of the Group (Shareplan 2022).

Risk matters:

- AXA SA's & the Group's risk appetite;
- Group Solvency roll-forward;
- regulatory developments;
- AXA SA's & Group's Risk Management Standards and written policies;
- compliance with Solvency II regulations and review of the ORSA, SFCR and RSR reports; and
- review of the annual reinsurance programme.

(1) *On December 31, 2022.*

COMPENSATION, GOVERNANCE & SUSTAINABILITY COMMITTEE IN 2022 (1)

Composition: Jean-Pierre Clamadieu (Chairman) – Bettina Cramm – Rachel Duan – Guillaume Faury – André François-Poncet – Marie-France Tschudin

MEETINGS	ATTENDANCE	INDEPENDENT DIRECTORS (2)
5	96.43%	83%

Main responsibilities

The main missions of the Committee are:

- to issue proposals to the Board of Directors on:
  - the recommendations to the Shareholders' Meeting for the appointment and the re-appointment of the members of the Board of Directors,
  - the composition of the Board Committees,
  - the appointment of the Chairman, the Senior Independent Director, the members of the Executive Management and the persons who effectively run the Company *(dirigeants effectifs)* as defined under the Solvency II.

  The members of the Committee are also kept informed of the appointments of the main executives of the Group, and in particular the members of the Management Committee.

  The Committee prepares, with the Chairman of the Board of Directors and the Chief Executive Officer, the succession of the Executive Management, including emergency succession, and reports regularly to the Board of Directors. It also regularly ensures the existence of succession plans, with different time horizons (short, medium, long), for each member of the Management Committee.
- to issue proposals to the Board of Directors on:
  - the compensation of the Chairman of the Board of Directors and the Chief Executive Officer and the preparation of their annual assessment,
  - the Chief Executive Officer's Group and individual performance conditions (financial and extra-financial) and associated targets used to determine his annual variable compensation,
  - the amount of directors' compensation (directors' fees) for the members of the Board of Directors to be submitted to the Shareholders' Meeting,
  - the number of Company performance shares to be granted to the Chief Executive Officer and the other members of the Management Committee as well as related performance conditions (financial and extra-financial);

Main activities in 2022

The Committee in particular focused on the following issues:

Compensation matters:

- the compensations paid to the Chief Executive Officer, the Company's *dirigeants effectifs* (as defined under Solvency II regulations) and the members of the Management Committee;
- the compensation of the Chairman of the Board of Directors;
- the review of the feedback received from the main institutional investors in the context of AXA's 2022 Shareholders' Meeting;
- the 2022 and 2023 equity allocations (performance/restricted shares) and performance conditions;
- the grant of performance shares dedicated to retirement;
- the Group Remuneration policy (Solvency II regulation);
- the *ex post* and ex *ante "say-on-pay"* for corporate officers; and
- the amount and allocation of directors' compensation (directors' fees).

Governance matters:

- the selection process for future directors;
- the composition of the Board and its Committees as well as the composition of the Management Committee;
- the independence of the members of the Board;
- the self-assessment of the Board of Directors;
- the review of the Board's Terms of Reference;
- the succession plan (including the emergency succession plan) for the Executive Management; and
- the Talent Review and succession plans.

Sustainability matters:

- the review of the Group's sustainability strategy; and
- the review of the internal survey on Smart Working.

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(1) On December 31, 2022.

(2) All members of the Compensation, Governance & Sustainability Committee are independent directors, with the exception of the director representing the employees who sits on the Committee pursuant to the Afep-Medef recommendations.

Main responsibilities	Main activities in 2022
■ to formulate an opinion on the proposals of the Chief Executive Officer concerning: - the principles and conditions for the determination of the compensation of the main executives of the AXA Group, - the overall annual allocation of Company performance/restricted shares to employees of the AXA Group. The Chief Executive Officer also informs the Committee of the compensation of the main executives of the AXA Group. ■ to review, at least annually, the Group's sustainability strategy as well as any material sustainability commitments (and updates thereto) to be disclosed publicly; ■ to review certain Group human resources topics, including the annual review of the Company's policy with respect to professional equality and equal pay; ■ to review certain governance matters relating to the operation and organization of the Board of Directors and the organization of the periodic self-assessment of the Board of Directors; and ■ to review the AXA Compliance & Ethics Code. The Group Deputy Chief Executive Officer *(Directeur Général Adjoint)* & General Secretary attends each Compensation, Governance & Sustainability Committee meeting. The Chairman of the Board of Directors, as well as the Chief Executive Officer, although not members of the Committee, contribute to the work of the Committee and attend its meetings, except when their personal situation is discussed.	

Executive Management

The Chief Executive Officer is assisted in the day-to-day operational management of the Group by a Management Committee and a Partners group.

The Chief Executive Officer reports to the Board on a regular basis on the Company's financial condition and all key issues and provides regular written updates to the Board between meetings.

THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company and to represent the Company in its relationships with third parties. He exercises these powers within the scope of the Company's corporate purpose and subject to the powers expressly assigned by law to the Shareholders' Meetings and the Board of Directors. In addition, the Board's Terms of Reference provide for specific limitations of the powers of the Chief Executive Officer and require, in addition to legal requirements, prior Board approval for certain significant transactions as indicated in the section "Board of Directors" above.

THE MANAGEMENT COMMITTEE

The Management Committee's role is to assist the Chief Executive Officer in the operational management of the Group.

The Management Committee meets fortnightly to discuss Group strategic, financial and operational matters. The Management Committee has no formal decision-making authority and is advisory in nature.

COMPOSITION OF THE MANAGEMENT COMMITTEE ON JANUARY 1, 2023

Name	Principal function within AXA
Thomas Buberl	Chief Executive Officer of AXA
Frédéric de Courtois	Group Deputy Chief Executive Officer *(Directeur Général Adjoint)* in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations
George Stansfield	Group Deputy Chief Executive Officer *(Directeur Général Adjoint)* & General Secretary
Helen Browne	Group General Counsel
Patrick Cohen	Chief Executive Officer of AXA France
Ulrike Decoene	Group Chief Communication, Brand and Sustainability Officer
Georges Desvaux	Group Chief Strategy and Business Development Officer
Scott Gunter	Chief Executive Officer of AXA XL
Alban de Mailly Nesle	Group Chief Financial Officer
Marco Morelli	Executive Chairman of AXA Investment Managers
Antimo Perretta	Chief Executive Officer Europe and Latin America
Karima Silvent	Group Chief Human Resources Officer
Alexander Vollert	Group Chief Operating Officer and Chief Executive Officer of AXA Group Operations
Gordon Watson	Chief Executive Officer Asia and Africa

THE PARTNERS GROUP

The Partners group is composed of the members of the Management Committee and over thirty other senior executives from across the Group. Its principal role is to assist the Chief Executive Officer and the Management Committee in the definition and implementation of key strategic initiatives in the context of the strategic plans and to contribute to a permanent strategic dialogue throughout the Group. It has no formal decision-making authority and is advisory in nature. The Partners group meets at least twice a year.

The complete list of the members of the Partners group is available on the AXA Group website (www.axa.com).

Other information

SERVICE CONTRACTS BETWEEN THE AXA GROUP AND MEMBERS OF THE BOARD OF DIRECTORS

Mrs. Helen Browne, who is the employee shareholder representative on AXA's Board of Directors, is currently an employee of the GIE AXA (France).

Mrs. Martine Bièvre, who is an employee representative on AXA's Board of Directors, is currently an employee of AXA France IARD, which is one of AXA's main French subsidiaries.

Mrs. Bettina Cramm, who is also an employee representative on AXA's Board of Directors, is currently an employee of AXA Konzern AG, which is one of AXA's main German subsidiaries.

FAMILY RELATIONSHIPS

To the best of the Company's knowledge, there are no family relationships among the members of the Board of Directors or with members of the Executive Management.

OTHER INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS

Absence of conflicts of interests

According to the Board's Terms of Reference and the recommendations of the Afep-Medef Code, each member of the Board of Directors is required to inform the Chairman of the Board of Directors and/or the Senior Independent Director of any situation concerning her/him which may create a conflict of interest with the Company or the companies of the AXA Group, and to abstain from voting on any related resolution.

The Chairman of the Board of Directors and the Chief Executive Officer do not currently carry out any professional activity or hold any directorship outside the AXA Group that the Board believes substantially interfere with or impede in any material way their availability to focus on the Group and its business. Certain members of the Board of Directors, however, are corporate officers and/or executives of companies that may have agreements or enter into transactions from time to time with the AXA Group including furnishing services or goods, providing credit facilities, purchases of securities (for their own account or for third parties), and/or underwriting of securities, and/or product and service providing. These agreements or deals are systematically negotiated and performed at arm's length terms and conditions. Consequently, AXA does not believe that any of these agreements or transactions give rise to any conflicts of interests between **(i)** the director's duties towards AXA and **(ii)** their private interests and/other duties.

To the best of the Company's knowledge, there are no arrangements or understandings with major shareholders, customers, suppliers, or others pursuant to which a director has been selected as member of the Board of Directors of the Company, aside from Mr. Gérald Harlin who was appointed as the member of the Board representing the Mutuelles AXA (AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle) together AXA's largest shareholder, during the Shareholders' Meeting of April 28, 2022.

Absence of any conviction in relation to fraudulent offences, any official public incrimination and/or sanctions, or any responsibility in a bankruptcy for the last five years

To the best of the Company's knowledge, none of the members of its Board of Directors have been, during the last five years **(i)** subject to any conviction in relation to fraudulent offences or to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies), **(ii)** disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer, or **(iii)** associated as a member of the administrative, management or supervisory body with any company that has declared bankruptcy or been put into receivership, liquidation, or administration provided, however, that AXA has from time to time sold, discontinued and/or restructured certain business operations and voluntarily liquidated affiliated companies in connection with these or similar transactions and certain members of AXA's Board of Directors may have been associated with other companies that have undertaken similar solvent liquidations.

EMPLOYEES

The table below sets forth the salaried employees (full-time equivalent) of the AXA Group over the past three years broken down by segment:

Salaried employees (Full-time equivalent)	At December 31, 2022	At December 31, 2021 restated	At December 31, 2020 restated [(a)]
France [(b)]	**17,013**	**16,905**	**16,892**
Europe	**28,205**	**28,396**	**29,721**
Of which Switzerland	4,159	4,082	4,115
Of which Germany [(c)]	8,177	8,365	8,466
Of which Belgium [(d)]	2,996	3,063	3,746
Of which United Kingdom & Ireland	8,953	8,859	9,259
Of which Spain [(e)]	2,194	2,290	2,393
Of which Italy	1,726	1,737	1,742
Asia	**10,750**	**10,788**	**11,033**
Of which Japan [(f)]	3,850	3,951	4,138
Of which Hong Kong	1,662	1,674	1,711
Of which South Korea	1,612	1,604	1,611
Of which China	2,811	2,819	2,814
Of which Thailand	483	457	459
Of which Indonesia	332	283	300
AXA XL [(g)]	**9,317**	**9,136**	**9,325**
International [(h)]	**9,349**	**10,325**	**11,832**
Transversal & Central Holdings	**15,809**	**17,006**	**17,970**
Of which AXA Investment Managers [(i)]	2,782	2,617	2,581
Of which Group Management Services [(j)]	1,127	1,094	1,096
Of which AXA Group Operations and AXA Business Services [(k)]	4,469	6,099	6,599
Of which AXA Assistance [(l)]	7,255	6,952	7,405
TOTAL	**90,443**	**92,556**	**96,773**

Employees of non-consolidated companies or companies accounted for using the equity method are not included in the above table.

*(a) Reclassification of **(i)** AXA Direct Japan activities (previously reported as part of Asia – Direct) and **(ii)** Architas activities (previously reported as part of Europe) to AXA Investment Managers.*

(b) A portion of the employees of AXA's French affiliates is included in GIEs.

(c) In 2022, the decrease by 188 in Germany was driven by continued efficiency measures notably on staff costs.

(d) In 2020, the number of employees includes employees of AXA Bank Belgium as some provided common services for both insurance and banking activities and vice versa. In 2021, AXA Bank Belgium has been disposed and hence is excluded from the scope.

(e) In 2022, the decrease by 96 in Spain was mainly reflecting efficiency programs.

(f) In 2022, the decrease by 101 in Japan was mainly driven by the change from salaried staff to commission based workforce in proprietary distribution channel.

(g) In 2022, the increase by 181 at AXA XL was mainly driven by recruitments in Operations & Technology in India.

(h) In 2022, the decrease by 976 is mainly driven by the disposals of Malaysia and Singapore, partly offset by the consolidation of Nigeria.

(i) Including Architas activities. In 2022, the increase by 166 is mainly driven by business growth in AXA IM Alts.

(j) Including Group's internal reinsurance activity consequently to the merger with AXA Global Re on June 30, 2022.

(k) In 2022, the decrease by 1,630 was mainly driven by AXA Group Operations as employees from non-consolidated entities used to be included in the scope. On a comparable basis, FTE increased by 332 mainly in AXA Business Services to support business growth in AXA UK.

(l) In 2022, the increase by 303 in AXA Assistance was driven by recruitments to support new business growth in LATAM Region.

3.2 EXECUTIVE COMPENSATION AND SHARE OWNERSHIP

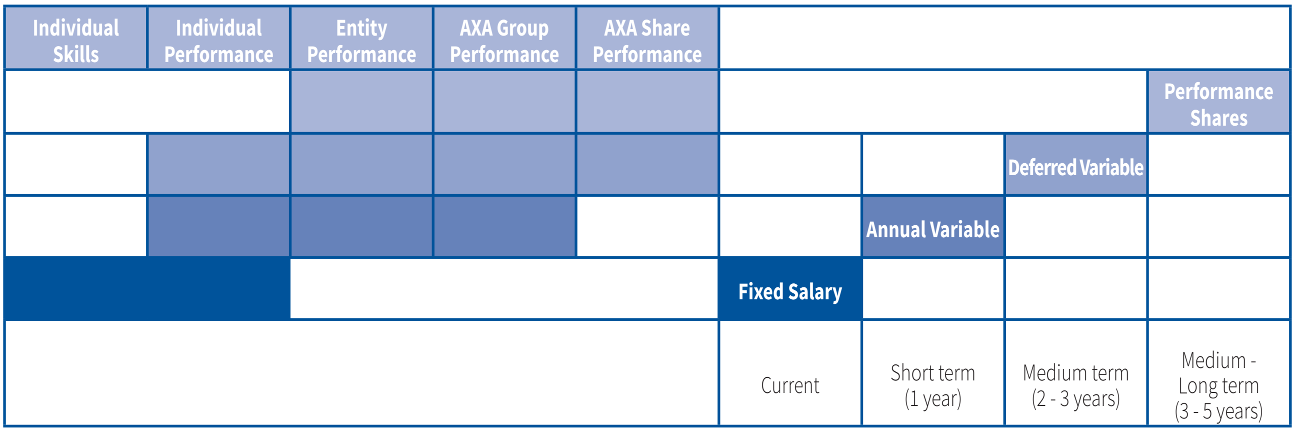
INTRODUCTION

AXA's global executive compensation policy is designed to align the interests of the executives with those of the Company and its shareholders while establishing a clear and straightforward link between performance and compensation. In this context, its main objective is to encourage the achievement of ambitious objectives and the creation of long-term value by setting challenging performance criteria.

AXA's executive compensation structure is based on an in-depth analysis of market practices in France and abroad, within the financial services sector (insurance companies, banks, asset managers, etc.) and of other international groups.

AXA Group's overall policy on executive compensation focuses on the variable part of the compensation package, which is the compensation at risk for beneficiaries. The structure of AXA's executive compensation is composed of a variable portion which represents a significant part of the aggregate compensation. This is designed to align executive compensation more directly with the operational strategy of the Group and the interests of the shareholders while encouraging performance:

- both on an individual and collective level; and
- over the short, medium, and long term.



Corporate officers' and executives' compensation (1)

COMPENSATION OF THE CORPORATE OFFICERS AND MANAGEMENT COMMITTEE MEMBERS ON DECEMBER 31, 2022

Governance

The principal mission of the Compensation, Governance & Sustainability Committee of AXA's Board of Directors is to formulate propositions to the Board regarding, in particular, **(i)** the Company's compensation policy and principles, **(ii)** the determination of the corporate officers' compensation and performance assessment, and **(iii)** the grant of AXA performance shares to the Group Chief Executive Officer and the other members of the Group Management Committee.

Most of the members of the Compensation, Governance & Sustainability Committee are independent. Their independence is assessed annually by the Board in accordance with the criteria set forth in the Afep-Medef Code. The Senior Independent Director is the Chairman of the Committee and presents the compensation policy of the Company each year at the Shareholders' Meeting.

The Committee meets frequently with the Group Executives and the departments of the Company including Group Human Resources and Group Legal. The Committee is empowered to undertake or commission specific reviews and to use external consulting expertise to the extent deemed appropriate. Thus, during the last few years, the Committee worked several times with a compensation-consulting firm in order to benefit from an external technical expertise and an independent overview in order to compare AXA's variable compensation practices with general market practices.

Solvency II Group Remuneration Policy

Solvency II regulations came into force on January 1, 2016 and include a number of specific compensation and governance requirements applicable to European insurers and reinsurers. In this context, AXA has undertaken a comprehensive review of its existing compensation policies and practices against the requirements of Solvency II and has adopted a Remuneration Policy applicable to all AXA employees as of January 1, 2016. This Remuneration Policy is designed to support the Group's long-term business strategy and to align the interests of its employees with those of other stakeholders by **(i)** establishing a clear link between performance and remuneration over the short, medium and long term, **(ii)** ensuring that the Group can offer competitive compensation arrangements across the multiple markets in which it operates while avoiding potential conflicts of interest that may lead to undue risk taking for short-term gain, and **(iii)** ensuring compliance with Solvency II regulations and any other applicable regulatory requirements.

The AXA Group Remuneration Policy is designed to:

- attract, develop, and motivate critical skills and best talents;
- drive superior performance;
- align compensation levels with business performance;
- ensure that employees are not incentivized to take inappropriate and/or excessive risks and that they operate within AXA's overall risk framework; and
- ensure compliance of the Group's practices with all applicable regulatory requirements.

It follows four main guiding principles:

- competitiveness and market consistency of the remuneration practices;
- fairness based on individual and collective performance, in order to ensure remuneration is reflecting employee's individual quantitative and qualitative achievements and impact;
- internal equity based on remuneration policies and procedures designed to ensure that employees are paid equitably based on objective and justifiable professional criteria (such as but not limited to role, skills, contribution or impact), and do not discriminate on the basis of factors irrelevant to the role duties;
- achievement of the Group's overall financial and operational objectives over the short, medium, and long term as well as execution against medium and long-term strategic objectives as a prerequisite to fund any mid-to-long term award.

The requirements set out in the Group Remuneration Policy may be supplemented in order to comply with local regulatory requirements or best practices. The Policy is reviewed and updated annually to mirror, as the case may be, changes in the internal organization and the nature, scale and complexity of the risks inherent to AXA's business and to reflect exchanges with the French insurance regulator (*Autorité de contrôle prudentiel et de résolution* (ACPR)).

Remuneration structure

AXA applies a pay-for-performance approach which **(i)** promotes long-term sustainable performance by incorporating risk adjustment mechanisms in variable compensation schemes, and **(ii)** recognizes employees who bring the greatest value to the firm on the basis of financial results while demonstrating individual leadership and behaviors. The intent of this approach is to attract and retain the best skills and talents, to foster employee engagement and to strengthen AXA's leadership.

(1) *The information in this Section is presented in accordance with the position-recommendation No. DOC-2021-02 of the AMF: guidance on preparing Universal Registration Documents and with the recommendations of the Afep-Medef Code.*

The overall remuneration structure for executives is based on the following components, which are designed to provide balance and avoid excessive risk taking for short-term financial gain:

- a fixed component which comprises of a base salary and any other fixed allowances. Fixed remuneration primarily reflects the relevant organizational responsibility, professional experience, technical and leadership skills required of the role, criticality, or scarcity of skills, as well as the individual's capability to sustainably perform the duties of the role;
- a variable component which primarily reflects the business and individual performance, including performance in excess of that required to fulfil the role description. It comprises of an upfront cash element (annual cash bonus) and a deferred element recognizing the importance of aligning remuneration over long-term value creation. The deferred element is awarded through Performance Shares. This variable component depends on the Group's global performance, on the beneficiary's operating business performance, and on the achievement of the executive's individual objectives including demonstrated abilities for leadership. The variable portion is designed to represent a substantial component of the executive's global compensation and, where an executive attains or exceeds the set objectives, to position the compensation levels of AXA executives between the median and the third quartile (or, in certain cases, beyond the third quartile) of the market reference.

The target level of the executives' compensation and the structure of the elements which compose such compensation are based on a detailed analysis of market practices as well as potential applicable national and international regulations, and also take into consideration various other factors including the equity principles within the Group and the previous compensation level of the executive.

Each year, AXA, with the assistance of specialized firms, conducts compensation reviews in order to ensure the competitiveness and consistency of executives' compensation and to measure the suitability of the Remuneration policies. In this context, three markets are used as a reference:

- a first market composed of 12 companies in the French CAC 40 index (companies selected to form the panel, which may vary from year-to-year, are comparable to AXA in terms of stock capitalization, revenues, sector, number of employees and/or geographic coverage);
- a second market composed exclusively of international financial companies comparable in size and scope to the AXA Group (mainly insurance companies and banks) which are principally based in the main European markets (France, Germany, Italy, the Netherlands, the United Kingdom, Spain and Switzerland);
- a third market composed exclusively of international financial companies comparable in size and scope to the AXA Group (mainly insurance companies and banks) which are principally based in the United States and Asia.

Annual cash compensation

TOTAL TARGET COMPENSATION

Total target compensation of the Chief Executive Officer

The Chief Executive Officer's total target compensation is composed of a fixed annual compensation and a target annual variable compensation.

In connection with the renewal of Mr. Buberl's mandate as Chief Executive Officer decided on April 28, 2022, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, reviewed his compensation package remained unchanged since 2016, and decided to increase, as of this date, his annual fixed compensation to €1,650,000 and his annual target variable compensation to €1,750,000, *i.e.* 106% of his fixed annual compensation [1]. The total annual cash compensation target of the Chief Executive Officer was therefore set at €3,400,000 as of April 28, 2022 and was adjusted on a *pro rata temporis* basis as of this date.

The Board of Directors decided that, in accordance with the Company's past practice, this new compensation package would remain unchanged for the Chief Executive Officer's entire term of office (*i.e.,* until 2026). When establishing the Chief Executive Officer's new compensation package, the Board therefore made sure that it was balanced and aligned with the interests of the shareholders in order for it to remain competitive throughout this period.

The total amount of compensation of the Chief Executive Officer and the balance between its different components (fixed and variable) are mainly based on a study by an external advisory firm (Willis Towers Watson) on compensation practices for similar positions within a sample of CAC 40 companies as well as AXA's main European and international competitors (insurance companies, banks), and follows the recommendations of the Afep-Medef Code, the G20, the European Commission and the Financial Stability Board in terms of compensation.

Total compensation of the Chairman of the Board of Directors

The Board of Directors, upon proposal from its Compensation, Governance & Sustainability Committee, decided to maintain unchanged the amount of Mr. Denis Duverne's fixed annual compensation as Chairman of the Board of Directors at €1,200,000 for 2022. This annual fixed compensation was adjusted on a *pro rata temporis* basis until April 28, 2022, date on which Mr. Denis Duverne's mandate as Chairman of the Board ended.

The mandate of Mr. Denis Duverne, Chairman of the Board of Directors, having expired at the end of the Shareholders' Meeting of April 28, 2022, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, decided to appoint Mr. Antoine Gosset-Grainville as his successor. The Board of Directors further decided, upon recommendation from its Compensation, Governance & Sustainability Committee, to set the amount of his fixed annual compensation as Chairman of

(1) Previously, the fixed annual compensation of the Chief Executive Officer amounted to €1,450,000 and his annual target variable compensation was set at €1,450,000, i.e. 100% of his fixed annual compensation. This annual compensation was in effect until April 28, 2022 and was adjusted on a pro rata temporis basis until this date.

the Board of Directors at €925,000. This annual fixed compensation was adjusted on a *pro rata temporis* basis as of April 28, 2022.

The Board of Directors upon recommendation from its Compensation, Governance & Sustainability Committee and pursuant to the recommendations of the Afep-Medef Code considered that the compensation structure best suited for the Chairman of the Board of Directors was a sole fixed annual compensation, and therefore decided that the Chairman of the Board of Directors would not be entitled to any variable compensation, Board fees, performance shares or other long-term compensation nor would he benefit from any other form of compensation.

In order to determine the Chairman of the Board of Directors' fixed annual compensation, the Board of Directors consulted an external advisory firm (Willis Towers Watson) regarding compensation practices for similar positions in CAC 40 companies and the main European companies in the financial sector (insurance companies, banks).

The Board of Directors also took into account Mr. Antoine Gosset-Grainville's expertise and experience as well as the extensive duties that it entrusted him with as Chairman of the Board of Directors as described in Section 3.1 of this Annual Report.

ANNUAL VARIABLE COMPENSATION AND PERFORMANCE CONDITIONS

Performance conditions

The variable annual compensation is entirely subject to performance conditions and no minimum payment is guaranteed.

The determination of the variable compensation to be paid to Mr. Thomas Buberl as Chief Executive Officer was based in 2022 on the following two metrics:

- Group performance for 70%. This metric is measured based on **(i)** underlying earnings per share, **(ii)** cash remittance, **(iii)** a sustainability indicator (reduction in Group carbon footprint in General Account assets), and **(iv)** the Net Promoter Score (customer recommendation index). The relative weight of each indicator is respectively 45%, 25%, 15% and 15%.

  The evolution of the choice and weight of the financial and extra-financial indicators of the Group performance is part of a global review destined to simplify and closer align this performance with the Group's strategic orientations, while taking into account regulatory constraints, including the further weight of extra-financial elements.

  The financial and extra-financial indicators chosen to measure the Group performance are directly linked to the Group's strategic orientations. They reflect objectives for growth, capital management, sustainability and customer proximity and rely on the achievement of a predefined budget or target.

  Some of these indicators (underlying earnings per share and cash remittance) are identical to share-based compensation indicators, in order to align part of the performance criteria of the short- and long-term compensation with the objectives of the strategic plan and to measure them on different time scales through different acquisition schedules.

- Individual performance for 30%, which is evaluated based on objectives specifically related to strategic initiatives set and reviewed each year.

  The Chief Executive Officer's individual performance is assessed based on **(i)** various indicators and qualitative and quantifiable objectives determined by the Board of Directors in a target letter agreed at the beginning of the year, and **(ii)** demonstrated leadership abilities. The target letter includes detailed objectives related to the Group's progress in the implementation of its strategic plan as well as other performance indicators and objectives assessing the achievement of global strategic initiatives and/or related to certain geographic areas, as well as progress on investments that are expected to contribute to the development of the Group's operations.

To evaluate Mr. Thomas Buberl's individual performance in 2022, the Board of Directors assessed the achievement of the following objectives set in his target letter:

- **Execute strategic business priorities *(achievement rate: 105%)***

  Over the course of 2022, the Group has made significant progress in implementing its strategic priorities, with major achievements in key markets, including:

- AXA XL: important progress in re-underwriting its portfolio with a reduction of its overall risk profile, in particular with respect to the natural catastrophe risk. This reduction was evidenced by AXA XL's strong results despite a turbulent environment in 2022 that included the war in Ukraine and very significant natural catastrophes. AXA XL has also completed a strategic review of potential new growth opportunities, including an initiative focused on the mid-market segments in Europe and in the US.

- AXA IM performed well in 2022 despite the turbulent market environment and reinforced its franchise as a leading alternative asset manager with **(i)** the acquisition of a controlling interest in private debt manager Capza, **(ii)** the launch of AXA IM Prime, its new fund of funds business, and **(iii)** continued strong organic growth. At year-end 2022, AXA IM had €220 billion of alternative assets under management.

- FY2022 results confirmed the relevance of the Group's new global employee benefits (EB) strategy, with EB revenues above budget at +17% and strong momentum in all major entities. The Group also continued to make progress in the development of its data health platform with several workstreams on care coordination and disease detection.

- Finally, the Group's strong overall results in 2022, despite the very turbulent environment (war in Ukraine, significant financial market turbulence, extreme nat-cat events, energy crisis in Europe and inflation), demonstrated the resilience of its business model as well as the capacity of Management to successfully navigate through very complex environments.

- **Design of the next strategic plan *(achievement rate: 120%)***

  The Group also made good progress in designing its next strategic plan to be unveiled in Q1-2024 upon completion of the *"Driving Progress 2023"* plan. The key priorities and growth initiatives of the next plan have been identified and will be further developed over the course of 2023 in close collaboration with all the Group's operating companies.

- **Contribute to the Management Committee's collective objective *(achievement rate: 115%)***

  Throughout the year, the Management Committee focused on executing the *"Driving Progress 2023"* plan in all its dimensions:

- In particular, strong results were achieved in optimizing the Group's cash management policy, including through **(i)** increased cash remittance from its operating companies, **(ii)** obtaining a reinsurance license for AXA SA; and **(iii)** executing a significant number of life in-force transactions, resulting in a €24 billion reduction in traditional General Account reserves.

- Very good progress was made in simplifying and optimizing customer journeys, which was reflected in the Net Promoter Score (NPS) results in key lines of business, above average in more than 80% of the business lines.

- Finally, AXA strengthened its ESG leadership by obtaining the #1 rating in the insurance sector on the S&P Global Corporate Sustainability Assessment (DJSI) (with a score of 91/100, up 4 points from 2021) and contributing to the launch of the Net Zero Insurance Alliance target setting protocol.

- **Implementation of selected human resources initiatives *(achievement rate: 110%)***

- The Group continued to implement its Smart Working strategy, now fully effective in a post-COVID environment. Regular global surveys have enabled targeted adjustments and shown strong support from the Group's global employee population (81% confidence in the strategic direction, e-NPS (Employee Net Promoter) score at 35 as of November 2022).

- The Group also enhanced its global health program, which includes access to telemedicine, coverage of certain serious illnesses and prevention modules, now available to 85% of AXA employees.

- Finally, AXA conducted a new global inclusion survey in 2022 which revealed continued progress with an inclusion NPS up 3 points to 40 and 86% of employees feeling included.

- **Personal development of the Chief Executive Officer *(achievement rate: 110%)***

- In 2022, Thomas Buberl enrolled in a peer-to-peer coaching program for international CEOs, while internally, leveraging on his two deputy CEOs to make time for coaching/development of other Management Committee members.

- As COVID travel restrictions were progressively lifted, Thomas Buberl resumed visits to AXA entities worldwide, embedding meetings with talents during each of these visits.

- Thomas Buberl also personally engaged to help drive greater gender diversity at the top, notably supporting the achievement of 40% of women in the Group's Global Leadership Network as of January 2023.

Each of these two metrics (Group Performance and Individual Performance) is evaluated separately so that the overall variable payout reflects performance against two distinct components assessed independently. Each of these two metrics is in any case capped at a 130% achievement rate.

The determination of the actual amount of variable compensation to be paid to the Chief Executive Officer is based on the following additive formula: Variable compensation due = Target Variable compensation x (70% Group Performance + 30% Individual Performance).

Since the 2020 performance year, the weight of the Group Performance within the variable compensation assessment has increased to 70% (from 50% previously) leading to a decrease of the Individual Performance weight to 30%. Through this change, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, wanted to strengthen the formulaic/quantitative component of the Chief Executive Officer's variable compensation, in line with market practices in France and abroad, as well as feedback received from a number of institutional investors. Similarly, in order to take into account the comments of some institutional investors, the level of transparency of each Group Performance indicator has been improved to indicate not only the target for each criterion but also the relevant floor and cap as well as the related level of payout.

MR. THOMAS BUBERL, CHIEF EXECUTIVE OFFICER

	Weighting	Target for 100% achievement (floor/ cap *versus* target)	Achievement 2022	Level of payout at floor [(a)]	Level of payout at cap [(b)]	Achievement rate
Group performance based on:	**70%**			**70%**	**130%**	**111%**
■ Underlying earnings per share	45%	€2.94 (-20%/+20%)	€3.05	70%	130%	105.50%
■ Cash remittance	25%	5,057 M€ (-20%/+20%)	5,233 M€	70%	130%	105%
■ Reduction in Group carbon footprint in General Account assets	15%	-3% (+3%/-3%)	-9.0%	70%	130%	130%
■ Net Promoter Score						
- % of Health and Protection Lines of Business above market	10%	75% (50%/90%)	81%	70%	130%	113%
- % of other Lines of Business at or above market	5%	94% (72%/100%)	100%	70%	130%	130%
Individual performance based on:	**30%**				**130%**	**110.50%**
■ Execution of strategic business priorities	40%				130%	105%
■ Design of the next strategic plan	15%				130%	120%
■ Contribution to the Management Committee's collective objective	20%				130%	115%
■ Implementation of selected human resources initiatives	15%				130%	110%
■ Personal development of the Chief Executive Officer	10%				130%	110%
Global performance	**100%**				**130%**	**110.85%**

(a) Rate of 0% below the floor.
(b) Rate capped at 130% above the cap.

For the 2022 performance year, each component of the Group's performance is capped at the same 130% achievement rate (compared to 150% previously). Through this change, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, wanted to align the ceilings of the different cash- and share-based elements of compensation.

The Chief Executive Officer's total effective variable compensation may not exceed 130% of his variable target compensation, *i.e.,* 138% of his fixed annual compensation.

Pursuant to Article L.22-10-34 II of the French Commercial Code, the payment of the Chief Executive Officer's 2022 variable compensation is withheld until approval by the Shareholders' Meeting of April 27, 2023.

Performance conditions applicable to the other members of the Management Committee

The variable compensation of the other members of the Management Committee is also determined based on an individual predefined target entirely based on the following formulas.

The variable compensation of the members of the Management Committee covering operating business responsibilities is determined according to the following metrics: 50% * (50% Operating Business Performance Score + 50% Group Performance Score) + 50% Individual Performance Score.

The variable compensation of the members of the Management Committee covering corporate responsibilities is determined according to the following metrics: (50% * (50% Average of all Operating Business Performance Scores + 50% Group Performance Score) + 50% Individual Performance Score).

Group performance is measured by the **(i)** underlying earnings per share, **(ii)** cash remittance, **(iii)** a sustainability indicator (reduction in Group carbon footprint in General Account assets), and **(iv)** Net Promoter Score (customer recommendation index). Individual performance is evaluated considering predefined objectives specifically deriving from strategic initiatives.

The performance of operating businesses is notably determined based on the following performance indicators:

- underlying earnings;
- cash remittance;
- Property & Casualty Commercial lines gross revenues;
- health and protection gross revenues;
- net promoter score;
- non-commission expenses.

For the 2022 performance year, indicators that measure the Group performance have been defined at the beginning of the year with:

- a predefined target, aligned with the strategic plan *(budget),* the completion of which will result in 100% achievement;
- a floor (at which the STIC pay-out is 70%), which defines the threshold below which no variable compensation for that component will be paid;
- a cap (at a STIC pay-out of 130%), which defines the threshold above which the variable compensation for that component is capped.

Individual performance is assessed both on **(i)** the achievement of results for each predetermined individual objective and **(ii)** qualitative factors, including leadership skills demonstrated by the members of the Management Committee measured against the goals listed below:

- become the global leader in the Property & Casualty Commercial lines sector;
- become the leading Health & Protection insurance and services global player;
- deliver top-tier customer satisfaction in all segments;
- increase our efficiency and accelerate our move to technology and data leadership;
- ensure stable earnings growth with a robust balance sheet and contributing to shift our portfolio;
- be positioned among the most inspiring and inclusive employers, while enhancing our positive role in society.

In the tables of this Section, compensation not paid in Euro was converted into Euro on the basis of the following yearly average exchange rates for 2022: 1 USD = 0.9494 EUR; 1 HKD = 0.1213 EUR and 1 CHF = 0.9951 EUR.

The variable compensations paid to the Management Committee members for 2020, 2021 and 2022 were:

VARIABLE COMPENSATION PAID TO MANAGEMENT COMMITTEE MEMBERS

(in Euro)		Country	Variable compensation for the year 2020 Target	Actual	% Target	Variable compensation for the year 2021 Target	Actual	% Target	Variable compensation for the year 2022 Target	Actual	% Target
Thomas Buberl	Chief Executive Officer	France	1,450,000	1,036,750 [(a)]	72%	1,450,000	1,722,600 [(a)]	118.8%	1,653,014	1,832,366 [(a) (b)]	110.85%
Total of the other Management Committee members [(c)]			9,525,696	8,142,914	86%	8,738,958	10,029,609	114.8%	10,834,518	12,003,156	110.79%

(a) *This amount includes the part of the variable compensation with respect to 2020, 2021 and 2022 that has been deferred in accordance with the mechanism described on page 132. The total amount paid may vary as it depends on performance conditions.*

(b) *Pursuant to Article L.22-10-34 II of the French Commercial Code, the payment of the Chief Executive Officer's 2021 variable compensation is withheld until approval by the Shareholders' Meeting on April 27, 2023.*

(c) *As at December 31, 2022, the Management Committee was comprised of 14 (14 on December 31, 2021 and 13 on December 31, 2020).*

ANNUAL DEFERRED VARIABLE COMPENSATION

Since 2013, the Board of Directors has implemented a deferral mechanism for 30% of the executive officers' variable compensation.

As of 2022, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, decided to extend the deferral period from two years to three years to further align the executive officers' variable compensation with shareholder interests. The Board of Directors also decided to **(i)** eliminate the payout floor (previously set at 80% of the deferred amount) to emphasize the "at risk" nature of this component, and **(ii)** increase the payout cap (from 120% to 130%) in the event of superior share price performance.

Under this mechanism, the Chief Executive Officer's deferred amount of annual effective variable compensation for the 2022 fiscal year will be paid out in three tranches, in 2024, 2025 and 2026. The actual amount to be paid will vary depending on the performance of the AXA share price over the deferral period and will be subject to a cap at 130% of the deferred amount; provided, however that no deferred variable compensation would be paid

(i) in the event that the Group's underlying earnings are negative for the year ending immediately prior to the year of the scheduled payout, or **(ii)** in case of resignation or dismissal, for gross or willful misconduct prior to the payout date.

The variable compensation deferral is subject to a malus mechanism which, while not required by applicable laws in France, is designed to further align AXA's policy with international practices and regulations on executive compensation in the financial services industry.

At the end of February 2023, **(i)** the second tranche of Mr. Thomas Buberl's deferred variable compensation for the 2020 fiscal year, *i.e.,* an amount of €186,615, and **(ii)** the first tranche of Mr. Thomas Buberl's deferred variable compensation for the 2021 fiscal year *i.e.,* an amount of €281,645 were paid.

These amounts reflect the evolution of the AXA share price and were set at 120% of the deferred variable compensation granted in respect of the 2020 fiscal year and at 109% in respect of the 2021 fiscal year.

All the amounts presented in this Section 3.2 are gross amounts and before taxation.

Long-Term Incentive (LTI) annual allotment

Each year, LTIs (Performance Shares) are granted to Group executives.

In order to associate the Group executives to the creation of long-term value, these LTIs represent a significant part of their global variable compensation. In this context, the number of LTIs granted is set so that the executives are between the median and the 3rd quartile of market references considering the global amount of the variable part (comprised of one part in cash and one part in LTIs). The Compensation, Governance & Sustainability Committee and the Board of Directors however ensure that the Performance Shares granted to the Group executives and valued in accordance with IFRS standards are not disproportionate compared to the aggregate compensation and shares granted to the executives concerned.

These Performance Shares are integrally subject to performance conditions (please refer to pages 137 and following) and therefore do not guarantee any grant or minimal gain for the beneficiaries.

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SUMMARY OF COMPENSATION, OPTIONS AND PERFORMANCE SHARES GRANTED TO MANAGEMENT COMMITTEE MEMBERS

MEMBERS OF THE MANAGEMENT COMMITTEE

			Year 2021					Year 2022				
(in Euro)		Country	Compen-sation granted in respect of the year	Value of options granted during the year	Value of performance shares granted during the year	Value of international performance shares granted during the year	Total	Compen-sation granted in respect of the year	Value of options granted during the year	Value of performance shares granted during the year	Value of international performance shares granted during the year	Total
Thomas Buberl	Chief Executive Officer	France	3,176,645 (a)	-	1,938,986	-	5,115,631	3,421,342 (a)	-	1,910,398	-	5,331,740 (b)
Total of the other Management Committee members (c)			20,183,821	-	2,609,825	4,174,232	26,967,877	23,981,808	-	6,473,424	4,963,255	35,418,487

(a) This amount includes the part of the variable compensation with respect to 2021 or 2022 that has been deferred in accordance with the mechanism described on page 132. The total amount paid may vary as it depends on performance conditions.
(b) This amount includes the payment of the Chief Executive Officer's 2022 variable compensation which will be withheld until approval by the Shareholders' Meeting on April 27, 2023.
(c) As at December 31, 2022, the Management Committee was comprised of 14 members.

On each date of grant, the fair value of stock options and Performance Shares is determined in accordance with IFRS standards. This is a historical value on the date of grant, calculated for accounting purposes as described in Note 26.3.1 "Share-based compensation instruments issued by the Group" in Part 6 "Consolidated Financial Statements" of the Annual Report. This value does not represent a current market value, a current valuation of these options and performance shares, nor the actual amounts that may be paid to beneficiaries if and when the options are exercized, or the Performance Shares are acquired.

On March 11, 2021, the fair value of one Performance Share was €14.52.

On March 15, 2022, the fair value of one Performance Share was €16.33.

SUMMARY OF THE MANAGEMENT COMMITTEE MEMBERS' COMPENSATION FOR THE YEAR 2022

MEMBERS OF THE MANAGEMENT COMMITTEE

			Year 2022											
			Amounts granted with respect to the year						Amounts paid during the year					
(in Euro)		Country	Fixed compensation	Variable compensation	Exceptional compensation	Board fees	Benefits in kind	Total	Fixed compensation	Variable compensation	Exceptional compensation	Board fees	Benefits in kind	Total
Thomas Buberl	Chief Executive Officer	France	1,585,000	1,282,656 [(a)] [(b)]	-	-	3,975	2,871,632	1,585,000	1,606,676	-	-	3,975	3,195,652
Total of the other Management Committee members			11,840,067	11,419,293	-	-	147,448	23,406,808	11,840,067	10,640,058	-	-	147,448	22,627,573

(a) This amount does not include the part of the variable compensation with respect to 2022 which has been deferred in accordance with the mechanism described on page 132.
(b) Pursuant to Article L.22-10-34 II of the French Commercial Code, the payment of the the Chief Executive Officer's 2022 variable compensation is withheld until the approval by the Shareholders' Meeting on April 27, 2023.

SUMMARY OF THE MANAGEMENT COMMITTEE MEMBERS' COMPENSATION FOR THE YEAR 2021

MEMBERS OF THE MANAGEMENT COMMITTEE

			Year 2021											
			Amounts granted with respect to the year						Amounts paid during the year					
(in Euro)		Country	Fixed compensation	Variable compensation	Exceptional compensation	Board fees	Benefits in kind	Total	Fixed compensation	Variable compensation	Exceptional compensation	Board fees	Benefits in kind	Total
Thomas Buberl	Chief Executive Officer	France	1,450,000	1,205,820 [(a)]	-	-	4,044	2,659,865	1,450,000	1,148,986	-	-	4,044	2,603,031
Total of the other Management Committee members			9,710,128	10,029,609	-		118,855	19,858,592	10,035,356	6,455,631	-	-	118,855	16,609,842

(a) This amount does not include the part of the variable compensation with respect to 2021 which has been deferred in accordance with the mechanism described on page 132.

The corporate officers do not receive Board fees from AXA SA.

The only "benefit in kind" for Mr. Thomas Buberl is a company car.

COMPENSATION RATIOS

As required by the regulation in force and in accordance with the Afep guidelines updated in February 2021, the table below sets out the ratios comparing, on the one hand, the Chief Executive Officer's and the Chairman's compensation paid or granted in 2022 and, on the other hand, the mean and median 2022 compensation of employees of the holding company in France (AXA SA) [(1)] and, on a voluntary basis, of employees of the Group's France-based entities [(2)].

2022 Fiscal Year *(Compensation paid or granted during the 2022 fiscal year)* [(a)]	**Ratio against the mean compensation of AXA SA employees**	**Ratio against the median compensation of AXA SA employees**	**Ratio against the mean compensation of AXA employees in France**	**Ratio against the median compensation of AXA employees in France**
Chief Executive Officer's Compensation	1.68	1.68	62.36	82.28
Chairman's Compensation [(b)]	0.30	0.30	11.05	14.57

(a) The elements of compensation selected for the purpose of the table above are: the fixed and variable compensation, LTIs (in IFRS value), Board fees, benefits in kind and collective profit sharing, paid or granted to each relevant executive or employee during the fiscal year. These elements of compensation are in gross (employer charges excluded).

(b) The compensation paid or granted during the 2022 fiscal year to Mr. Antoine Gosset-Grainville, appointed Chairman of the Board of Directors on April 28, 2022 was annualized for the purpose of the table above.

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As required by the regulation in force, the annual evolutions over the five last fiscal years of **(i)** AXA SA's executive officers' compensation, **(ii)** AXA's performance, **(iii)** the mean compensation of AXA SA employees, **(iv)** on a voluntary basis, the compensation of the employees of the Group's France-based entities, and **(v)** the hereinabove mentioned ratios, are disclosed in the table below.

	Evolution *(as %)* **between 2017 and 2018**	**Evolution** *(as %)* **between 2018 and 2019**	**Evolution** *(as %)* **between 2019 and 2020**	**Evolution** *(as %)* **between 2020 and 2021**	**Evolution** *(as %)* **between 2021 and 2022**
Chief Executive Officer's Compensation (CEO)	+4.44% [(c)]	+6.7%	-14.07%	-3.95%	+17.89%
Chairman's Compensation [(a)]	0%	0.00%	-25.00% [(b)]	+25.00% [(b)]	-23.27% [(c)]
AXA SA perimeter information					
AXA SA employees' mean compensation	+16.28%	-6.05%	-20.35%	-0.82%	+65.24% [(d)]
Ratio between AXA SA CEO's compensation and the mean compensation of AXA SA employees	-10.19%	+13.57%	+7.88%	-3.15%	-28.66%
Ratio between AXA SA Chairman's compensation and the mean compensation of AXA SA employees	-14.01%	+6.44%	-5.68%	+34.16%	-53.57% [(c)]
Ratio between AXA SA CEO's compensation and the median compensation of AXA SA employees	-5.73%	+4.51%	+39.59%	-20.69%	-21.96%
Ratio between AXA SA Chairman's compensation and the median compensation of AXA SA employees	-9.74%	-2.06%	+22.04%	+9.86%	-49.21% [(c)]
Group's French entities perimeter information					
AXA entities in France employees' mean compensation	+3.51%	+2.52%	+1.21%	+3.44%	+5.72%
Ratio between AXA SA CEO's compensation and the mean compensation of employees of AXA in France	+0.89%	+4.08%	-15.1%	-7.14%	+11.50%
Ratio between AXA SA Chairman's compensation and the mean compensation of employees of AXA in France	-3.4%	-2.45%	-25.78%	+28.64%	-27.43% [(c)]
Ratio between AXA SA CEO's compensation and the median compensation of employees of AXA in France	+1.57%	+3.68%	-15.68%	-6.40%	+13.66%
Ratio between AXA SA Chairman's compensation and the median compensation of employees of AXA in France	-2.75%	-2.83%	-26.29%	+29.65%	-26.02% [(c)]
AXA's performance information					
Underlying Earnings per Share	+3.00%	+5.00%	-33.98%	+60.82%	+12.00%

(a) The term of office of Mr. Denis Duverne as Chairman of the Board of Directors ended on April 28, 2022, following which Mr. Antoine Gosset-Grainville was appointed as Chairman of the Board of Directors.

(b) It should be noted that during the 2020 fiscal year, given the context of the sanitary crisis and in solidarity with the Group's executive teams, Mr. Denis Duverne decided to renounce 25% of his fixed compensation. The compensation that was not paid to Mr. Denis Duverne was donated by AXA to charity.

(c) The compensation paid or granted during the 2022 fiscal year to Mr. Antoine Gosset-Grainville, appointed Chairman of the Board of Directors on April 28, 2022 was annualized for the purpose of the table above.

(d) This increase is justified by changes in salaried workforce at the Company level with respect to the 2022 fiscal year.

(1) Which has less than five employees.

(2) Around 18,000 employees (including salaried sales force).

In accordance with the feedback received from a number of institutional investors, and on a voluntary basis, the ratios between, on the one hand, the remuneration paid or granted to the Chief Executive Officer and Chairman of the Board of Directors, and on the other hand, the average remuneration paid or granted to employees of all entities of the Group during the year 2022 [(1)], are presented

in the table below:

2022 Fiscal year *(Compensation paid or granted during the 2022 fiscal year)* [(a)]	**Ratio with the average compensation of the AXA Group's entities employees**
Compensation of the Chief Executive Officer	80.65
Compensation of the Chairman of the Board of Directors [(b)]	14.29

(1) Entities included in AXA's scope of consolidation as defined in Section 4.2 "Employer Responsibility" of this Annual Report.

(a) For the purposes of this table, the compensation components are: fixed and variable compensation, LTI (at IFRS value), Board fees, benefit in kind and incentives/share ownership, paid or granted to each director or employee with respect to the fiscal year. These compensation components are gross (excluding employer's charges and contributions).

(b) The compensation paid or granted during the 2022 fiscal year to Mr. Antoine Gosset-Grainville, appointed Chairman of the Board of Directors on April 28, 2022 was annualized for the purpose of the table above.

DIRECTORS' FEES

Directors' fees

During the 2022 fiscal year, the members of the Board of Directors, except for the corporate officers, only received directors' fees as compensation from the Company. The amount of directors' fees paid to each AXA Board member is indicated in the table below.

(Gross amounts in Euro)	**Directors' fees paid in 2023 for 2022**	**Directors' fees paid in 2022 for 2021**
Current members of the Board of Directors		
Antoine Gosset-Grainville – Chairman of the Board of Directors since April 28, 2022	34,230.71	98,033.11
Thomas Buberl – Chief Executive Officer	0	0
Martine Bièvre [(a)] [(b)]	86,210.29	74,663.04
Helen Browne	93,793.62	98,033.11
Jean-Pierre Clamadieu – Senior Independent Director	219,624.01	203,371.37
Bettina Cramm [(a)]	112,917.15	99,017.20
Clotilde Delbos	141,871.82	76,461.22
Rachel Duan	112,917.15	99,017.20
Guillaume Faury	96,885.78	52,506.17
Ramon Fernandez	195,810.71	99,290.98
André François-Poncet	140,139.37	122,387.28
Gérald Harlin	79,201.80	-
Isabel Hudson	238,911.13	184,281.11
Angelien Kemna	148,949.60	131,651.79
Ramon de Oliveira	121,015.84	140,399.44
Rachel Picard	88,740.69	-
Marie-France Tschudin	91,996.36	70,566.81
Former members of the Board of Directors		
Denis Duverne – Chairman of the Board of Directors until April 28, 2022	0	0
Patricia Barbizet	30,117.32	99,017.20
Irene Dorner	-	60,149.36
Elaine Sarsynski	-	41,153.11
TOTAL	**2,033,333.33**	**1,750,000.00**

(a) Mmes Martine Bièvre and Bettina Cramm, members of the Board of Directors representing the employees, are employed by subsidiaries of the Company and as such, receive a compensation that has no link with their directorship. Their compensation as employees is therefore not published.

(b) Directors' fees due for the 2021 fiscal year to Mrs. Martine Bièvre, member of the Board of Directors representing the employees, were, at her request, directly paid by the Company to the "Fédération des Banques et des Assurances CFDT" (French trade union organization).

Criteria of directors' fees allocation

The total annual maximum amount of directors' fees to be allocated to the members of the Board of Directors was set by the Shareholders' Meeting of April 28, 2022, at €2,100,000.

No directors' fees are paid by the Company to the corporate officers (*i.e.,* Chairman of the Board of Directors and Chief Executive Officer).

The total annual maximum amount of directors' fees is determined by the Shareholders' Meeting, in accordance with applicable laws, and apportioned by the Board of Directors to its members in accordance with its Terms of Reference (pursuant to the recommendations of Afep-Medef Code, a minority part of the fees is distributed evenly among the members of the Board of Directors as a fixed fee):

- a fixed amount determined by the Board of Directors shall be paid annually to the Senior Independent Director (set at €80,000);
- 65% of the remaining amount shall be allocated to the Board as follows: 40% shall be divided equally among Board members and paid as a fixed fee, and 60% shall be paid according to Board attendance;
- the remaining 35% shall be allocated by the Board of Directors to the Board Committees as follows: 25% to the Finance & Risk Committee, 25% to the Compensation, Governance & Sustainability Committee, and 50% to the Audit Committee. Each Committee shall then allocate such amount to its members as follows: 40% shall be divided equally amongst members and paid as a fixed fee, and 60% shall be paid according to Committee attendance, with the Chair of the Committee receiving in each case a double fee.

Mrs. Helen Browne, member of the Board of Directors representing the employee shareholders of the AXA Group, received in 2022 an annual gross cash compensation of €881,386 in connection with her position as Group General Counsel. This compensation consists of €500,386 of fixed compensation and €381,000 of variable compensation.

Mrs. Angelien Kemna received in 2022 directors' fees of €90,000 in respect of her non-executive mandate in a Group subsidiary (AXA Investment Managers SA).

In 2022, since his appointment as director on the AXA Board of Directors, Mr. Gérald Harlin received a gross amount of €103,407 with respect to his non-executive mandates in Group subsidiaries (AXA Investment Managers SA, AXA XL US, AXA France IARD and AXA France Vie).

Shares subject to performance conditions (Performance shares and international performance shares, restricted shares and international restricted shares)

Shares subject to performance conditions are designed to recognize and motivate the Group's best talents and core skills by aligning the individuals' interests with the overall performance of the AXA Group, and the corresponding operational entity/ business unit as well as with the stock performance of the AXA share over the medium-long term. Shares subject to performance conditions generally result in low shareholder dilution due to the possibility to deliver existing shares, this choice being the one made up to this date.

Since 2022, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, may grant Performance Shares to Senior Management [1], including members of the Management Committee and Restricted Shares to other beneficiaries.

Performance Shares and Restricted Shares are usually granted to beneficiaries residing in France, while International Performance Shares and international Restricted Shares are generally granted to beneficiaries residing outside of France.

GRANT PROCEDURE

Within the multi-annual cap authorized by the Shareholders' Meeting, the Board of Directors approves all programs of shares subject to performance conditions prior to their implementation.

Each year, the Board of Directors, acting upon recommendation from its Compensation, Governance & Sustainability Committee, approves a pool of global performance shares to be granted subject to performance.

The recommendations for grants of shares subject to performance conditions are made by the management of each operating business and by the Group's functional department heads. These recommendations are reviewed by the Executive Management to ensure a global coherence and respect of the Group's internal equity principles. The amount and nature of individual share grants (in the form of Performance Shares or Restricted Shares) subject to performance conditions are then decided by the Board of Directors, provided that individual grants to the Chief Executive Officer and

(1) Performance Shares are granted to approximately 250 senior managers as well as employees who are subject to specific local regulations on the date of grant.

other members of the Management Committee are preceded by a proposal of the Compensation, Governance & Sustainability Committee of the Board of Directors, taking into consideration their aggregate compensation elements as well as the market studies carried out by the Group together with an independent compensation-consulting firm. Furthermore, the grant to AXA executive officers shall depend on the level of achievement of the strategic objectives previously defined by the Board of Directors.

The Company, in line with market best practices, applies a regular and consistent formula to determine the number of shares to be granted each year to the beneficiaries.

The Board of Directors also decided that the total number of performance shares granted to the Company's executive officers each year may not exceed 10% of the aggregate number of shares subject to performance conditions (Performance Shares and Restricted Shares) granted during the same year, to avoid an excessive concentration of performance shares granted to the executive officers.

Since 2020, the annual grant of shares subject to performance conditions occurs in March in order to simplify the structure of the senior executives' total variable compensation, so that they are granted **(i)** a variable compensation in the form of cash (annual bonus), and **(ii)** shares during the same month.

RULES REGARDING SHARES SUBJECT TO PERFORMANCE CONDITIONS

Each beneficiary receives an initial preliminary allocation of shares subject to performance conditions (Performance Shares or Restricted Shares) which is then used as a reference to calculate the number of shares that will be definitely granted at the end of a 3-year performance period.

During the performance period, all shares subject to performance conditions initially granted are integrally subject to performance criteria regardless of the beneficiary's status.

Performance Shares SNFP

For the Performance Shares granted in 2022, the Board of Directors has reviewed, upon recommendation from its Compensation, Governance & Sustainability Committee, the nature of the performance conditions as well as the level of corresponding targets, allowing an alignment with the strategic orientations of the Group whilst meeting with regulatory requirements, including a greater consideration of extra-financial criteria. Therefore, the Board of Directors resolved to replace the performance criterion relating to the carbon footprint of the Group's General Account assets, being used as a performance condition for the Chief Executive Officer's variable cash compensation, with a new criterion, also counting for 10%, and related to Inclusion and Diversity (portion of women within the Group's executive population) [1].

For the Performance Shares granted in 2022, the global performance rate was calculated as follows: 30% performance of the operating business (cash remittance) + 30% performance of the operating business (underlying earnings) + 10% sustainability strategy (S&P Global Corporate Sustainability Assessment) (DJSI) + 10% sustainability strategy (operations carbon emission) + 10% sustainability strategy (Inclusion and Diversity – portion of women within the Group's executive population) + 10% Group financial relative performance (TSR), all capped at 130%.

(1) Around 2,000 employees, in accordance with Group's executive population defined in the Section 4.2 "Employer Responsibility" of this Annual Report.

Performance conditions for the 2022 grant are summarized in the chart below:

FOR 100% OF THE PERFORMANCE SHARES 2022

Operating business performance (60%)		Performance	% granted: Executive officers & Management Committee	% granted: Other beneficiaries
Cash generation (30%)	Floor	70% of the target	50%	70%
	Target	Cash generation target [(a)]	100%	100%
	Cap	130% of the target	130%	130%
Underlying earnings (or Underlying earnings per share for the Group) (30%)	Floor	70% of the target	50%	70%
	Target	UE (or UEPS) target [(b)]	100%	100%
	Cap	130% of the target	130%	130%

Group Sustainability (30%)		Performance	Executive officers & Management Committee	Other beneficiaries
Score AXA versus *S&P Global Corporate Sustainability Assessment (DJSI) (10%)*	Floor	AXA score = 90th percentile	50%	70%
	Target	AXA score = 95th percentile	100%	100%
	Cap	AXA score ≥ 99th percentile	130%	130%
Reduction in operations' carbon emission (10%)	Floor	Cumulated reduction = 14.7%	50%	70%
	Target	Cumulated reduction = 21%	100%	100%
	Cap	Cumulated reduction ≥ 27.3%	130%	130%
Increase the proportion of women in the Group's executive population (10%)	Floor	Cumulated increase = +4.2 pts	50%	70%
	Target	Cumulated increase = +6 pts	100%	100%
	Cap	Cumulated increase ≥ +7.8 pts	130%	130%

Group financial relative performance (10%)		Performance	Executive officers & Management Committee	Other beneficiaries
Score AXA TSR versus *SXIP TSR*	Floor	AXA score = 70% of the index	-	70%
	Target	AXA score = 100% of the index	100% (Floor)	100%
	Cap	AXA score ≥ 130% of the index	130%	130%

Calculation of the global performance rate = 30% performance of the operating business (cash generation) + 30% performance of the operating business (underlying earnings) + 10% sustainability (S&P Global Corporate Sustainability Assessment) (DJSI) + 10% sustainability (operations carbon emission) + 10% sustainability (Inclusion and Diversity) +10% Group financial relative performance (TSR)

Performance rate divided by two should no dividend be proposed by the Board of Directors for any of the fiscal years of the performance period.
The total number of shares definitively acquired is capped at 130% of the initial grant.

(a) In line with the objectives of the Group's strategic plan.
(b) Target performance corresponding to a 5% compound annual growth rate, in line with the objectives of the Group's strategic plan.

3

For the Performance Shares granted in 2023, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, had reviewed the weight and the calibration of the Group financial relative performance (TSR) criterion and decided, in line with market practices in France and abroad, as well as feedback received from a number of institutional investors, to increase the weight of this criterion from 10% to 20%, while maintaining a balance between financial and extra-financial criteria.

For the Performance Shares granted in 2023, the global performance rate was therefore calculated as follows: 25% performance of the operating business (cash remittance) +25% performance of the operating business (underlying earnings) +10% sustainability strategy (S&P Global Corporate Sustainability Assessment) (DJSI) +10% sustainability strategy (operations carbon emission) +10% sustainability strategy (Inclusion and Diversity – portion of women within the Group's executive population) + 20% Group financial relative performance (TSR), all capped at 130%.

Performance conditions for the 2023 grant are summarized in the chart below:

FOR 100% OF THE PERFORMANCE SHARES 2023

			% granted	
Operating business performance (50%)		**Performance**	**Executive officers & Management Committee**	**Other beneficiaries**
Cash generation (25%)	Floor	70% of the target	50%	70%
	Target	Cash generation target (a)	100%	100%
	Cap	130% of the target	130%	130%
Underlying earnings (or Underlying earnings per share for the Group) (25%)	Floor	70% of the target	50%	70%
	Target	UE (or UEPS) target (b)	100%	100%
	Cap	130% of the target	130%	130%

Group Sustainability (30%)		**Performance**	**Executive officers & Management Committee**	**Other beneficiaries**
Score AXA versus *S&P Global Corporate Sustainability Assessment (DJSI)* (10%)	Floor	AXA score = 90th percentile	50%	70%
	Target	AXA score = 95th percentile	100%	100%
	Cap	AXA score ≥ 99th percentile	130%	130%
Reduction in operations' carbon emission (10%)	Floor	Cumulated reduction = 17.5%	50%	70%
	Target	Cumulated reduction = 25%	100%	100%
	Cap	Cumulated reduction ≥ 32.5%	130%	130%
Increase the proportion of women in the Group's executive population (10%)	Floor	Cumulated increase = +4.2 pts	50%	70%
	Target	Cumulated increase = +6 pts	100%	100%
	Cap	Cumulated increase ≥ +7.8 pts	130%	130%

Group financial relative performance (20%)		**Performance**	**Executive officers & Management Committee**	**Other beneficiaries**
Score AXA TSR versus *SXIP TSR*	Floor	AXA score = 50th percentile of the index	50%	70%
	Cap	AXA score ≥ 75th percentile of the index	130%	130%

Calculation of the global performance rate = 25% performance of the operating business (cash generation) + 25% performance of the operating business (underlying earnings) + 10% sustainability (S&P Global Corporate Sustainability Assessment) (DJSI) + 10% sustainability (operations carbon emission) + 10% sustainability (Inclusion and Diversity) + 20% Group financial relative performance (TSR)

Performance rate divided by two should no dividend be proposed by the Board of Directors for any of the fiscal years of the performance period.
The total number of shares definitively acquired is capped at 130% of the initial grant.

(a) In line with the objectives of the Group's strategic plan.
(b) Target performance corresponding to a 5% compound annual growth rate, in line with the objectives of the Group's strategic plan.

The Performance Shares and International Performance Shares granted to the Management Committee members (except for the Chief Executive Officer) will be acquired after a three-year acquisition period, and 50% of the shares acquired will be subject to a further two-year holding period. The Performance Shares granted to the Chief Executive Officer will remain acquired at the end of a three-year acquisition period, with the entirety of the acquired shares restricted from sale during a two-year holding period.

The amounts corresponding to International Performance Shares and International Restricted Shares are operating expenses during the vesting period. They do not create any dilution for shareholders as no new shares are issued. The payment is made in shares. Should this type of payment not be possible for legal, tax or any other reason, the payment could be made in cash.

Restricted Shares

Since 2022, the Board of Directors, upon the recommendation from its Compensation, Governance & Sustainability Committee, may grant Restricted Shares to Group employees who are not senior managers. For Restricted Shares beneficiaries, the sole performance condition is the achievement of an average result of AXA's score in the S&P Global Corporate Sustainability Assessment (DJSI), calculated over the performance period, greater than or equal to the 75th percentile. Should AXA's average score, calculated over the performance period, be equal to the 50th percentile, only half of the shares initially granted would be acquired. Finally, should AXA's average score, calculated over the performance period, be lower than the 50th percentile, no shares would be granted. This scheme does not guarantee a minimum gain to the beneficiaries. Among the different performance levels, the number of shares definitively granted is calculated on a linear basis depending on the achieved performance.

For Performance Shares and Restricted Shares, the achievement rate of the performance criterion (performance rate) is used to determine the number of AXA shares that will be definitively acquired by the beneficiaries at the end of the acquisition period, under the condition that the beneficiary is still employed by the AXA Group. The number of AXA shares definitively granted shall therefore be equal to the number of rights to AXA shares initially granted multiplied by the performance rate, which may not exceed 130% for the Performance Shares and 100% for the Restricted Shares. Furthermore, for the Performances Shares and Restricted Shares, should no dividend be proposed for payment (outside regulatory constraints) by the Board of Directors to the Company shareholders for any of the fiscal years of the performance period, the number of shares definitively acquired would be automatically divided by two.

SHARES PLANS SUBJECT TO PERFORMANCE SUMMARY

Performance Shares and Restricted Shares plans

Date of the Shareholders' Meeting	27/04/2016	24/04/2019	24/04/2019	24/04/2019	24/04/2019	28/04/2022
Grant date (Board of Directors)	27/06/2018	19/06/2019	12/03/2020	11/03/2021	15/03/2022	14/03/2023
Total number of beneficiaries of *Restricted Shares*	-	-	-	-	2,093	2,257
% of women's beneficiaries	-	-	-	-	42.0%	43.4%
Total number of Restricted Shares granted	-	-	-	-	1,761,859	1,745,075
Total number of beneficiaries of Performance Shares	2,812	2,793	2,623	2,508	232	237
% of women's beneficiaries	39.7%	40.2%	42.9%	41.3%	36.2%	36.3%
Total number of Performance Shares granted	2,979,171	2,961,225	4,020,077	3,102,813	1,363,552	1,225,184
Number granted to corporate officers:						
Thomas Buberl	112,211	133,458	168,648	133,539	116,987	149,593
Helen Browne [(a)]	-	-	-	15,107	19,143	24,316
Acquisition date of the shares	27/06/2021 [(b)]	19/06/2022	12/03/2023	11/03/2024	15/03/2025	14/03/2026
End of restriction	27/06/2023	19/06/2022 [(c)]	12/03/2023 [(e)]	11/03/2024 [(e)]	15/03/2025 [(e)]	14/03/2026 [(e)]
Number of shares acquired at 31/12/2022	2,386,580	2,699,592 [(f)]	5,392 [(d)]	4,026 [(d)]	532 [(d)]	-
Number of Performance Shares cancelled	597,928	320,075	236,405	128,254	44,665	-
Balance at 31/12/2022	0	0	3,776,998 [(f)]	2,970,553	3,079,363	2,970,259

(a) The number of Performance Shares granted to Mrs. Helen Browne before her nomination as Director representing the employee shareholders is not disclosed.
(b) Thirty-four employees have chosen the 4+0 vesting calendar (aquisition at June 27, 2022 with no restricted period), based on the plan rules due to moves out of France during the acquisition period.
(c) The members of the Management Committee (including the Chief Executive Officer of AXA) have a 2-year holding period.
(d) Acquisition by anticipation following death or disability events.
(e) 100% of the Performance Shares for the Chief Executive Officer of AXA as well as 50% of the Performance Shares for the other members of the Management Committee have a 2-year holding period.
(f) The conversion rate of the shares initially granted to the Management Committee members for 2019 and 2020 plans is capped to 80%, in accordance with the dispositions approved by General Shareholder's Meeting of April 29, 2021.

International Performance Shares and International Restricted Shares plans

Grant date (Board of Directors)	27/06/2018	19/06/2019	12/03/2020	11/03/2021	15/03/2022	14/03/2023
Total number of beneficiaries of International Restricted Shares	-	-	-	-	2674	3,656
% of women's beneficiaries	-	-	-	-	33.0%	34.7%
Total number of International Restricted Shares granted	-	-	-	-	2,993,626	3,432,921
Total number of beneficiaries of International Performance Shares	4507	4279	3978	4207	927	295
% of women's beneficiaries	32.5%	33.8%	34.0%	34.2%	35.4%	35.3%
Total number of International Performance Shares granted	4,531,764	4,514,526	6,314,782	5,819,786	2,015,382	1,569,674
Number granted to corporate officers:						
Thomas Buberl	-	-	-	-	-	-
Helen Browne	-	-	-	-	-	-
Acquisition date of the International Performance Shares	27/06/2022	19/06/2022 (a)	12/03/2023 (c)	11/03/2024 (c)	15/03/2025 (c)	14/03/2026 (c)
Number of International Performance Shares acquired at 31/12/2022	3,008,151	3,301,298	48,280 (b)	19,808 (b)	3,268 (b)	-
Number of International Performance Shares cancelled	1,543,308	1,105,856	1,447,524	779,132	195,591	-
Balance at 31/12/2022	-	250,411 (d)	4,828,454 (d)	5,018,830	4,808,842	5,002,595

(a) The members of Management Committee have a 1-year deferred acquisition period.
(b) Acquisition by anticipation following death or disability events.
(c) 50% of International Performance Shares of the Management Commitee members have a 2-year holding period.
(d) The conversion rate of the shares initially granted to the Management Committee members for 2019 and 2020 plans is capped to 80%, in accordance with the dispositions approved by General Shareholder's Meeting of April 29, 2021.

In the table above all dates indicated are in the format of day/month/year.

PERFORMANCE SHARES/INTERNATIONAL PERFORMANCE SHARES GRANTED TO CORPORATE OFFICERS DURING 2022 AND 2023

Corporate officers		Plan date	Nature of the plan	Number of shares granted	% of capital	Value *(in Euro)*	Acquisition date	End of restriction	Performance conditions
Thomas Buberl	Chief Executive Officer	15/03/2022	*Performance Shares*	116,987	0.005%	1,910,398	15/03/2025	15/03/2027	Underlying earnings per share Cash generation Group Sustainability Financial relative performance
		14/03/2023	*Performance Shares*	149,593	0.006%	2,834,787	14/03/2026	14/03/2028	Underlying earnings per share Cash generation Group Sustainability Financial relative performance
Helen Browne	Representative of employee shareholders to the Board of Directors	15/03/2022	*Performance Shares*	19,143	0.001%	323,517	15/03/2025	15/03/2025	Underlying earnings per share Cash generation Group Sustainability Financial relative performance
		14/03/2023	*Performance Shares*	24,316	0.001%	467,961	14/03/2026	14/03/2026	Underlying earnings per share Cash generation Group Sustainability Financial relative performance

In the table above all dates indicated are in the format of day/month/year.

The fair value of shares subject to performance conditions (Performances Shares and Restricted Shares) is determined in accordance with IFRS standards. It corresponds to a historical value at the date of grant, calculated for accounting purposes as described in Note 26.3.1 "Share based compensation instruments issued by the Group" in Part 6 "Consolidated Financial Statements" of this Annual Report. This value does not represent a current market value, a current valuation of these performance shares or the actual proceeds if and when the shares subject to performance conditions are acquired.

Under the AXA Group Compliance & Ethics Code, all employees (including the executive officers of the Company) are prohibited from engaging in any transaction designed to hedge the value of equity-based compensation awards (shares subject to performance conditions) granted under any plan or arrangement maintained by AXA or any of its subsidiaries. This restriction applies from the date of grant until such time as the beneficiary receives the securities underlying the award upon, for example, the lapse of restrictions on shares subject to performance conditions or similar events. In accordance with the recommendations of the Afep-Medef Code, the executive officers of the Company make a formal commitment to not resort to such hedging transactions.

PERFORMANCE SHARES/INTERNATIONAL PERFORMANCE SHARES ACQUIRED BY CORPORATE OFFICERS DURING 2022 AND 2023

Corporate officers		Plan date	Nature of the plan	Number of shares granted	Acquisition date	Shares acquired during the year	Performance rate over the acquisition period	End of the restriction period
Thomas Buberl	Chief Executive Officer	19/06/2019	*Performance Shares*	133,458	19/06/2022	106,767	80.00% (a)	19/06/2024
		12/03/2020	*Performance Shares*	168,648	12/03/2023	134,919	80.00% (a)	12/03/2025
Helen Browne	Representative of employee shareholders to the Board of Directors	19/06/2019	*Performance Shares*	18,232	19/06/2022	18,154	99.57%	19/06/2022
		12/03/2020	*Performance Shares*	24,233	12/03/2023	24,820	102.42%	12/03/2023
Gérald Harlin	Director	19/06/2019	*Performance Shares*	57,630	19/06/2022	46,104	80.00% (a)	19/06/2024
		12/03/2020	*Performance Shares*	72,825	12/03/2023	58,261	80.00% (a)	12/03/2023: 50% of the shares 12/03/2025: 50% of the shares

(a) The conversion rate of the shares initially granted to the Management Committee members for 2019 and 2020 plans is capped to 80%, in accordance with the dispositions approved by General Shareholder's Meeting of April 29, 2021.

In the table above all dates indicated are in the format of day/month/year.

The tables below present the weighting, the target objective, the realized performance, as well as the achievement rate for each criterion of performance shares/international performance shares acquired by corporate officers during 2022 and 2023:

2019 plan acquired in 2022

Performance conditions	Weighting	Target objective	Realized performance	Achievement rate: Thomas Buberl	Achievement rate: Helen Browne	Achievement rate: Gérald Harlin
Average of Adjusted earnings and Underlying earnings	50%	6,588 M€	5,919 M€	79.07%	89.84%	79.07%
Adjusted Earnings per Share	40%	2.87 €	2.51 €	79.04%	91.63%	79.04%
AXA's score *versus* S&P Global Corporate Sustainability Assessment (DJSI)	10%	85^{th} percentile	99^{th} percentile	130%	130%	130%
Total Shareholding Return adjustment (a)	+/-5 pts	Average SXIP growth = +5%	Average AXA share price growth = +12%	+5 pts	+5 pts	+5 pts
Global Performance rate				89.15% capped at 80% (b)	99.57%	89.15% capped at 80% (b)

(a) The average AXA share price growth is compared to the average SXIP growth.
(b) The conversion rate of the shares initially granted to the Management Committee members for 2019 and 2020 plans is capped to 80%, in accordance with the dispositions approved by General Shareholder's Meeting of April 29, 2021.

2020 plan acquired in 2023

Performance conditions	Weighting	Target objective	Realized performance	Achievement rate Thomas Buberl	Achievement rate Helen Browne	Achievement rate Gérald Harlin
Average of Adjusted earnings and Underlying earnings	50%	6,759 M€	6,268 M	76.27%	92.73%	76.27%
Adjusted Earnings per Share	40%	2.89 €	2.68 €	85.41%	95.14%	85.41%
AXA's score *versus* S&P Global Corporate Sustainability Assessment (DJSI)	10%	85th percentile	99th percentile	130%	130%	130%
Total Shareholding Return adjustment [(a)]	+/-5 pts	Average SXIP growth = -2%	Average AXA share price growth = +3%	+5 pts	+5 pts	+5 pts
Global Performance rate				90.30% capped at 80% [(b)]	102.42%	90.30% capped at 80% [(b)]

(a) The average AXA share price growth is compared to the average SXIP growth.
(b) The conversion rate of the shares initially granted to the Management Committee members for 2019 and 2020 plans is capped to 80%, in accordance with the dispositions approved by General Shareholder's Meeting of April 29, 2021.

PERFORMANCE SHARES/INTERNATIONAL PERFORMANCE SHARES BECOMING UNRESTRICTED DURING 2022 AND 2023 FOR EACH CORPORATE OFFICER

Corporate officers		Plan date	Number of shares becoming unrestricted during the year	Date of availability
Thomas Buberl	Chief Executive Officer	21/06/2017	109,955	21/06/2022
Helen Browne	Representative of employee shareholders to the Board of Directors	21/06/2017	12,229	21/06/2022
Gérald Harlin	Director	21/06/2017	39,984	21/06/2022

In the table above all dates indicated are in the format of day/month/year.

Stock options

From 1989 to 2018, AXA granted stock options to its corporate officers and its employees in France and abroad. The purpose of these grants was to associate them with AXA's share price performance and encourage their performance over the long term. In 2019, after having progressively reduced the number of stock options beneficiaries over the past few years, AXA's Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, in order to simplify AXA's compensation policy and in line with market practice and feedback received from a number of institutional investors, decided to cease awarding stock options to corporate officers and AXA employees.

Previous plans are still valid until their expiration (maximum duration period of 10 years). They were granted at market value, with no discount, and become exercisable by tranches, generally in thirds between 3 and 5 years following the grant date.

Pursuant to the stock option plan rules, beneficiaries who resign from the Group lose the right to exercise their options.

On December 31, 2022, 149 AXA employees held a total of 7,724,593 outstanding options, representing 0.33% of the Company's share capital on the same date.

PERFORMANCE CONDITIONS

All options granted to all members of the Management Committee until 2018 were subject to performance condition. This performance condition also applied to the last tranche of each option grant (*i.e.,* the last third of the options granted) for all other beneficiaries of options.

Pursuant to this performance condition, the options become fully exercisable only if the AXA share price outperformed the stock reference index of the insurance sector [1]. No option submitted to such performance condition can be exercised as long as this criterion has not been reached. This external performance condition subjects the acquisition of the right to exercise the options to the achievement of a fully objective and public performance and allows to measure the relative performance of AXA compared to its main European competitors over a period of at least three years.

If the performance condition has not been met at the expiry date of the options, these options are automatically cancelled.

Furthermore, the Board of Directors decided that a second performance condition would apply to all options granted in 2017 and 2018, pursuant to which beneficiaries would not be able to exercise their stock options in the event the net income of the Group is negative, and for as long as it remains.

STOCK OPTIONS PLAN SUMMARY

Date of the Shareholders' Meeting	27/04/2011	27/04/2011	27/04/2011	27/04/2011	23/04/2014	23/04/2014
Grant date (Board of Directors or Management Board)	16/03/2012	13/06/2012	22/03/2013	24/03/2014	19/06/2015	06/06/2016
Total number of beneficiaries	467	1	162	158	148	158
Total number of shares to be subscribed [(a)] or purchased, from which to be subscribed or purchased by:	4,508,380	76,089	3,480,637	3,100,000	3,014,469	3,323,259
Corporate officers:						
Thomas Buberl	-	-	-	48,800 [(c)]	50,272 [(c)]	70,598 [(c)]
The first 10 employees beneficiaries [(b)]	693,745	-	789,382	661,900	683,100	813,477
Start date of exercise	16/03/2014	13/06/2014	22/03/2015	24/03/2017	19/06/2018	06/06/2019
Expiry date of options	16/03/2022	13/06/2022	22/03/2023	24/03/2024	19/06/2025	06/06/2026
Subscription or purchase price of options [(a)]	12.22	9.36	13.81	18.68	22.90	21.52
Exercise schedule of options	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 3 y 66% after 4 y 100% after 5 y	33% after 3 y 66% after 4 y 100% after 5 y	33% after 3 y 66% after 4 y 100% after 5 y
Number of options exercised at 31/12/2022	3,910,941	76,089	3,095,581	2,203,094	989,922	1,498,043
Options cancelled at 31/12/2022	597,439	0	282,014	319,246	373,172	571,131
Options outstanding at 31/12/2022	0	0	103,042	577,660	1,651,375	1,254,085

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b) "Employees" who are not corporate officers at the date of award.
(c) Options were granted to Mr. Thomas Buberl prior to his appointment as AXA Chief Executive Officer.

In the table above all dates indicated are in the format of day/month/year.

(1) SXIP index (STOXX Insurance Index): a capitalization-weighted index, which includes European companies that are involved in the insurance sector. As at December 31, 2022, the index included 32 companies of the sector.

STOCK OPTIONS PLAN SUMMARY

Date of the Shareholders' Meeting	26/04/2017	26/04/2017
Grant date (Board of Directors or Management Board)	21/06/2017	27/06/2018
Total number of beneficiaries	144	117
Total number of shares to be subscribed [(a)]	3,070,397	2,730,217
or purchased, from which to be subscribed	0	0
or purchased by:	0	0
Corporate officers:	0	0
Thomas Buberl	175,917	196,366
The first 10 employees beneficiaries [(b)]	787,665	761,168
Start date of exercise	21/06/2020	27/06/2021
Expiry date of options	21/06/2027	27/06/2028
Subscription or purchase price of options [(a)]	23.92	21.60
Exercise schedule of options	33% after 3 y 66% after 4 y 100% after 5 y	33% after 3 y 66% after 4 y 100% after 5 y
Number of options exercised at 31/12/2022	653,154	481,369
Options cancelled at 31/12/2022	402,527	125,130
Options outstanding at 31/12/2022	2,014,716	2,123,718

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b) "Employees" other than corporate officers at grant date.

In the table above all dates indicated are in the format of day/month/year.

Under the AXA Group Compliance & Ethics Code, all employees (including the corporate officers of the Company) are prohibited from engaging in any transaction designed to hedge the value of equity-based compensation awards (stock options and shares subject to performance conditions) granted under any plan or arrangement maintained by AXA or any of its subsidiaries. This restriction applies from the date of grant until such time as the beneficiary receives the securities underlying the award upon, for example, the exercise of a stock option or the lapse of restrictions on shares subject to performance conditions. In accordance with the recommendations of the Afep-Medef Code, the executive officers of the Company make a formal commitment to not resort to such hedging transactions.

STOCK OPTIONS HELD BY CORPORATE OFFICERS THAT BECAME EXERCISABLE DURING 2022

Corporate officers		Plan date	Nature of options	Number of options that became exercisable during the year [(a)]	Exercise price *(in Euro)*	Expiry date of options	Performance conditions
Thomas Buberl	Chief Executive Officer	27/06/2018	subscription or purchase	65,456	21.60	27/06/2028	100% of options: SXIP index
		21/06/2017	subscription or purchase	58,639	23.92	21/06/2027	100% of options: SXIP index
Helen Browne	Representative of employee shareholders to the Board of Directors	27/06/2018	subscription or purchase	8,157	21.60	27/06/2028	Last third of options: SXIP index
		21/06/2017	subscription or purchase	6,522	23.92	21/06/2027	Last third of options: SXIP index
Gérald Harlin	Director	27/06/2018	subscription or purchase	28,265	21.60	27/06/2028	100% of options: SXIP index
		21/06/2017	subscription or purchase	21,323	23.92	21/06/2027	100% of options: SXIP index

(a) Stock options vested (according to the vesting calendar) for which the performance conditions have been met during the year or no performance condition is applicable.

In the table above all dates indicated are in the format of day/month/year.

STOCK OPTIONS EXERCISED BY CORPORATE OFFICERS DURING 2022

		AXA options				ADS AXA options			
Corporate officers		Date of grant	Number of options exercised during the year	Exercise price *(in Euro)*	Date of exercise	Date of grant	Number of options exercised during the year	Exercise price *(in USD)*	Date of exercise
Thomas Buberl	Chief Executive Officer	27/06/2018	25,478	21.60	20/12/2022	-	-	-	-
		06/06/2016	13,940	21.52	10/08/2022	-	-	-	-
		06/06/2016	33,125	21.52	20/12/2022	-	-	-	-
Helen Browne	Representative of employee shareholders to the Board of Directors	-	-	-	-	-	-	-	-
Gérald Harlin	Director	06/06/2016	25,000	21.52	12/12/2022	-	-	-	-

In the table above all dates indicated are in the format of day/month/year.

STOCK OPTIONS EXERCISED BY THE TOP 10 BENEFICIARIES (OUTSIDE THE CORPORATE OFFICERS) DURING 2022

	Number of options exercised	Weighted average price *(in Euro)*
Stock options of AXA or any eligible AXA Group subsidiaries, exercised during the year by the ten employees, outside management bodies' members of the Company or of eligible AXA Group subsidiaries, who exercised the highest number of stock options (aggregate information)	909,865	21.22

STOCK OPTIONS HELD BY CORPORATE OFFICERS (OPTIONS GRANTED BUT NOT EXERCISED AS OF DECEMBER 31, 2022)

		Balance of options at December 31, 2022	
Corporate officers		**AXA**	**ADS AXA**
Thomas Buberl	Chief Executive Officer	220,671	-
Helen Browne	Representative of employee shareholders to the Board of Directors	74,586	-
Gérald Harlin	Director	240,759	-

Share ownership policy for executives of the Group

AXA implemented a shareholding policy applicable to the main senior executives of the Group. This policy imposes that each executive hold, during the entire duration of his/her functions, a minimum number of AXA shares (the "Minimum Shareholding Requirement") representing a multiple of the annual fixed compensation received for his/her functions within the Group:

- the Chief Executive Officer is required to hold the equivalent of his annual fixed compensation multiplied by 3;
- Management Committee members are required to hold the equivalent of their annual fixed compensation multiplied by 2;
- Partners group members are required to hold the equivalent of their annual fixed compensation multiplied by 1.

AXA shares, ADS AXA or shares of listed Group subsidiaries, held directly or indirectly through Mutual funds or similar investment vehicles, regardless of their acquisition procedure, are taken into account for the purposes of calculating this Minimum Shareholding Requirement.

Each concerned senior executive is required to meet this Minimum Shareholding Requirement within a period of 5 years as from the date of her/his first appointment.

Pursuant to Articles L.22-10-59 II and L.22-10-57 of the French Commercial Code, the Board of Directors has decided that, as long as the Chief Executive Officer has not met his Minimum Shareholding Requirement, all Stock Options and Performance Shares granted to him will be subject to the following restrictions:

- upon each exercise of these stock options granted, the Chief Executive Officer must continue to hold in registered form a number of shares obtained upon exercise equal in value to at least 25% of the pre-tax capital gain realized upon exercise. These shares shall be held during his entire term of office as Chief Executive Officer;
- for Performance Shares granted, the Chief Executive Officer must, at every Performance Share acquisition date, hold in registered form at least 25% of the Performance Shares acquired during his entire term of office as Chief Executive Officer.

These restrictions do not apply if the Chief Executive Officer complies with his Minimum Shareholding Requirement.

CHIEF EXECUTIVE OFFICER

On December 31, 2022, based on the AXA share value on that date (€26.055), the Chief Executive Officer meets his Minimum Shareholding Requirement such as described in the above Section "Share ownership policy for executives of the Group".

	Shareholding requirement				Shareholding on 31/12/2022			
	Fixed compensation	Number of years	Amount	Target date	Number of years	Amount	AXA shares	AXA Shareplan units
Thomas Buberl	€1,650,000	3	4,950,000	01/09/2021	13.7	€22,665,400.83	868,998	908

MEMBERS OF THE MANAGEMENT COMMITTEE

On December 31, 2022, based on the AXA share value on that date (€26.055), the members of the Management Committee held, on average, 2.5 times the equivalent of their fixed annual compensation.

MEMBERS OF THE BOARD OF DIRECTORS

To the best knowledge of the Company and based on information reported to it, each AXA Board of Directors member held, on December 31, 2022, the number of AXA shares or ADS AXA indicated in the table below.

	Number of shares [a] owned on December 31, 2022	
	AXA shares	ADS AXA
Antoine Gosset-Grainville – Chairman of the Board of Directors since April 28, 2022	4,268	-
Thomas Buberl – Chief Executive Officer	1,003,917 [c]	-
Martine Bièvre [b]	419 [c]	-
Helen Browne	152,029 [c]	-
Jean-Pierre Clamadieu	11,500	-
Bettina Cramm [b]	2,185	-
Clotilde Delbos	5,300 [d]	-
Rachel Duan	5,600	-
Guillaume Faury	5,000 [e]	-
Ramon Fernandez	5,577 [d]	-
André François-Poncet	7,842	-
Gérald Harlin	454,975 [c]	-
Isabel Hudson	9,168 [f]	-
Angelien Kemna	7,250	-
Ramon de Oliveira	38,234	-
Rachel Picard	500	-
Marie-France Tschudin	2,695	-

(a) AXA shares which could be indirectly held through Mutual funds are not taken into account.
(b) The holding of AXA shares by directors representing the employees (Mmes Martine Bièvre and Bettina Cramm) is not mandatory.
(c) On March 12, 2023.
(d) On January 19, 2023.
(e) On March 10, 2023.
(f) On January 20, 2023.

Transactions involving Company securities completed in 2022 by the members of the Board of Directors

To the best of the Company's knowledge and based on the information reported to it, several members of the Board of Directors made the following disclosures in the course of 2022 concerning their transactions involving Company securities. Detailed information about all of these transactions, as well as individual disclosures filed in accordance with Article L.621-18-2 of the French Monetary and Financial Code and Articles 223-22 A to 223-26 of the AMF General Regulations, are published on the Company's website (www.axa.com) and on the AMF website (www.amf-france.org).

							Options			Subscription of stock options		Subscription and sale of stock options		Transfer of units of AXA Group Mutual funds invested in AXA shares	Equity issue reserved for employees (Shareplan)
Name	**Sale of AXA shares** *(Number)*	**Sale of ADS AXA** *(Number)*	**Purchase of AXA ADS** *(Number)*	**Purchase of AXA shares** *(Number)*	**Acquisition of performance shares (end of acquisition period)** *(Number)*	**Automatic reinvestment into the Company Savings Plan of dividends attached to shares held in the Company Savings Plan** *(Number of units)*	**Sale of call options** *(Number)*	**Acquisition of put options** *(Number)*	**Options that became exercisable** *(Number)*	**Subscription to AXA share** *(Number)*	**Subscription to AXA ADS** *(Number)*	**AXA shares** *(Number)*	**Sale of units of AXA Group Mutual funds invested in AXA shares** *(Number)*	**to other AXA Group Mutual funds** *(Number of units)*	**Subscription to units of AXA Group Mutual funds invested in AXA shares** *(Number of units)*
Thomas Buberl					106,767 18,947 [a]	23,492.0183			58,639 65,456	13,940 [b] 33,125 [b] 25,478 [b]			15,538.4931 51,553.4437		49,241.7796
Helen Browne	2,500 5,000 1,500 4,573 4,731				18,154 2,949 [a]	952.4739			6,522 8,157						1,044.5802
Bettina Cramm															90.2527
Clotilde Delbos				3,000											
Guillaume Faury				1,815											
Ramon Fernandez				3,577											
Antoine Gosset-Grainville															7,832.8982
Gérald Harlin	15,000				46,104				21,323 28,265	25,000 [b]			22,960.8587		11,275.4047
Isabel Hudson				557 1,495											
Ramon de Oliveira		10,000 10,625													
Marie-France Tschudin				1,100											

(a) Retirement performance shares.
(b) AXA shares locked it under the AXA employee-stock purchase plan (plan d'épargne d'entreprise du Groupe).

Pursuant to the AXA Group Compliance & Ethics Code, corporate officers and other employees of the Company must refrain from any purchase or sale of AXA securities during specific time periods ("blackout periods") prior to the earnings releases. These blackout periods generally begin about 30 days before its annual or half-year earnings releases and 15 days before its quarterly financial information. Depending on the circumstances, these blackout periods could be declared at other times or be extended.

Commitments made to executive officers

PENSION COMMITMENTS

Mr. Antoine Gosset-Grainville, Chairman of the Board of Directors, and Mr. Thomas Buberl, AXA's Chief Executive Officer, do not benefit from the collective defined benefits pension scheme within the AXA Group in France.

However, the Chief Executive Officer of the Company. Mr. Thomas Buberl, as well as all other employees of AXA Group entities in France, participate in a mandatory and collective supplementary pension scheme with defined contributions (collective insurance contract – *contrat d'assurance de Groupe* as defined in Article L.141-1 of the French Insurance Code). This AXA pension fund was implemented in 2011 and benefits to the employees of AXA Group entities in France falling within the scope of the Collective Agreement of December 18, 2009. The individual employer contribution rate is set at 0.75% of the total gross compensation, which is not capped. The contribution base is the same as the one used for contributions related to the Social Security General Scheme. Contributions are subject to 9.7% social charges (9.2% for CSG and 0.5% for CRDS).

Retirement performance shares

Since December 2016, AXA has implemented a retirement performance shares plan which benefits all executive employees *(directeurs)* of AXA Group entities in France including the Chief Executive Officer, Mr. Thomas Buberl.

It provides beneficiaries with portable pension benefits until retirement in line with Directive 2014/50/UE/of the European Parliament and of the Council of April 16, 2014, on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights.

These performance shares are subject to **(i)** an acquisition period of three years, and **(ii)** an obligation to hold the shares until retirement, provided that the beneficiaries may sell all or part of their shares for diversification purposes (following the three-year acquisition period), as long as the sale proceeds are invested in a long-term savings plan until the beneficiary's retirement.

The definitive acquisition of these performance shares is subject to **(i)** the beneficiary's presence in the AXA Group on December 31 of the year during which the grant is decided, and **(ii)** the achievement of a performance condition related to the average AXA Group Solvency II ratio calculated during the performance period.

For all beneficiaries, to benefit from the totality of performance shares initially granted, the average AXA Group Solvency II ratio calculated during the performance period must be greater than or equal to 170%. However, if the average ratio is 150%, only half of the shares initially granted will be acquired. No shares will be acquired if the average ratio is below 150%. No minimum number of shares is guaranteed.

Between these performance levels, the number of shares definitely acquired is calculated on a linear basis depending on the achieved performance.

In the event that no dividend would be proposed for payment (outside regulatory constraint) by the Board of Directors to the Company shareholders for any of the fiscal years of the performance period, the number of shares definitively acquired shall be automatically divided by two.

The Board of Directors also decided that no more than 10% of the total number of shares granted during any fiscal year should be granted to AXA's executive officers, to avoid an excessive concentration of retirement performance shares granted to the executive officers.

On December 13, 2022, the Board of Directors approved a grant of retirement performance shares. Accordingly, 635,282 retirement performance shares were granted to 491 officers, which represent 0.027% of the outstanding share capital on the date of the grant, of which 18,381 retirement performance shares were granted to AXA's Chief Executive Officer representing 2.9% of the total grant.

All retirement performance shares granted are subject to the performance conditions described above and calculated over a three-year period beginning on January 1, 2022 and ending on December 31, 2024.

TERMINATION PROVISIONS

Executive officers	Employment contract		Supplementary pension scheme		Indemnities or advantages due or likely to be due upon termination of functions		Indemnities due for non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Thomas Buberl Chief Executive Officer Beginning of current mandate: 28/04/2022 Term of office: 2026 Shareholders' Meeting	–	X	X [(a)]	–	X	–	–	X
Antoine Gosset-Grainville Chairman of the Board of Directors Beginning of current mandate: 28/04/2022 Term of office: 2024 Shareholders' Meeting	–	X	-	X	–	X	–	X

(a) Mr. Thomas Buberl is a beneficiary of the retirement performance shares plans.

In accordance with the recommendations of the Afep-Medef Code, Mr. Thomas Buberl has decided to renounce his employment contract as of the date of his appointment as Chief Executive Officer.

In connection with this decision, the Board of Directors upon recommendation from its Compensation, Governance & Sustainability Committee undertook a review of the consequences of this renunciation including with respect to the continuity of the social benefits (Health insurance, Life insurance, Disability insurance, etc.) to which Mr. Thomas Buberl was entitled as an employee. In this context, the Board of Directors was concerned that the decision of Mr. Thomas Buberl to renounce his employment contract in accordance with the recommendations of the Afep-Medef Code would jeopardize the continuity of his accrued and future social benefits.

As a result, on August 2, 2016, the Board of Directors took the following decisions:

- the Board of Directors authorized that, following the termination of his employment contract, Mr. Thomas Buberl would continue to have social benefits (Health insurance, Life insurance, Disability insurance, etc.) on terms equivalent to those of all other Group senior employees of the AXA Group in France;
- the Board of Directors authorized a contractual severance benefit for Mr. Thomas Buberl designed to replicate the benefits to which he would have been entitled as AXA employee under the 1993 collective agreement covering director-level employees of the insurance sector, but with the addition of performance conditions in accordance with the Afep-Medef recommendations. A severance benefit would be applicable, except in the case of gross or willful misconduct, solely in the event of dismissal or non-renewal further to the Board of Directors' decision. The payment of the severance benefit would be subject to the three following performance conditions as determined by the Board of Directors during its August 2, 2016, meeting: **(i)** achievement, for at least 2 of the 3 preceding fiscal years, of the objectives set for the beneficiary's variable compensation and corresponding to the payment of at least 60% of his variable compensation target, **(ii)** evolution of the AXA share price at least equal to the stock reference index of the insurance sector (SXIP) (in percentage) over a 3-year period preceding the termination of the term of office, and **(iii)** the average consolidated adjusted ROE over the 3 preceding years higher than or equal to 5%.

The amount of severance benefit to be paid to the beneficiary would be adjusted in accordance with the level of achievement against these performance conditions: 100% of the severance benefit will be paid if at least two of the three performance conditions are met; 40% of the severance benefit will be paid if only one performance condition is met; and no severance benefit shall be paid if none of the performance conditions are met. Notwithstanding the foregoing, if only two of the three performance conditions are met, the amount of severance benefit will be reduced by 50% if performance condition **(i)** above is not met or if AXA's consolidated net income for the preceding fiscal year is negative.

No severance benefit will be paid if the beneficiary is entitled to a pension scheme within the 6 months following his termination.

The initial amount of the severance benefit is equal to 12 months of the average compensation (fixed and variable) paid during the 24-month period preceding termination. One month should then be added to the initial amount of the severance benefit for each additional year of future service up to a maximum cap of 24 months.

These commitments were approved by AXA's Shareholders' Meeting. They took effect upon Mr. Thomas Buberl's effective renunciation of his employment contract on September 1, 2016, and will continue as such for the duration of his mandate and under any potential renewed mandates.

Compensation policy of the Company's corporate officers (Ordinary and Extraordinary Shareholders' Meeting of April 27, 2023)

This policy was prepared in accordance with Articles L.22-10-8 and R.22-10-14 of the French Commercial Code and presents the principles and criteria for determination, distribution, and allocation of all elements of compensation of the corporate officers of the Company as approved by the Board of Directors during its meeting held on February 22, 2023, upon recommendation from its Compensation, Governance & Sustainability Committee.

The Compensation, Governance & Sustainability Committee, the role and composition of which are presented in detail in Section 3.1 of this Annual Report, is notably responsible for formulating propositions to the Board of Directors regarding the Company's principles and policy on corporate officers' compensation.

The Compensation, Governance & Sustainability Committee is entirely composed of independent members, with the exception of the director representing the employees sitting on the Committee pursuant to the Afep-Medef recommendations, who exchange frequently with the Group's Management and the departments of the Company including Group Human Resources and Group Legal. The Committee is also empowered to undertake or commission specific reviews by external experts when deemed appropriate. Such reviews allow the Committee to benefit from a technical expertise and independent insights in comparing AXA's compensation practices with general market practice.

COMPENSATION POLICY FOR THE CHIEF EXECUTIVE OFFICER

Guiding principles of AXA's compensation policy

AXA's compensation policy is designed to support the Company's long-term business strategy and to align the interests of its management with those of its shareholders and all other stakeholders by **(i)** establishing a close relation between performance and compensation over the short, medium and long term, **(ii)** ensuring that the Group can offer competitive compensation that is consistent with the various markets in which it operates while avoiding potential conflicts of interests that may lead to undue risk taking for short-term gain, and **(iii)** ensuring compliance of the Company's practices with all applicable regulatory requirements.

AXA's compensation policy notably aims to:

- attract, develop and motivate critical skills and best talents;
- drive superior performance; and
- align compensation levels with the Company's results.

Structure and criteria for determining the Chief Executive Officer's compensation

In this context, the compensation policy for the Chief Executive Officer is based on a pay-for-performance approach which **(i)** requires the achievement of challenging financial and operational targets that are defined and aligned with the Group's strategy, **(ii)** promotes long-term sustainable performance while incorporating risk adjustment measures in performance metrics, and **(iii)** determines the effective amount of the actual individual compensation on the basis of both financial and extra-financial results.

Thus, the "at-risk" portion of the Chief Executive Officer's total compensation (variable cash compensation and share-based compensation) represents a significant component of his compensation structure to align his compensation more directly with the operational strategy of the Group and the interests of the shareholders.

The different components of the Chief Executive Officer's total compensation are presented in detail hereafter:

FIXED ANNUAL COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The determination of the amount of the Chief Executive Officer's fixed compensation is based on an in-depth analysis of market practices as well as applicable national and international regulations. It also takes into consideration various other factors such as experience, skills, as well as the criticality and scarcity of such skills, and the Group's fairness principles or the individual's compensation history.

The Board of Directors, relying in particular on a study carried out by an independent external advisory firm (Willis Towers Watson) regarding compensation practices for similar functions in a panel of CAC 40 companies as well as AXA's main European and international competitors (insurance companies, banks), and upon recommendation from its Compensation, Governance & Sustainability Committee, decided to maintain unchanged, for 2023, the amount of the Chief Executive Officer's annual fixed compensation, at €1.65 million.

VARIABLE ANNUAL COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer's variable annual compensation is subject in its entirety to challenging performance conditions and closely aligned with the Group's strategy. No minimum payment is guaranteed to the Chief Executive Officer.

In order to determine the Chief Executive Officer's target annual variable compensation, the Board of Directors sought to establish a balanced structure between the fixed part and the variable part of his cash compensation.

Thus, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, and following a comparative review of national, European, international and industry practices, decided to maintain unchanged, for 2023, the Chief Executive Officer's target annual variable compensation, at €1.75 million, *i.e.,* 106% of the amount of his fixed annual compensation.

The Chief Executive Officer's total effective variable compensation may not exceed 130% of his target variable compensation, *i.e.,* 138% of his fixed annual compensation.

The evaluation of the Chief Executive Officer's individual performance with respect to the 2023 fiscal year will be based on the following two components, each of them capped at a 130% achievement rate:

- The Group's performance, evaluated on the basis of **(i)** underlying earnings per share, **(ii)** cash remittance, **(iii)** the reduction in Group carbon footprint in General Account assets, and **(iv)** the Net Promoter Score (customer recommendation index). The relative weight of each indicator will, respectively, be 45%, 25%, 15% and 15%. Each of the indicators will be capped at a 130% achievement rate.

  The financial and extra-financial indicators chosen to measure the Group performance are directly linked to the Group's strategic orientations. They reflect objectives for growth, capital management, sustainability and customer proximity and rely on the achievement of a predefined budget or target. Some of these indicators (underlying earnings per share and cash remittance) are identical to share-based compensation indicators in order to align part of the performance criteria of the short- and long-term compensation with the objectives of the strategic plan and to measure them on different time scales through different acquisition schedules.

- Individual performance, based on **(i)** various indicators and qualitative and quantifiable objectives determined by the Board of Directors in a target letter drawn up at the beginning of the year, and **(ii)** demonstrated leadership abilities by the Chief Executive Officer. The target letter includes detailed objectives related to the Group's progress in the implementation of its strategic plan as well as other performance indicators and objectives assessing the achievement of global strategic initiatives or related to certain geographic areas, as well as progress on investments that are expected to contribute to the development of the Group's operations.

  With respect to the 2023 fiscal year, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, set the four following objectives: **(i)** successfully deliver on the last year of *"Driving Progress 2023"* strategic plan, especially on the financial targets and ESG objectives (weighing for 35%), **(ii)** design AXA Group's new strategic plan 2024-2026 (weighing for 15%), **(iii)** manage continued stability in the Management Committee with solid succession plans and drive progress on D&I amongst leadership teams (weighing for 25%), and **(iv)** continue to assess opportunities to optimize the perimeter of the Group, including in-force transactions, simplification initiatives and bolt-on acquisitions (weighing for 25%).

Each of these two components will be evaluated separately so that the Chief Executive Officer's overall variable pay-out reflects his performance against two distinct components assessed independently.

With respect to the 2023 fiscal year, the determination of the actual amount of variable compensation to be paid to the Chief Executive Officer will therefore be based on the addition of two components: the Group performance for 70% and the individual performance for 30%.

To ensure that AXA remains aligned with current market practice and regulations within the financial industry, both in France and abroad, the Board of Directors decided to continue to use a deferral mechanism with respect to the Chief Executive Officer's variable annual compensation.

Under this mechanism, the payment of 30% of his actual variable annual compensation will be deferred over a 3-year period paid out in 3 tranches and will remain subject to performance conditions. The deferred amount effectively paid out will vary accordingly depending on the performance of the AXA share price over the deferral period, *i.e.,* 3-year, within the limit of a cap at 130% of the deferred amount but without a floor. No deferred variable compensation would be paid **(i)** in the event that the Group's underlying earnings are negative for the year ending immediately prior to the year of the scheduled payout, or **(ii)** in case of resignation or dismissal, for gross or willful misconduct prior to the payout date.

In case of significant change affecting the calculation of the Group's economic parameters (significant patrimonial transaction approved by the Board of Directors, change in accounting standards…), the Board would be able to calculate the parameters *mutatis mutandis, i.e.,* without taking into account extraordinary external elements.

The Board of Directors also reserves the right to exercise its discretionary power regarding the determination of the Chief Executive Officer's compensation pursuant to legal provisions and in accordance with Articles L.22-10-8 and L.22-10-34 of the French Commercial Code, should any particular circumstance arise and justify an exceptional adjustment, either upwards (within the limit of 130% of the target variable compensation) or downwards, of one or several of the criteria composing the Chief Executive Officer's compensation, to ensure that the application of the abovementioned criteria fairly reflect the Chief Executive Officer's performance as well as that of the Group.

This adjustment may apply to the Chief Executive Officer's variable annual compensation following a justified decision of the Board of Directors, upon proposal from its Compensation, Governance & Sustainability Committee.

Payment of the Chief Executive Officer's variable cash compensation for 2023 is subject to the approval by the Shareholders' Meeting to be held in 2024 of the compensation elements paid during or granted with respect to the 2023 fiscal year to the Chief Executive Officer.

SHARE-BASED COMPENSATION GRANTED TO THE CHIEF EXECUTIVE OFFICER

Each year, the Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, decides to grant Long-Term Incentives (LTI) to the Chief Executive Officer in the form of performance shares.

To give the Chief Executive Officer a stake in long-term value creation, these performance shares represent an important part of his compensation. However, the value of the performance shares granted to the Chief Executive Officer as determined in accordance with the IFRS standards may not in any event exceed half of his total compensation.

The Board of Directors also decided that the number of LTI allocated to the Company's corporate officers may not exceed 10% of the total number of LTI granted to all beneficiaries within the Group.

The performance shares granted to the Chief Executive Officer are entirely subject to demanding internal and external performance conditions (the details of which are presented in Section 3.2 of this Annual Report), which are assessed over a period of three years (followed by a two-year holding period), and do not guarantee a minimum grant or gain. Moreover, the performance shares plan rules provide that should the Chief Executive Officer leave his position [(1)] at any time before the end of the performance period, any performance shares initially granted would be irremediably lost, unless otherwise decided by the Board of Directors in a motivated decision disclosed at the time of the officer's departure (in such case, all or part of the performance shares could be maintained and the vesting calendar and performance conditions of the performance shares set at the grant date would remain unchanged).

In order to align the Chief Executive Officer's compensation more directly with the Group's long-term performance and the interests of shareholders, the Board of Directors, upon proposal from its Compensation, Governance & Sustainability Committee, has decided that the total value of the performance shares to be granted to the Chief Executive Officer during 2023, shall not exceed 180% of the amount of his target annual variable compensation. Through this change, the Board of Directors sought to **(i)** give significant importance to the Chief Executive Officer' share-based compensation, which will represent almost 50% of his total compensation, and **(ii)** strengthen the at-risk portion of his total compensation (variable cash compensation and share-based compensation) so that it represents the vast majority (approximately 75%) of his total compensation.

EXCEPTIONAL COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The Board of Directors does not contemplate granting any exceptional compensation to the Chief Executive Officer.

CHIEF EXECUTIVE OFFICER'S DIRECTORS' FEES

The Chief Executive Officer, who is also a member of the Board of Directors of the Company, is not entitled to payment of any directors' fees from the Company.

BENEFITS IN KIND GRANTED TO THE CHIEF EXECUTIVE OFFICER

The only benefit in kind granted to the Chief Executive Officer is the use of a company car.

ELEMENTS OF COMPENSATION RELATING TO THE CHIEF EXECUTIVE OFFICER'S RETIREMENT

The Chief Executive Officer does not participate in any pension schemes with defined benefits.

As all other executives of AXA Group entities in France, he participates in the retirement performance share plan, under which grants are made on an annual basis.

The retirement performance shares granted under such plans are subject to **(i)** an acquisition period of three years, and **(ii)** an undertaking not to sell the retirement performance shares before the date on which the beneficiary retires, subject to the option offered to the beneficiaries, for diversification purposes, to sell their shares (after the end of the acquisition period of three years) as long as the proceeds of such sale are invested in a long-term savings plan until the beneficiary retires.

(1) Except in the event of death, invalidity or retirement.

The acquisition of the retirement performance shares is subject to the satisfaction of a performance condition (the details of which are set out in Section 3.2 of this Annual Report), linked to the average AXA Group Solvency II ratio calculated over the performance period. No minimum grant or gain is guaranteed to the Chief Executive Officer under this scheme.

The Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, decided that the total value of the retirement performance shares to be granted to the Chief Executive Officer during 2023 shall not exceed 15% of his fixed and cash variable annual compensation.

REGULATED COMMITMENTS MADE TO THE CHIEF EXECUTIVE OFFICER

The commitments made to the benefit of the Chief Executive Officer regarding social benefits and unemployment benefits are presented in more detail in this Annual Report.

Appointment of a new Chief Executive Officer after the Shareholders' Meeting to be held on April 27, 2023

For purposes of this policy only, and in accordance with applicable regulations, the Board of Directors also considered the hypothetical appointment of a new Chief Executive Officer following the Shareholders' Meeting to be held on April 27, 2023.

Under such circumstances, the compensation structure applicable to a new Chief Executive Officer would comply with this policy and the Board of Directors would perform a comprehensive review of the situation of the relevant executive, provided that:

- the amount and criteria of his compensation would be determined in accordance with existing practices within the Company by reference to compensation practices for similar functions in a sample of CAC 40 companies and in the main European companies in the financial sector; and
- the experience, skills and individual compensation history of the executive would also be considered.

Finally, should the Chief Executive Officer be recruited externally, the Board of Directors would retain the right to grant to the newly appointed executive a lump sum (in cash and/or in shares), the amount of which, in accordance with the recommendations set forth in the Afep-Medef Code, may not under any circumstances exceed the amount of the benefits the executive would have had to forgo by resigning from his previous position.

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For further information on the Chief Executive Officer's compensation, please see Section 3.2 of this Annual Report.

COMPENSATION POLICY FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS

Structure and criteria for determining the Chairman of the Board of Directors' compensation

The Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, and in accordance with the recommendations set forth in the Afep-Medef Code, has considered that the most appropriate compensation structure for the Chairman of the Board of Directors would be the payment of a sole fixed compensation.

In determining the fixed annual compensation of its Chairman, the Board of Directors consulted an independent external advisory firm (Willis Towers Watson) in order to identify compensation practices for similar functions in a sample of CAC 40 companies and in the main European companies in the financial sector.

The Board of Directors also took into account the experience and expertise of Mr. Antoine Gosset-Grainville, as well as the extensive role it decided to entrust him with as Chairman of the Board of Directors. This role is presented in detail in the Board's Terms of Reference as well as in Section 3.1 of this Annual Report and goes beyond the statutory duties of a Chairman under French law.

Accordingly, the Board of Directors decided, upon recommendation from its Compensation, Governance & Sustainability Committee, to maintain the amount of the fixed annual compensation of the Chairman of the Board of Directors unchanged, for 2023, *i.e.,* at €925,000.

Having considered that the most appropriate compensation structure for the Chairman of the Board of Directors would be a fixed compensation only, the Board of Directors has resolved, consequently, that the Chairman of the Board of Directors will not benefit from any variable compensation, any directors' fees, any performance share grants, any other long-term compensation element, or any benefit in kind.

In addition, the Board of Directors does not contemplate granting any exceptional compensation to the Chairman of the Board of Directors.

Finally, there is no employment contract between the Company and the Chairman of the Board of Directors, and the Chairman is not entitled to any severance benefits, any allowance relating to any non-compete clause in the event that he ceases to be Chairman of the Board of Directors, or any pension scheme.

REGULATED COMMITMENTS MADE TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

There is no regulated commitment made to the benefit of the Chairman of the Board of Directors.

Appointment of a new Chairman of the Board of Directors after the Shareholders' Meeting to be held on April 27, 2023

For purposes of this policy only, and in accordance with applicable regulations, the Board of Directors also considered the hypothetical appointment of a new Chairman of the Board of Directors following the Shareholders' Meeting to be held on April 27, 2023.

Under such circumstances, the compensation structure applicable to a new Chairman of the Board of Directors would comply with this policy and the Board of Directors would perform a comprehensive review of his situation, provided that:

- the amount of his fixed compensation would be determined in accordance with existing practices within the Company by reference to compensation practices for similar functions in a sample of CAC 40 companies and in the main European companies in the financial sector; and
- his experience and skills as well as the scope of his assignments as defined by the Board of Directors in connection with his appointment would also be considered.

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For further information on the compensation of the Chairman of the Board of Directors, please see Section 3.2 of this Annual Report.

COMPENSATION POLICY OF THE OTHER MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors [(1)] other than the corporate officers *(dirigeants mandataires sociaux)* are paid directors' fees as sole compensation from the Company.

Criteria for allocation of directors' fees (compensation in accordance with Article L.22-10-14 of the French Commercial Code)

The total annual maximum amount of directors' fees is determined by the Shareholders' Meeting, in accordance with applicable laws, and apportioned by the Board of Directors to its members in accordance with its Terms of Reference (pursuant to the recommendations of Afep-Medef Code, a minority part of the fees is distributed equally among the members of the Board of Directors as a fixed fee):

- a fixed amount determined by the Board of Directors shall be paid annually to the Senior Independent Director (set at €80,000);
- 65% of the remaining amount shall be allocated to the Board as follows: 40% shall be divided equally among Board members and paid as a fixed fee and 60% shall be paid depending on Board attendance;
- the remaining 35% shall be allocated by the Board of Directors to the Board Committees. Each Committee shall then allocate such amount to its members as follows: 40% shall be divided equally among members and paid as a fixed fee and 60% shall be paid depending on Committee attendance, with the Chairman of the Committee receiving in each case a double fee.

The total annual maximum amount of directors' fees to be allocated to the members of the Board of Directors was set by the Shareholders' Meeting of April 28th, 2022 at €2,100,000.

No directors' fees are paid by the Company to the corporate officers (*i.e.,* Chairman of the Board of Directors and Chief Executive Officer).

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For further information on the members of the Board of Directors' compensation, please see Section 3.2 of this Annual Report.

(1) Who in principle have a four-year term of office.

3.3 CORPORATE GOVERNANCE CODE OF REFERENCE

In December 2008, AXA adopted all of the Afep-Medef recommendations, including the recommendations on the compensation of corporate officers of October 2008, as its Corporate Governance Code of reference.

These recommendations were consolidated in a Corporate Governance Code of Listed Corporations published by the Afep *(Association française des entreprises privées)* and the Medef *(Mouvement des entreprises de France)* in April 2010 and revised in December 2022 (hereafter the "Afep-Medef Code"), which is available at AXA's registered office or on its website (www.axa.com) under the "Corporate governance" Section.

AXA complies with the recommendations of the Afep-Medef Code that are in line with the long-established corporate governance principles initiated by the Company. Details are presented in Sections 3.1 "Corporate governance structure" and 3.2 "Executive compensation and share ownership" of this Annual Report describing corporate governance mechanisms and containing information about executives' compensation.

The Company implements all the recommendations of the Afep-Medef Code. However, in order to take into account certain specificities of its business and governance practices, AXA has decided, while remaining in line with the principles of the Afep-Medef Code, to adapt the following provision of the Code:

- Section 10.5.1 of the Afep-Medef Code relating to the independence of parent company directors holding a directorship in a Group subsidiary: although certain members of the AXA Board of Directors hold or have held during the last five years non-executive directorships in one or more Group subsidiaries owned directly or indirectly by AXA, the Company considers that this does not automatically **(i)** place them in a situation of conflict of interest, or **(ii)** impair their independence in any way. The Board believes that allowing its members to sit on the Boards of certain Group subsidiaries is beneficial to the Board's overall knowledge and appreciation of the activity, operations, strategy, and risk profile of the entire Group. Indeed, directors who hold directorships in subsidiaries may, where appropriate, provide the Board with useful insights and a precise and practical vision of the strategy, operational activities, processes, and teams of the concerned subsidiaries, and more generally, of the Group's business and organization. Directors who also serve on the Boards of Group subsidiaries, however, are required to abstain from participating in the debates and decisions of the AXA Board which could affect the interests of the entity in which they hold a directorship to prevent any conflict of interest or potential independence issues.

3.4 RELATED PARTY TRANSACTIONS

For further information concerning related-party transactions, please see Note 28 "Related-party transactions" included in Part 6 "Consolidated Financial Statements" of this Annual Report.

DESCRIPTION OF THE PROCEDURE FOR ASSESSMENT OF ORDINARY AGREEMENTS CONCLUDED AT ARM'S LENGTH TERMS AND CONDITIONS AND ITS IMPLEMENTATION

At its meeting of February 19, 2020, and in accordance with article L.22-10-12 of the French Commercial Code, the Board of Directors adopted a procedure to regularly assess whether agreements relating to ordinary transactions concluded at arm's length terms and conditions actually meet these conditions. The assessment procedure has been implemented within AXA since that date.

This procedure, which is reviewed by the Board of Directors annually, provides for the Group Legal Department to be informed prior to the conclusion, amendment, renewal, extension, or termination of any agreement falling within the scope of article L.225-38 of the French Commercial Code, regardless of the ordinary nature of the transaction or the arm's length basis of the agreement. This information enables the Group Legal Department to carry out a prior review of the agreement in order to determine whether it should be subject to the "regulated" agreements procedure provided for under Articles L.225-38 *et seq.* of the French Commercial Code or whether it is exempt from such procedure. To this end, the Group Legal Department may seek the advice of the AXA Group's other relevant departments and of the Company's Statutory Auditors.

In addition, the Group Legal Department annually assesses whether ordinary agreements concluded at arm's length terms and conditions continue to meet the conditions for such qualification, in cooperation with AXA Group's relevant departments and the Company's Statutory Auditors where necessary. If the Group Legal Department considers that an agreement initially qualified as ordinary and concluded at arm's length terms and conditions constitutes a "regulated" agreement, the Board of Directors decides on the qualification of the said agreement and on the actions to be taken on it according to the qualification adopted.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine cedex

ERNST & YOUNG Audit
Tour First
TSA 14444
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Statutory Auditors' special report on related party agreements

(Shareholders' Meeting of April 27, 2023 held to approve the financial statements for the year ended December 31, 2022)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting

AXA SA

25, avenue Matignon
75008 Paris,
France

Ladies and Gentlemen,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related party agreements in accordance with Article L.225-38 of the French Commercial Code *(Code de commerce)* and Article R.322-7 of the French Insurance Code *(Code des assurances)*.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code *(Code de commerce),* to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R.225-31 of the French Commercial Code *(Code de commerce)* of the continuation of the implementation, during the year, of the agreements previously approved by the Shareholders' Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been notified of any agreements authorized and concluded during the year ended December 31, 2022 to be submitted to the Shareholders' Meeting for approval in accordance with Article L.225-38 of the French Commercial Code *(Code de commerce)* and Article R.322-7 of the French Insurance Code *(Code des assurances)*.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

In accordance with Article R.225-30 of the French Commercial Code *(Code de commerce)*, we have been notified that the implementation of the following agreeements, which were approved by the Shareholders' Meeting in prior years, continued during the year ended December 31, 2022.

With Mr. Thomas Buberl (Chief Executive Officer)

On August 2, 2016, the Board of Directors acknowledged the effective renunciation of Mr. Thomas Buberl, in accordance with the Afep-Medef recommendations, of his employment contract from September 1, 2016, the date on which he became Chief Executive Officer of AXA.

Consequently, the Board of Directors performed an overall review of the future social status of Mr. Thomas Buberl, once his employment contract termination will be effective in accordance with the Afep-Medef recommendations.

In this context, and given the seniority of Mr. Thomas Buberl in his employee status and the significance of his services rendered to the Company, the Board of Directors confirmed its wish to maintain social benefits (health and disability insurance, etc.), as an executive director, in the same conditions which apply to AXA Group director – level employees in France. These charges amount to €10,624.64.

With Mr. Denis Duverne (Chairman of the Board of Directors until April 28, 2022)

On February 17, 2010, the Supervisory Board acknowledged the effective renunciation by Mr. Denis Duverne of his employment contract as of the Shareholders' Meeting of April 29, 2010 during which the former dual structure consisting of a Management Board and a Supervisory Board was replaced by a unitary Board of Directors structure.

The Supervisory Board was concerned that the decision of Mr. Denis Duverne to renounce to his employment contract, in accordance with the Afep-Medef recommendations, would not jeopardize the continuity of his accrued and future social benefits.

Consequently, the Supervisory Board authorized the Company to take all appropriate commitments to ensure that, as a corporate officer, Mr. Denis Duverne would continue to have social benefits (health and disability insurance, etc.) identical or on terms equivalent to those applicable to AXA Group director-level employees in France. These charges amount to €3,486.59.

It is reminded that Mr. Denis Duverne is no longer a corporate officer of your Company since April 28, 2022.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit		ERNST & YOUNG Audit	
Bénédicte Vignon	Grégory Saugner	Olivier Durand	Patrick Menard

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SUSTAINABILITY SNFP

4.1 AXA GROUP'S SUSTAINABILITY STRATEGY

This chapter describes the sustainability strategy implemented by AXA Group and includes the extra-financial performance statement that AXA Group publishes in accordance with the provisions of the EU Directive 2014/95 related to extra-financial reporting (1) and French law (2). This statement includes the AXA Group's business model and information on its principal extra-financial risks ("sustainability risks") related to environmental, employer responsibility, society, human rights, and tax development strategy implemented by the AXA Group. For more information on the risks to which the Group is exposed, please refer to Section 5.1 "Risk factors" of this Annual Report.

Further detailed information on the AXA Group's sustainability policies and practices is also available in the "Integrated Report", AXA SA's annual "Climate & Biodiversity Report", the online "Group Human Capital Report" (3) and on the AXA Group's website (www.axa.com), in the "Commitments" Section.

In this Section 4 of the Annual Report, unless provided otherwise, "ESG" and "sustainability", as used in the context of describing criteria, risks, or objectives, refer to environmental, social and governance matters.

AXA Group's purpose entails sustainable value creation

Sustainability is viewed as both a risk and an opportunity for AXA Group: it allows AXA Group to take steps to reduce social and environmental risks, while at the same time, opening market opportunities in emerging business segments and helping drive innovation. Sustainability is also an increasingly regulated area: in 2021, AXA Group notably started implementing the new European Union Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Regulation (refer to Section 4.3 "Climate change and biodiversity", sub-Section "Climate, biodiversity and ESG-related "outreach" and engagement" and Section 4.7 "Transversal information" of this Annual Report).

AXA Group's purpose *"Act for human progress by protecting what matters"*, which was announced in June 2020, highlights the creation of sustainable value for the environment and for society thanks to several factors: the Group's ability to invest in the global economy and to provide protection services to its individual and corporate customers, its expertise in improving resilience against risks, but also the responsible management of its different stakeholders' interests. By leveraging its understanding of risks to help better protect the basic needs of individuals and communities (environmental protection, access to healthcare, prosperity, and quality of life), AXA Group's goal is to enable these individuals and communities to progress.

AXA Group is also committed to being a responsible employer by creating a workplace that fosters diversity and equal opportunity for all, promotes engagement, encourages professional development, and supports employee well-being.

While the COVID-19 pandemic posed a number of challenges, it also presented a unique opportunity for the Group to reinforce its commitment to being an inclusive and purpose driven employer with the implementation of a new, flexible "Smart Working" policy for its global workforce and the launch of a global employee well-being program focused on both physical and mental health.

For more information on AXA Group's business model, please refer to the Section "Certain preliminary information about this Annual Report", sub-Section "Sustainable value creation".

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(1) *Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014, amending Directive 2013/34/EU as regards disclosure of non-financial information and information relating to diversity by certain large companies and groups.*

(2) *Articles L.225-102-1, R.225-104 to R.225-105-2, L. 22-10-36, R. 22-10-29 and A. 225-1 to A. 225-4 of the French Commercial Code.*

(3) *No information, documents or items contained in AXA Group's 2022 Integrated Report (publication expected to be in April 2023) or the 2022 Group Human Capital Report (publication expected to be in May 2023) or AXA SA's 2023 Climate & Biodiversity Report (publication expected to be in June 2023), or available on the Company's website in connection therewith, is incorporated by reference in this Annual Report.*

A new stage in AXA Group's sustainable development strategy

In 2021, AXA Group started a new strategic cycle, with the plan *"Driving Progress 2023".* Recognizing the fundamental importance of ESG for the Group's business and its customers, the Management Committee dedicated a pillar of this strategic plan to the Group's ESG ambition: *"Sustain our Climate leadership position"* – please refer to Section "Certain preliminary information about this Annual Report", sub-Section "Strategic orientations" of this Annual Report. All lines of business are therefore concerned by this priority and the Group is well positioned as an investor, as an insurer and as a global corporate actor to promote its ESG ambitions.

The framework of the Group's sustainability strategy is focused on two priorities: climate change and inclusive protection.

AXA Group has implemented a set of indicators to measure and track its progress in every aspect of its activities: the *"AXA for Progress Index".* Launched in April 2021 during the Annual Shareholders' Meeting, this Index is a set of seven commitments, translated into targets and shared across the Group to further embed sustainable development in its activities: as an investor, as an insurer and as an exemplary company.

In 2022, the Group's sustainability strategy aimed to fulfill two main goals: to act against climate change and to develop health and protection activities as an inclusive insurer. AXA Group announced its targets for the insurance pillar of the *"AXA for Progress Index"* (please refer to Section 4.3 "Climate change and biodiversity", sub-Section "Climate and biodiversity matters as an insurer – Green products and business" and Section 4.4 "Inclusive insurer", sub-Section "Business-related societal challenges").

AXA For Progress Index

As an **Investor**	As an **Insurer**	As an **Exemplary company**
Reduce the carbon footprint of the Group's portfolio (General Account assets) by 20% by 2025 **Increase the Group's Green investments** to reach €26 billion by 2023	**Increase premiums on green insurance products** to €1.3 billion by 2023 **Increase the number of customers covered by an inclusive protection** to 12 million by 2023	**Lead transformation by people:** upskill the Group's employees in climate issues by 2023 **Achieve carbon neutrality:** reduce the carbon footprint of the Group's own operations (energy, car fleet, business travel, digital) by 20 % by 2025 & offset the residual emissions

A transversal consolidated indicator: Group's S&P Global Corporate Sustainability Assessment (CSA) percentile ranking (95th-99th percentile)

Specific working groups have been set up with key stakeholders across the Group to define the action plans to achieve its commitments for 2023 and beyond. The results of the seven commitments within the Index are published annually since 2021. For more information, please refer to the following Sections of this Chapter of the Annual Report.

Means or key performance indicator for monitoring	Unit	Results and Objectives					
		Result 2022	Result 2021	Result 2020	Result 2019	Target	Timeline
Reduce the carbon footprint of AXA Group's portfolio (General Account assets)	t CO_2/EV m€	43	47	70	66	53 t CO_2/EV m€	2019-2025
	Variation against 2019 baseline in %	-35%	-29%	n/a	n/a	-20%	
Increase AXA Group's Green investments	€ billion	25.1	22.6	16.1	11.7	26.0	2023
Strengthen the share of insurance products with a positive impact on the environment through the guarantees or services offered	€ billion in premiums	1.7	1.4	1.1	n/a	1.3 [(a)]	2023
Promote inclusive insurance for vulnerable populations	Million customers	11	10.6	n/a	n/a	12.0	2023
Reduce the carbon footprint of AXA Group's own operations (energy, car fleet, business travel, digital) and offset the residual emissions	t CO_2 eq	112,728	84,945	110,017	216,536	173,229 t CO_2 eq	2019-2025
	Variation against 2019 baseline in %	-48%	-61%	-49%		-20%	
Lead transformation by people: upskill employees on climate by 2023	Share of current employees [(b)]	87%	13%	n/a	n/a	100%	2023
S&P Global *Corporate Sustainability Assessment* (CSA) [(c)]	Percentile ranking in CSA	100^{th}	97^{th}	99^{th}	97^{th}	95^{th}-99^{th}	Annually

n/a: not available

(a) Based on the strong performance in 2022, AXA Group decided to increase its ambition and set a floor at €1.7bn for 2023.

(b) Share of permanent employees within the SDR (Social Data Reports) Scope who have been trained in climate issues, completing the AXA Climate Academy or with a similar local initiative, excluding new joiners and long absences (according to local management rules).

(c) The S&P Global Corporate Sustainability Assessment (CSA) enables companies to benchmark their performance on a wide range of industry-specific economic, environmental and social criteria which are relevant both to the sustainability focused investors and to corporate success. The output of CSA underpins the world's most renowned sustainability indices, the Dow Jones Sustainability Indices (DJSI).

AXA Group integrates ESG criteria in the compensation packages of its employees on the short and long-term components.

The determination of the variable compensation to be paid to top executives was based in 2022 on the following two metrics: Group performance (including a criterion on reduction in the Group's carbon footprint in its General Account assets, weighting for 15%) and i ndividual performance (including achievement on diversity and climate-related targets).

Since 2021, AXA Group has increased the weight of sustainability criteria in AXA Performance Shares granted to Senior Management and employees subject to specific regulatory requirements from 10% to 30%. The following metrics are included for the 2022 grant: AXA Group's ranking in the S&P Global Corporate Sustainability Assessment (CSA) (10%), reduction in Group operations carbon emissions (10%), and increase of the proportion of women in the Group executive's population (10%).

Furthermore, approximately 5,000 employees were granted in 2022 long-term incentives known as AXA Restricted Shares which are subject to a sustainability underpin *i.e.,* minimum AXA Group's ranking in the S&P Global Corporate Sustainability Assessment (CSA) to be met.

Finally, the weight of environmental and social criteria in profit sharing schemes (20,000+ employees) was enhanced in 2022.

Please refer to Section 3.2 "Executive compensation and share ownership", sub-Section "Shares subject to performance conditions (Performance shares and international performance shares, restricted shares and international restricted shares)" and sub-Section "Corporate officers' and executives' compensation", Section 4.2 "Employer Responsibility", sub-Section "Rewarding AXA employees for sustainability achievements" of this Annual Report.

AXA Group's contribution to the Sustainable Development Goals of the United Nations

In 2018, the Group developed a strategic framework to identify its commitments to the UN Sustainable Development Goals (17 SDGs – see https://sdgs.un.org) based on its risk analysis expertise. In 2019, the Group aligned its sustainability strategic objectives with the 8 main SDGs with respect to which the Group's initiatives have a significant impact (approved as part of the 2021-2023 Group sustainability strategy).

AXA Group's sustainability strategy contributes significantly to the 8 following SDGs:

Climate and environment	SDG No.13 – Climate Action	As described in Section 4.3 "Climate change and biodiversity" of this Annual Report, AXA Group is incorporating climate change measures into its policies, strategies, and planning (SDG 13.2). Through the nature of its insurance activities, AXA Group contributes to strengthen resilience and adaptive capacities in the face of climate hazards and climate-related natural disasters (SDG 13.1). As a risk expert, AXA Group is active in improving education, awareness, and individual and institutional capacities regarding climate change adaptation, mitigation, and early warning systems (SDG 13.3). The launch of the AXA Climate Academy in 2021 (please refer to Section 4.2 "Employer Responsibility" of this Annual Report) has reinforced the contribution to this goal.
	SDG No.14 – Life below water	Since 2019, AXA Group has initiated actions to better take biodiversity into account. The Ocean Risk Initiative developed by its subsidiary AXA XL contributes directly to manage and protect marine and coastal ecosystems on a sustainable basis (SDG 14.2) and minimize ocean acidification and combat its effects (SDG 14.3). By adhering to the UNEP FI-Oceana Insurance Industry Statement and the Poseidon Principles for Marine Insurance (PPMI), AXA Group also contributes to effectively regulate fishing, put an end to overfishing and illegal fishing (SDG 14.4). The Biodiversity action plan is presented in Section 4.3 "Climate change and biodiversity" of this Annual Report.
	SDG No.15 – Life on land	The WWF partnership and its participation in the Taskforce on Nature-related Financial Disclosures (described in Section 4.3 "Climate change and biodiversity" of this Annual Report) support AXA Group's contribution to "mobilize financial resources from all sources and significantly increase them to preserve biodiversity and ecosystems" (SGD 15.a). The Biodiversity action plan has been reinforced in 2020, 2021 and 2022 strengthening AXA Group's contribution to SDG 15, notably through a €1.5 billion investment in forests (please refer to Section 4.3 "Climate change and biodiversity" of this Annual Report). In 2022, AXA Group initiated the "AXA Forests for Good" project which aims at restoring damaged forests' ecosystems to make them more resilient to climate change and a better host for biodiversity.
	SDG No.7 – Affordable and clean energy	AXA Group is on track to meet its "green" investment target of €26 billion by 2023 as described in Section 4.3 "Climate change and biodiversity" of this Annual Report. It contributes directly to significantly increase the share of renewable energy in the global energy mix by 2030 (SDG 7.2).
Social inequalities and inclusion	SDG No.1 – No poverty	AXA Hearts in Action volunteers provide assistance to people living in extreme poverty (SDG 1.1 and 1.2). These actions are described in Section 4.4 "Inclusive insurer" of this Annual Report. In 2022, AXA Group provided support to people in need, notably refugees from Ukraine and people displaced within the country.
	SDG No.3 – Good health and well-being	AXA Group's initiatives to exclude the cigarette industry from its investment and insurance activities (refer to Section 4.4 "Inclusive insurer" of this Annual Report) are in line with the objective of implementing the WHO Framework Convention on Tobacco Control. In addition, AXA Group's Health initiatives are strongly focused on the prevention of non-communicable diseases. The UNICEF partnership (described in Section 4.4 "Inclusive insurer" of this Annual Report) aims at fighting the global epidemic of obesity (SDG 3.4). In 2022, AXA Group continued to facilitate access to healthcare for underserved populations in emerging and mature markets, following the €300 million commitment to finance a Global Health investment strategy in 2021.
	SDG No.5 – Gender equality	For many years now, AXA Group has been pursuing a proactive inclusion and diversity policy (described in Section 4.2 "Employer Responsibility" of this Annual Report): ending discrimination against women and girls (SDG 5.1), guaranteeing the equal participation of women in management positions (SDG 5.5). The initiative "Women in Insurance" (described in Section 4.4 "Inclusive insurer" of this Annual Report) constitutes the "business" component of the program, providing women with adapted financial protection solutions.
	SDG n°10 – Reduced Inequalities	Programs on Inclusive Protection, including the "Women in Insurance" initiative and AXA Emerging Customers (described in Section 4.4 "Inclusive insurer" of this Annual Report) are helping to empower all people and promote their social, economic, and political integration, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status (SDG 10.2). These programs provide a better access to financial protection for vulnerable communities and reduce protection gaps. AXA Group philanthropy partnerships and AXA Hearts in action activities also contribute to the reduction of inequalities. These actions are described in Section 4.4 "Inclusive insurer" of this Annual Report.

Sustainability governance & Stakeholder dialogue

The AXA Group has a dedicated governance framework in place to develop and implement its sustainability strategy.

In this context, AXA's Board of Directors and its Committees play a major role by reviewing sustainability matters, including the Group's sustainability strategy and disclosures.

In 2022, given the increasing number of strategic and regulatory sustainability topics, the Board of Directors undertook a comprehensive review of its governance on sustainability matters to clarify the duties of each Board Committee and ensure regular inclusion of sustainability matters on Board and Committee agendas. The Board of Directors therefore decided to update its Terms of Reference, notably to rename the Compensation & Governance Committee the Compensation, Governance & Sustainability Committee to underline its leading role on sustainability matters and specify each Committee's duties on these subjects.

More specifically, the Board of Directors' **(i)** Compensation, Governance & Sustainability Committee reviews, at least once a year, the Group's sustainability strategy as well as material sustainability-related commitments disclosed publicly and reports to the Board of Directors in this regard, **(ii)** Audit Committee monitors the process for the preparation and control of the Group's extra-financial information, reviews the Group's extra-financial performance statement and AXA SA's Climate & Biodiversity Report, and **(iii)** Finance & Risk Committee reviews the Group's risk appetite framework for extra-financial exposures as well as its responsible investment policy.

For more information on the AXA Group's governance regarding sustainability matters, please refer to the Board of Directors and Audit Committee Terms of Reference on the AXA Group's website (https://www.axa.com/en/about-us/board-of-directors and https://www.axa.com/en/about-us/audit-committee), as well as Section 3.1 "Corporate governance structure" of this Annual Report.

At the executive level, the Group's Management Committee has a role overseeing material sustainability-related initiatives across the Group.

The Group Management Committee is supported by the "Role in Society Steering Committee" (RISSC). This Committee is charged with developing and overseeing the operational implementation of the Group's sustainability strategy and reviewing material sustainability-related issues faced by the Group as well as monitoring material sustainability-related initiatives across the Group. The RISSC meets monthly and is co-chaired by the Group Chief Risk Officer, Group Chief Investment Officer, and Group Chief Communication, Brand and Sustainability Officer. The RISSC reports back to the Group Management Committee on a regular basis concerning material sustainability-related decisions taken or to be taken and issues considered on which Group Management Committee guidance and/or decisions are needed.

Furthermore, the Audit Risk and Compliance Committee (ARCC) is charged with reviewing all material audit, risk and compliance issues, faced by the Group. The ARCC meets monthly and is chaired by the Group General Counsel. The ARCC reports back to the Group Management Committee on a regular basis concerning material sustainability-related risks faced by the Group and mandatory sustainability-related reporting. For more information, please refer to Section 5.2 "Internal Control and Risk Management" of this present Annual Report."

In addition, the Group's sustainability strategy and sustainability-related initiatives are presented at least once a year to the Group's social partners.

Across the local entities, a network of sustainability Executives oversees the implementation of the sustainability strategy and promotes best practices.

The Group also maintains a regular dialogue with NGOs through meetings or responses to requests (*e.g.* questionnaires). In addition, AXA Group participates in more than 50 coalitions, working groups and pledges, gathering both NGOs and public authorities, around climate change and biodiversity, as well as inclusion themes (please refer to Sections 4.3 "Climate change and biodiversity" and 4.4 "Inclusive insurer" of this Annual Report). External stakeholders are also regularly invited to dialogue sessions with the members of the different governance bodies described above. These numerous exchanges enable the Group to integrate major and emerging issues into its strategy.

Sustainability risk assessment

AXA Group has conducted an internal risk assessment to identify its main sustainability risks, in accordance with the requirements of Directive 2014/95/EU related to extra-financial reporting [1].

SUSTAINABILITY RISK ASSESSMENT METHODOLOGY

The sustainability risk assessment is updated every year. Risk factors for each area related to sustainability (employer responsibility, environment, society impact, business behavior including respect for human rights, and stakeholder engagement) are identified, based on sustainability risks studied in prior years, and in the 2022 Future Risks Report, which outlines major trends on the risk landscape for society at large (see Section 5.8, paragraph "Emerging risks" of this Annual Report and www.axa.com/en/press/publications/future-risks-report-2022). Those risks have been cross-referenced with the AXA Group Operational Risk Profile (for more information refer to Section 5.7 "Operational risks") and compared to the S&P Global Corporate Sustainability Assessment.

These risks are internally assessed by an expert panel. The assessment is conducted, using the AXA Group Operational Risks guidelines to rate potential frequency and severity. Impacts of each risk on stakeholders' interests and expectations have been considered. In the first instance, those risks are assessed by Risk experts, identified based on their knowledge of specific sustainability risks. Then, cross-sectoral experts assess the relevance of those ratings during the first stage. Those internal experts are identified based on their transversal knowledge of the extra-financial risk universe.

SUSTAINABILITY RISK MAPPING IN 2022

The sustainability risk mapping has been approved by the Group Audit Risk & Compliance Committee (the ARCC [2]) which assessed 18 sustainability risks (detailed in Section 4.7 "Transversal information – 2022 Key indicators") for AXA Group in 2022 around five main themes [3]:

- **governance:** stakeholder engagement;
- **responsible employer:** safe environment, inclusion & diversity, talent management/loss of key staff;
- **climate change and biodiversity:** AXA Group's impact on climate change as an investor, impact of climate change on AXA Group as an investor, AXA Group's impact on climate change as an insurer, impact of climate change on AXA Group as an insurer, AXA Group's impact on biodiversity, AXA Group's own operations' impact on climate change, impact of climate change on AXA Group's own operations;
- **inclusive insurer:** inclusive insurance, partnership & philanthropy; and,
- **business behavior:** anti-bribery & fight against corruption, business conduct, responsible data use, data privacy, and data security, responsible procurement, and tax policy.

In the following chapters, AXA Group defines each of these risks, describes the policy and mitigation initiatives, and exposes the indicators (KPIs or qualitative results). Since 2021, the *"AXA for Progress Index"* framework has replaced the correspondence table issued in 2020 focusing on Climate risks that are more specifically monitored as part of the strategic plan *"Driving Progress 2023"* implementation.

ESG ratings

The Group's Environment, Social and Governance (ESG) performance is evaluated by specialized rating agencies. The Group generally ranks close to the top in its industry and is also included in the main international sustainability indexes. These ratings are described in further detail in Section 1 "The AXA Group" of this Annual Report.

(1) Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014, amending Directive 2013/34/EU as regards disclosure of non-financial information and information relating to diversity by certain large companies and groups.

(2) The ARCC is a Committee of Senior executives with the following purpose: review material audit, risk and compliance issues at Group level.

(3) The sustainability risks identified in 2022 remain the same compared to 2021.

Third party verification

PricewaterhouseCoopers Audit, one of AXA SA Statutory Auditors, appointed as an independent third-party, presents in its report, featured in Section 4.8 of this Annual Report, a limited assurance opinion on the compliance of the extra-financial performance statement with the provisions of French regulations (article R.225-105 of the French Commercial Code) and on the fairness of the information provided.

4.2 EMPLOYER RESPONSIBILITY

Foreword – Purpose and Empowerment at the heart of AXA's People strategy

2022 has been marked by the full implementation of Smart Working in all AXA entities around the World. Introduced in 2021, and with full implementation in 2022, Smart Working is AXA Group global program on hybrid working, that empowers people to split their working time between the office and home. This implementation of Smart Working has significantly changed the organization and is a key lever for AXA to accelerate empowerment. The program enables teams to have the autonomy and accountability to perform at their best in a hybrid context.

Purpose at work is the second dimension at the heart of AXA's people strategy, with a particularly strong focus on continuing to invest in competence-building and career/job opportunities.

Health and Inclusion have been as well a strong area of focus in 2022, with the full roll-out of programs designed to address specific social risks and enable AXA to be at the forefront of innovation in terms of care and inclusion. A global health and wellbeing program is now in place, making AXA a pioneer in health prevention and services offered to employees. 2022 was finally marked by progress made on gender representation in AXA's "Global Leadership Network" (GLN) – the organization's top 250 executives – and the second edition of its Inclusion Survey, which proves to be a powerful tool to measure, share feedback with teams, and accelerate progress on inclusion and diversity.

HIGHLIGHT AND KEY FIGURES: GEOGRAPHICAL FOOTPRINT DISTRIBUTION (a) AND AVERAGE AGE (b)

Continents	Headcount	Distribution	Evolution	Average age
Europe	64,078	58.1%	(+0.1 pt)	43.6
Asia-Pacific	26,632	24.1%	(-2.7 pts)	38.5
Americas	12,665	11.5%	(+0.6 pt)	39.4
Africa	6,927	6.3%	(+0.5 pt)	34.3
TOTAL	**110,302**	**-**	**-**	**41.3**

(a) Open-ended and fixed-term contract headcount.
(b) Open-ended contract average age.
AXA's overall salaried workforce on December 31, 2022, was 110,302 employees (open-ended and fixed-term contracts), which represents a decrease of 0.2% compared to 2021. This slight decrease is mainly due to the business disposals of AXA Singapore and AXA Malaysia.

AXA employees empowered to deliver their best

SMART WORKING: REINVENTING THE WORKPLACE

The COVID-19 pandemic saw significant shifts in how and where work happens. While AXA and its employees have embraced the flexibility that comes with remote work, spending time together in person is an anchor of AXA's culture. For AXA, the office remains a crucial place to collaborate, socialize, share ideas, and feel part of a wider organization.

This is why, while 2020 saw AXA transition to full remote working during the pandemic, 2021 and 2022 saw AXA introduce a new Smart Working program that combines in-office and at-home work. The exact split varies between roles and local AXA entities, but a typical week might consist of two days working from home and three spent in the office. The long-term goal is to perfect a framework that lets teams decide between themselves when to meet physically and when to work virtually. AXA will continue to listen, measure, and fine-tune the approach to hit this goal.

To bring employees back to the office, many AXA entities invested in their workspaces. For example, large reconfiguration projects are underway in three local entities in Europe. They are creating more flexible spaces and bigger meeting rooms, along with networking areas, open-air terraces, and other spaces that foster community and wellbeing. The "one roof policy" has been brought to life in three countries - Japan, Mexico, and the UK – who have regrouped the various entities within these countries to reside in one building, to make team collaboration easier, and build a sense of collective identity and purpose.

Office activities like art auctions, after-work events, and cooking demonstrations have been reinforced to continue investing in building a better employee experience.

Smart Working survey

AXA Group global Smart Working survey measured employees' reactions to the move from 2020's stay-at-home policy to the new system of hybrid work. The survey investigates how Smart Working operates for each employee and their team, and how they feel about it. 73% of employees participated in the survey in 2022, and 95% of respondents reported that Smart Working had been introduced to their workplace. 88% felt positive about Smart Working, and 86% said their team had been supported during their transition to Smart Working. The positive results of the survey have shown to us that this phase of implementation has been a success. The comments of our people have been extremely critical to fuel our thinking on new initiatives to be taken to continue to reinforce AXA as an inspiring place to work.

Team agreements

Teams know best what combination of remote and in-office work leads to productivity, creativity, and wellbeing. AXA is empowering its teams to use that knowledge by putting in place "team agreements".

Teams are encouraged to regularly renegotiate their agreements to adapt to any changes. They are also asked to hold at least one physical "anchor day" per week, when everyone from a team works together in the office. Managers, meanwhile, are being up-skilled through the AXA Managers Academy (see next section) on how to support team agreements, maintain team connections, and disconnect after work.

At the local level, entities such as in Spain or in the UK & Ireland have used channels like "town halls" (whole-entity meetings), newsletters, or manager briefings to reinforce the practice of team agreements. Practical tools like workshops, digital training, templates, and team agreement session facilitators have also been on offer to help get team agreements in place.

The Group is aiming for every team worldwide to have a team agreement set up by 2023. So far, 79% of team managers say they have one in place, although this figure varies across entities (57-100%). Results from the Smart Working survey suggest the approach is working for most employees: 87% feel connected to their team, 74% say their team spends the right amount of in-person time together, and 91% feel included in remote meetings.

STRENGTHENING AND ENGAGING THE AXA TEAM

Global Pulse Surveys

The Global Pulse Surveys are an important tool to check how AXA Group employees feel about AXA – both its business and its culture. The survey measures, for example, how confident they are in AXA's strategic direction, and how connected they feel to their teams.

The surveys were held in March and November 2022. The participation rate remained around 80% (79% in November, 80% in March).

	2022	2021	2020	2019	2018
eNPS [(a)] target	36	37	25	14	0
eNPS [(a)] result	35	36	35	21	7
EMPLOYEE COVERAGE	**100%**	**100%**	**100%**	**90%**	**85%**

(a) The employee Net Promoter Score is measured by asking employees one question: "How likely are you to recommend AXA as a place to work?". The answer scale is from 0 to 10, and the result is calculated by taking the percent of promoters (answers of 9-10) and subtracting the percent of detractors (answers of 0 – 5). This then produces a metric on a scale from (-100) to (+100).

A new onboarding program

In an effort to support new joiners and help them find their feet, particularly in a Smart Working environment, all AXA entities have revisited their onboarding programs with a strong focus on the sense of belonging to the AXA Group. That means important information and training is available to all new hires, wherever they are in the world, and that people feel part of the whole of AXA, as well as the entity they are joining. This is especially valuable for younger workers.

Helping young people enter and progress in the workplace

Young people have been hit hard by the current economic crisis. To support them and to help them join the working world, AXA has designed initiatives like mentoring [(1)] or early realization programs targeting young people from families with low incomes and who have fewer employment prospects.

Many AXA entities, especially in Europe, put more mentorships in place in 2022, and created new communities of young AXA workers. Those entities have also partnered with associations to create professional opportunities for young people, at AXA and beyond. The hope is to continue and grow these initiatives across AXA.

INVESTING IN DEVELOPMENT OF OUR PEOPLE

Learning & Development

In 2022, 100% of AXA Group employees were trained at least once. By constantly up-skilling and re-skilling, AXA is helping its employees navigate the potential pitfalls that come with the rapidly changing world of work. AXA is providing all workers – from the top level of executives down to junior recruits – with online and on-site opportunities to develop their skills, adapt to changing times, and find the jobs that best suit them within AXA.

Three academies – the AXA Climate Academy, the AXA Managers Academy, and the AXA Leadership Academy – were developed in 2021 to address goals on sustainability and adaptation to the post-pandemic world. These training programs are already showing significant achievements in 2022 and are critical to Smart Working, workplace wellness, inclusion, and giving employees a sense of purpose and empowerment.

AXA Climate Academy

As part of its sustainability agenda, AXA Group has committed to training all of its employees on climate change by the end of 2023. To achieve this, AXA launched the AXA Climate Academy near the end of 2021. It is a learning program designed to give employees better awareness and understanding of the science behind climate change. It covers why climate is a growing concern for companies and customers, the main types of climate change risks, and how climate change impacts the whole value chain for insurance and investments.

The program is available in 11 languages and includes a series of bite-sized learning videos and activities. The final module is a guide to the concrete actions that teams can take collectively and individually to combat climate change. Completing the training earns participants achievement certificates. They can share these on social networks like LinkedIn, along with the hashtag #WeCommitToClimate, to further promote the campaign.

The bulk of the AXA Climate Academy rollout happened in 2022 and, as of December 2022, 87% of AXA employees [(2)] have been certified (including sales representatives). Feedback from learners was extremely positive with 4,220 employees giving the AXA Climate Academy an average score of 4.6/5.

4

(1) Mentoring is a relationship of trust and support between a young person from outside AXA ("young person" here defined as a child, teenager, or young adult) and a mentor who is a volunteer employee of AXA. It is a personal commitment based on voluntary work and is supervised by an AXA Hearts in Action partner association for AXA employees in France. In other entities, mentoring can take other forms.

(2) Share of permanent employees, as of December 2022, within the SDR Scope – please refer to Section 4.7 "Transversal Information" of this Annual Report for more information on this scope – who have been trained in climate issues, completing the AXA Climate Academy or with a similar local initiative, excluding new joiners and long-term absences (according to local management rules).

The AXA Climate Academy inspired local initiatives across AXA entities. One entity in Belgium organized climate workshops for employees' children and interested schools, with 80 workshops teaching approximately 2,000 children. One AXA entity has offered all employees the possibility to obtain both the CFA Certificate in ESG Investing and the new CFA Climate & Investing Certificate [(1)].

AXA Managers Academy

2022 saw the launch of the AXA Managers Academy, set up to help AXA's managers reinforce their skillset in the new world of work.

Every year, new learning journeys will be introduced, with 2022's focusing on Smart Working. It embeds AXA's expectations of how managers should lead their teams. These new skills empower managers to continue leading, coaching, and supporting their team adjusting to different individuals and contexts. So far, the Managers Academy has trained almost 4,000 managers across 12 entities in seven languages.

The first learning journey of AXA Managers Academy – delivered in 2022 – was on Managing teams in Smart Working. The courses are delivered both *via* live events and self-learning sessions. Participants also have opportunities to learn from each other's experiences. AXA entities can tailor modules, localizing them to better suit their needs. In 2023 the focus will be on 'Leading for Growth':

- energizing the team around AXA's purpose, values & strategy;
- delivering results by setting a clear vision and goals for team; driving collaboration within and across teams; creating trust and accountability;
- adopting a "manager to coach" mindset; fostering team dynamics; supporting skills development and mobility;
- caring for your team; managing well-being and resilience.

Reinforcing leaders' capabilities

2022 saw the launch of the Leadership Academy, and its flagship first learning journey "Lead the Way". The Academy is AXA's executive development program for the "Global Leadership Network" (GLN) – the organization's top 250 executives. Leaders' feedback has been extremely positive, and more than 100 have already been trained. AXA hopes to build on this work with new learning journeys in 2023 and beyond.

AXA has also created a new Executive Leadership Model for the GLN, which clarifies what it takes to succeed in the most senior leadership positions across the AXA Group. It was deployed across all entities during 2022.

Meanwhile, AXA has continued its Executive Development process for senior leadership. Every 3-4 years, GLN members have mandatory development sessions with a team of executive assessors and coaches. In 2022, the new Executive Leadership Model was integrated into the process, and it remains an essential part of AXA's approach to developing its leaders.

The next generation of leaders

For the past few years, AXA has operated global sponsorship programs to enable talented individuals, the majority of them women, to be supported in their development to take on GLN-level roles. The AXA Evolve program provides 12 months of assessments, sponsorship, development, and feedback, and is designed to help executives reach more senior positions. In 2022, a cohort of 20 Top 2000 executives completed their run with Evolve. With 60% female participants, Evolve is a key enabler in supporting the increase of the proportion of women at the executive level. Similar programs are run every year across our major operating companies.

On top of this program, all Management Committee members and other members of the Partners Group took part in AXA's "Thrive" initiative to show their commitment to the development and advancement of women at AXA. This saw them mentoring talented women from across AXA to coincide with International Women's Day. The 44 mentees, who showed outstanding performance and the potential to advance, reported that they found the experience empowering and inspiring.

This Group initiative inspired entities around the world to set up more mentoring opportunities of their own. 20 entities in Europe, the Americas, Asia, and Africa who responded to AXA's survey reported that over 230 employees were mentored on or around International Women's Day. Thrive will continue in 2023, with even higher numbers of talents involved.

(1) A CFA or Chartered Financial Analyst program is a multi-part exam that tests fundamental skills in finance and investing.

AXA as a purpose-driven and inclusive organization

PROGRESS ON EQUAL OPPORTUNITIES

The inclusion survey

Inclusion is a key part of AXA's culture. Which is why AXA launched the Inclusion Survey in 2021, measuring whether employees feel welcomed and fairly treated regardless of their characteristics. The survey is voluntary and anonymous. It helps to:

- raise awareness, and promote a culture of inclusion;
- offer employees a safe setting to reflect on and share their feelings about inclusion, and a way to influence AXA's culture;
- concretely measure AXA's progress towards inclusion and diversity (I&D) with KPIs.

The survey can be adapted to the cultural nuances of different AXA entities. It ran in 50 countries in 2022, with China participating for the first time.

2022 saw a 4.5% increase in survey participation compared to 2021, with 60.5% of employees invited to participate responding to the survey. It also saw an 11% increase in *verbatim* responses from AXA employees – 17,121 total. AXA's inclusion Net Promoter Score (iNPS) increased by three points from 37 in 2021 to 40 in 2022.

Disability inclusion

AXA recently committed to a new disability campaign – Generation Valuable – with the Valuable 500, the world's largest network of CEOs committed to disability inclusion. At the same time, it launched a new internal initiative known as "Exchange", which brings together employees who have a connection to disability (for example, people who have a disability themselves, or care for someone who does) and executives. This initiative aims to help executives understand the challenges that employees with disabilities face. And it is a chance for executives and employees to combine their experience and ideas, and build solutions for better disability inclusion across AXA.

Local AXA entities have also launched their own initiatives to make their workplaces more inclusive for people with disabilities. Three have put in place people and programs to make sure employees with disabilities have the physical and digital tools they need to do their jobs well. Some entities trained their executives to better understand the experience of their employees with disabilities. Others have focused on neurodiversity and created internships for autistic students.

Working towards gender balance

The Group is fully committed to continue to progress towards gender parity at all levels of the organization with a strong focus from managers and leaders across all the organization. This is illustrated by AXA Group commitment to reaching gender parity amongst the GLN by the end of 2023. Annually, AXA monitors its Gender Pay Gap, which mainly reflects gender balance within organizational structures. A gender pay gap is a broad measure of the difference between the average pay of all women in the organization and the average pay of all men in the same organization, regardless of their role, seniority, level, or location. In 2021, the average global gender pay gap was assessed at 24% on fixed remuneration and at 30% on total compensation. AXA continues to roll out and strengthen inclusive processes and goals through various action plans (including progress on equal opportunities such as mentoring, recruitment and promotions, further detailed in the Annual Report). Such efforts truly embody AXA's purpose and culture as an inclusive employer, which AXA is accelerating on.

2022 saw progress towards gender balance in our GLN population. The proportion of women in top executive positions is at 39%, up 3 points from 2021.

	Management Committee (a)			Partners Group (b)			Global Leadership Network (c)		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Women	20%	21%	15%	24%	27%	27%	39%	36%	34%
Men	80%	79%	85%	76%	73%	73%	61%	64%	66%
TOTAL	**15**	**14**	**13**	**41**	**45**	**48**	**237**	**243**	**253**

(a) Please refer to Section 3.1 "Corporate governance structure" of this Annual Report for more information.

(b) The Partners group is composed of the members of the Management Committee and over thirty other senior executives from across the Group. Please refer to Section 3.1 "Corporate governance structure" of this Annual Report for more information.

(c) The Global Leadership Network is made up of CEO and Executive Committees of AXA's largest markets, growth engines and major transversal entities, as well as senior leaders from the corporate functions, markets and some country CEOs.

Closing unjustified pay gaps

The Group also made significant progress in closing unjustified pay gaps to ensure pay is consistent and, free from discrimination, and not related to irrelevant personal factors such as age, nationality, ethnic origin, gender, sexual orientation, gender identity or expression, religion, marital status, or disability. Entities annually monitor and address unjustified pay gaps, with dedicated budgets to close any remaining unjustified equal pay gaps.

In 2022, AXA developed a new equal pay methodology applicable to all entities through a regression analysis to ensure a consistent and robust approach to equal pay assessments, while also anticipating regulatory developments (including the EU Directive on Pay Transparency). Group standards and processes across entities (recruitment, compensation, reviews, and promotions) have also been strengthened to ensure gaps do not arise or reappear in the future.

Reporting on ethnicity, especially ethnicity pay gaps, has been harder to address across locations mainly because of local regulations along with a cultural reluctance in some countries to request and report on ethnicity. Only one entity was able to request data on ethnicity and embraced the opportunity to gain some insight on ethnicity-related issues.

Moreover, AXA's Group Management Committee and Chief Executive Officers gave specific attention to internal coherence and market positioning since the last three compensation review rounds, which resulted in closing the average market gap between the female and male Group's Leadership Network (GLN) population.

Reinforcing AXA's fair pay policy

AXA has reinforced its Fair Pay approach by considering that not only should employees' pay be fair and competitive, but also at a level determined sufficient for the location they work in. A living wage goes beyond current statutory minimum wages – it aims to prevent individuals from falling into poverty, although some countries like Ireland have commenced the process to transpose living wages into their domestic law. The living wage is more comprehensive and defines the minimum wage needed for employees and their families to cover core needs depending on their working location, including housing, food, and access to healthcare and education. AXA contracted with the Fair Wage Network to conduct an analysis by the end of 2023 in all of the Group's countries of operation to assess the alignment of employees' pay with local living wages.

Rewarding AXA employees for sustainability achievements

To engage employees on AXA's purpose and maintain its leadership position in sustainability, AXA keeps building Environmental, Social, and Governance (ESG) criteria into its total rewards offer. The Group has reinforced the ESG print within its culture and values through short-term and long-term incentives:

- the Global Leadership Network (GLN) are assessed on qualitative climate and diversity objectives, which are included in their annual target letters;
- a quantitative climate objective is included in the AXA Group performance grid, impacting around 2,000 employees' variable remuneration payout;
- long-term incentives include ESG criteria (climate and diversity objectives in performance shares plan, AXA ranking in the Dow Jones Sustainability Index in both performance shares and restricted shares plans), covering a population of around 6,000 employees every year.

AXA's ambition is also to increase the weight of sustainability criteria in profit sharing agreements to 30% by 2023 (prevalent in certain European countries, impacting over 20,000 employees every year). At the same time, it will ensure that employees are empowered to personally take inclusive and tangible action. In 2022, around 60% of France-based AXA entities had profit-sharing schemes with at least 20% of their performance conditions being related to ESG. AXA XL is taking the challenge a step further by targeting 40% of performance conditions in their Profit-Sharing agreement, including a specific criterion for employees' training on climate.

HEALTH AND WELLBEING IN A WORLD OF HYBRID WORK

Healthy You

AXA launched a global health and wellbeing program in November 2020, branded "Healthy You". The program was rolled out thanks to a partnership between AXA Group and employee trade union representatives. The Healthy You program was reflected in a Charter signed by the European Works Council and AXA Group.

The Healthy You Program was extended in 2021 to include additional care and support services. 2022 was a critical year of implementation of those services with a rollout that will be fully completed by the end of 2023.

As part of the Healthy You Program, AXA launched its first global medical check-up campaign in 2021. More than 33,000 employees participated in this campaign. The main health risks identified that year thanks to the global check-up campaign were cardiovascular diseases, musculoskeletal disorders, and stress. To directly address these risks, 2022's Health Days focused on nutrition, ergonomics, and social reconnection through group and local initiatives. 3,000 employees viewed the conference on The Great Reconnection. Aimed at addressing stress, the conference focused on social relationships, their positive impact on wellbeing, and why we need to be intentional in building and sustaining them. 3,000 also viewed the Health Nutrition & Cooking Class, aimed at supporting cardiovascular health. And the five videos on ergonomics (to address musculoskeletal disorders) were each viewed around 3,000 times. Local entities had the flexibility to give more focus to their own specific risks. They held on-site initiatives, including advice from health experts and medical screenings.

The Healthy You Program includes the following services:

- an in-person medical check-up for all employees over 40 years old every four years. More than 23,000 employees have used this service in 2022. A digital check-up is also provided to all employees every two years;
- on-site health-related prevention and awareness days;
- an annual flu vaccination campaign;
- an Employee Assistance Program with 24-hour mental health and psychological support;
- medical teleconsultation services;
- digital programs focusing on prevention, and raising awareness on topics related to health and wellbeing;
- a second medical opinion service for employees with a critical illness;
- financial support (covering at least 75% of medical expenses) as well as mental health support for employees with cancer.

The AXA Group pays particular attention to providing access to information regarding the benefits, services and entitlements proposed to employees in the various entities.

Mental health

Since 2020, AXA has ensured an Employee Assistance Program (EAP) with 24-hour mental health and psychological support across all geographies. EAPs provide practical and impartial psychological support to employees on everyday matters ranging from home and family concerns to financial and legal issues.

In every global Pulse survey, AXA asks its employees to share insight on their current wellbeing so that it can better assess and understand how its employees are feeling, whether this is changing over time, and determine actions to support their wellbeing. AXA continues to invest in training as a tool to reduce bias and stigma. As of October 30, 2022, 6,912 managers were trained to recognize common mental health conditions and to signpost the support available at AXA, providing them with the confidence needed to respond to any challenges that may arise within their team. AXA entities have also introduced locally relevant training programs, with one French entity using role play as a way for employees to learn more about workplace bias and what can be done to address it.

AXA recognizes that raising awareness is also about making a positive, lasting impact on employee mental health. At the local level, entities have been sharing articles, expert insights, and interactive health tools to provide employees with a range of ways to practice self-care. East Asian AXA entities launched Fit to Flourish, with research identifying 10 key skills that support peak mind heath such as self-acceptance, connectedness, pride in achievement, and physical health behaviors.

Group Social Indicators

Workforce Structure [a]	2022		Evolution	2021		2020	
Total headcount of salaried workforce as of December 31	**110,302**	**emp.**	**-0.2%**	**110,477**	**emp.**	**114,625**	**emp.**
Headcount of salaried workforce with fixed-term contract	4,425	emp.	+1.7%	4,349	emp.	4,347	emp.
Headcount of salaried workforce with open-ended contract	105,877	emp.	-0.2%	106,128	emp.	110,278	emp.
■ Headcount of salaried non-sales force	91,274	emp.	+0.1%	91,218	emp.	94,616	emp.
■ Headcount of salaried sales force	14,603	emp.	-2.1%	14,910	emp.	15,662	emp.
■ Proportion of Executives [b]	1.9	%	-	1.9	%	2.7	%
■ Proportion of all Professionals	44.3	%	-	45.6	%	43.1	%
■ Proportion of Associates	53.8	%	-	52.5	%	54.1	%
Women representation	**54.3**	**%**	**+0.2 pt**	**54.1**	**%**	**53.5**	**%**
■ Proportion of Executives women	34.3	%	+1 pt	33.3	%	31.7	%
■ Proportion of all Professional women	46.7	%	+0.5 pt	46.2	%	45.6	%
■ Proportion of Associates women	61.2	%	-	61.6	%	60.9	%
Average Full-Time Equivalent [c] of salaried workforce with open-ended contract	**101,508.4**	**fte**	**-2.4%**	**103,985.2**	**fte**	**107,998.9**	**fte**
Average Full-Time Equivalent of temporary non-salaried staff	**13,026.3**	**fte**	**-4.0%**	**13,564.5**	**fte**	**9,623.9**	**fte**
■ Non-salaried temporary staff and contingent workers	10,077.3	fte	-	10,763.5	fte	6,802.6	fte
■ Trainees/Apprentices	2,949.0	fte	-	2,801.1	fte	2,821.3	fte
Employee Profile							
■ Average age of salaried workforce	41.3	yrs	+0.5%	41.1	yrs	40.9	yrs
■ Average length of service of salaried workforce	10.6	yrs	-	10.6	yrs	10.6	yrs
■ Average number of working days per year	225.6	days	-0.5%	226.8	days	227.4	days
■ Proportion of part-time salaried workforce	9.3	%	-	9.4	%	9.5	%
■ Proportion of Teleworkers	83.4	%	-	75.5	%	52	%
Number of employees with disabilities – concerns entities operating in France only	**818**	**emp.**	**-**	**776**	**emp.**	**727**	**emp.**

(a) The rates and ratio within this section are the Headcounts as of December 31 of the reporting year.
(b) A global and consistent definition of Executives was implemented in 2021, resulting in a reduction of the global Executives population.
(c) Headcount converted into average Full-Time Equivalent during the reporting year.

Workforce Dynamics [a]	2022		Evolution	2021		2020	
Movements of salaried workforce: net headcount evolution (entries *versus* departures)	**(72)**	**emp.**		**(4,130)**	**emp.**	**(4,640)**	**emp.**
Entries	17,755	emp.	+25.5%	14,142	emp.	11,516	emp.
■ Number of external recruitments (incl. Rehires)	15,915	emp.	-	12,508	emp.	10,329	emp.
■ Number of fixed-term contracts transformed into open-ended contracts	1,729	emp.	-	1,517	emp.	1,163	emp.
■ Number of entries following external mergers and acquisitions	111	emp.	-	117	emp.	24	emp.
Departures	17,827	emp.	-2.4%	18,272	emp.	16,156	emp.
■ Number of resignations	12,187	emp.	-	10,597	emp.	7,840	emp.
■ Number of economic/collective layoffs	219	emp.	-	1,266	emp.	1,253	emp.
■ Number of individual layoffs	2,044	emp.	-	1,611	emp.	1,845	emp.
■ Number of retirements/pre-retirements	1,424	emp.	-	1,474	emp.	1,549	emp.
■ Number of departures due to external transfers [b]	1,703	emp.	-	3,135	emp.	3,473	emp.
■ Number of other departures	250	emp.	-	189	emp.	196	emp.
Internal mobility rate of salaried workforce	**8.3**	**%**	**+0.0 pt**	**8.3**	**%**	**7.7**	**%**
Turnover rate of salaried workforce	**15.4**	**%**	**+1.3 pts**	**14.1**	**%**	**11.4**	**%**
■ Involuntary (layoffs/dismissals)	2.2	%	-	2.7	%	2.8	%
■ Voluntary (resignations)	11.6	%	-	9.9	%	7.1	%
■ Other reasons (pre/retirements and miscellaneous)	1.6	%	-	1.5	%	1.6	%

(a) The rates and ratio within this section are the Average Headcounts of the reporting year.
(b) External transfers: Salaried workforce who have left AXA because of an activity/job transfer to an external company or due to disposal of businesses, are no longer under a contract with AXA.

Compensation, absenteeism and training [a]	2022		Evolution	2021		2020	
Compensation cost of salaried workforce	**8,353.9**	**M€**	**+4.4%**	**7,999.9**	**M€**	**8,145.6**	**M€**
■ Proportion of fixed pay (related to wages)	80.2	%	-	80.7	%	81.3	%
■ Proportion of variable pay (related to wages)	19.8	%	-	19.3	%	18.7	%
Absenteeism rate of salaried workforce	**4.7**	**%**	**+0.2 pt**	**4.4**	**%**	**4.1**	**%**
■ Sickness absenteeism rate	3.3	%	-	3.0	%	2.8	%
■ Work-related accidents absenteeism rate	0.1	%	-	0.0	%	0.1	%
■ Maternity/paternity leave absenteeism rate	1.3	%	-	1.4	%	1.2	%
Number of training days of salaried workforce	**312,574.5**	**days**	**-9.2%**	**344,195.3**	**days**	**335,268.7**	**days**
Average number of training days per salaried workforce	3.0	days	-	3.2	days	3.0	days
■ Average number of training days per salaried non-sales force	2.5	days	-	2.7	days	2.4	days
■ Average number of training days per salaried sales force	6.3	days	-	6.5	days	6.5	days
Percentage of salaried workforce having received at least one training course	100	%	-	100	%	100	%
Training cost of salaried workforce	**85.0**	**M€**	**+9.7%**	**77.5**	**M€**	**70.9**	**M€**

(a) As per the definition of compensation, it includes the individual fixed pay, the individual variable pay, employer social contribution and collective profit sharing (if any) and excludes equity based compensation (stocks options, performance shares, AXA Miles).
Compensation and absenteeism: the rates and ratio of those categories are the average salaried FTEs of the reporting year.
Training: the rates and ratio of those categories are the Average Headcounts of the reporting year.
Training costs include external costs: such as (1) the external trainer cost and external instructional designer; (2) the external annual licensing for on the shelves e-learning content, or external unitary cost of acquisition of e-learning modules; (3) the logistics cost; and internal costs: such as (1) The compensation cost of internal trainers meaning any AXA employee whether belonging to the Learning and Development team or other parts of the organization; and (2) the Learning Management System cost.

4.3 CLIMATE CHANGE AND BIODIVERSITY

Environmental protection, and more specifically the interconnected issues of climate change and biodiversity loss, is a strategic pillar of the Group's approach to sustainable development as described above in Section 4.1 "AXA Group's sustainability strategy" of this Annual Report.

In 2022, climate change and biodiversity loss have been identified as two of the main sustainability risks, as described in Section 4.1 "AXA Group's sustainability strategy – Sustainability risk assessment". Climate change as a sustainability risk is considered in this Section 4.3, with a double materiality lens, for AXA Group's investment and insurance activities, and AXA Group's own operations. AXA Group has developed policies and defined indicators to track progress in reducing the adverse impacts associated with these risks.

AXA Group follows the guidance of the voluntary disclosure requirements of the "Task Force on Climate-related Financial Disclosures" (TCFD) [1], which focus exclusively on climate-related factors. Since becoming a licensed reinsurer of life and Property & Casualty business, AXA SA is also subject to the disclosure requirements set out in the French regulations implementing article 29 of the Law No. 2019-1147 of November 8, 2019, regarding energy and climate, which considers more broadly, ESG issues. For more detailed information, please refer to AXA SA's annual "Climate and Biodiversity Report" [2] that will be published on the AXA Group's website (www.axa.com) in the second quarter of 2023.

Risks and impacts in relation to climate change and biodiversity

The Corporate Sustainability Reporting Directive (CSRD), which was published in the EU Official Journal in December 2022 introduces the concept of "double materiality" in the context of corporate sustainability reporting in the EU. Unlike single materiality which only considers how various sustainability matters affect a company, double materiality also considers the impacts a company's activities on sustainability matters; in this manner, the risks to the undertaking and the impacts of the undertaking each represent one materiality perspective.

Of the various sustainability risks identified by AXA Group as material, the impact of climate change on AXA Group and AXA Group's impact on the environment and sustainability matters more broadly continue to be identified as key sustainability risks in 2022, as described in the Section 4.1 "AXA Group's sustainability strategy – Sustainability risk assessment" of this Annual Report.

(1) https://www.fsb-tcfd.org

(2) No information, document or item contained in AXA SA's annual "Climate and Biodiversity Report", or available on the Company's website in connection with AXA SA's annual "Climate and Biodiversity Report", is incorporated by reference in this Annual Report.

Risk of climate change on AXA Group's activities

Climate change risks are usually understood to comprise the following key risk drivers impacting companies' valuation and profitability:

- **physical risk** refers to the direct impacts of climate change on persons and property, such as those arising from rising temperatures, the increase in the frequency and severity of extreme weather events, fires, rising sea levels and changes in exposure to vector-borne diseases. For (re)insurers, the physical risks may significantly impact business and the (re) insurance industry more broadly, including with respect to risk perception, pricing and modelling assumptions, the need for new insurance products, the amount, frequency, and quantum of claims. Physical risk has a direct impact on undertakings, both through the impairments in value associated with assets held by (re)insurers and through changes in the frequency and cost of these risks on the liability side of the balance sheet;
- **transition risk** stems from a change in the behaviour and strategies of industrial actors, market participants and customers in response to climate change and as a result of the implementation of climate related policy, regulatory and technological developments including as a result of the cross-sectoral structural changes stemming from the transition towards a low-carbon economy. Transition risk has an impact on (re)insurance products, underwriting and impairs the value of investments held by (re)insurers; and
- **liability risk** can result from both the physical and transition risks of climate change, including because of potential disputes, claims for compensation and legal proceedings brought against insured, companies (re)insurers are invested and potentially directly against insurers; seeking damages for contribution to climate change or for inaccurate or insufficient disclosure around material financial or operational risks. There is an increasing risk of other forms of climate-related litigation, in particular claims by shareholders and other stakeholders for so-called "greenwashing" actions, misrepresentation, misleading conduct, mis-selling, fraud, breaches of fundamental human rights, breaches of fiduciary duties and breaches of disclosure obligations in listing rules or other corporate regimes, or for having deficient controls or processes in place.

ASSESSING THE FINANCIAL RISK OF CLIMATE CHANGE

Climate change could have a negative impact on AXA Group's assets and investment activities, as well as on its balance sheet liabilities and insurance activities.

For this reason, Risk Management frameworks must be adapted to the specificities of climate risks, whose trajectories and impacts are particularly uncertain. In this regard, scenario analysis and climate stress tests based on different trajectories of future climatic, macroeconomic, and financial conditions are relevant tools to conduct a forward-looking assessment of potential vulnerabilities related to climate change risks. The development of climate scenario analyses and stress testing has been accelerating, particularly through the "pilot climate exercise" launched in June 2020 by the ACPR (1). AXA Group contributed to this exploratory exercise and sees the use of climate scenario analysis as an opportunity to map out potential long-term implications of climate change on its investment portfolios and insurance business. Through this type of active cooperation with supervisory authorities and industry peers, AXA Group aims to improve its framework aimed at addressing medium to very long-term climate change risks, although the exercise is highly uncertain, and many methodological challenges remain.

As part of AXA Group's ORSA (Own Risk and Solvency Assessment), the ACPR scenarios published in connection with the 2020 pilot climate exercise have been supplemented to better reflect AXA Group's own risk profile. In particular, Property & Casualty (P&C) physical risks have been assessed through modular approaches (from simple to sophisticated modeling) to encompass the three drivers of natural risks (changes in hazard, exposure, and vulnerability) and assess potential impacts (*i.e.,* evolution of Modelled Average Annual Losses (AAL) of forward-looking scenarios in a range of uncertainty (pessimistic *versus* optimistic views).

Based on representative risks to which the Group is exposed (flooding in Europe, hurricanes in the USA, urban atmospheric pollution and vector-borne diseases in France, climate-related financial risks), the estimated financial impacts on the Group using ACPR and AXA Group's ORSA scenarios are relatively limited:

- **investments:** in terms of investments, the impact of financial market scenarios on AXA Group's in-scope investments, being corporate bonds and equities in AXA Group's General Account assets, is low. This is notably due to AXA Group's low exposure to carbon-intensive sectors likely to be the most affected by the climate transition;

(1) *Similarly, the Bank of England and the "Prudential Regulation Authority" (PRA) ran their "Climate Biennial Exploratory Scenario" (CBES) exploratory exercise in 2021 with the objective of testing the resilience of current business models of the largest banks and insurers to the financial risks associated with climate change.*

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- **property & casualty (P&C):** the same is true for Property & Casualty insurance, due to AXA Group's worldwide footprint of exposures, which creates a high level of diversification. The evolution of AXA Group's future P&C natural catastrophes (Nat Cat) claims remains largely driven by changes in AXA Group's future exposures (demographic changes, wealth growth) rather than an increase in the climate hazard itself; and
- **health & protection:** in terms of health and Life insurance, the ACPR's "climate pilot exercise" again showed that the main impact stems notably from higher mortality due to the deterioration of air quality. Nevertheless, the impact was expected to be limited because, even using a very conservative approach, the assessed impact would be absorbed through management actions such as realistic repricing.

AXA Group also explores the potential impacts of climate change on its investments with a model developed by MSCI (applicable only to corporate bonds and equity and real assets) where risks and opportunities are combined and translated into a "Climate Value-at-Risk" indicator (please refer to the Section "Consideration of Climate in Portfolio Management" below).

Impacts of AXA Group's activities on the environment

Beyond this approach, as an investor, as an insurer and as responsible company, AXA Group seeks to mitigate the adverse effects of its activities on the environment (and sustainability matters more broadly), notably through the following actions:

- applying its Risk Management framework to identify potential climate impacts and integrating ESG criteria into its insurance business processes and investment strategy;
- supporting the overall concept of 'net zero' by committing to align its investments and insurance activities with the COP21 Paris Agreement;
- developing green investment and transition financing targets;
- offering customers insurance solutions that promote environmentally friendly behavior; and
- developing active stewardship as an investor.

Each action is described in more detail below.

Risks and impacts on biodiversity loss

AXA views the biodiversity challenge as a natural extension of its climate efforts. Biodiversity loss endangers "ecosystem services", which poses risks to society and businesses that depend on them, and in turn investors and insurers that rely on a well-functioning economy. Furthermore, the IPBES [1], the IPCC and the Taskforce on Nature-related Financial Disclosures (TNFD) all identify climate change as a key driver of changes to nature and by extension, biodiversity [2].

AXA Group therefore identified its impact on biodiversity as a main sustainability risk in 2022, as outlined in Section 4.1 "AXA Group's sustainability strategy" of this Annual Report.

As a result, AXA Group has announced a series of initiatives, designed to contribute to the protection of ecosystems, and act on the nexus between climate and nature. For more detailed information on those developments, please refer to the AXA SA's annual "Climate and Biodiversity Report".

UNDERSTAND AXA GROUP'S IMPACT ON BIODIVERSITY

While the erosion of biodiversity and its main causes are well known, the precise quantification of a company's impacts on biodiversity, and the risks it runs, remain to be defined. This is why AXA Group is continuing its efforts working with peers to accelerate the quantification of risks and impacts related to biodiversity:

- in partnership with the WWF, in 2019, AXA Group released the "Into the Wild – Integrating nature into investment strategies" report [3] at the G7 Ministerial meetings. The report contained a series of recommendations, including the launch of a Task Force on Nature Impacts Disclosures which resulted in the Taskforce on Nature-related Financial Disclosures (TNFD) (officially launched in June 2021) and creating the creation of biodiversity risk metrics for investors;

(1) *https://ipbes.net/*

(2) *https://tnfd.global*

(3) *Into the wild: de la nature aux stratégies d'investissement | AXA*

- AXA Group is currently a Taskforce Member of the TNFD and contributes to the TNFD's Metrics and Targets Working Group;
- over the past three years (2020-2022), AXA Group partnered with the WWF to develop and strengthen its biodiversity strategy; and
- AXA IM, with three Asset Management peers (BNP Paribas AM, Mirova, Sycomore AM), partnered with a selected external biodiversity risks data providers, Iceberg Datalab, to develop biodiversity impact metrics. This provider has developed its own metric – the Corporate Biodiversity Footprint (CBF) – based on the concept of Mean Species Abundance (MSA), to calculate the degradation of ecosystems caused by business activities in an investment portfolio.

For more information, please refer to the AXA SA's annual "Climate and Biodiversity Report".

Climate and biodiversity matters as an investor

DEFINITIONS AND GOVERNANCE

The Group defines Responsible Investment (RI) as the integration of ESG considerations into investment processes, including ownership practices. Thus, the Group's objective is to align investments with its sustainability agenda of protecting people over the long term and creating stronger and more sustainable societies. This agenda is in line with its interests as a global insurer and investor.

To this end, the Group has developed a global RI strategy covering the Group's General Account assets, and for its Unit Linked offering, where relevant. The implementation of this strategy is overseen by a specific RI governance, the Group's Responsible Investment Committee (RIC), which is chaired by the Group's Chief Investment Officer and includes representatives from AXA's asset managers, Sustainable Development, Risk Management and Communications teams. Ultimately, the RIC reports to the Group Investment Committee, chaired by the Group Chief Financial Officer, and sensitive and/or strategic climate finance-related decisions debated in the RIC are approved by the RISSC (please refer to Section 4.1 "AXA Group's sustainability strategy – Sustainability governance & Stakeholder dialogue" of this Annual Report). The Group's RI strategy is supported by the RI Center of Expertise, a transversal working group which includes representatives from its local investment teams and sustainability network.

CONSIDERATION OF CLIMATE IN INVESTMENT PORTFOLIO MANAGEMENT

Impact of AXA Group's investments on climate: Carbon footprint

AXA Group publishes the carbon footprint of its investments using three different approaches [(1)]:

- normalized per revenue;
- in absolute terms; and
- normalized per Enterprise Value.

The carbon footprint normalized per Enterprise Value approach was chosen by Net-Zero Asset Owner Alliance (NZAOA) members, partly because of the robustness of the CO_2 reporting methods and partly because of the availability of data. As part of its participation in NZAOA, AXA Group commits to publishing intermediate targets every five years to track progress towards "net zero" by 2050.

In December 2020, AXA Group announced its "intermediate target" of a 20% reduction in the carbon footprint of AXA Group's General Account assets between 2019 and 2025 (*e.g.,* 20% cumulative reduction for corporate debt and listed equities, excluding emerging market issuers and entities; and real estate assets where possible), using the NZAOA 2025 Target Setting Protocol.

Between 2019 and 2022, AXA Group's balance sheet carbon intensity per Enterprise Value (tCO_2/EV m€) fell -35%, and by -6% in 2022 alone. This target is part of the *"AXA for Progress Index"* and is presented in further detail in the AXA SA's annual "Climate and Biodiversity Report".

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*(1) AXA Group's carbon footprint is computed based on the data made available by its providers at the close of AXA Group's data collection process and as such, may include data from previous years. Similarly, AXA Group relies on the availability of emissions data from activities for them to be included in the modelization process: **(i)** normalized per revenue (direct emissions, i.e. greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the Company and first tier indirect emissions, i.e. greenhouse gas emissions from direct suppliers); **(ii)** normalized per Enterprise Value (Scope 1 and 2); **(iii)** in absolute terms (Scope 1 and 2).*

Additionally, AXA Group continues its investigation of the concept of an "investment temperature" to develop its knowledge of the impact of AXA Group's investments on climate change (climate impact). This approach labelled "warming potential" in MSCI's methodology, captures the climate-related aspects of a company's activities, including its direct and indirect greenhouse gas emissions, technology developments, and "green revenue" opportunities. AXA Group's analysis shows that in-scope AXA Group's General Account assets, being sovereign debt, corporate bonds, and equity, had a +2.6°C "warming potential" at the end of 2021 [(1)]. This is below the benchmark [(2)] of +3°C, but nonetheless shows that investors are operating in a carbon-intensive economy that is not aligned with the COP21 Paris Agreement yet.

Climate risk on AXA Group's Corporate Investments: Climate Value-at-Risk

In 2022, AXA Group continued to explore a model developed by MSCI for its corporate assets only to assess selected physical and transition risks and opportunities.

This model represents an estimate of how the value of corporate bonds and listed equities in AXA Group's General Account Assets investment portfolio might be impacted by climate policy risk, technology transition opportunities and extreme weather events on a 15-year time horizon. This model currently only applies to corporate bonds and listed equities and is under continuous development. Annual updates to this model allow AXA Group to expand the range of measured climate-related financial risks of AXA Group's investments and to assess them more precisely. In 2021, the model was updated to include additional physical risks (river low flow and wildfires) for all scenarios.

To assess future potential costs/benefits for companies in a given climate scenario (+1.5°C, +2°C or +3°C), policy risks, technological opportunities and physical risks are combined into a single Climate Value-at-Risk [(3)] metric. AXA Group applied this Climate Value-at-Risk model to its corporate bonds and listed equities investments under +1.5°C, +2°C and +3°C scenarios using an average and an aggressive physical scenario.

According to the Climate Value-at-Risk methodology, the climate change impact on the valuation of the companies in which AXA Group invests represents an aggregated risk of 11% [(4)] of the market value of AXA Group's investment portfolio under the best scenario (+1.5°C).

INVESTMENT RESTRICTIONS

Over time, the Group has developed specific "sector guidelines" to address certain activities in sectors that may pose certain risks to AXA Group as an investor and insurer. Among them, Coal, Oil and gas and Ecosystem conversion and deforestation policies, which apply to both investment and underwriting activities, aim to contribute to the transition toward a more sustainable and less carbon-intensive economy.

These policies are published on AXA Group's website (www.axa.com/en/about-us/investments#tab=responsible-investment).

AXA Group Coal Policy

Coal is by far the most carbon-intensive form of energy and as such coal-based power generation is seen as the industry the most at risk in terms of such "asset stranding".

AXA Group bans investments, for General Accounts and in Unit-Linked assets in fully controlled mandates, in the following companies:

- power generation companies with coal share of power production (energy mix) over 30% and/or coal "expansion plans" producing more than 300 MW and/or over 10 GW of coal-based power installed capacity;
- mining companies with coal share of revenues over 30% and/or with annual coal production over 20 million tons and/or developing new coal mines; and
- certain coal industry partners, defined as manufacturers (*e.g.,* equipment suppliers) and infrastructure players (*e.g.,* port terminals, dedicated railways) developing significant new coal assets.

In addition, AXA Group is committed to a long-term "exit" strategy reducing exposure to the thermal coal industry to zero by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world, as suggested by the main climate scenarios (such as the IEA "Beyond +2°C" scenario). This approach is applied both to its investments and underwriting activities (please refer to Section "Climate and biodiversity matters as an insurer" below).

Full details of the AXA Group Coal Policy are available at https://www.axa.com.

The AXA Group Coal Policy is currently under review and is expected to be updated in the course of 2023.

(1) The "warming potential" at the end of 2022 will be available in AXA SA's annual "Climate and Biodiversity Report" 2023.

(2) The benchmark used for corporate equity is MSCI World ACWI; for corporate debt, the benchmark used is ICE BofAML Global Market corporate.

(3) Climate Value-at-Risk (Climate VaR) is designed to provide a forward-looking and return-based valuation assessment to measure climate related risks and opportunities in an investment portfolio. The Climate VaR provides a stressed market valuation of a security in relation to aggregated transition and physical cost and profit projections until the end of the century.

(4) At the end of financial year 2021. The Climate value-at-risk at the end of 2022 will be available in AXA SA's annual "Climate and Biodiversity Report" 2023.

AXA Group Energy Policy

Since 2017, AXA Group has divested from oil sands-related businesses (defined as companies deriving more than 20% of their revenue from oil sands, including pipeline operators).

As an asset owner, AXA Group has stopped investing in new upstream oil greenfield exploration projects unless they are carried out by companies with the most far-reaching and credible transition plans.

Furthermore, AXA Group reduces its investment exposure to unconventional exploration and production, as follows:

- **Arctic:** AXA Group extends the scope of its investment restrictions to the Arctic Region, in alignment with the Arctic Monitoring and Assessment Programme (AMAP). Only companies with Norwegian operations in the AMAP Region will be excluded from the scope of restrictions, given their high environmental standards and lower operational carbon footprint. AXA Group will exclude new direct investments in companies deriving more than 10% of their production from the AMAP Region or producing more than 5% of the worldwide volume of AMAP-based Oil & Gas;
- **oil sands:** AXA Group has adopted a more stringent policy by ceasing direct investments in companies producing more than 5% of the worldwide volume of oil sands; and
- **fracking/shale Oil and Gas:** AXA Group will no longer directly invest in companies deriving more than 30% of their production from fracking/shale Oil and Gas.

The main database used is the "Global Oil & Gas Exit List" (GOGEL) [1] released in 2022.

Full details of the AXA Group Energy Policy are available at https://www.axa.com.

The AXA Group Energy Policy is currently under review and is expected to be updated in the course of 2023.

AXA Group Ecosystem conversion and Deforestation policy

The policy on the protection of ecosystems and deforestation seeks to address risks related to deforestation and protected areas of key biodiversity value. Curbing deforestation conserves water resources, prevents flooding, controls soil erosion, and preserves habitats and biodiversity, in addition to preserving key carbon sinks.

This policy is implemented at Group level and is subject to the oversight of the Responsible Investment Committee and the Group Underwriting Committee. In the course of 2022, this policy has been implemented by all AXA entities. In the case of the asset management entities of the Group, the policy has been applied to the extent that they manage General Accounts assets.

Full details of the current AXA Group Ecosystem conversion and Deforestation Policy is available at https://www.axa.com.

The AXA Group Ecosystem conversion and Deforestation Policy is currently under review and is expected to be updated in the course of 2023.

GREEN INVESTMENTS AND SUSTAINABILITY LINKED BONDS

To support its green investment strategy, AXA Group has developed an internal framework defining "green" investments based on external labels, certifications, and environmental standards as appropriate. Green investments are defined as: green bonds, infrastructure debt & equity, impact investments, real estate, and commercial real estate loans. AXA Group's green investment strategy is detailed in AXA SA's annual "Climate and Biodiversity Report". Green investments encourage various sectors to strengthen their climate strategy.

In November 2019, AXA Group committed to invest through its General Account assets, €24 billion in green investments by 2023. In 2021, this target was increased to €26 billion. As of December 2022, AXA Group's green investments reached €25.1 billion (€22.6 billion end of 2021).

In 2021, AXA Group set a €300 million target to develop publicly listed transition bonds and Sustainability-Linked Bonds (SLBs). The focus of SLBs is on financing companies with credible plans to transition to Net-Zero. SLBs differ from green bonds in that, they are not "use-of-proceeds" instruments but rather, are general purpose bonds. Unlike conventional debt however, these bonds incorporate targets linked to Environmental, Social and Governance (ESG) factors, which are measured through Key Performance Indicators (KPIs) and assessed against predefined Sustainability Performance Targets (SPTs). As such, they represent a new opportunity to fund the climate transition and other environmental and social challenges.

In 2021, AXA Group also committed to a new "Natural Capital" target of €1.5 billion dedicated to reforestation by supporting forestry management projects in developed markets and nature-based solutions through initiatives such as afforestation, restoration and avoided deforestation which outcome can often be measured through the production of carbon credits with the objective being to sequestrate/avoid 25 Mt CO_2 on an annual basis.

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(1) https://gogel.org/

ACTIVE STEWARDSHIP

As a shareholder and bondholder, AXA Group can engage with the management of the companies in which it invests, in order to contribute to the emergence of positive developments on certain topics (such as climate change, health, governance, market practices, etc.). These engagement activities are carried out either directly by the Group or by AXA Investment Managers (AXA IM) on behalf of the Group and third-party clients.

AXA IM's key climate engagement objectives and indicators are shaped by the TCFD framework, which has established itself as the *de facto* reporting framework on this issue. AXA IM's engagement approach encourages companies to:

- commit to short-, medium- and long-term carbon emissions reduction targets that are based on climate science and with a clear explanation of corresponding capital expenditure plans;
- perform scenario analysis using a scenario where global warming is limited to the COP21 Paris Agreement goal of "well below 2°C; and
- align executive remuneration to climate change objectives.

In the specific case of coal, AXA Group encourages the transition through active shareholder engagement, as an investor, and client communication, as an insurer, with the concerned companies in order to encourage them to develop and disclose an exit or closure plan.

For more information, please refer to AXA IM's annual Active Ownership and Stewardship report, published on AXA IM's website (https://axa-im.com).

Climate and biodiversity matters as an insurer

UNDERWRITING GOVERNANCE FOR SUSTAINABILITY

Insurance-related ESG risks, and opportunities also benefit from a specific governance, notably the Group Underwriting Committee (GUC), which defines underwriting restrictions. Similar to investments, sensitive and/or strategic climate-related decisions debated in the GUC are ultimately approved by the RISSC (please refer to Section 4.1 "AXA Group's sustainability strategy" of this Annual Report). In addition, a dedicated team within Group Risk Management analyzes emerging risks which often relate to long term ESG issues and monitor their potential impact (please refer to Section 5.8 "Other material risks – Emerging risks" of this Annual Report). The Group Emerging Risk Steering Board issues recommendations to adapt its business offer and underwriting policies.

CONSIDERATION OF CLIMATE IN INSURANCE PORTFOLIO

AXA Group actively supports coalitions that bring collective solutions to issues requiring industry-wide cooperation. This is why AXA Group publicly supported the creation of the Net-Zero Insurance Alliance (NZIA) to collectively extend its investment commitment to "net-zero" to its insurance business.

Chaired by AXA Group since February 2021, the NZIA revealed its commitments at the G20 in July 2021, with the main commitment to transition insurance and reinsurance underwriting portfolios to "net-zero" greenhouse gas emissions by 2050. In January 2023 the NZIA launched its first Target-setting protocol. The objective of the Protocol is to enable NZIA members to begin setting science-based, interim decarbonization targets for their respective insurance and reinsurance underwriting portfolios in line with the COP21 Paris Agreement.

UNDERWRITING RESTRICTIONS

AXA Group strives to incorporate ESG criteria (including those related to climate and biodiversity) in its underwriting activities, consistent with its investment strategy, though sector guidelines (please refer to Section "Investments restrictions" above), notably on Coal, Oil and Gas, and Ecosystem conversion and Deforestation.

AXA Group Coal Policy

The underwriting restrictions ban Property and Construction covers for coal mines and coal plants. It also includes coal-related restrictions at client-level, mirroring, as appropriate, the criteria that apply to investments. Full details of the current AXA Group Coal Policy is available at https://www.axa.com.

The AXA Group Coal Policy is currently under review and is expected to be updated in the course of 2023.

AXA Group Energy Policy

Since 2021, AXA Group no longer underwrites new upstream oil exploration projects (greenfield). Exemptions may be granted to companies with the most far-reaching and credible transition plans, based on a case-by-case review. Restrictions will take effect with a 12-month grace period ending on January 1st, 2024. Full details of the current AXA Group Energy Policy is available at https://www.axa.com.

Furthermore, AXA Group reduces its insurance exposure to unconventional exploration and production in the following areas: Artic, oil sands and fracking / shale Oil & Gas.

The AXA Group Energy Policy is currently under review and is expected to be updated in the course of 2023.

AXA Group Ecosystem conversion and Deforestation policy

On insurance underwriting, AXA Group focuses on the activities at risk of causing deforestation. The Group restricts Commercial lines Property and Construction insurance underwriting in four cases:

- illegal logging;
- companies that are excluded by the investment policy screening are to be referred to the Group Risk Management and the critical activity will likely be banned from Construction and Property covers;
- businesses that operate in "high-risk countries" (1) and commodities (palm oil, beef, soy, timber) and facing high or severe deforestation controversies (2) are also to be referred to the Group Risk Management with a view to restrict the critical activity; or
- traders of soy, beef, palm oil and timber operating in "high-risk countries" and facing high or severe deforestation controversies are also to be referred to the Group Risk Management and the critical activity will likely be banned from marine cargo covers.

In line with the UNPSI-UNESCO classification, the Group also commits to protect World Heritage Sites by ensuring it does not support, through Property and Construction insurance underwriting, businesses in sensitive sectors that are developing activities incompatible with ecosystem preservation in these vital sites.

Full details of the AXA Group Ecosystem conversion and Deforestation Policy are available at https://www.axa.com.

GREEN PRODUCTS AND BUSINESS

In addition to the underwriting restrictions summarized above, the Group seeks to develop products and services to support the transition to a more sustainable and less carbon-intensive economy.

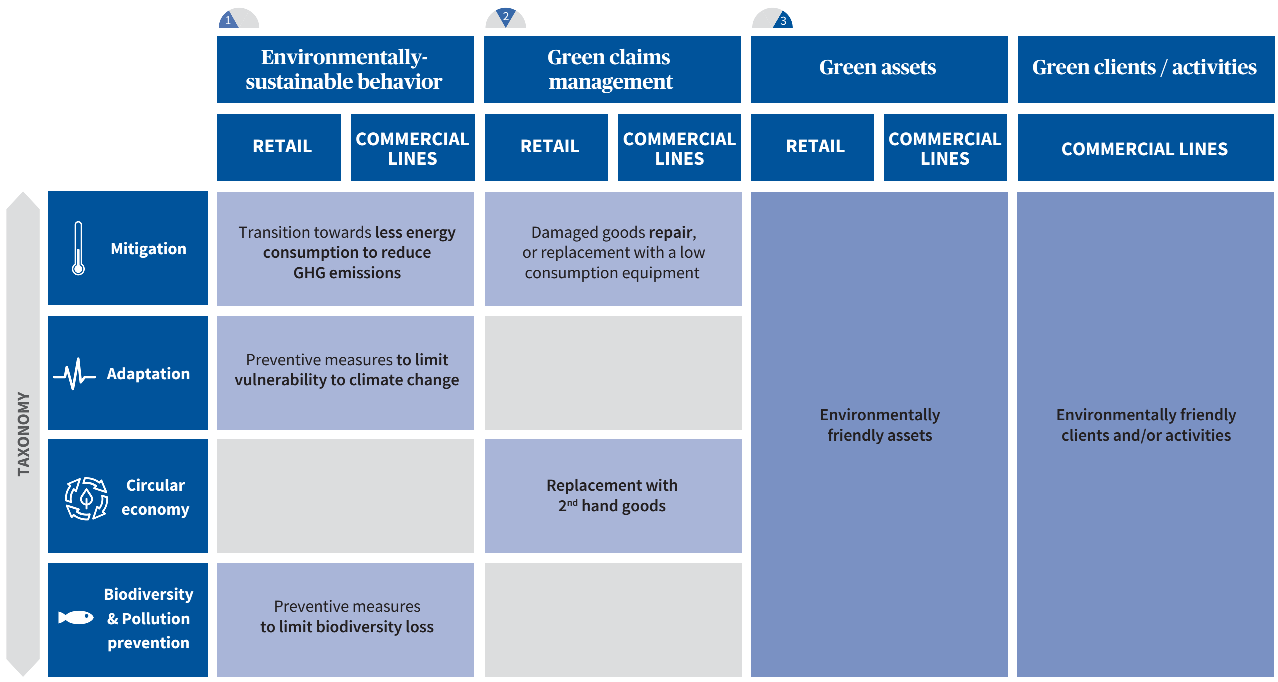
In 2021, AXA Group developed a Green Business Program (3) to deploy non-life/non-health products (insurance coverage or services) that contribute to:

- **climate change mitigation** – by encouraging the reduction of Greenhouse gas emissions (examples: low-emission energy infrastructure/vehicles);
- **climate change adaptation** – by supporting our clients being prepared to the consequences of climate change that is already happening (examples: resilient buildings, insurance on Nat Cat events);
- **transition to a circular economy** – by limiting the use of new raw material in our claims management (example: second-hand spare parts); or
- **limitation of biodiversity loss and pollution** – by protecting and restoring the natural site to its original state, prior to suffering the effects of a peril (example: Environmental Risk Insurance in case of an accidental pollution).

(1) Determined with support from the WWF experts.
LATAM: Brazil, Bolivia, Peru, Ecuador, Colombia, Venezuela, Guyana, Suriname, French Guiana, Paraguay, Argentina.
Congo Basin: Cameroon, Central African Republic, Democratic Republic of Congo, Republic of the Congo, Equatorial Guinea, Gabon.
South-East Asia: Cambodia, China (Yunnan and Guangxi), Lao PDR, Myanmar, Thailand, Vietnam, Papua New Guinea, Indonesia, Malaysia, Brunei. Australia.

(2) According to Sustainalytics' controversies database.

(3) Derived from the 6 environmental objectives of the EU Taxonomy Regulation: 1/climate change mitigation, 2/climate change adaptation, 3/sustainable use and protection of water and marine resources, 4/transition to a circular economy, 5/pollution prevention and control, 6/protection and restoration of biodiversity and ecosystems.



In terms of quantification, depending on the Green Business offering, AXA Group monitors the revenues (premiums for insurance products or fees for insurance services) or the claims.

In April 2022, as part of the *"AXA For Progress Index"*, AXA Group committed to increasing gross written premiums for Green Business offerings to €1.3bn by 2023 from €1.1bn in 2020. In 2022, €1.7bn of Green Premiums were collected. Based on this strong performance, AXA Group decided to increase its ambition and set a floor at €1.7bn for 2023.

Please refer to the Green Business Report for more details and examples [1].

INSURANCE AND BIODIVERSITY

One way to protect biodiversity is to mitigate risk of loss through innovative insurance mechanisms. With a particular focus on aquatic and coastal ecosystems – which are also essential reservoirs of biodiversity – AXA XL launched in 2021 its "Coastal Risk Index" (CRI). The CRI is an innovative tool that maps current and future coastal flooding in the resulting from climate change by comparing scenarios with and without coastal ecosystems, such as coral reefs and mangroves. This helps build the case for nature-based solutions.

AXA XL also put in place additional safeguards to support the detection of Illegal, Unreported, and Unregulated (IUU) fishing by requiring International Maritime Organization (IMO) numbers for all fishing vessels and refrigerated cargo vessels that it insures and adding further explicit checks on IUU fishing to its Marine Underwriting Rules and Guidelines.

Through AXA Climate, AXA XL is providing risk capacity for coral protection against tropical cyclones at four sites along the Mesoamerican reef in Mexico, Belize, Guatemala, and Honduras.

(1) www.axa.com/en/press/publications/AXA-Green-Business-Report-2022

Climate and biodiversity matters as a company

OUR OWN OPERATIONS IMPACTS ON CLIMATE CHANGE

AXA Group, as a responsible company, is committed to address climate change through its core operations. The impact of AXA Group's operations on climate change is identified as one of the key sustainability risks in 2022 (as explained in Section 4.1 "AXA Group's sustainability strategy – Sustainability risk assessment" of this Annual Report). AXA Group's own operations may have a negative impact on climate through its GHG emissions from heating and cooling, IT equipment and data centers, car fleet, and business travel. To reduce its impact and make sure it actively reduces its GHG emissions, AXA Group has set up an environmental management system for the entire Group. The annual environmental reporting enables AXA Group to track the progress made against a set of targets that are regularly updated to reflect the Group's ambition. Entities are coordinated and have assigned targets but also benefit from regular training, best-practice sharing, and guidelines. The results of this policy are displayed in detail in the following section with the GHG emissions from energy, car fleet, business travel and IT.

AXA's own operations 2019-2025 targets and 2022 performance are summarized in the table below:

(in Euro million)	Unit	2022	2021	2020	2019	Evolution 2022/2021	Target 2025/2019	Evolution 2022/2019
GHG Emissions Indicators of AXA Group [a]								
Total GHG Emissions								
Total GHG emissions Market-based	t CO_2 eq	230,200	163,791	196,183	339,630	41%		-32%
(1) Total GHG emissions of Energy, car fleet and business travel and IT (excluding commuting) (used in "AXA for Progress Index") ((1) =(2)+(3)+(4)+(5)+(6))	**t CO_2 eq**	**112,728**	**84,945**	**110,017**	**216,536**	**33%**	**-20%**	**-48%**
Total GHG emissions Location-based [b]	t CO_2 eq	251,966	185,286	219,203	365,423	36%		-31%
Breakdown by Scope								
Scope 1 GHG emissions								
(2) Scope 1 GHG emissions (Energy [c] and car fleet [d])	t CO_2 eq	23,280	23,362	26,292	37,889	0%	-25%	-39%
Scope 2 GHG emissions								
(3) Scope 2 GHG emissions Market-based (Energy [e])	t CO_2 eq	39,370	31,997	40,894	62,765	23%	-35%	-37%
Scope 2 GHG emissions Location-based (Energy [e'])	t CO_2 eq	61,136	53,492	63,914	88,558	14%		-31%
Scope 3 GHG emissions								
Scope 3 GHG emissions: Business travel, commuting and IT	t CO_2 eq	167,549	108,432	128,996	238,976	55%		-30%
o/w (4) GHG emissions Business Travel	t CO_2 eq	23,279	3,866	17,460	90,584	502%	-18%	-74%
o/w (5) GHG emissions purchased IT equipment's manufacturing [j]	t CO_2 eq	21,320	16,931	16,234	16,972			
o/w (6) GHG emissions purchased IT Services Market-based [k]	t CO_2 eq	5,478	8,789	9,136	8,326			
o/w GHG emissions Home/workplace commute [f]	t CO_2 eq	117.472	78.846	86.166	86.166	49%		-5%
Other views by Source								
GHG emissions from Energy consumption Market-based [(c)+(e)]	t CO_2 eq	44,292	38,437	49,415	73,431	15%	-35%	-40%
GHG emissions from Energy consumption Location-based [(c)+(e')]	t CO_2 eq	66,058	59,932	72,435	99,224	10%		-33%
GHG emissions from car fleet [d]	t CO_2 eq	18,359	16,922	17,771	27,223	8%	-20%	-33%

(in Euro million)	Unit	2022	2021	2020	2019	Evolution 2022/2021	Target 2025/2019	Evolution 2022/2019
GHG emissions IT Total Market-based [(h)+(i)+(j)+(k)]	t CO_2 eq	36,870	31,226	31,962	31,136			
o/w GHG emissions from electricity of data centers Market-based [(h)]	t CO_2 eq	5,947	1,882	2,492	2,488			
GHG emissions IT Total Location-based [(h')+(i)+(j)+(k')]	t CO_2 eq	42,645	37,825	37,611	36,278			
o/w GHG emissions from electricity of data centers Location-based [(h')]	t CO_2 eq	9,745	5,883	5,947	5,992			
o/w GHG emissions from electricity of terminals Location-based [(i)]	t CO_2 eq	4,126	3,624	4,099	3,350			
o/w GHG emissions purchased IT Services Location-based [(k')]	t CO_2 eq	7,454	11,386	11,331	9,964			
General Indicators								
Average Full Time Equivalent (FTE) of worforce [(l)]	FTE	115,842	114,749	117,623	121,337	1%		-5%
Internal area: occupied and vacant	m^2	1,353,322	1,441,136	1,538,964	1,629,198	-6%		-17%
Revenues	€ Million	102,345	99,931	96,723	103,532	2%		-1%
Number of terminals inventoried [(g)]	N	306,963	256,025	224,590	237,649			
Ratios								
Total GHG emissions (Market-based) per person	t CO_2 eq/ FTE	1.99	1.43	1.67	2.80	39%		-29%
Total GHG emissions (Market-based) Intensity per revenue	t CO_2 eq/€ million	2.25	1.64	2.03	3.28	37%		-31%
Home/workplace commute GHG emissions per person [(f)]	t CO_2 eq/ FTE	1.15	0.79	0.89	1.19	45%		-3%

(a) Environmental Data collected from 90 entities. AXA Group sites with fewer than 50 FTEs are not included in data collection, but are part of extrapolation process. In 2022, environmental indicators were collected for 92,695 FTEs working on AXA Group sites (unless otherwise indicated in these footnotes), and were then extrapolated, continent by continent, to cover all 115,842 FTEs (all types of contract), working at the AXA Group in average in 2022. For the environmental impact for the use of digital equipment and services: full scope of AXA Group in 2022, AXA XL, IM & US and some local data centers (AXA Partners, AXA IM & AXA GO Spain, AXA GO Asia) beeing integrated this year.

(b) Location based: using average electricity emission factor in the country.

(c) Natural gas, biogas, heating oil.

(d) AXA Group vehicle fleet data was collected from entities representing 92,695 FTEs.

(e) and (e') Includes electricity, steam and chilled water.

(f) Does not include company cars, to avoid double counting with the AXA Group's vehicle fleet data.

(g) In-used inventory of laptop, desktop, smartphones, tablets, monitors for AXA Group workforce.

(h) and (h') With the Scope 2 methodology defined by Greenhouse Gas Protocol https://ghgprotocol.org/

(i) Calculation relies on in-used inventory of laptop, desktop, smartphones, tablets, monitors and usage hypotheses. It assumes similar consumption in AXA Group offices and at employees' when they work from home.

(j) Calculation of the manufacturing of equipment such as servers, laptops, desktops, smartphones, etc. are based on equipment inventories, average holding time and equipment manufacturing published by suppliers (or the best available estimate based on the public databases of ADEME (https://www.bilans-ges.ademe.fr/) and the REN of The Shift Project (https://theshift project.org/wp-content/uploads/2019/04/Lean-ICT-Materials-REN-2018-updated-in-April-2019.xlsx)).

(k) and (k') Purchased IT services covers emissions of major service providers Amazon, Microsoft Azure, Google Cloud Platform, Microsoft O365, Orange and Salesforce. They are related to ***(i)*** *the manufacture of equipment of external data centers and* ***(ii)*** *emissions related to the energy consumption of these external data centers for the data processed for AXA Group in Market-based and Location-based. Emission sources are either based on information from service providers or on estimates/extrapolations when no measured data is available, in particular on emissions related to the manufacturing of equipment.*

(l) Total workforce of salaried (with open-ended contract and fixed-term contract) and non-salaried (contingent workers).

AXA Group continues to work on the deployment of its action plan to achieve its objectives by 2025. AXA Group aims at reducing the footprint of its operations on all the "Scopes" of its greenhouse gas emissions (1):

- Scope 1: emissions related to fuel combustion on AXA Group's sites (gas, heating oil…) as well by vehicle fleet;
- Scope 2: emissions from purchased energy (mainly electricity consumed in AXA Group buildings); and
- Scope 3: emissions from business travel and IT activities.

These objectives are based on the approach promoted by the Science Based Targets initiative (SBTi), which AXA Group joined in 2015. More specifically, AXA Group has chosen the "Sectoral Approach to Decarbonization" to define its 2019-2025 objectives, aimed at achieving the goals of the COP21 Paris Agreement. AXA Group has submitted to the SBTi a target of -31% for Scope 1 and 2 perimeters. These targets have been set for each entity of AXA Group to help them steer their emissions at the local level. Moreover, internal operations-related carbon footprint reduction is now a criterion in the Long-Term Incentive (LTI), for profit-sharing attribution as well as entities' CEO target letters – please refer to Section 3.2 "Executive compensation and share ownership" and Section 4.2 "Employer Responsibility" of this Annual Report.

This objective is part of a broader framework that integrates the new measures related to AXA Group's IT activities and which translates into an overall reduction of the Group's GHG emissions of 20% by 2025 compared to 2019 (Scope 1, Scope 2 and Scope 3 business travel and IT equipment manufacturing and services). With the goal of becoming carbon neutral by 2025, AXA Group's GHG emissions reduction is one of the components of the "AXA Progress Index", as explained in Section 4.1 "AXA Group's sustainability strategy" of this Annual Report.

Please note that AXA Group does not set a target for employee commuting as the various constraints related to commuting (personal choice of employees, location, infrastructure, etc.) are not within the control of AXA Group.

Besides, it should be noted that, in addition to the emissions associated to its own operations, the overall Scope 3 GHG emissions of AXA Group include the financed emissions, which correspond to the carbon footprint of General Account assets, and the insurance associated emissions that are currently evaluated in the context of the Net Zero Insurance Alliance. For further details, please refer to Section 4.3 "Climate and biodiversity matters as an investor – Consideration of climate in investment portfolio management – Impact of AXA Group's investments on climate: Carbon footprint" and to Section "Climate and biodiversity matters as an insurer – Consideration of climate in insurance portfolio" above.

2022 environmental performance

GHG EMISSIONS: ANALYSIS BY SCOPE

GHG emissions related to energy consumption, car fleet, business travel and IT decreased by 48% between 2019 and 2022 and amounted to 112,728 tons equivalent CO_2 (t CO_2 eq) in 2022, well below the 2022 target of 185,267 t CO_2 eq which has been set to achieve a 20% reduction target between 2019 and 2025. After two years of substantially reduced GHG emissions due to the containment measures and travel restrictions in the context of the COVID-19 pandemic, the reopening of offices and the resumption of business travel have led to a sharp increase in emissions compared to 2021 (+33%), which nevertheless remains below pre-pandemic levels.

In 2022, 39% of the Group's GHG emissions were related to energy consumption, 24% to IT, 21% to business travel (air and rail), and 16% to AXA Group's vehicle fleet.

Scope 1 GHG emissions

AXA Group's Scope 1 emissions include the GHG emissions generated by gas and heating oil burned on site, as well as the fuel used by the Group's automobile fleets. The calculation of CO_2 eq emissions related to primary energy consumption for buildings is done using ADEME emission factors or those communicated by the supplier for renewable energies such as biogas. For car fleet emissions, an emission factor per kilometer is applied based on the vehicle's emission range. To consider regulatory changes vehicles acquired or leased from 2020 onwards are classified according to the WLTP (2) standard.

In 2022, Scope 1 GHG emissions amounted to 23,280 t CO_2 eq, in line with 2021 results. AXA Group's target for 2022 was 32,860 t CO_2 eq and was set to achieve the 25% reduction target between 2019 and 2025. Compared to 2021, the increase of consumption in some sites was mainly driven by the return to the offices after the COVID-19 crisis and was compensated by the efforts performed by other sites to optimize their energy consumption and reduce office space.

The use of the vehicle fleet in 2022 has increased compared to 2021, with a switch to low emitting vehicle in some countries, limiting the increase in CO_2 emissions to 8%.

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(1) *As defined by the "Greenhouse Gas Protocol": www.ghgprotocol.org*

(2) *The WLTP (World harmonized Light-duty vehicles Test Procedure) is a global harmonized standard for determining the levels of pollutants, CO_2 emissions and fuel consumption of traditional and hybrid cars, as well as the range of fully electric vehicles.*

Scope 2 GHG emissions

The CO_2 equivalent emissions related to electricity consumption were calculated on the basis of consumption in kilowatt-hours (kWh). In cases where the primary source of energy is well identified, ADEME emissions factors were used. In cases where this information is not available, AXA Group used either the emission factor provided by the electricity suppliers, also called Market-Based, or the average emission factor for electricity in the country concerned, also called Location-based (source ADEME or European Environment Agency for European countries).

For other secondary energy sources (heating and cooling networks), AXA Group used the emission factors provided by ADEME or directly by the supplier when the energy was produced from a renewable primary source.

In 2022, Scope 2 GHG emissions amounted to 39,370 t CO_2 eq, which represented a decrease of 37% compared to 2019 and was even lower than the target of 50,728, t CO_2 eq that was set by AXA Group for 2022, to achieve a 35% decrease between 2019 and 2025. As compared to 2021, the Scope 2 GHG emission increased by 23%, mainly due to the increase in consumption resulting from the return to the buildings after the COVID-19 pandemic, and the inclusion in the reporting scope of additional data centers in Asia and America.

Scope 3 GHG emissions

While AXA Group's Scope 3 GHG emissions include GHG emissions related to business travel, digital equipment consumption (computers, fixed and cell phones, storage tools, cloud storage servers) and employee commuting, AXA Group's Scope 3 target for the period 2019-2025 only includes business travel. For business travel, AXA Group used the emission factors provided by ADEME and the UK Department for Environment, Food and Rural Affairs (DEFRA).

In 2022, AXA Group's Scope 3 business travel emissions amounted to 23,279 t CO_2 eq. They significantly increased compared to 2021 (+502%) due to the end of border restrictions and the fast resumption of business travel, which could not take place during the pandemic. Yet, the emissions associated to business travel decreased by 74% compared to 2019, well beyond the 2025 target of 18% reduction (corresponding to a yearly target of 82,149 t CO_2 eq for 2022). After a sharp decline of business travel in 2021 due to the COVID-19 crisis, the significant increase in 2022 reflects the return to normal conditions with the removal of the travel restrictions. Nevertheless, the performance against the yearly target confirms sustained changes of habit.

AXA Group also measures the carbon emissions related to its employee commuting, even though such indirect emissions may be outside of the scope of the Group's responsibilities. In 2022, the results are calculated on the basis of responses collected from 31 entities, then extrapolated to the entire Group. It is estimated that AXA Group employees commuted a total of 1,242 million of kilometers, out of which 46% travelled by public transport, 5% by company cars, and 45% by personal vehicles and the rest by foot or bicycle. Scope 3 employee commuting emissions are estimated at 117,472 t CO_2 eq in 2022, decreasing by 5% *versus* 2019. Employee commuting-related CO_2 emissions per FTE decreased by 3% compared to 2019 (representing 1.15 t CO_2 eq per FTE in 2022). This decrease in emission was linked to a decrease of commuting due to hybrid work mode scheme put in place in most AXA Group entities – refer to Section 4.2 "Employer Responsibility".

IT Scope 3 GHG emissions (equipment manufacturing and services) amounted to 26,798 t CO_2 eq in 2022, an increase compared to 25,720 t CO_2 eq in 2021, mainly due to scope extension. The monitoring of Scope 3 GHG emissions related to AXA Group's IT impacts is part of a broader program aiming at steering the impact of AXA Group's digital activities (refer to paragraph "Environmental impact related to the use of digital equipment").

Total AXA Group's Scope 3 emissions (business travel, commuting and digital equipment and services) amounted to 167,549 t CO_2 eq in 2022.

ANALYSIS PER CONSUMPTION ITEMS

2022 was marked by the end of COVID-19 measures and the return to the office, whose effects were partly offset by a continued increase in hybrid working arrangements in all AXA Group entities with the implementation of "Smart Working", and energy sobriety plans deployed in Europe. Those changes had significant impacts on all AXA Group's energy consumption indicators, presented in the table below.

Environmental Consumption Indicators of AXA Group [(a)]	Unit	2022	2021	2020	2019	Evolution 2022/2021	Target 2025/2019	Evolution 2022/2019
Consumption Indicators source of GHG Emission								
ENERGY								
Total energy consumption [(b)]	MWh	236,986	233,927	260,992	305,500	1%	-10%	-22%
o/w Electricity consumption	MWh	183,184	168,312	193,113	203,335	9%		-10%
o/w Electricity consumption: data centers [(c)]	MWh	40,874	31,910	32,874	32,146			
o/w Electricity consumption: terminals [(d)]	MWh	12,854	9,939	10,456	10,646			
Share of renewable electricity	%	61%	64%	57%	59%	-5%	100%	4%
Share of non-renewable electricity	%	39%	36%	43%	41%	8%	0%	-5%
TRANSPORTATION								
Business travel: train and airplane	Thousands of km	133,362	28,086	88,276	393,322	375%		-66%
AXA's car fleet	Thousands of km	160,700	141,881	146,765	220,173	13%		-27%
Home/workplace commute (round trip) [(e)]	Thousands of km	1,241,792	775,498	683,788	976,840	60%		27%
Other Environmental Indicators								
PAPER [(f)]								
Office paper consumption	T	531	552	1,082	1,384	-4%		-62%
Share of recycled paper and/or guaranteeing sustainable management: office	%	55%	64%	48%	58%	-14%		-4%
Marketing and distribution paper consumption	T	5,028	6,538	4,528	6,153	-23%		-18%
Share of recycled and/or sustainably managed paper: marketing and distribution	%	70%	65%	80%	72%	8%		-2%
Total share of recycled and/or sustainably managed paper	%	69%	65%	74%	na	6%		na
WATER [(g)]								
Water consumption	m^3	456,289	370,300	566,155	850,506	23%		-46%
WASTE								
Total waste	T	4,834	4,289	5,430	na	13%		na
o/w Unsorted waste [(h)]	T	2,658	2,159	2,712	4,646	23%		-43%
Share of waste recycled (total sorted/total waste)	%	45%	50%	50%	na	-9%		na
General Indicators								
Average Full Time Equivalent (FTE) of worforce [(i)]	FTE	115,842	114,749	117,623	121,337	1%		-5%
Internal area: occupied and vacant	m^2	1,353,322	1,441,136	1,538,964	1,629,198	-6%		-17%
Number of terminals inventoried [(d)]	N	306,963	256,025	224,590	237,649			
Ratios								
Office and Marketing & Distribution paper per FTE	kg/FTE	48.0	61.8	47.7	62.1	-22%	-20%	-23%
Water consumption per person	m^3/FTE	3.9	3.2	4.8	7.0	22%	-10%	-44%
Unsorted waste per person	kg/FTE	22.9	18.8	23.1	38.3	22%	-10%	-40%

(a) Environmental Data collected from 90 entities. AXA Group sites with fewer than 50 FTEs are not included in data collection, but are part of extrapolation process. For the environmental impact for the use of digital equipment and services: full scope of AXA Group since 2022 (AXA XL & US were out scope until 2021).

(b) Includes electricity, natural gas, heating oil, steam, chilled water.

(c) Scope of the AXA Group data centers extended to AXA IM, AXA XL and some local data centers (AXA Partners, AXA IM & AXA GO Spain, AXA GO Asia). Data reported represent the best estimate available. Data accuracy have improved since the beginning of Digital Sustainability program, but there are still improvements to come that may impact the measures on local data center tracking (some data centers are missing in UK, Japan, Mexico...).

(d) Calculation relies on in-used inventory of laptops, desktops, smartphones, tablets, monitors and usage hypotheses. It assumes similar consumption in AXA Group offices and at employees' when they work from home.

(e) Excluding company cars to avoid double counting with AXA Group's vehicles fleet.

(f) Paper data collected from entities representing 92,695 FTEs.

(g) This data has been collected from entities representing 92,695 FTEs.

(h) Unsorted waste data collected from entities 92,695 FTEs.

(i) Total workforce of salaried (with open-ended contract and fixed-term contract) and non-salaried (contingent workers).

Energy consumption

AXA Group's energy consumption includes the total energy consumed (heating, cooling, daily operations electricity) by its corporate sites (heating, cooling, daily operations electricity) and data centers during the reporting year. In 2022 total energy mix consisted of electricity (77%), gas (8%), carbon neutral/renewable steam (7%), steam (3%), biogas (3%), chilled water (2%) and heating oil (less than 1%).

AXA Group's total energy consumption was 236,986 MWh for 2022, rather stable compared to 2021 (+1%) and represented a decrease of 22% as compared to 2019. This consumption was lower than the 2022 target of 289,823 MWh that was set by AXA Group for 2022 to achieve a 10% decrease between 2019 and 2025. In 2022, consumption increased in some sites driven by the return to the office after the COVID-19 crisis however some entities have continued efforts to save energy and reduce office space.

In 2022, 79 out of the 206 office sites included in the environmental reporting received an environmental certificate under building certification programs such as BREEAM (Building Research Establishment Environmental Assessment Methodology), LEED (Leadership in Energy and Environmental Design), HQE (High Quality Environmental Standard), etc. This represented 38% of sites compared to 34% in 2021.

In parallel with the certification of the buildings, the entities also implement energy saving measures in their buildings in order to reduce their GHG emissions. On the one hand, for most of these entities, these measures take the form of the installation of centralized air conditioning systems, the reduction of heating or cooling when necessary and the establishment of minimum and maximum temperature thresholds. And on the other hand, these measures are also accompanied by investments in more sober equipment such as Low-Energy Lighting (LED), double glazing to reduce energy losses and lighting by motion detector to save electricity and use light according to use.

In 2022, 61% of the electricity consumed by AXA Group was coming from renewable energy sources (hydro, wind, solar, geothermal, biomass) which shows a slight decrease of 5% compared to 2021 (64%). This is mainly explained by changes in the geographical consumption mix, with a decrease in electricity consumption in Europe (following the implementation of sobriety plans) where the share of renewable electricity is higher, compensated by an increase in America and Asia (inclusion of some data centers) where entities still need to enhance their sourcing of renewable energy. AXA Group's "RE100" objective is to reach 100% by 2025, and 7 entities have already achieved 100% renewable electricity in 2022.

Business travel

Business travel measured in kilometers increased by 375% between 2021 and 2022, from 28 million km in 2021 to 133 million km in 2022, mainly explained by the removal of travel restrictions after the COVID-19 crisis (as explained in "Scope 3 GHG emissions" above). However, the number of kilometers has significantly decreased as compared to 2019 (-66%) due to reduction on business travel in policies applied in many entities across AXA Group.

Vehicle fleet

AXA Group's fleet is made up of commercial and corporate vehicles. The standards for calculating vehicle emissions are evolving with the deployment of the WLTP standards. Vehicles acquired or leased from 2020 onwards are classified according to these new standards.

In 2022, the total distance traveled by the AXA Group's vehicle fleet was 161 million of km, up 13% from 2021, but reduced by 27% as compared to 2019, which was not impacted by COVID-19 measures.

AXA Group entities are striving to reduce the impact of their vehicle fleet. As part of this effort, some entities are increasing the efficiency of their vehicle fleet by offering a wide range of low-emission electric vehicles.

As a result, in 2022, 31% of the kilometers traveled by AXA Group's vehicle fleet were covered by hybrid and electric cars, compared to 25% in 2021, an increase of nearly 23%.

Paper

AXA Group's paper usage includes office paper and marketing and distribution paper (brochures, etc.) and is measured per employee. AXA Group's total paper consumption was 48 kg/FTE in 2022 *versus* 62 kg/FTE in 2021, *i.e.,* a decrease of 22%. 2022 target was 55 kg/FTE (AXA Group target is 20% reduction between 2019 and 2025 target).

AXA Group also strives to increase the volume of paper from recycled sources or sustainably managed forests. In 2022, 69% of office paper was procured from recycled sources compared to 65% in 2021.

Water consumption

AXA Group's water consumption was 3.9 m^3/FTE, representing an increase of 22% compared to 2021. The target for 2022 was 6.7 m^3/FTE (target is 10% reduction between 2019 and 2025). This reduction in water consumption compared with the target reflects better water management initiatives by the entities (dual-flush toilets, automatic faucet shut-offs, faucet aerators, leak detection, etc.), but the increase compared to previous year is due to the return to the office after COVID-19 crisis.

Waste management

AXA Group contributes to waste reduction and sorting for recycling.

The amount of unsorted waste was 23 kg/FTE in 2022, representing an increase of 22% compared to 2021, mainly due to the return to the offices after the COVID-19 crisis. The target for 2022 was 36 kg/FTE (the reduction target is 10% between 2019 and 2025). The performance against yearly target is due to local initiatives, in some entities, to reduce waste and develop sorting.

The total amount of waste generated by AXA Group was 4,834 tons in 2022 compared to 4,289 tons in 2021, representing an increase of 13%; the recycling rate (sorted waste/total waste) was 45% in 2022, decreasing by 9% compared to 2021.

Environmental impact related to the use of digital equipment

AXA Group has the ambition to leverage new technologies and data to improve its operational efficiency. However, for several years now, the growing environmental impact of Information and Communications Technology (ICT) is acknowledged. Therefore, AXA Group's IT Department launched the "Digital Sustainability" program in 2020. This program aims at measuring the environmental impact of ICT and at identifying levers to reduce it. In 2022, the program has moved onto the next step to:

- continuously improve measurement accuracy with a broader scope now covering AXA XL, AXA IM, AXA Partners, AXA GO Spain, AXA GO Asia; more accurate inventories on workplace; more accurate data from service providers. Since the beginning, AXA Group is in the process of consolidating its ICT footprint and improving data accuracy with improvements still to come that may impact the measurement;
- secure contribution to the 20% reduction of AXA Group's CO_2 emissions (energy, car fleet and business travel, and IT equipment and services) with the inclusion of the "Digital Sustainability" program in Global IT Programs' governance and strengthening the role of Digital Sustainability Leaders of entities across the world, thanks to dedicated teams and locally-defined targets to track the implementation of levers in their operations;
- work on reducing the pressure on demand for new equipment by extending equipment lifespan, minimizing the number of devices per employee, considering "Bring your own device" practices or the purchase of reconditioned equipment;
- secure timely cloud migration, decommissioning of replaced servers and assess the potential impact of new projects in terms of CO_2 emissions. AXA Group expects better performance from cloud computing hyperscalers compared to data centers it operates directly. Despite the progress already achieved, the Group lacks readily available and reliable data on electricity consumption, quantitative data for digital waste management, and information on equipment lifecycle policy and their footprint to confirm this assumption (AXA Group is relying on the hyperscalers to report on the cloud CO_2 performance);
- improve the Group's enterprise architecture, software development, data science and data management practices to make them more sustainable. This lever is important to optimize the Group's activities but requires time to produce quantitative results;
- onboard procurement teams & IT suppliers through dedicated global meetings and continuous discussions to improve the measurement accuracy;
- raise climate change awareness among employees leveraging the AXA Climate Academy (refer to Section 4.2 "Employer Responsibility" of this Annual Report); and
- renew the partnership with The Shift Project Lean-ICT program for the next two years to get scientific support for the Group's approach and encourage the shift of the IT market toward more sustainable business models.

AXA Group's digital footprint was 36,870 t CO_2 eq in 2022 (Market-based); this is a significant increase compared to 2021 due to changes in the methodology and increase of the scope in 2022. On a comparable reporting scope basis, the digital footprint has increased by 6% compared to 2021, and 7% compared to 2019, mainly reflecting more accurate inventories for workstations, consequently resulting in an increase of the considered devices.

This footprint is divided into four main categories:

- 40,874 MWh corresponding to 5,947 t CO_2 eq (Market-based) [(1)] related to electricity consumption of servers directly used and operated by AXA Group Operations in its data centers. The increase in 2022 is due to a broader scope now covering AXA XL, AXA IM, AXA Partners, AXA GO Spain, AXA GO Asia. We observed a 9% decrease in electricity consumption and a 6% decrease in market-based CO_2 eq emissions between 2021 and 2022 on comparable scope due to the transfer of services from AXA Group data centers to the cloud;
- 12,854 MWh corresponding to 4,126 t CO_2 eq (Location-based) [(1)] linked to the electricity consumption of the terminals used by employees and contractors involved in activities (computers, monitors, cell phones, tablets). The calculation method is based on internal inventories and manufacturers' data. The measurement includes a subset of Scope 2 (for consumption in AXA Group buildings) as well as a Scope 3 part in the case of remote work. The quality of inventories has improved with an increase by 10% of the number of tracked mobile terminals since 2021, especially on monitors. As a consequence, there was a 22% increase in electricity consumption between 2021 and 2022 on a comparable scope, as well as a 4% increase in GHG emissions;
- 21,320 t CO_2 eq related to the manufacturing of digital equipment used by AXA Group. The calculation method is based on inventories, manufacturers' data, and public data, as well as the average equipment lifespan (Scope 3 emissions). A 10% increase in CO_2 eq emissions as compared to 2021 on a comparable basis was observed mainly due to a more accurate inventory on workstation equipment; and
- 5,478 t CO_2 eq in connection with the purchase of cloud computing services by AXA Group from its main providers: Amazon, Microsoft Azure, Google Cloud Platform, Microsoft O365, Orange and Salesforce. The reporting scope was extended to AXA XL in 2022. Emission sources are either based on information from service providers or on estimates/extrapolations when no measurement of emissions related to the manufacturing of equipment is provided. In 2022, the CDP calculation was completely replaced by service providers' data

(1) With the Scope 2 methodology defined by the Greenhouse Gas Protocol https://ghgprotocol.org/

and methodology which led to a decrease in CO_2 eq emissions. In addition, we observed a decrease in CO_2 eq emissions between 2021 and 2022 despite an increase in electricity consumption. Service providers explain this result is an outcome of improved efficiency as well as the fact that the grids they operate on emit less carbon year over year without providing detailed proof such as information on electricity consumption, electricity mix hypothesis, equipment life cycle. In the current measurement, the Group observed a 9% increase of CO_2 eq emissions (market-based) between 2019 and 2022 on a comparable basis due to increased electricity consumption, and a 6% decrease between 2021 and 2022 on a comparable basis.

Carbon neutrality and offsetting

By offsetting 2020 GHG emissions related to energy, car fleet, business travel and IT equipment and services AXA Group's operations have been carbon neutral since 2021. To compensate the full year 2022 carbon footprint of its operations (112,728 t CO_2 eq), AXA Group selected two projects: one to promote rural biogas development in China and another one aiming at restoring and reserving peatlands in Indonesia. In China, the project supports nearly 1M low-income rural households with advanced biogas digesters and smoke-free biogas cooking stoves. In Indonesia, the project protects vital habitat for a range of flora and fauna including 5 critically endangered, 8 endangered and 31 vulnerable species.

CLIMATE CHANGE IMPACT ON AXA GROUP'S OWN OPERATIONS

Climate change may also impact AXA Group's own operations mostly *via* the physical risks incurred by its buildings and the disruption in activities they can cause. Climate hazards can also impact the health and safety of the Group's employees. This risk has been identified in the ESG risk assessment conducted in 2022 (refer to the Section 4.1 "AXA Group sustainability strategy – Sustainability risk assessment" of this Annual Report). Information in this Section should be read in conjunction with Section 5.7 "Operational risk" of this Annual Report as climate risks are part of the broader Operational Risks.

Operational resilience seeks to ensure the continuity of services to AXA Group's customers, through the protection of its employees and operations in case of major events including climate hazards. AXA Group's operational resilience teams are working to reduce those risks and ensure the appropriate level of readiness to effectively respond. A dedicated governance oversees the management of crisis events across the Group.

The following initiatives and policies are deployed in all the entities:

- map, *via* a monitoring dashboard of natural disasters, the different types of natural disasters threatening AXA Group's operations and implement the relevant protection measures;
- following Group guidelines, entities identify the critical business processes, dependencies (both internal and with third parties) and associated resources that must be maintained throughout a crisis, to ensure continuity of operations and mitigate the impact on the Group's customers;
- entities prepare recovery plans for their business-critical process, to address the effects of disruptive events such as the loss of buildings, people, technology and critical third parties;
- High Risk Scenario Plans are developed for the top risks that entities are exposed to, addressing both tactical and strategic considerations required to respond effectively;
- AXA Group entities' Incident and Crisis Management Teams are trained on regular basis and conduct exercises to ensure they are well rehearsed to respond effectively and protect the Group's employees, customers, critical operations, regulatory compliance, financial performance and reputation;
- regular coordination and enhancement of multi-entity Crisis planning for Group High Risk Scenarios: pandemic, catastrophic event impacting a business-critical operation, flood, cyberattacks & civil unrest; and
- implementation of an information crisis management tool to ensure an effective response, even in a scenario where communication infrastructure may be impacted.

In 2022, the Group organized a Climate Resilience Seminar bringing together all expertise within AXA Group to enhance its resilience to Climate Change related risks and define a clear roadmap to be launched in 2023.

AXA Group also started the development of the Flood Readiness Guidelines, with the aim of making the expertise and knowledge publicly available, supporting the broader community resilience to potentially critical climate related hazards.

In order to regularly measure and monitor the evolution of its business continuity capabilities, which is a fundamental operational resilience building block to ensure readiness to climate change risks, the Group measures the number of entities that have tested all business continuity plans for high and mission critical business processes. By 2022, 95% of entities have completed all these tests, with an annual target of 100%.

Climate, biodiversity and ESG-related "outreach" and engagement

AXA Group supports several climate, biodiversity and ESG initiatives. These include the following initiatives:

- **TCFD:** AXA Group co-presided the global industry-led Task Force on Climate Related Financial Disclosures (TCFD) upon its launch in December 2015. The TCFD was set up by the Financial Stability Board (FSB) and chaired by Michael Bloomberg and Mark Carney (former Governor of the Bank of England, now UN Special Envoy for Climate Action). The TCFD provides guidance on how to disclose climate change risk and opportunities. In 2019, the FSB approved AXA Group's renewed membership of the TCFD, notably with an ambition to investigate the relevance of "investment temperature" metrics.
- **TNFD:** AXA Group is a member of TNFD. Its members include both financial institutions and corporates. It is developing an industry standard to identify and mitigate impacts, dependencies and risks related to nature. A beta framework was released in March 2022. Testing and refinement will continue until mid-2023 in consultation with key knowledge partners. AXA Group is a member of the Metrics and Targets Working Group and is actively working with other members to identify the best existing approaches. TNFD membership also provides AXA Group with access to best practice on identifying and mitigating biodiversity-related risks.
- **GFANZ:** the Glasgow Financial Alliance for Net Zero (GFANZ) is a coalition of non-state actors committed to align with the goal of Net-Zero by 2050. AXA Group is a member of the GFANZ Real Economy Transition Plan Working Group. It participates in GFANZ *via* the Net Zero Asset Owner Alliance (NZAOA), the Net Zero Insurance Alliance (NZIA), and the Net Zero Asset Managers Initiative (NZAMI):
  - **NZAOA:** AXA Group joined the UN-led Net-Zero Asset Owner Alliance in November 2019. NZAOA is an international group of institutional investors committed to transitioning their investment portfolios to Net-Zero GHG (Greenhouse Gas) emissions by 2050. This involves regular reporting on progress, including establishing intermediate targets every five years;
  - **NZIA:** As Chair of the Net Zero Insurance Alliance, AXA Group played an important role in its founding and development in 2021; and
  - **NZAMI:** AXA Group's Asset Management business, AXA IM, is a member of the Net Zero Asset Managers Initiative which brings together an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to +1.5°C; and to supporting investing aligned with net zero emissions by 2050 or sooner.
- **ORRAA:** AXA Group is a co-chair of the Ocean Risk and Resilience Action Alliance (ORRAA). This was formed following the 2018 Ocean Risk Summit. ORRAA brings together the finance and insurance sectors along with governments, non-profits, and stakeholders to: drive investment in marine and coastal natural capital; reduce ocean and climate risks; and build resilience in coastal communities.
- **Sustainable Blue Economy Finance Initiative:** AXA Group became a member in 2021. It has signed up to the Sustainable Blue Economy Finance Principles and endorsed the #BackBlue commitment. This initiative, founded by the European Commission and other institutions, provides key principles to promote the implementation of Sustainable Development Goal 14 (Life Below Water) and set out ocean-specific standards.
- **Poseidon Principles:** AXA Group became a signatory of the Poseidon Principles for Marine Insurance (PPMI) in 2022 [(1)]. This initiative was developed in an effort spearheaded by global insurance institutions in collaboration with leading industry player and maritime expert support. It recognizes the role of insurers in promoting responsible environmental stewardship throughout the maritime value chain, hence providing tools to foster collaboration with clients, gain insight to enhance strategic decision-making, and address the impacts of climate change.
- **Climate Finance Leadership Initiative:** the Climate Finance Leadership Initiative (CFLI), which was launched in September 2018 by the UN Secretary General, and is presided by Michael Bloomberg, seeks to develop standardized and securitized investments at scale to tackle climate change.
- **Alliance of CEO Climate Leaders:** this is a group of 50 CEOs set up by the World Economic Forum (Davos) to actively engage in global efforts to create market opportunities for tackling climate change. Its goals are to promote strong climate action including a commitment to reduce carbon emissions, to support the TCFD, to support low-carbon solutions and finance, and to promote adequate regulation. AXA Group joined in 2018.
- **IDF:** The Insurance Development Forum (IDF) is an insurance industry-led public-private partnership dedicated to closing the insurance protection gap in countries vulnerable to the impacts of Climate Change. It is supported by the United Nations and the World Bank, gathering members from the public sector, multilateral organizations, NGOs and civil society.

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(1) *For more information: https://www.poseidonprinciples.org/insurance/news/poseidon-principles-for-marine-insurance-hold-founding-meeting-and-enter-into-force-with-navium-and- AXA XL-as-latest-signatories/*

Biodiversity-related pledges supported by AXA Group include: Act4Nature, "Business for Nature", the "Finance for Biodiversity" initiative, and Financial Sector Commitment on Eliminating Agricultural Commodity-Driven Deforestation at COP26 ("DEFRA Pledge"). AXA Group also supported the Joint Declaration on the creation of a global coalition for blue carbon at the One Ocean Summit, held in Brest in February 2022.

Over the years, AXA Group has and continues to lend support some of the largest Investor and Insurance-led coalitions including: UN PRI [1], UN PSI [2], UN Global Compact, Carbon Disclosure Project (CDP), ORSE, EpE and Finance for Tomorrow.

Group Climate Indicators

Indicators	Unit	2022	2021	Evolution	Target	Timeline
As an Investor						
Carbon footprint of AXA's portfolio (General Account Assets)	tCO_2/EV €m [(a)]	-35% [(b)]	-29% [(b)]	-6 pt	-20%	2019-2025
Green Investments	€ billion	25.1	22.6	11%	26	2023
Warming potential	°C	N/A [(c)]	+2.6	N/A	N/A	N/A
Climate value-at-risk	N/A	N/A [(d)]	11% [(e)]	N/A	N/A	N/A
As an Insurer						
Green Premiums	€ billion	1.7	1.4	21%	1.3 [(f)]	2023
As an Exemplary company						
Carbon footprint of AXA's own operations (energy, car fleet, business travel, digital)	tCO_2	-48%	-61% [(g)]	+13 pt	-20%	2019-2025
Share of employees who have been upskilled on climate issues	employees	87% [(h)]	13% [(h)]	+74 pt	100%	2023
Number of entities that tested all Business Continuity Plans for High/Mission critical business processes	entities	95%	N/A	N/A	100%	Annually

(a) In tons of CO_2 equivalent per millions of euros of Enterprise Value.

(b) These results are subject to volatility, namely linked to the industry evolution of carbon emissions, financial markets' performance and coverage of issuers AXA has invested in which may evolve over time. AXA's priority is to achieve -20% carbon footprint reduction target by 2025 with 2019 as the base year.

(c) The Warming potential at the end of 2022 will be available in AXA SA's annual "Climate and Biodiversity Report" 2023.

(d) The Climate Value-at-Risk at the end of 2022 will be available in AXA SA's annual "Climate and Biodiversity Report" 2023.

(e) Climate Value-at-Risk for +1.5°C climate scenario.

(f) Based on the strong performance in 2022, AXA Group decided to increase its ambition and set a floor at €1.7 billion for 2023.

(g) COVID-19 crisis impact.

(h) Share of permanent employees within the SDR (Social Data Reports) Scope who have been trained in climate issues, completing the AXA Climate Academy or with a similar local initiative, excluding new joiners and long absences (according to local management rules).

(1) United Nations Principles for Responsible Investment (UN PRI) was launched in 2005 and is an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact.

(2) United Nations Principles for Sustainable Insurance (UN PSI) was launched at the 2012 UN Conference on Sustainable Development; the UN PSI serves as a global framework for the insurance industry to address environmental, social and governance risks and opportunities.

4.4 INCLUSIVE INSURER

Building on its purpose *"Act for human progress by protecting what matters",* the AXA Group manages initiatives towards climate and biodiversity as an insurer, an investor and a responsible company (refer to AXA SA's annual "Climate and Biodiversity Report"). In 2021, the AXA Group strengthened its sustainability strategy with a pillar dedicated to inclusive protection and the integration of a dedicated indicator in the *"AXA for Progress Index"* (refer to Section 4.1 "AXA Group's sustainability strategy" of this Annual Report) [(1)]. The Inclusive Protection initiative aims to address the protection gap of vulnerable communities through business opportunities adapted to local conditions. In addition, the AXA Group also pursues its solidarity actions through partnerships and philanthropic activities.

The risks related to "Inclusive Insurer" and "Partnership and Philanthropy" are part of the sustainability risk assessment conducted in 2022. Please refer to Section 4.1 "AXA Group's sustainability strategy – Sustainability risk assessment" of this Annual Report. The policies, initiatives and indicators associated with these risks are detailed below.

Business-related societal challenges

The AXA Group strives to make insurance accessible to all. The pooling of risks, which is at the heart of insurance, creates a system of mutual support and reinforces a sense of community. As such, insurance is an essential factor in economic development and progress. However, some populations find themselves more vulnerable to risks by not having access to insurance products and services because of their financial situation, their geographical location, their age, gender, health condition, etc. The AXA Group's objective is to extend the scope of insurance to populations that are traditionally less well protected, notably through the following initiatives:

- the Inclusive Protection program;
- promotion of financial inclusion through AXA Emerging Customers;
- parametric insurance solutions to protect vulnerable populations from the effects of climate change, with AXA Climate;
- insurance solutions and opportunities for women with the "Women in Insurance" initiative;
- dedicated product labels such as *Assurance citoyenne* ("Citizen insurance"); and
- inclusive economy and social related outreach and engagement.

INCLUSIVE PROTECTION

In 2021, the Group launched its Inclusive Protection program with the objective of better protecting underserved populations with insurance coverage or services. Our goal is to: **(i)** foster integration of more inclusive criteria and practices in our different business lines, **(ii)** share best practices, and **(iii)** report accordingly. Inclusive Protection targets both individual clients and businesses, across all sectors of activity, in developed and emerging markets.

The AXA Group defines an inclusive protection offer as a product (*e.g.,* designed or customized) or a related service that addresses a vulnerability to meet the needs of the underserved population, in order to bridge a protection gap. AXA's framework defines the vulnerabilities to be considered. These can be caused by 1) structural or 2) occupational situations:

- structural vulnerabilities: monetary/revenues, territorial disparities, gender and age, chronic diseases, lack of access to health and protection;
- occupational vulnerabilities: micro-entrepreneurs, gig economy workers and migrant workers.

In 2022, the AXA Group reached 11 million customers with its inclusive protection program. This figure includes the Inclusive Protection's scopes of AXA Emerging Customers (10.1 million), "Women in Insurance", AXA Climate and other local entities' offers consolidated within the Inclusive Protection target of reaching 12 million customers by 2023.

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(1) *AXA for Progress Index | AXA www.axa.com/en/commitments/axa-for-progress-index*

EMERGING CUSTOMERS AND INITIATIVES TO FOSTER MORE RESILIENCE

AXA Emerging Customers designs and develops products and services adapted to the reality of low-income to mass market communities and small businesses. To reach these clients, a wide range of distribution partnerships have been put in place with both traditional actors like banks and microfinance institutions, to more alternative ones, like mobile network operators, digital financial services providers, retailers, public actors, and remittance companies.

AXA Emerging Customers' insurance solutions address financial exclusion by:

- enabling vulnerable segments of the population to access insurance products and services that contribute to their financial health and accompany them in their economic progression;
- providing them with a safety net against unexpected events that can lead to falling into poverty.

This approach requires the design of products and services that are accessible, affordable, and relevant to the reality of these otherwise unserved or underserved customers.

During 2022, the AXA Emerging Customers business continued its expansion into new markets, including Brazil, Turkey, Colombia and France. In the past years, efforts focused on protecting segments that were hard hit by the COVID-19 crisis including independent workers, migrant workers, and micro, small and medium enterprises.

In 2022, Emerging Customers protected nearly 10.1 million customers across 14 markets in Asia, Africa, Latin America, and Europe.

AXA Emerging Customers also addresses customers segments whose financial resilience and working conditions were impacted by the economic crisis. Some examples include providing microfinance services in Egypt, Indonesia, Colombia, and Mexico, and protection services for Micro, Small and Medium Enterprises and independent workers in Turkey, France, the Philippines, and Mexico.

Furthermore, AXA Emerging Customers collaborates across AXA's entities to create solutions at the intersection of financial, health and climate risks. In the Philippines, for example, a service for microentrepreneurs included accident, business protection, and natural catastrophe coverage. It is distributed through a partnership with one of the largest pawn shop networks in the country.

PARAMETRIC INSURANCE

AXA Climate's offer is built on best-in-class climate expertise, fully leveraging satellite technology in order to support economic players engaged in sustainable transitions. To achieve its mission, AXA Climate has developed a comprehensive set of businesses and services around climate change: from parametric insurance against climate risk, operational alerting, climate consultancy for industries, public sector, agriculture, and financial services, to training to enhance skills and engage employees in making the sustainable transition a success. In 2022, AXA Climate has generated €18 million of gross revenues and employed 150 people.

Vulnerable communities are specifically impacted by climate change. AXA Climate is able to provide parametric insurance solutions that trigger quick and automatic payouts within a few days after a natural catastrophe or an extreme weather event has struck to prevent them from falling into poverty. For instance, in 2022, AXA Climate collaborated with AXA Emerging Customers to provide parametric drought and flood coverage for smallholder farmers in Mexico, a segment that contributes significantly to agricultural production but disproportionately faces poverty.

AXA Climate works closely with governments and international organizations to develop public-private partnerships in emerging markets. Public-private partnerships represent over half AXA Climate's portfolio. AXA Climate's public clients include all major international sovereign risk pools which provide governments protection against natural disaster risks including tropical cyclone, earthquake, excess rainfall, and drought. AXA Climate also works with governments in the agriculture sector to protect farmers against yield losses due to multiple climate risks. As an example, AXA Climate supports the National Agriculture insurance scheme in India which allows more than 43 million farmers to benefit from agricultural insurance. Moreover, AXA Climate also works with the public sector on Agriculture insurance projects at smaller scale in Pakistan, Vietnam, Taiwan, Senegal, Ivory Coast, Cameroon, Zambia, Ethiopia, and Mozambique where it protects over half a million farmers.

WOMEN IN INSURANCE

Women, especially in emerging countries, are less well insured than men, despite representing a significant portion of the economy. In 2014, the AXA Group published a report called "SheForShield" [1] in collaboration with the International Financial Corporation, which studied women's insurance behaviors, needs and expectations. Since then, the AXA Group has developed the "Women in Insurance" initiative aimed at increasing women's access to insurance products and services as customers, as entrepreneurs and as distributors, with the following two key priorities:

- improving access to healthcare solutions which take into account women's specific health and prevention needs. This can also be connected to the Group's involvement in supporting women in science, for example with the AXA Research Fund (refer to the AXA Research Fund section below for more details); and

(1) SHEforSHIELD | Insure Women to Better Protect All (ifc.org)

- empowering women entrepreneurs to take risks and seize opportunities, with customized products and services that help them develop their business, while allowing them to take better care of themselves and their family.

As part of its support to women, the AXA Group has been a strategic partner of the "Global Women's Forum" since 2018. This partnership enables the AXA Group to disseminate its expertise, gather best practices, and take part in projects such as the yearly Gender Equity barometer [1] which highlights disparities between perception and reality on gender-related topics in G7 countries since 2020.

In addition, the AXA Group is a member of Financial Alliance for Women, a coalition of financial institutions which work together to make the business case for women's economic advancement through peer learning, research, and advocacy.

INTEGRATING SOCIETAL ISSUES IN THE PRODUCT RANGE

In 2015, AXA France took a voluntary commitment to answer to French clients' requests for more responsible products and created the *Offre citoyenne* ("Citizen insurance") label, which guarantees that all new insurance contracts offers benefit clients as well as positively impact society. In 2019, this initiative was adapted and deployed on AXA France's savings contracts under the *Offre citoyenne* ("Citizen Savings") label. The approach is based on an assessment toolkit built in collaboration with a panel of external stakeholders and audited yearly by an independent third party.

Citizen engagements are communicated through four pillars: "Trust" (*e.g.,* simple contracts for readability and transparency), "Prevention" (*e.g.,* preventive services or financial education to minimize the risks our clients are facing for themselves, their goods and their savings), "Environment" (*e.g.,* investment decisions based on environmental impact; environmental services or offers for Damages insurance), and "Inclusion and solidarity" (*e.g.,* product accessibility for populations usually excluded from insurance mechanisms, investments in French and European Small and Medium Enterprises).

In 2022, AXA France distributed 85 different labelled products in total. Since 2015, 10.2 million labelled contracts have been sold.

INCLUSIVE ECONOMY AND SOCIAL RELATED OUTREACH AND ENGAGEMENT

Business for Inclusive Growth (B4IG) and Inclusive economy coalition

The AXA Group has been a member of the "Business for Inclusive Growth" (B4IG) coalition since 2019. This OECD-led coalition of private companies contributes to fighting social inequalities by working closely with policymakers to move inclusion up on the agendas at both the global and local levels. In 2022, the AXA Group took part in the "Access to goods and services" and "Diversity and Inclusion" working groups.

AXA France is also a member of the "Inclusive economy coalition", launched in 2018 by CEOs of major French companies, including AXA France, to act in favor of a more inclusive economy. This collective commitment is one of the private sector's responses to social vulnerabilities such as employment (apprenticeships, training), accessible products and services, and inclusive business.

Tobacco Free Pledge

Since 2016, the AXA Group has been engaged in efforts to divest [2] from and end insurance coverage for the tobacco industry. In 2020, these efforts were officially certified through the "Tobacco Free Pledge" label, which attests to the AXA Group's constant commitment in the fight against tobacco. Tobacco is one of the world's leading causes of death and long-term non-communicable diseases, including cancer, heart disease and chronic respiratory illnesses, and is responsible for more than 8 million deaths per year [3]. The AXA Group believes that supporting an industry which is the main cause of long-term non-communicable diseases, including cancer, heart disease and chronic respiratory illnesses, is incompatible with its role as one of the world's health insurers.

TOBACCO-FREE FINANCE PLEDGE · SIGNATORY ·

(1) *The Women's Forum Barometer on Gender Equity | womens-forum.com*

(2) *Listed equity assets were divested from policy inception and corporate bond holdings left in run off (no new direct investments).*

(3) *Source: World Health Organization.*

Corporate philanthropy and engagement

The AXA Group strives to play a positive role in society, building a culture that promotes employee volunteering and financial donations to support the communities in which it operates.

Corporate philanthropy and volunteering engagement support AXA Group's sustainability strategy, covering its two main pillars: climate change and inclusive protection, completed by humanitarian aid, and arts and heritage.

In 2022 several policies have been implemented to increase the alignment between AXA's philanthropy and citizenship activities and the Group's strategic pillars of sustainable development, namely climate change and inclusive protection. These policies aim at reducing a potential risk of misalignment between our corporate citizenship strategy and the overall sustainability strategy as revealed in the ESG risk assessment.

Thanks to the AXA Community Investment Survey, the share of activities aligned with the sustainability strategy can be monitored. In 2022, 78% of the €24.5 million of cash donations made by AXA (excluding donations made by Mutuelles AXA and those made for humanitarian emergencies which are covered by an *ad hoc* budget) and 92% of the 56,500 volunteering acts performed by AXA employees were done in support to climate or inclusion protection causes *versus* 78% of cash donations and 78% of volunteering acts in 2021. The target being that a minimum of 50% of philanthropic donations must be aligned with the sustainability pillars climate and inclusive protection, except donations made by Mutuelles AXA and those in favor of humanitarian emergencies. The contributing entities to the Community Investment Survey represent 99% of AXA's average FTEs (same as 2021).

PHILANTHOPY

Support climate and the environment

AXA SA has rolled out between 2019 and 2022, a three-year global partnership with WWF to address climate and biodiversity. Through this program, WWF supported AXA SA in its efforts to ensure that natural capital is better considered in all AXA's activities (please refer to Section 4.3 "Climate change and biodiversity"). In addition, the philanthropy component of this program contributed directly to the preservation of ecosystems in New Caledonia and Mexico.

In New Caledonia, three local associations dedicated to the monitoring and evaluation of coral reefs health status were supported. In Mexico, the "Reforestation in the Copalita watershed" project enabled the production of 30,000 shoots of local species for reforestation, 30 hectares of local trees were planted and 58 people from local communities were trained in agroecology representing 11 local producers. This training emphasized the autonomy of women by encouraging them to participate in decision-making and in the implementation of techniques for the conservation and restoration of their plots.

In France, in 2022, AXA SA, AXA IM Alts, and AXA France initiated a three year partnership with a consortium of scientists, NGOs, and forestry experts (namely INRAE, *Agro ParisTech, France Nature Environnement* and *Reforest'action*) called AXA Forests for Good. The partnership uses AXA's forestry assets destroyed by bark beetle attacks (600 hectares out of the 15,000 hectares owned in France by AXA France) as an opportunity to experiment with new methods of forest restoration and management, including mixed species plantations. Ultimately, AXA Forest for Good aims at proposing a more effective and sustainable way to restore damaged plantations and promote the multifunctionality of harvested forests (*i.e.,* host for biodiversity, carbon sink, biomaterials, influence the water cycle and human well-being). This initiative is intended to be shared with forest ecosystem stakeholders and the broader public.

Support Inclusive Protection

Starting in 2020, AXA SA has rolled out a three-year partnership with UNICEF on a program to respond to the global issue of obesity, working on early childhood eating habits in the Philippines and Brazil. To reach children below five, UNICEF acts on their immediate environment, namely mothers and the health and education professionals around them. Training, communication, and advocacy activities with authorities have been implemented by local UNICEF teams.

In 2022, the program achieved the following:

- Philippines: UNICEF developed a school nutrition and food environment assessment tool. This tool was then field-tested in selected schools in late 2022. 80 teachers and daycare workers received training on Parenting Effectiveness Services (PES), covering general child health and well-being, maternal health, and healthy environments with a focus on nutrition, water, hygiene and sanitation. In addition, 145 health facilities in three regions received follow-up and supervision after the training. In August 2022, the fourth Healthy Food Coalition was held. During this event UNICEF presented a strategy for the regulation of the marketing of processed foods to local authorities and provided feedback on the nutrition profile template which will serve as the basis for the development of the nutrition label on packages; and
- Brazil: 282,564 people received messages to improve their own nutrition and that of their children/babies. 10,861 women in three maternity hospitals received information and materials (*e.g.*, booklets) on breastfeeding and healthy eating for children. 4,722 adolescents (parents/pregnant teens) were trained on healthy eating for themselves and their children.

Humanitarian aid

Since the start of Russia's invasion of Ukraine in February 2022, the AXA Group has complied with international sanctions. We also undertook several initiatives to support the humanitarian crisis triggered by the war by lending its support to two major non-governmental organizations: UNICEF and the UN Refugee Agency.

AXA SA supported UNICEF [(1)] with a €1.5 million donation to help families fleeing Ukraine after the outbreak of the war. This donation was used, among other things, to build temporary centers for refugees. By December 2022, 40 centers have been deployed in border countries enabling 234,000 children and healthcare workers to benefit from basic care, as well as psychological support. An internal fundraising campaign was also carried out, raising €73,000 thanks to the support of AXA Group's employees.

AXA SA has also increased its financial support through a donation of €1 million to the UNHCR to help people inside Ukraine and border countries with their day-to-day needs, as well as protection and shelter initiatives.

Arts and heritage protection and conservation

Aligned with its values of protecting and passing on heritage, AXA SA engages in significant world heritage conservation actions. In recent years AXA SA has supported several projects in France including the following:

- from 2021 to 2022, AXA SA has supported the renovation and restoration of the *Arc de Triomphe;*
- from 2019 to 2022, we partnered with the Palace of Versailles to help restore and renovate the apartments of Madame du Barry [(2)];
- AXA SA also supports the reconstruction of the cathedral Notre-Dame de Paris after its partial destruction as a result of a fire in 2019; and
- in 2022, AXA SA became the exclusive sponsor of *Institut de recherche et coordination acoustique/musique* (IRCAM), the world's largest public research center dedicated to both musical expression and scientific research. AXA SA is committing for the first time to the protection and transmission of intangible and sound heritage.

AXA entities, such as AXA France and AXA Spain, are also involved in philanthropy actions, promoting access to heritage and culture for all. For instance, since 2019, AXA France has been supporting the Patrimony Foundation. As for AXA Spain, its collaboration with the Prado Museum began in 1998, making it the first private entity in Spain to become a benefactor of the Museum.

AXA RESEARCH FUND

The AXA Research Fund (AXARF or the Fund) is committed to supporting science for societal progress. The Fund supports top-tier research projects on key areas of risks and engages in dissemination efforts based on science to better inform decision-making. With a global commitment of €250 million since its launch in 2008, the AXA Research Fund has funded around 689 projects to-date that explore solutions to global societal challenges in the areas of climate and environment, health, and socio-economic risk. The selection of research projects is overseen by an independent Scientific Board and based on excellence and innovation.

In 2022, in the field of environmental risks, the AXA Chair in Plastic waste upcycling by CO_2 valorization at the University of Mons (Belgium) was selected to receive a fund of €1 million over five years.

To further support the climate priority of the Group's strategic plan *"Driving Progress 2023",* as part of the UNESCO Ocean Decade Joint Call for Fellows on Coastal Livelihood endowed with €1 million, the AXA Research Fund selected eight postdoctoral fellowship projects in May 2022, whose research will address flooding, tsunami risk, sustainable fisheries, and the involvement of local communities in the development of adaptation strategies.

In November 2022, following a call for projects on the health impacts of climate change, an additional €1 million was granted to eight post-doctoral fellowship projects, who will work on improving assessment and designing new climate adaptation approaches to those risks.

In the field of biodiversity, the AXA Research Fund launched a partnership with the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) to support climate and biodiversity science in the Global South by financing 12 young researchers on the IPBES "Nexus Assessment" studying the links between biodiversity, water, food, and health in the context of climate change & biodiversity loss with an endowment of €252,000.

By engaging its active community of scientists from varied disciplines and backgrounds, the AXARF carried out visible dissemination initiatives allowing for regular media exposure of supported research. The Fund coordinated a series of webinars, master classes, publications, and articles with partners such as The Conversation. Academic insights and perspectives on critical issues related to extreme weather events, decision-making under uncertainty, macroeconomics, biodiversity, cybersecurity, and domestic violence were shared and debated with an aim to support decision making. The publication "Building Societal Resilience" was released in Fall 2022. Academics, experts, and practitioners

(1) *UNICEF does not endorse any company, brand, product or service.*

(2) *AXA and the Palace of Versailles | www.axa.com/en/commitments/axa-and-the-palace-of-versailles*

share perspectives on how inclusive growth can build societal resilience, focusing on key areas of inequality, policy responses for a more inclusive society, and the role of the insurance industry in promoting inclusion.

Finally, the Fund encouraged scientists to publish in open access mode for instance through the launch of a call for papers on women's health & development.

EMPLOYEE VOLUNTEERING

AXA Hearts in Action is the international volunteering program for AXA Group's employees. Under this umbrella, employees carry out activities on themes aligned with the two pillars of our sustainability strategy: climate change and inclusive protection. Since 2020, an international sponsorship Committee has been set up to anchor the program even more strongly within the various entities.

In 2022, AXA Group's employees were involved in a wide variety of activities (4,819 in total) and performed 56,500 acts of volunteering (compared to 45,163 in 2021). Through the AXA Hearts in Action program, the Group seeks to promote all forms of employee engagement, particularly skills-based philanthropy. In 2022, AXA France continued to develop the "AXA *Compétences Solidaires*" program: 130 employees volunteered in partner associations (*versus* 140 in 2021).

AXA Group's employees volunteered 317,750 hours during and outside of working hours (compared to 268,480 hours in 2021), in support of solidarity projects. Most of these volunteer hours were spent during working hours: 161,168 hours for *Compétences Solidaires* and 92,607 hours for other activities, for a total of 253,775 hours (compared to 209,051 hours in 2021).

In total, the salaries paid for the hours spent on volunteering missions during working hours represent the equivalent of a donation of €9.4 million (*versus* €7.3 million in 2021).

In addition to this amount, general management expenses incurred to support the AXA Hearts in Action activities in all entities amounted to a total of €8.8 million in 2022 (compared to €6.3 million in 2021). In-kind donations were also provided to non-profits or NGOs for a total estimated amount of €1.5 million in 2022 (*versus* €1.1 million in 2021) in addition to the Group's €43 million cash donation including the AXA Research Fund, AXA Hearts in Action and Mutuelles AXA. Among the €43 million of cash donations, 14 million come from Mutuelles AXA.

Most of this support is for community investments, representing 84.5% of AXA Group's total citizen investments (volunteer hours, cash donations, in-kind donations); 13% are invested in charitable donations and 2.5% for commercial initiatives (compared to 84%, 14% and 2% respectively in 2021).

For the past 12 years, we have been organizing the AXA Week for Good to highlight the community investment of AXA employees. During the 2022 edition of the AXA Week for Good, 679 activities were coordinated and a total of 15,400 volunteers were mobilized across the Group (*versus* 459 activities and 11,055 unique volunteers in 2021). The Global Challenge organized by several entities carried out activities with an environmental impact, involving 5,268 volunteers (*versus* 3,500 in 2021) within the Group.

4.5 BUSINESS BEHAVIOR

AXA Group is committed to conducting its business according to high ethical principles. This commitment is designed to ensure compliance with laws and regulations in the various jurisdictions where the Group operates, to earn the continued trust of its clients, shareholders, employees, and business partners, but also frequently extends beyond legal obligations particularly in the Group's priority areas.

The 2022 sustainability risk assessment presented in Section 4.1 "AXA Group's sustainability strategy – Sustainability risk assessment" assessed the following business behavior risks: anti-bribery & fight against corruption, business conduct, responsible data use, data privacy and data security, sustainable procurement, and tax policy.

The policies presented below cover these business behavior risks. Associated indicators are explained in the following paragraphs.

Business ethics

COMPLIANCE & ETHICS CODE

AXA Group Compliance & Ethics Code seeks to establish Group-wide rules and guidelines to ensure that AXA Group companies and employees have a common understanding of the compliance and ethical standards the Group requires. The Code covers a variety of matters, including specific rules concerning conflicts of interest, anti-bribery and corruption, insider trading, management of confidential information, etc. The Code is available on the Group's website [1]. In 2019, the Group launched an updated version of AXA Group Compliance & Ethics Code. The updated Code includes subjects that have become increasingly important in recent years: Health & Safety at work, Protection and Responsible use of Customer Data, Engagement with Social Media, Prevention of Discrimination and Harassment, and Fair and Professional Treatment of customers. The content and style of the Code have also been revised to make it more accessible.

ANTI-BRIBERY & FIGHT AGAINST CORRUPTION

In order to tackle the risk of bribery and corruption, AXA Group has introduced a Group Anti-Bribery & Corruption Policy (ABC Policy) that establishes the minimum standards for anti-bribery & corruption that must be implemented by AXA entities. This policy has been regularly updated to take account of new regulations and notably the French law known as "Sapin II" n°2016-1691 of December 9, 2016, on transparency and the fight against corruption and the modernization of the economy. A Group Anti-Bribery officer oversees the global ABC program at Group level and monitors its implementation in all the entities. AXA entities have designated local Anti-Bribery officers to implement their local programs in accordance with Group's ABC standards.

AXA Group Standards certification by entities' CEOs includes an "anti-bribery and fight against corruption" Section. Our objective is to achieve a consistent anti-bribery and anti-corruption program across the Group's entities, which includes the necessary requirements that comply with International Standards (including Sapin II Law) and prevent corruption risks.

As a result, each year since 2018, 100% of CEOs within the scope of AXA Group Standards certification process have certified their level of compliance with the anti-bribery & corruption section (in line with the 100% target).

BUSINESS CONDUCT

As mentioned above, business conduct was assessed in the 2022 sustainability risk assessment, and more specifically the risk of miss-selling or non-transparent selling practices, mismanagement of claims, resulting in a low protection of customers in their interactions with AXA Group and life of their contract, and resulting in a loss of trust.

(1) *www.axa.com/en/about-us/compliance-ethics#tab=business-ethics*

The Group's insurance, Asset Management and banking operations are subject to an increasing number of legislative and regulatory initiatives – in the European Union (*e.g.,* Insurance Distribution Directive, MiFID II [(1)], PRIIPs [(2)], SFDR [(3)]) but also in many other parts of the world – designed to increase customer protection in the financial services sector. AXA Group has taken actions to comply with these requirements in each of its businesses where such measures are in place and to globally spread and implement a customer protection culture across the Group. In addition, the Group demonstrates a strong commitment in its Compliance and Ethics Code, which applies to all employees and subsidiaries worldwide, to treat its customers fairly and professionally, by being honest and accountable when promoting products and services.

Since 2021, a set of recommendations on key customer protection topics have been shared with the objective of reinforcing uniformity of practices within the Group and, at the same time, continuously improving customer consideration wherever they may be. Key customer protection issues include vulnerable customers, customer information, digitalization, and complaints handling. These recommendations guide each entity in implementing responsible practices based on transparency, honesty, and fairness for the customer.

A compliance program of customer protection reviews has been reinforced since 2019. It consists of reviewing how local entities manage customer protection topics and the processes in place, especially regarding customer information, sales practices, or salesforce training. In 2022, five entities had a customer protection compliance review on their business practices. These reviews, currently focused on most of the European entities, will be progressively extended to non-European entities on a risk-based approach.

Compliance risks, including business conduct, are also assessed on an annual basis. The results and any necessary mitigation actions are shared with senior management. Internal verification processes have been implemented to monitor the effectiveness of such controls and cover entities' own operations and those of proprietary sales channels.

Another key initiative in managing business conduct is the product governance process (Product Approval Process, "PAP") which oversees the design, approval, and review of new or significantly modified products. The PAP is applicable to all entities of AXA Group with underwriting activities and focuses notably on the customer dimension, ensuring the product is built starting from the customers' needs and expectations, with a definition of the target market and a selection of adequate distribution channels. This process also aims at ensuring that all new products entering the scope of application (all entities with underwriting activities) of the PAP respect the principles of "value for customer". It includes notably a mandatory compliance checklist.

Every year since 2018, 100% of CEOs have certified on the compliance level of the Group entities in scope of the AXA Standards certification process (in line with the 100% target), which engaged them to conduct a PAP and all Life & Savings, Health and Property & Casualty products have been subject to the AXA's Product Approval Process.

Responsible data use, data privacy and data security

As mentioned above, responsible data use, data privacy and data security were part of the 2022 sustainability risk assessment and more specifically:

- data protection: risk of not being compliant with data protection legislation; and
- data security: risk of data breach or cyber-attack, given the sensitivity and volume of data managed by the Group and the consequences for stakeholders' privacy rights.

To address the risks identified above, the Group has implemented various initiatives to promote the use of data to address societal challenges and to ensure the protection of customer data through a strong security strategy as well as a responsible usage of artificial intelligence.

DATA PRIVACY

AXA Group was the first insurance group to adopt privacy-related Binding Corporate Rules, approved by European data protection authorities and constituting an internationally approved data privacy contractual framework for customer, employee, and other stakeholder personal data processing. Entities that are applying Binding Corporate Rules represent 99% of the Group's revenues in 2022 (also 99% in 2021 and 2020) in line with the 99% target. These rules and the Group's Data Privacy Declaration, whereby the Group undertakes not to sell the personal data of its customers, are available on AXA website [(4)].

(1) Markets in Financial Instruments Directive.

(2) Packaged Retail Investment and Insurance-based products.

(3) Sustainable Finance Disclosure Regulation which applies to all entities providing insurance and investment services within the European Union.

(4) https://www.axa.com/en/about-us/cyber-data-privacy#tab=our-commitments

The Group implemented the General Data Protection Regulation and is also implementing similar regulations recently adopted in countries outside the European Union.

In 2022, out of 95 million customers, the Group received 471 customer's complaints on Data Privacy, equivalent to 0.0005% customers (*versus* 1,127 complaints in 2021, equivalent to 0.0012% of customers and 1,112 complaints in 2020, equivalent to 0.0011% of customers). This ratio is under the target of 0.0100% (which means less than 9,500 complaints for 95,000,000 clients).

A SECURITY STRATEGY DESIGNED TO GUARANTEE THE PROTECTION OF DATA

With the massive digitization of society, cyber risk is considered today one of the top operational risks that citizens and companies must face.

To respond to this threat, and as a responsible insurer, AXA Group has developed a risk-based security strategy that strengthens its business resilience, transforming security from a necessity to an advantage for its entities. Security is managed holistically by the corporate function, Group Security. It gathers the four security key disciplines: Information Security/Cyber Security, Operational Resilience, Physical Security and Health & Safety.

AXA Group has implemented its new security strategy, aiming at strengthening security maturity within AXA's entities, while maintaining the most mature ones within the first quartile of the most secure companies in the financial industry. The maturity level of these entities is assessed, based notably on the ISO 27001 norms. In 2022, the Group successfully achieved a maturity score of 3.30 out of 5, with an increase of 0.18 over the previous year's results (for a scope representing the Group's 20 most mature entities), contributing to the goal of remaining among the safest organizations in our sector. This security strategy, called "One Security" strategy, uses a risk-based approach that ensures that we continuously consider and adapt to the evolution of risks and threats.

This robust level of security is also ensured by the commitment of the Group's employees, who are the first line of defense against cyberattacks. Yearly training on the topic of security (including physical security, health & safety, operational resilience & information security), data protection and cybersecurity are deployed across the Group. In 2022, 100% of salaried employees have been trained and certified.

In 2022, an additional focus was raised in respect of the protection of the Group's data against the cyber threat called "ransomware". The "One Security" strategic program led the definition of a set of instructions towards Group's entities and initiated the strengthening of AXA's capabilities in terms of attack containment, threat eradication and recovery of IT Operations.

RESPONSIBLE USAGE OF ARTIFICIAL INTELLIGENCE

In 2021, AXA Group launched a Responsible Artificial Intelligence Circle – a light and agile, multi-stakeholder governance body that aims to foster and govern the adoption of trustworthy Artificial Intelligence (AI) in the Group. This Circle brings together relevant stakeholders from various departments involved in the ownership, development, and governance of AI systems at AXA Group. They collaborate to build operational tools and internal guidance on responsible AI in line with the Group's Responsible AI principles and the latest regulatory framework.

AXA Group has also been working closely with regulators (*e.g.,* EIOPA Digital Ethics Committee, and MAS Veritas initiative) and leading research centers (such as Sorbonne University and Stanford University) to design state-of-the-art solutions, that respect ethical principles, and can be used for effective AI governance in the insurance industry. This cooperation is central to building and implementing new internal and operational guidelines covering the sustainable and responsible use of AI within the Group.

Within the French association Impact AI, AXA Group, along with other members (industrial partners, consulting, and tech companies) is leading the Impact AI's Responsible AI Committee tasked with analyzing the perception of AI and the development of a "trustworthy AI", producing several white papers on this topic.

In addition, the Group leads both fundamental and applied research in the area of Responsible AI practices. Researchers investigate technical solutions, applicable across different segments of the insurance value chain, to mitigate risks related to AI applications' fairness, explainability, robustness and safety. These efforts support the Group's business transformation in developing and adopting AI solutions in line with the Group direction on the responsible use of data & AI.

Sustainable procurement

The 2022 sustainability risk assessment (please refer to Section 4.1 "AXA Group's sustainability strategy – Sustainability risk assessment"), also identified sustainable procurement as a risk.

Translating AXA Group's sustainability strategy and commitments into its management of vendors is indeed a key issue for the Group. Policies and key performance indicators on sustainable procurement are presented in the Group's Vigilance Plan in the following Section 4.6.

Tax policy

As mentioned above, tax policy was assessed in the 2022 sustainability risk assessment.

Both as a multinational company and as a provider of investments and savings products, AXA Group follows a responsible and transparent approach on tax issues. For more information on the Group's Tax policy, please refer to Section 7.3 "General Information – AXA Group Tax Policy" of this Annual Report. In 2022, all AXA entities certified compliance with AXA Group Tax Policy and Tax Ethic Code (relating to 2021). The Tax transparency report published in 2022 covers 90% of the Group Tax footprint (relating to 2021), in line with the 90% target.

4.6 VIGILANCE PLAN

To comply with applicable French law requirements [1], AXA has **(i)** adopted a vigilance plan (the "vigilance plan") that sets forth the measures established and implemented by AXA Group in order to identify the risks relating to, and prevent, violations of human rights and adverse impacts on the environment resulting from Group's activities and from its own operations, and **(ii)** prepared a report included in this section, on the application of this vigilance plan during the financial year 2022. For purposes of this Section, "human rights" include fundamental freedoms, as well as the health and safety of persons.

Scope of the vigilance plan

The vigilance plan covers the activities of AXA and those of the companies controlled, directly or indirectly, by AXA within the meaning of article L.233-16 II of the French Commercial Code, including intra-group activities and own operations carried out within the AXA Group, as well as the activities of contractors, subcontractors and suppliers with whom the AXA Group has an established business relationship, insofar as the activities related to such relationship.

Given the diversity of the activities of AXA's subsidiaries, contractors, subcontractors and suppliers, the vigilance plan sets forth AXA Group's guiding principles and policies designed to ensure that they have a common understanding of the Group's standards in terms of sustainability, safety, whistleblowing, and personal data protection, and operate accordingly.

Identification and evaluation of risks to human rights and the environment

The AXA Group carried out an assessment of the impact that the Group's activities and operations may potentially have on the environment and human rights.

The work carried out by the AXA Group to establish its mapping of sustainability risks, as well as the main non-financial risks assessed by the Group is presented in Section 4.1 "AXA Group's Sustainability strategy – Sustainability risk assessment" of this Annual Report.

HUMAN RIGHTS

The AXA Group considers that its activities and own operations could have potential direct and indirect impacts on the human rights of its employees, customers, and suppliers, as well as potential indirect impacts on the human rights of other persons through the Group's relations with corporate customers or investments in companies, which are active in sectors and/or countries with increased risks of human rights violations.

The AXA Group regularly, and at least every three years, conducts a human rights risk assessment which aims to identify the most relevant risks to human rights that the AXA Group should consider in conducting its business (acting both as an insurer and as an investor) and its own operations. A study was carried out in 2022, with the help of an independent firm which used a three-step methodology:

- first, relevant rights to be assessed (based on overarching Charters, labor rights core conventions and specific conventions [2]) were prioritized. This prioritization identified risks in areas such as forced labor (rights of child, right to adequate standard of living, right to be free from slavery, right to life, liberty, and personal security), discrimination (right to equality, right to be free from discrimination, freedom of belief and religion), inclusion of vulnerable populations (rights of persons with disabilities, elimination of all forms of discrimination against women, right of indigenous people to natural resources, rights of migrant workers) and working conditions (freedom of opinion and expression, right of peaceful

(1) *Law No. 2017-399 of March 27, 2017 relating to the duty of care of parent companies and instructing companies ("devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre") and article L.225-102-4 of the French Commercial Code.*

(2) *Universal Declaration of Human Rights, Covenant on Civil and Political Rights, International Covenant on Economic, Social & Cultural Rights, International Labour Organization's core conventions, International Convention on Rights of Child, International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Convention on the Rights of Persons with Disabilities, Convention on the Elimination of All Forms of Discrimination against Women.*

assembly and association, right to decent work and to join trade unions, right to social security, to education, to rest and leisure);

- the level of risk (high, moderate or low) was assessed through a two-tiered analysis based on severity and remediability across the relevant populations (employees, insurance product beneficiaries, investments in assets, suppliers, contractors and brokers);
- finally, a review of mitigative measures in place was conducted through a documentary review and interviews to examine the current level of Risk Management at AXA Group.

This assessment ("Human Rights Risk Assessment 2022 Report") which includes the mapping of the identified risks and the measures taken to limit their impact, will be available on the AXA Group's website (www.axa.com/en/commitments/our-commitment-to-human-rights) in June 2023.

In addition to the initiatives described above, from June 2022, a human rights risk assessment has been integrated into the due diligence process implemented for potential mergers, acquisitions, joint ventures.

ENVIRONMENT

As a company

Environmental risks were identified in the AXA Group's risk mapping, particularly those related to climate change and biodiversity. The AXA Group's direct environmental footprint is essentially related to the operation of offices and IT materials, business travels, water, electricity, paper consumption and other staple consumer products and generation of waste. The AXA Group's indirect environmental footprint results from its investments and underwriting activities, as indicated hereafter.

The AXA Group's direct environmental reporting and management processes focus on energy, water, and paper consumption, as well as related CO_2 emissions. The Group's direct environmental reporting process, which is verified by an independent third-party, allows to **(i)** evaluate its impact on the environment every year and **(ii)** identify the risks stemming from its own operations for the environment. Please refer to Section 4.3 "Climate change and biodiversity – Climate and biodiversity matters as a company – Our own operations impacts on climate change" of this Annual Report for further information on AXA Group's environmental footprint.

As a business partner

The AXA Group has implemented processes to identify and assess the environmental risks associated with its use of suppliers and service providers. In particular, the AXA Group has implemented an Environmental, Social and Governance (ESG) risk assessment of it its suppliers, identified using an internal risk categorization grid. This assessment is carried out based on procurement categories in light of five criteria:

- environmental;
- social;
- impact on products and services;
- suppliers' supply chain; and
- business integrity.

Each year, suppliers in the procurement categories with the highest levels of ESG risk are invited to share their EcoVadis score with the AXA Group.

As an insurer and as an investor

The AXA Group seeks to prevent and mitigate adverse impacts on the environment that arise from its investment and underwriting activities by applying its analytical framework to identify potential indirect impacts on the environment and incorporating ESG criteria into its business processes as well as into its investment strategy, as presented in the Section "Protection of human rights and environment" that follows.

Protection of human rights and environment

PROTECTION OF HUMAN RIGHTS AND HUMAN RIGHTS POLICY

The AXA Group's human rights policy, available on the AXA Group's website (www.axa.com/en/commitments/our-commitment-to-human-rights), aims at preventing the violation of human rights in relation to the Group's activities and own operations. The AXA Group seeks to respect internationally recognized human rights principles as defined by:

- the United Nations Universal Declaration of Human Rights;
- the core standards of the International Labour Organization (ILO);

- the Guiding Principles on Business and Human Rights (implementation of the United Nations "Protect, Respect and Remedy" Framework or "Ruggie Principles");
- the United Nations Global Compact;
- the UN Principles for Sustainable Insurance (UN PSI);
- the UN Principles for Responsible Investment (UN PRI); and
- the OECD recommendations and the Global Deal.

AXA's human rights policy describes the Group's commitments in conducting its business as a responsible company (as an employer, a business partner, also respecting human rights in new business relations), an insurer and an investor.

Protection of employee human rights

The AXA Group endeavors to protect its employees' human rights, specifically the principles of freedom of association, the right to fair and favourable working conditions and non-discrimination, through:

- promoting the 10 guiding principles of the United Nations Global Compact (of which principles 1 & 2 are related to human rights and principles 3 to 6 to labor standards) and encouraging the reporting of potential or actual severe violations of human rights;
- setting Inclusion and Diversity targets and initiatives. See further details on Inclusion and Diversity in Section 4.2 "Employer Responsibility – AXA as a purpose-driven and inclusive organization – Progress on equal opportunities" of this Annual Report; and
- the AXA Compliance & Ethics Code, available on the AXA Group's website (www.axa.com/en/about-us/compliance-ethics#tab=business-ethics), pursuant to which executives must annually certify the compliance of their activity with the Code.

Protection of employee safety, health, and security

As regards employee health, the AXA Group launched in November 2020 an innovative global program to improve the health and wellbeing of its employees around the world. This program was extended in 2021 and 2022 was a critical year of implementation of those services with a rollout that will be fully completed by the end of 2023. Please refer to Section 4.2 "Employer Responsibility – AXA as a purpose-driven and inclusive organization – Health and wellbeing in a world of hybrid work – Healthy You" of this Annual Report for further information on this global program on health and wellbeing.

In addition, the Group endeavors to tackle mental health issues. Please refer to Section 4.2 "Employer Responsibility – AXA as a purpose-driven and inclusive organization – Health and wellbeing in a world of hybrid work – Mental health" of this Annual Report for further information on initiatives related to mental health.

The Group has also implemented safety, health, and security standards with which all Group entities must comply. These standards set out:

- processes to identify risks, depending on the specific characteristics of the environment and the activity of each AXA Group entity;
- proactive and reactive measures to be implemented according to identified risks (information, training, protective measures, incident management procedures and crisis plans); and
- a performance measurement, reported quarterly to the AXA Group central team.

Personal data protection

AXA was the first insurance group to adopt privacy-related Binding Corporate Rules, approved by European data protection authorities. In addition, to respond to the cyber risk threat, the AXA Group has developed a risk-based security strategy that strengthens the AXA Group's business resilience. See further details on personal data protection by AXA Group in Section 4.5 "Business behaviour – Responsible data use, data privacy and data security" of this Annual Report.

Integration of human rights into business processes

As an insurer, the AXA Group incorporates ESG criteria (including those relating to human rights) into its insurance business processes, in line with AXA's commitment to the UN Principles for Sustainable Insurance.

EXCLUDED SECTORS AND PRACTICES

The AXA Group's commitments are reflected in internal policies and initiatives, including product development processes and policies as well as underwriting guidelines. The underwriting guidelines define the exclusion of certain socially or environmentally sensitive sectors or practices (which can be directly or indirectly related to human rights) from the Group's insurance activities, as well as sectors with increased risks, such as controversial weapons industries. Insurance restrictions are detailed in Section 4.3 "Climate change and biodiversity – Climate and biodiversity matters as an insurer – Underwriting restrictions" of this Annual Report.

THE AXA GROUP'S SUPPORT OF ITS CUSTOMERS' RIGHTS

The AXA Group strives to support its customers' rights while preventing or mitigating adverse human rights impacts that may result from the provision of insurance products and services to corporate customers, in particular by seeking to:

- ensure fair treatment of all customers;
- offer products designed to meet the needs and expectations of its customers;

- design products and services to meet the needs of vulnerable populations, in order to reduce coverage disparities, close a protection gap and empower insured people to achieve positive outcomes with regard to protection and prevention. The AXA Group is also adapting insurance to the needs of emerging clients as described in Section 4.4 "Inclusive insurer – Business-related societal challenges – Emerging customers and initiatives to foster more resilience" of this Annual Report;
- integrate environmental issues into the Group's insurance business activities. Within this framework, the AXA Group applies the underwriting guidelines, as mentioned above, and offers insurance solutions which assist communities in facing the consequences of climate change. For instance, parametric insurance products support insured communities in dealing with the impact of climate-related disasters on agricultural crops. For further details on the parametric insurance offer, please refer to Section 4.4 "Inclusive insurer – Business-related societal challenges – Parametric insurance" of this Annual Report;
- strengthen its digital presence for a better accessibility of products and services as well as a simplification of interactions with its customers;
- encourage sales practices that respect the customer, in particular by providing them with transparent and adapted information;
- deal with claims in a prompt, fair, sensitive and transparent manner and ensuring that these processes are clearly explained and understood;
- use data in a responsible manner and safeguarding clients' privacy, in accordance with its Data Privacy Declarations and internal corporate rules for the protection of personal data (Binding Corporate Rules);
- provide customers with the means to express and resolve any disputes that may arise with AXA Group companies, notably through dedicated complaints departments; and
- implement internal controls to ensure the effectiveness of processes.

AXA or its subsidiaries is also a member of certain coalitions, such as, on an international scale, the Business for Inclusive Growth (B4IG) coalition since 2019 and, in France, the *Collectif d'entreprises pour une économie plus inclusive* (Business collective for a more inclusive economy) since 2018.

Please refer to Sections 4.3 "Climate change and biodiversity – Climate and biodiversity matters as an insurer", 4.4 "Inclusive insurer – Business-related societal challenges - Inclusive economy and social related outreach and engagement - Business for Inclusive Gowth (B4IG) and Inclusive economy coalition" and 4.5 "Business behavior – Business ethics" of this Annual Report for further information on integration of ESG criteria in insurance products and services and coalitions.

Integration of human rights into investment decisions

The Group has implemented various sectoral policies (including, as an example, a policy on controversial weapons), and built an analytical framework to identify potential indirect impacts on human rights.

The ESG assessment of the companies in which AXA Group has invested, or contemplates making an investment, incorporates the following human rights-related inputs: **(i)** fundamental principles such as those of the United Nations Global Compact, the International Labor Organization (ILO) as well as OECD recommendations, and **(ii)** the reputation and potential controversies regarding these companies.

ESG integration into investment decisions

Please refer to Sections 4.3 "Climate change and biodiversity – Climate and biodiversity matters as an investor" of this Annual Report for further information on integration of ESG criteria in AXA Group investment decisions.

PROTECTION OF THE ENVIRONMENT

As a company

The AXA Group's Environmental Policy, available on the Group's website (www.axa.com/en/commitments/environmental-footprint-management), describes key actions aimed at reducing the AXA Group's direct and indirect environmental impacts.

The AXA Group's environmental targets included in its 2025 environmental strategy are notably focused on the reduction of carbon emissions, one of the main contributors to climate change. Some of AXA Group's carbon emissions reduction targets for 2019-2025 are based on an approach promoted by the "Science Based Targets" initiative. Ahead of the energy disruption that was expected during 2022 winter in Europe, an Energy Sobriety & Resilience Task Force was launched to accelerate energy consumption reduction by the end of 2023 and ensure resilience in case of energy disruption. Please refer to Section 4.3 "Climate change and biodiversity – Climate and biodiversity matters as a company" of this Annual Report for further details on AXA policies for the reduction of carbon emissions.

Also, a number of the buildings occupied by the AXA Group benefit from environmental certificates such as BREEAM, LEED and HQE. Please refer to Section 4.3 "Climate change and biodiversity – Climate and biodiversity matters as a company – Our own operations impacts on climate change – 2022 environmental performance – Energy consumption" of this Annual Report for further details on AXA Group's certifications.

As an insurer and an investor

The AXA Group seeks to prevent and mitigate adverse impacts on the environment, namely by:

- offering customers insurance solutions that have a positive impact on the environment (please refer to Section 4.3 "Climate change and biodiversity – Climate and biodiversity matters as an insurer – Green products and business");
- offering customers investments solutions supporting the transition to a low-carbon economy (please refer to Section 4.3 "Climate change and biodiversity – Climate and biodiversity matters as an investor");
- applying sector specific policies in both investment and underwriting activities, which address issues in ESG sensitive sectors. These sector specific policies cover human rights and environmental concerns (*e.g.,* oil and coal) and are subject to an annual certification process carried out by entities of the Group;
- progressively aligning its investments activities with the Paris Agreement, which aims to limit the "warming potential" of +1.5°C by 2050; and
- transitioning insurance and reinsurance underwriting portfolios to "net-zero" greenhouse gas emissions by 2050 as part of the Net-Zero Insurance Alliance (NZIA) engagements.

The AXA Group also supports initiatives related to climate change and environmental protection, as detailed in Section 4.3 "Climate change and biodiversity – Climate, biodiversity and ESG-related "outreach" and engagement" of this Annual Report. In addition, the Group's Responsible Investment Policy is available on the AXA Group's website (www.axa.com/en/about-us/investments#tab=responsible-investment).

For more details in relation to the integration of climate risks in our investments, please refer to the section entitled "ESG integration into investments" above.

Please refer to Section 4.3 "Climate change and biodiversity" of this Annual Report for further details on AXA Group's strategy, policy, targets, and results with respect to environmental protection.

Whistleblowing procedure

The current AXA Group whistleblowing procedure allows all stakeholders (employees, business partners, *etc.*) to share their concerns without any delay and/or report any practice, action, or behaviour that they consider inappropriate, illegal, or unethical. Alerts/allegations can be raised within the relevant entity or sent directly to the Group *via* various channels *e.g.,* verbally or by individual email to a trusted person or by using a dedicated email address (speak-up@axa.com) therefore allowing alerts/allegations from all geographical areas where the Group operates.

The AXA Group has a dedicated team of independent professionals who review all alerts/allegations received. All investigations are carried out in a confidential manner *i.e.,* the identities of any party involved in an investigation are only shared with the relevant stakeholders or with judicial authorities and no further.

The whistleblowing procedure provides that there will be no act of retaliation against any person who, in good faith, reports actual or suspected misconduct, or against any person who may participate, by providing evidence, in establishing the facts of actual suspected misconduct.

Furthermore, all AXA Group companies are required to define internal policies governing whistleblowing according to local laws and regulations, and in alignment with Group guidelines. In 2019, a global communication campaign called "Speak-up", was launched to refresh employee awareness of both the local and Group whistleblowing procedures. The purpose of the campaign was to strengthen, increase consistency and simplify the process across the Group.

Follow-up and report on the effective implementation of the vigilance plan

REPORTING PROCESS

In 2022, the Group continued its efforts to raise awareness on the vigilance plan amongst its entities. Awareness sessions were held in order to remind entities of requirements related to the duty of care *(devoir de vigilance),* and the applicable penalties in the event of non-compliance with legal obligations. Correspondents of the Procurement network attended these sessions in 2022.

In addition, the AXA Group relies on a reporting process for Group entities which is based on pre-existing procedures and monitoring tools and, in particular, on an internal review conducted by the Sustainability central team. Each year, the principal operating entities are asked to conduct an internal risk assessment to identify any gaps with the vigilance plan.

Following the assessment conducted in 2022, gaps were identified, and the relevant entities shall implement improvement action plans, including the following:

- the systematic inclusion of the sustainability clause as reviewed by the Group in procurement contracts;
- the strengthening of supplier monitoring in high ESG risk categories through EcoVadis;
- the raising of human rights awareness among employees, such as the inclusion of people with temporary or permanent disabilities; and
- the adjustment of local alert procedures to cover matters related to human rights and the environment.

SUSTAINABLE PROCUREMENT BUSINESS

Integrating Group Sustainability strategy and commitments into its management of suppliers is an on-going activity for AXA Group. This alignment means that AXA Group integrates sustainability considerations to select and monitor its suppliers. This approach is articulated around two axes:

- **Responsible people & processes:** the AXA Group personnel working in a procurement department must sign the Group's Code of Professional Conduct but also a dedicated and reinforced Code of Ethics, which promotes fairness and neutrality, confidentiality, and transparency of sourcing decisions. The personnel is also trained to the AXA Group's Sustainability strategy and its Sustainable Procurement policy through awareness sessions given by the network of Sustainable Procurement personnel identified in our various entities.
- **Responsible vendors:**
  - An ESG criteria grid has been shared since 2021 across the Procurement teams and integrated into the Group's calls for tenders. Criteria may vary depending on purchases categories. As an example, they may involve the EcoVadis rating, the carbon emissions of suppliers' products and services, or their responsible procurement policy.
  - The AXA Group requires its vendors to include a "Sustainability clause" in their contracts. It includes, complying with the principles of the ILO (prohibiting the use of child/forced labour, promoting employee health & safety and freedom of expression, and non-discrimination). 96.20% of the procurement contracts entered or renewed in 2022 included this sustainability clause (*versus* 96.81% in 2021).
  - The AXA Group implemented an assessment of the extra-financial risks of its suppliers, identified thanks to an internal Risk Matrix by procurement category (please refer to Section "Vigilance Plan – Identification and Evaluation of Risks to Human Rights and the Environment – Environment – As a Responsible Business Partner" above). 72.55% of the vendors evaluated in 2022 shared a Bronze or higher EcoVadis scoring (*versus* 72.5% in 2021).
  - The Group is striving to implement best practices to meet its objective of reducing carbon emissions by 20% by 2025. The AXA Group has therefore implemented locally new sustainable ways of buying, *e.g.,* greening of car fleets, purchases of green energy in offices and data centers, deployment of new measures for IT purchases (*e.g.*, by asking key IT providers to provide the carbon footprint related to the Group's purchases of their services and products). All these best practices applied locally are shared by the Sustainable Procurement community in order to promote a wider deployment.

Since 2018, the AXA Group uses a dedicated Vendor Risk program to reinforce its operational control and Risk Management of third parties. Please refer to Section 5.7 "Operational Risk" of this Annual Report for further information on this program.

The AXA Group is evaluated every year by S&P Corporate Sustainability Assessment score (CSA score used to define the Dow Jones Sustainability Index). Please refer to Section 1.1 "Socially Responsible Investments (SRI) ratings" for further details about ratings. Furthermore, the AXA Group received a "Platinum" score in its latest EcoVadis evaluation.

INVOLVEMENT OF AXA STAKEHOLDERS

In line with its strong culture of dialogue, AXA has regular discussions with its various stakeholders at different levels.

In order to maintain effective communication between employees and management as well as a constructive social dialogue, the vigilance plan was presented on several occasions to employee representatives.

Please refer to Section 4.1 "AXA Group's Sustainability strategy – Sustainability governance & Stakeholder dialogue" of this Annual Report for further details about the stakeholder dialogue initiated by AXA.

4.7 TRANSVERSAL INFORMATION

EU Taxonomy Regulation

The following provides information with respect to the requirements of Regulation (EU) 2020/852 dated June 18, 2020, on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy Regulation" [1]) and the Commission Delegated Regulations supplementing the EU Taxonomy Regulation [2].

The EU Taxonomy Regulation introduces the concepts of eligibility and alignment:

- an economic activity is said to be eligible if it is identified in the delegated acts as having a high potential to contribute to at least one of the six environmental objectives [3], irrespective of whether the activity meets the technical criteria set out in those delegated acts;
- the second of these concepts is alignment, which confirms the significant contribution of this eligible economic activity to at least one of the six environmental objectives on the basis of technical criteria specified through a delegated regulation.

During the 2-year transitional period that will end on December 31, 2023, financial undertakings must disclose the proportion of exposures to Taxonomy eligible and Taxonomy non-eligible [4] economic activities in the undertaking's total relevant assets, as well as other information.

The description of the economic activities that could qualify as substantially contributing to at least one environmental objective has only been published for climate change mitigation and climate change adaptation. Below disclosure do not consider the four other environmental objectives [5].

Besides, during the transitional period, insurance and reinsurance undertakings shall also disclose the proportion of Taxonomy eligible and Taxonomy non-eligible non-Life insurance economic activities, the regulation considering the underwriting of climate-related perils [6] as contributing to climate change adaptation.

The eligibility to the EU Taxonomy Regulation does not indicate whether or to what extent the non-Life insurance activities and the investments' activities will be considered as Taxonomy-aligned.

TAXONOMY ELIGIBILITY OF NON-LIFE INSURANCE ECONOMIC ACTIVITIES

(in Euro million)	Gross premiums written	% to Total non-life premiums
Non-Life insurance and reinsurance activities eligible to EU Taxonomy	22,930	35%
Non-Life insurance and reinsurance activities not eligible to EU Taxonomy	41,995	65%
TOTAL NON-LIFE INSURANCE AND REINSURANCE ACTIVITIES	**64,925**	**100%**

(1) Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

*(2) **(i)** Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, and **(ii)** Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, as amended by Commission Delegated regulation (EU) 2022/1214 of March 9,2022.*

(3) Climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems.

(4) The terms "Taxonomy eligible economic activities" and "Taxonomy non-eligible economic activities" are defined in article 1 (5) and (6) of Commission Delegated Regulation (EU) 2021/2178.

(5) As of December 31, 2022 the relevant delegated acts with respect to these objectives have not been published. With respect to non-financial undertakings, the European Commission has indicated that reporting eligibility and alignment for the remaining four environmental objectives is not expected for reporting in 2023 (Question 2 of the Draft Commission notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets).

(6) A non-exhaustive list of climate-related perils is available in Appendix A, Annex 2 of Commission Delegated Regulation (EU) 2021/2139.

Insurance services classified in eight of the non-Life insurance and reinsurance Solvency II lines of business [1] are considered as eligible, in accordance with the EU Taxonomy Regulation [2], if they include policy terms related to the underwriting of climate-related perils.

In this regard, AXA Group has identified three lines of business composed of insurance or reinsurance products generally including coverage of risks related to climate-related perils: Motor insurance (other than third party liability insurance); Marine, Aviation and Transport insurance; and Fire and Other Property Damage insurance.

The gross written premiums reported in those three lines of business have been recognized as eligible to the Taxonomy, except the premiums of products for which climate-related perils are explicitly excluded from the insurance policy terms or for which climate-related perils cannot trigger any claims.

On other potentially eligible lines of business (*i.e.*, Medical Expense insurance, Income Protection insurance, Workers' Compensation insurance, Motor Vehicle Liability insurance and Assistance), only gross written premiums related to products for which climate-related perils cover is explicitly mentioned in the insurance policy terms have been considered as eligible.

The analysis has been done on direct lines of business, and reinsurance assumed. Where a reinsurance product includes different types of underlying products, only the part of premium relative to climate-related perils coverage has been considered as eligible (calculation based on pricing tool or claim database). The reported amounts are gross of ceded reinsurance.

TAXONOMY ELIGIBILITY OF INVESTMENTS

(in Euro million)	**Value**	**Percentage**
TOTAL INVESTMENTS (INCLUDING CASH)	**542,577**	**100%**
		% on total investment
Exposures to central governments, central banks and supranational issuers	162,546	30%
COVERED ASSETS	**380,031**	**70%**
Of which:		**% on covered assets**
Derivatives	(689)	0%
Exposures to undertakings not subject *to* NFRD (articles 19a *and* 29a of Directive 2013/34/EU)	104,318	27%
Exposures to Taxonomy eligible activities (investment properties and mortgage loans)	64,535	17%
Exposures to Taxonomy non-eligible activities	211,867	56%
Of which cash and other loans	36,549	10%
Of which exposures for which Taxonomy analysis could not be assessed	175,318	46%

The proportion of exposures to Taxonomy eligible/non-eligible activities represent the weighted average value of invested assets directed at funding, or associated with, Taxonomy eligible/non-eligible economic activities relative to the value of total invested assets included for the purpose of the calculation of the KPI (the **"Covered Assets"**).

The Covered Assets correspond to all assets invested on the balance sheet (including cash) [3], excluding exposures to central governments, central banks, and supranational issuers, in accordance with article 7.1 of the Commission Delegated Regulation (EU) 2021/2178. The Covered Assets thus include exposures to investments in properties, equity securities, debt instruments (excluding sovereign exposures), non-consolidated investments funds, derivatives, loans, cash, and cash equivalents. Assets backing contracts where the financial risk is borne by policyholders are also included. In 2022, the Covered Assets represents 70% of the total investments and 55% of the total assets in the consolidated balance sheet.

Exposures to undertakings not subject to articles 19a and 29a of Directive 2013/34/EU and derivatives, representing respectively 27% and 0% of the Covered Assets, cannot be assessed for Taxonomy eligibility so far.

(1) The term "lines of business" is defined in Annex I, Section A, of Commission Delegated Regulation (EU) 2015/35 of October 10, 2014 (as amended), supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive).

(2) Section 10.1 of the Annex 2 to the Commission Delegated Regulation (EU) 2021/2139 restricts Taxonomy-eligible economic activities to the following non-Life insurance services: (a) medical expense insurance; (b) income protection insurance; (c) workers' compensation insurance; (d) motor vehicle Liability insurance; (e) other motor insurance; (f) marine, aviation and transport insurance; (g) fire and other damage to property insurance; (h) assistance.

(3) Corresponding to the assets "Investments from insurance activities", "Investments from banking and other activities" and "Cash and cash equivalents" of the consolidated statement of financial position (Section 6.1).

In accordance with the list of economic activities eligible to EU Taxonomy, only investments in real estate properties and mortgage loans have been fully recognized as Taxonomy-eligible based on actual information, representing 17% of the Covered Assets.

Exposures to Taxonomy non-eligible activities represent 56% of the Covered Assets. It includes exposures to cash and other loans, but also the remaining assets for which Taxonomy eligibility could not be assessed, *i.e.,* debts and equity instruments for which actual Taxonomy information is not yet available from AXA Group's external ESG data provider, as well as exposures through investment funds for which the information by issuer is not known.

AXA Group has taken into consideration the additional requirements of the Delegated Regulation (EU) 2022/1214 pertaining to Taxonomy eligibility of nuclear and fossil gas related activities, as well as the clarifications published by the EU Commission on December 19, 2022 on the disclosures required from financial undertakings under article 10(3) of the Disclosures Delegated Act (Delegated Regulation (EU) 2021/2178) on Article 8 of the Taxonomy Regulation (1). AXA Group considers that it may be exposed through its investments to activities related to the production of electricity, heat or cold from gaseous fossil fuels as presented in Template 1 in Annex III of Delegated Regulation (EU) 2022/1214 (2).

In addition, AXA Group's investments may include exposures to activities related to the production of electricity or process heat from nuclear energy as presented in the above-mentioned Template 1 (3), but these exposures can only be confirmed on the basis of information provided by the relevant investees concerning the levels of safety, innovation and waste production from the fuel cycle.

The underlying information necessary to confirm exposures and determine the amount and proportion of Taxonomy eligible activities in these sectors was not available at the time this report was prepared.

(1) Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets published by the EU Commission on December 19, 2022.

*(2) **(i)** Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels; **(ii)** Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels; **(iii)** Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.*

*(3) **(i)** Research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle; **(ii)** Construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies; **(iii)** Safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.*

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SUSTAINABILITY
4.7 TRANSVERSAL INFORMATION

2022 key indicators

Based on the 2022 sustainability risk assessment presented in Section 4.1 “AXA Group’s sustainability strategy – Sustainability risk assessment”, the relevant risks and key performance indicators described in the Chapter 4 “Sustainability” are presented in the table below:

Sustainability theme	Non-Financial risks assessed	Definition of the risk	Section	Indicator	2021 Performance	2022 Performance	Target	Timeline
Governance	Stakeholder engagement	Risk of not being engaged with our stakeholders	4.1 “AXA Group’s sustainability strategy”	Number of coalitions/working groups/pledges involving AXA Group	> 50	> 50	None	Annually
Responsible Employer	Safe environment	Employee’s health and safety breaches (incl. workers’ compensation, pandemia, emerging risks affecting employees)	4.2 “Employer Responsibility”	Employee Net Promoter Score “eNPS”	36	35	36	Annually
	Diversity & Inclusion	Failure to comply with principles of diversity and equality or to tackle discrimination or harassment properly		AXA’s gender parity amongst Top Senior Executives (women representation)	36%	39%	50%	2023
	Talent Management/ Loss of key *staff*	Insufficient skills assessment, development and recognition resulting in high turnover		Salaried employees having been trained at least once during the year	100%	100%	100%	Annually
Climate change and biodiversity	Own operations	AXA’s own operations impact on climate change	4.3 “Climate change and biodiversity”	Carbon footprint of AXA’s own operations (energy, car fleet, business travel, digital); performance versus FY2019 (**“AXA For Progress Index”**)	-61% [(a)]	-48%	-20%	2019-2025
				% of employees who have been upskilled on climate issues (**“AXA For Progress Index”**)	13%	87%	100%	2023
		Impact of climate change on AXA operations		Number of entities that tested all Business Continuity Plans for High/Mission critical business processes	N/A	95%	100%	Annually
	Investments	AXA’s impact on climate change as an investor		Carbon footprint of AXA’s portfolio (General Account Assets); performance versus FY2019 (**“AXA For Progress Index”**)	-29% [(b)]	-35% [(b)]	-20%	2025
		Impact of climate change on AXA as an investor		Green Investments (**“AXA For Progress Index”**)	€22.6 billion	€25.1 billion	€26 billion	2023
	Insurance	AXA’s impact on climate change as an insurer		Green Premiums (**“AXA For Progress Index”**)	€1.4 billion	€1.7 billion	€1.3 billion [(c)]	2023
		Impact of climate change on AXA as an insurer		Annual analysis of assets or business activities vulnerable to physical risks	Yes	Yes	N/A	Annually
	Biodiversity	AXA’s investments and insurance activities’ impact on biodiversity		Deforestation and Ecosystem Conversion Policy	New 2021 commitment	Policy applied	N/A	N/A
Inclusive insurer	Inclusive Protection	Inability or difficulties to provide insurance products or services to society at large, including underserved communities	4.4 “Inclusive insurer”	Number of customers covered by AXA Group’s Inclusive Protection program (**“AXA For Progress Index”**)	10.6 million	11 million	12 million	2023
	Partnership & Philanthropy	Inapropriate or inadequate partnerships & philanthropy commitments		% of philanthropic support aligned with the 2 pillars of the sustainability’s strategy: Climate change & Biodiversity and Inclusive Protection [(d)]	78%	78%	50%	N/A
Business behavior	Anti-bribery & fight against corruption	Risk of corruption and not complying with Sapin II law	4.5 “Business behavior”	% of entities that have certified the anti-bribery & corruption section of the AXA Standards	100%	100%	100%	Annually
	Business conduct	Mis-selling or non transparent selling practices, mismanagement of claims		% of entities having certified AXA Standards on Product Approval Process	100%	100%	100%	Annually
	Responsible data use (data privacy and data security)	Non compliance with data protection legislation (GDPR) and risk of a data breach or cyber attack		% of customers that complained on Data Privacy	0.0012%	0.0005%	less than 0.0100%	Annually
				Scoring ISO 27001	3.12/5	3.30/5	3.00/5	Annually
				% of employees trained and certified (security, data protection and cybersecurity training)	100%	100%	100%	Annually
	Tax policy	Risk of not complying with tax legislation and not to meet stakeholders’ expectations of good tax practices		% of the Group Tax footprint covered in the Tax transparency report published during the year (relating to N-1)	90%	90%	90%	Annually
	Sustainable procurement	Accusation that AXA or any of its supplier fail to uphold human rights	4.6 “Vigilance plan”	% of procurement contracts entered or renewed with the sustainability clause	96.81%	96.20%	N/A	Annually

N/A stands for Not Applicable (information not existing at the reporting period).

(a) COVID-19 crisis impact.

(b) These results are subject to volatility, namely linked to the industry evolution of carbon emissions, financial markets’ performance and coverage of issuers AXA has invested in which may evolve over time. AXA’s priority is to achieve -20% carbon footprint reduction target by 2025 with 2019 as the base year.

(c) Based on the strong performance in 2022, AXA Group decided to increase its ambition and set a floor at €1.7 billion for 2023.

(d) Except donations made by Mutuelles AXA and those in favour of humanitarian emergencies.

Definitions of key indicators

The key indicators listed in the table above are explained as follows:

Number of coalitions/working groups/pledges involving AXA Group: participation of AXA Group in coalitions, working groups and pledges around climate and inclusion themes.

Employee Net Promoter Score "eNPS": the employee Net Promoter Score is measured by asking employees one question: "How likely are you to recommend AXA as a place to work?". The answer scale is from 0 to 10, and the result is calculated by taking the percent of promoters (answers of 9-10) and subtracting the percent of detractors (answers of 0-5). This then produces a metric on a scale from (-100) to (+100).

AXA's gender parity amongst Top Senior Executives (women representation): share of women part of the GLN. The Global Leadership Network (GLN) is made up of CEO and Executive Committees of AXA's largest markets, growth engines and major transversal entities, as well as senior leaders from the corporate functions, markets, and some country CEOs. The scope for this calculation concerns all entities having GLN members.

Salaried employees having been trained at least once during the year: share of salaried workforce having received one or more training course provided by the legal entity part of SDR scope during the reporting year, whether in-house, including AXA University programs, or outside the legal entity, including e-learning programs. Even though an employee has received several trainings, the employee is counted only once. Employees having received one or more training course who left the Group and no longer are part of the workforce as of December 31 are included.

Carbon footprint of AXA's own operations (energy, car fleet, business travel, digital): variation of the AXA Group CO_2 emissions related to energy, car fleet, business travel and IT equipment and services. The percentage corresponds to the evolution between the reference year 2019 and the performance year. Target is -20% between 2019 and 2025.

Percentage of employees who have been upskilled on climate issues: share of permanent employees within the SDR Scope who have been trained in climate issues, completing the AXA Climate Academy or with a similar local initiative, excluding new joiners and long absences (according to local management rules).

Number of entities that tested all Business Continuity Plans for High/Mission critical business processes: number of entities that tested all Business Continuity Plans for High/Mission critical business processes.

Carbon footprint of AXA's portfolio (General Account Assets): EV-based carbon footprint of AXA's portfolio, expressed in tons of CO_2 equivalent per million euros of Enterprise Value. 2022 data to be published in 2023 AXA SA's "Climate and Biodiversity Report". These results are subject to volatility, namely linked to the industry evolution of carbon emissions, financial markets' performance and coverage of issuers AXA has invested in which may evolve over time. AXA's priority is to achieve -20% carbon footprint reduction target by 2025 with 2019 as the base year.

Green Investments: Billion euros of AXA Group's General Account assets invested in "green" assets, defined based on external labels, certifications, and environmental standards as appropriate. Covers the following asset classes: green bonds, infrastructure debt & equity, impact investments, real estate, and commercial real estate loans.

Green Premium: GWP collected on insurance products part of the Green Business framework (*i.e.,* contributing to Climate Change Mitigation, Climate Change Adaptation, Transition to a Circular economy and/or Limitation of biodiversity loss and pollution) defined in Section 4.3 "Climate change and biodiversity".

Annual analysis of assets or business activities vulnerable to physical risks: an annual analysis forward-looking climate physical risk on AXA Group's Property & Casualty business.

Deforestation and Ecosystem Conversion Policy: existence of a Group-wide policy to manage biodiversity risks related to commodity-linked deforestation and ecosystem conversion.

Number of customers covered by AXA Group's Inclusive Protection program: data (number of Inclusive Protection customers) annually collected from AXA entities which have 'opted in' the Inclusive Protection initiative defined in Section 4.4 "Inclusive insurer"

Percentage of philanthropic support aligned with the two strategic pillars of the sustainability's strategy (Climate change & Biodiversity and Inclusive Protection): share of philanthropic donations aligned with the sustainability strategy (except donations made by Mutuelles AXA and those for humanitarian emergencies) monitored by the AXA Community Investment Survey (CIS), the AXA Group reporting of philanthropic and volunteering activities.

Percentage of entities that have certified the anti-bribery & corruption section of the AXA Standards: share of CEOs of entities within the scope of the AXA Standards certification process, who have certified their level of compliance with the anti-bribery & corruption section of the AXA Standards.

Percentage of entities having certified AXA Standards on Product Approval Process: share of CEOs who have certified on the compliance level of the Group entities in scope of the AXA Standards certification process, which engaged them to conduct a Product Approval Process.

Percentage of customers that complained on Data Privacy: among all customers, percentage of customers with a substantiated complaint on Data Privacy. In 2022, 471 complaints out of 95 million customers. In 2021, 1,127 complaints out of 95 million customers.

Scoring ISO 27001: average of ISO 27001 Maturity assessments conducted on the 20ish most mature entities of the Group called "Tier 1" entities. ISO 27001 is an international cyber-security standard against which entities maturity is evaluated on a scale from 0 (inexistent) to 5 (optimized), where 3 is the minimum to have an "effective" control environment. It is the framework used to compare AXA to other companies of the financial and insurance sector (AXA Tier 1 entities are all part of the first quartile of the most secured companies of the sector).

Percentage of employees trained and certified (security, data protection and cybersecurity training): share of salaried and non-salaried employees trained and certified during the year on the topic of security (including physical security, health & safety, operational resilience & information security), data protection and cybersecurity.

Percentage of the Group Tax footprint covered in the Tax transparency report published during the year (relating to N-1): share of the Group Tax footprint covered in the Tax transparency report published in 2022 (relating to 2021). This Tax footprint corresponds to the detail of the various taxes paid (direct and indirect) by geography where the AXA Group operates.

Percentage of procurement contracts entered or renewed with the sustainability clause: share of procurement contracts entered or renewed with the mandatory sustainability clause which includes, in particular, complying with the principles of the ILO (prohibiting the use of child/forced labor, promoting employee health & safety and freedom of expression, and non-discrimination).

Reporting methodology

An assessment of the employer responsibility, environmental, societal, business behavior and human rights impacts of the Group's activities has enabled the appropriate performance indicators to be defined in accordance with the requirements of the French Commercial Code.

SCOPE OF SOCIAL, ENVIRONMENTAL AND SOCIETAL REPORTING

For the perimeters defined below, indicators are fully consolidated, unless otherwise indicated:

Scope of social indicators

The social data provided in Section 4.2 "Employer Responsibility" of this Annual Report are collected from 259 active entities of the AXA Group, in which AXA holds, directly or indirectly, management control, as of December 31, 2022, included in the consolidation scope of AXA.

Scope of environmental indicators

Environmental reporting's scope is based on the same scope as Social reporting but AXA Group's sites with less than 50 Full Time Employees (FTEs) are not included in the data collection process. These sites are part of an extrapolation process. In 2022, environmental indicators were collected for 92,695 FTEs working on AXA Group's sites (unless otherwise indicated) and were then extrapolated, continent by continent, to cover all 115,842 FTEs (all types of contracts – average annual personnel) working at AXA Group in 2022 according to the social reporting.

Scope of societal indicators

In 2022, AXA's entities contributing to the Community Investment Survey, as described in Section 4.4 "Inclusive insurer" of this Annual Report, represent 101,425 FTEs working on AXA sites, meaning a coverage rate of 99%.

PERIOD

The indicators cover the period from January 1, 2022 to December 31, 2022, unless mentioned otherwise. To facilitate collection and processing, some data may be collected early in the year. The data for any remaining months (maximum 6 months) is then estimated in accordance with the Group's defined methodology.

DATA REPORTING

Social data reporting

The social data provided in Section 4.2 "Employer Responsibility" of this Annual Report are collected through a reporting process defined by procedures associated with a list of indicators shared with all entities of the AXA Group. This process is updated and communicated to each entity on a yearly basis. Social data are provided by local correspondents into an IT tool dedicated to the social data reporting process. Consistency checks and quality controls are carried out before and during the data collection process, as well as evaluations by an independent third party on some legal entities and the overall process. A validation process of this reporting is also performed locally. There is no estimation or extrapolation made on data provided. Regarding data published in ratios and percentages, numerator and denominator are realigned for each calculation to exclude entities with empty data points.

Environmental data reporting

Environmental data has been collected since 2002, through a dedicated reporting tool filled out by the network of more than 356 environmental managers from AXA Group's sites with more than 50 FTEs and data centers owned by AXA. The reporting procedure includes guidelines for reporting and controlling, and calculation rules. AXA Group monitors its environmental footprint reduction towards its targets. The reporting procedure is updated annually, and contributors are trained each year. For each site, contributors specify whether the data has been measured or estimated based on the calculation rules defined in the Group's reporting procedures. In 2022, environmental data was collected for 80% of total FTEs, and the remaining 20% has been extrapolated. Reported data is validated locally by the entity CFOs. For more information, please refer to Section 4.3 "Climate change and biodiversity" of this Annual Report and to the footnotes of environmental data tables.

Societal data collection

Societal engagement data which is presented in Section 4.4 "Inclusive insurer – Corporate philanthropy and engagement" of this Annual Report is collected through a dedicated reporting tool with specific definitions for engagement practices. The number of unique volunteers is an estimate based on local entity knowledge of volunteering activities.

LIMITATIONS

Reporting on certain indicators may have limitations due to circumstances sometimes outside of our control such as:

- the absence of nationally and/or internationally recognized definitions, concerning the different categories of employment contracts;
- headcount accounting may differ from one entity to another depending on local management rules and the availability of data (particularly with regard to long-term absences);
- the necessary estimates, the representativeness of the measurements made, or the limited availability of external data required for calculations as the required annual update of emission factors;
- the practical procedures for collecting and entering this information;
- lack of standardization of methodologies, resulting in incomparable data year-on-year (*e.g.,* Warming Potential, CVaR); and
- delays from third-party data providers, notably in respect of information relating to the carbon footprint of investee companies in the context of measuring our scope 3 emissions.

Therefore, whenever possible, definitions, methodologies and, where applicable, the associated margins of uncertainty are specified for the concerned indicators.

The sustainability themes "circular economy", "food waste", "waste prevention and management", "fight against food insecurity", "respect of animals' well-being", "fair and sustainable food supply", "use of soils", "consumption of raw materials" and "promoting the practice of physical activities and sports for people with disabilities" are not considered as main sustainability risks for AXA and are not included in AXA's extra-financial performance statement.

USE OF INTERNATIONAL BENCHMARKS

To develop its sustainability strategy and extra-financial performance statement, AXA voluntarily uses certain international benchmarks, as described in this chapter. These include, for example, the United Nations Sustainable Development Goals (as developed in Section 4.1 "AXA Group's sustainability strategy"), the Greenhouse Gas Protocol (https://ghgprotocol.org) for the calculation of CO_2 emissions, and the Science Based Target Initiative (https://sciencebasedtargets.org) for the reduction of its carbon footprint. Other benchmarks are highlighted in the relevant sections, where appropriate.

4.8 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

FOR THE YEAR ENDED DECEMBER 31, 2022

To the Board of Directors of AXA SA.

In our capacity as Statutory Auditor of AXA SA (hereinafter the "entity"), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation n°3-1060, whose scope is available at www.cofrac.fr), we conducted our work in order to provide a report expressing a limited assurance conclusion on the historical information (observed and extrapolated) of the consolidated non-financial information statement (hereinafter respectively the "Information" and the "Statement"), prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for year ended on December 31, 2022, included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as described in the "Nature and scope of procedures" section, and the elements that we have collected, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, are not presented fairly in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, significant elements of which are disclosed in the Statement.

Limitations in the preparation of information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing suitable criteria for preparing the Information;

- the preparation of the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of those policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- preparing the statement in accordance with the entity's Guidelines as mentioned above; and
- implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the Information provided in accordance with Article R. 225 105 I, 3 and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière* and acting as the verification programme as well as the international standard ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information.*

Independance and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work was carried out by a team of 8 people between mid-September 2022 and March 2023 and took a total of 9 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 16 interviews with people responsible for preparing the Statement, representing in particular Sustainability, Group Investment, Risk Management, Procurement, Emerging customers, Compliance, IT and Human Resources.

Nature and scope of procedures

We planned and performed our work considering the risk of a material misstatement of the Information.

We consider that the procedures we performed were based on our professional judgment and allowed us to provide a limited assurance conclusion on the Information:

- we obtained an understanding of all the consolidated entities' activities and the description of the associated principal risks;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, objectivity and comprehensability, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;

- we verified that the Statement provides the information set out in Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of the principal risks associated with of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to such principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks and the consistency of the outcomes, including the key performance indicators used with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in appendix. For several risks (stakeholder engagement practices, safe environment, diversity and inclusion, talent management/loss of key staff, own operations, investments, insurance, biodiversity, inclusive protection, partnership and philanthropy, anti-bribery & fight against corruption, business conduct, responsible data use, tax policy, sustainable procurement), our work was performed at the level of the consolidated entity; for the remaining risks, our work was carried out at the consolidated entity and on a selection of entities, with respect to social, societal and environmental aspects;
- we verified that the Statement covers the scope of consolidation, i.e., all the entities within the scope of the consolidated entity in accordance with Article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- we studied the internal control and risk management procedures implemented by the entity and assessed its data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important as set out in appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of detail, based on polls or other sampling techniques to assess the proper usage of the definitions and procedures and to reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, with respect to: social [(1)], societal commitment [(2)] and environmental [(3)]; and covers between 17% and 70% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of all the entities within the scope of the consolidated entity.

The procedures performed in a limited assurance review are less extensive than those required for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)*; a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, March 20th 2023

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Bénédicte Vignon	Sylvain Lambert
Partner	Sustainable Development Partner

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(1) AXA Assicurazioni, AXA Assistance France, AXA Direct Korea, AXA France IARD Maroc, AXA France Vie Maroc, AXA Italia Servizi, AXA Konzern AG, GIE AXA, Inter Partner Assistance Servicios España S.A and AXA Life Insurance Co.

(2) AXA Germany, AXA Italy, AXA Investment Managers Holding, AXA XL Holding, AXA France Atout Cœur, AXA France Mecenat and AXA UK & Ireland.

(3) AXA Toulouse Balma, AXA China TianPing, AXA Italy, AXA Germany, AXA Japan (Life), AXA Korea, AXA Philippines Life, AXA Spain, AXA XL US and AXA XL India.

Appendix: List of the information we considered most important

Key performance indicators and other quantitative results:

- Climate change and biodiversity: carbon footprint of AXA's own operations (energy, car fleet, business travel, digital), percentage of employees who have been upskilled on climate issues, number of entities that tested all Business Continuity Plans for High/Mission critical business processes, Carbon footprint of AXA's portfolio (General Account Assets), Green Investments, Green Premium, Annual analysis of assets or business activities vulnerable to physical risks, deforestation and ecosystem conversion policy;
- Employer responsibility: Employee Net Promoter Score "eNPS", AXA's gender parity amongst Top Senior Executives, salaried employees having been trained at least once during the year;
- Inclusive insurance: number of customers covered by AXA Group's Inclusive Protection program, percentage of philanthropic support aligned with the two pillars of the sustainability's strategy: climate change & biodiversity and inclusive protection;
- Fight against corruption: percentage of entities that have certified AXA Standards on anti-bribery & fight against corruption;
- Business behavior: percentage of entities' CEOs who have certified their level of compliance with the Standards on Product Approval Process;
- Responsible data use (data privacy and data security): percentage of customers that complained on Data Privacy, Scoring ISO 27001, percentage of employees having been trained and certified (security, data protection and cybersecurity training);
- Tax policy: coverage of Group tax footprint in the Tax transparency report;
- Sustainable procurement: percentage of procurement contracts entered or renewed with the sustainability clause;
- Governance: number of coalitions/working groups/pledges involving AXA Group;

Qualitative information (actions and results):

- Stakeholders engagement;
- Safe environment;
- Diversity and Inclusion;
- Talent management/loss of key staff;
- Impact of climate change on AXA Group's activities:
  - As an investor,
  - As an insurer,
  - On AXA own operations;
- AXA Group's impact on climate change:
  - As an investor,
  - As an insurer,
  - On AXA own operations,
- AXA Group's impact on biodiversity:
- Inclusive Protection;
- Partnership & philanthropy;
- Fight against corruption;
- Business conduct;
- Responsible data use, data privacy and data security;
- Tax policy;
- Sustainable procurement.

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RISK FACTORS AND RISK MANAGEMENT

5.1 RISK FACTORS SNFP

You should carefully consider the following risk factors together with other information contained in this Annual Report. Any of these risks could materially affect our business, financial condition, or results of operations, cause the trading price of our ordinary shares to decline materially or our actual results to differ materially from those expected or those expressed in any forward-looking statements made by or on behalf of the Company.

This section presents the significant risks specific to the Group to which we believe it is exposed as of the filing date of this Annual Report with the AMF. The risks described below are not the only risks the Group faces. Additional risks and uncertainties not currently known to us, not specific to the Group or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations or cash flows. These include but are not limited to the consequences of the ongoing war in Ukraine (together with its geopolitical and economic effects), which adversely impacted the Group during 2022 and may result in adverse impacts in future periods. These risks are presented herein based on currently available information and are subject to a constantly evolving context. Finally, we may change our perception of the impact of one or more risks on the Group at any time, particularly in the event of one or more new internal and/or external developments.

The Company's Risk Management processes, procedures and controls are described in Section 5.2 "Internal control and Risk Management" of this Annual Report, which should be read in conjunction with this Section 5.1. While Management devotes very substantial resources to Risk Management on an ongoing basis, the Group's Risk Management activities, like all control systems, are subject to inherent limitations and cannot provide absolute assurance or render the Group immune in any respect from the risks described in this Part 5 or the losses that may be incurred in connection with these risks.

Where the risks described in this Section 5.1 have given rise to quantifiable and material financial impacts and/or material contingent liabilities, those financial impacts and/or contingent liabilities are reflected in the Consolidated Financial Statements, in accordance with applicable accounting principles. You should also refer to Section 5.3 *et seq*. of this Annual Report for quantitative information on the material risks to which the Group is exposed. For the avoidance of doubt, references to "insurance", "reinsurance", "Property & Casualty" and "Life & Savings" in this Section also refer to "Health" activities, as appropriate.

In presenting the risks set forth in this Section 5.1, Management has identified the primary categories of risk and the most material risks in a manner that corresponds to Management's current view as to the materiality of such risk factors for the AXA Group, based on the perceived likelihood of the occurrence of such risks and the expected magnitude of their negative impact. As more fully described below, such categories include market-related risks, credit- and liquidity-related risks, insurance and reinsurance pricing and underwriting-related risks, operational risks, regulatory-related risks, and risks related to the ownership of the Company's shares. Further, there can be no assurance that Management's assessment of the relative importance of such risk factors may not change over time, whether to reflect new information, events, circumstances or otherwise.

Financial Risks

MARKET-RELATED RISKS

Negative developments in economic and financial market conditions, whether on a national, continental, or global basis, may materially and adversely affect our business and profitability

Our businesses, financial condition, results of operations and solvency are impacted by global financial market fluctuations and economic conditions generally. For additional information on the sensitivity of our Solvency II ratio to capital market conditions, please refer to the AXA Group's SFCR, available on AXA's website (www.axa.com) [(1)].

Financial markets have been significantly impacted by the war in Ukraine in 2022 and its effects on the supply of energy and other critical commodities, the resulting sanctions imposed on Russia by the international community, trade restrictions, disruptions to global supply chains and elevated energy and raw material prices. The impact on Europe has been particularly severe, given Europe's dependence on Russian energy commodities. The protraction, and potential further escalation (including involvement of other countries), of the conflict, combined with OPEC member countries' inability and unwillingness to increase production, could add further pressure to the current inflationary trend or result in elevated and extended periods of instability in financial markets, which may have a material adverse effect on the results and operations and the financial condition of the Group. Central banks have already had to react forcefully to the inflation shock by increasing interest rates and introducing other counter-inflationary measures. As of early 2023, it seems likely that even more central bank policy action will be needed throughout the year to manage inflation, as **(i)** labor markets everywhere in the developed world remain tight (shortages of labor), which triggers significant labor cost increases, and **(ii)** in some regions, Europe in particular, underlying inflation has not started to moderate, despite some cooling (though still elevated by historical standards) energy prices. This may wrong-foot financial markets, which have been expecting a fairly swift pivot by central banks in 2023 (for example, interest rate cuts as soon as the second half of 2023). While the economy has been resilient so far, an extended period of elevated interest rates, further interest rate increases or additional monetary tightening may trigger a significant slowdown in aggregate demand for finished goods and services, to the point that the prospect of a recession in the United States or in Europe cannot be excluded.

The war in Ukraine compounded the market volatility resulting from the COVID-19 pandemic, which began in 2020 and resulted in market volatility through 2021 and 2022, as well as governmental measures to contain the pandemic and address the related health crisis. Even if the picture has improved globally, AXA continues to closely monitor the Group's exposure to the COVID-19 pandemic and its wide-ranging consequences. The process of emerging from restrictive COVID-19 policies by major economic actors has had significant consequences on inflation at the global level, which had already been fueled by fiscal stimulus to combat the impacts of the COVID-19 pandemic, including resulting supply chain challenges and readjustments.

A wide variety of other factors have adversely affected, and could negatively impact in the future, economic growth prospects and contribute to high levels of volatility in financial markets. These factors include, among others, concerns over a persistent slowdown or reversal in economic growth and levels of consumer confidence generally; current market conditions, including asset valuations and volatility, that may lead to an abrupt and significant repricing in financial markets; the strengthening or weakening of foreign currencies against the Euro (in particular the US Dollar, which was especially strong throughout much of 2022); the availability and cost of credit; the stability and solvency of certain financial institutions and other companies, including related systemic credit risk concerns; continuing concerns over certain sovereign debt issuers; inflation or deflation in certain markets; central bank intervention in the financial markets, through interest rate adjustments, the winding-down or cessation of quantitative easing or similar programs; disruptions in the global supply chain and elevated energy and raw material prices; changes in reference rates, including the phasing out of the London Interbank Offered Rate (LIBOR) and reforms to and potential changes affecting EURIBOR and other indices; volatile energy costs; adverse geopolitical events (including acts of terrorism or military conflicts) and rising geopolitical tensions in various regions and countries (such as Russia, Ukraine, China, Iran, Turkey, Latin America, Libya, Syria, Iraq, North Korea or Afghanistan); the protraction or escalation of existing military conflicts; the imposition, or significant enhancement, of international sanctions against certain countries (in particular, Russia) and connected entities; the continuation or escalation of trade-related disputes between China and the United States and European Union, related disruption to global supply and value chains, the prospect, and potential impact, of any "de-coupling" of China from the global economy, and China-related geopolitical tensions; and any other new or rising trade tensions, "trade wars", and other governmental measures, either enacted

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(1) The AXA Group's SFCR for the year ended December 31, 2021, is available on AXA's website, and the AXA Group's SFCR for the year ended December 31, 2022 is expected to be published on May 17, 2023, on AXA's website.

or being contemplated, relating to, or having the effect of, international trade agreements and policies, export controls, tariffs or subsidies, or other protectionist measures. In addition, specific concerns regarding the Eurozone, including the financial condition of certain EU sovereign debt issuers, uncertainty regarding membership in the European Union, relationships between European institutions and certain EU Member States, potential structural reforms or other changes made to the Euro, the Eurozone or the European Union, have resulted in significant disruptions in financial markets in recent years and could have similar effects in the future. Moreover, the United Kingdom has experienced a number of fiscal and political challenges recently, including a turbulent period in September 2022 during which UK bond prices temporarily collapsed and the pound sterling fell to a record low against the US Dollar, testing the liquidity of UK pension funds. There can be no assurance that European or UK fiscal or political instability will not have an adverse effect on the Group's business and financial condition.

These factors and others have had and will likely continue to have an adverse effect on our revenues and results of operations, in part because we have a large investment portfolio. Our investment income is an important part of our profitability, and our sales of insurance and Asset Management products (as well as the level of product surrenders and lapses) are dependent upon financial markets performance, customer behavior and confidence as well as other related factors. Our ability to make a profit on insurance and investment products, for example, depends in part on the returns on investments supporting our obligations under those products, and the value of specific investments may fluctuate substantially depending on the foregoing conditions. In addition, certain types of insurance and investment products that we offer expose us to risks associated with fluctuations in financial markets, including certain types of interest-sensitive or variable products such as guaranteed annuities or variable annuities, which have crediting or other guaranteed rates or guaranteed minimum benefits not necessarily related to prevailing market interest rates or investment returns on underlying assets. Although we use hedging techniques to help mitigate our exposure under certain of these guarantees, not all risks can be effectively hedged against and volatility in the financial markets, combined with unanticipated policyholder behavior and uncertainty surrounding the COVID-19 pandemic and consequences of the ongoing war in Ukraine, as well as inflation and/or possible recession, may increase our cost of risk and/or negatively affect our ability to hedge against certain of these risks, which may in turn adversely affect our profitability.

More generally, to the extent the economic environment in the jurisdictions in which we do business may become characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and lower consumer spending (due to factors including but not limited to inflation or recession), the demand for our financial and insurance products could be adversely affected. In addition, in such circumstances, we may experience an elevated incidence of lapses or surrenders on certain types of policies or funds, and our policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. While Management has put in place measures to respond to inflation that include (among other things) prudent monitoring of Group insurance reserves to address inflation-related risks, as an insurance undertaking, the Group is exposed to inflation risk. Inflation increased considerably in 2022 and is expected to remain at elevated levels in 2023, which has impacted and may continue to impact our businesses, in particular our Property & Casualty business, including due to the increasing cost of new and replacement parts and materials, our claims experience, reserves and our profitability (based on the lag in repricing) and both our Property & Casualty and Life & Savings businesses due to annuities, some of which are indexed to inflation (for example in the context of Workers' Compensation and Motor business). In addition, governments, supervisors, regulators, and courts may adopt policyholder-favorable stances to ensure the affordability of coverage for policyholders, which may negatively impact our financial condition. The probability and magnitude of these risks increased due to recessionary trends in global economic activity. These developments could accordingly have a material adverse effect on our business, results of operations and financial condition.

Changes in interest rates and credit spreads may adversely affect our business, results of operations, solvency, and financial condition

Our exposure to interest-rate risk relates primarily to the market price and cash flow variability associated with changes in interest rates. Changes in interest rates may negatively affect the value of our assets (particularly fixed-income investments) and our ability to realize gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings.

During periods of increasing interest rates, such as 2022, the estimated fair value of certain of our fixed-income investments may decrease, which could negatively impact our net income and Solvency II ratio. Furthermore, surrenders of life insurance policies and fixed annuity contracts may accelerate as policyholders seek higher returns, which may cause us to accelerate amortization of deferred policy acquisition costs or to liquidate fixed maturity investments in order to obtain liquidity to satisfy such obligations, which may result in realized investment losses. Similarly, our fee income may decrease due to a decline in the value of our asset managers' fixed-income assets under management and Unit-Linked reserves, which could result in lower management fees and have an adverse impact on Asset Management net inflows. In addition, we may be required, as an issuer of securities, to pay higher interest rates on debt securities, debt, and bank facilities, and we may face an increase in the cost of our repurchase agreements and the cost of derivative hedging transactions, which may increase our interest expenses.

Conversely, negative interest rates and low levels of interest rates generally, such as those experienced in recent prior years, have impacted in the past, and may negatively impact again, our net investment income and the profitability of our Life & Savings business. In-force life insurance and annuity products may become comparatively more attractive to customers in a declining interest-rate environment, resulting in an increase in our liabilities (in particular in relation to flexible-premium products), asset-liability duration mismatches (as more policies and contracts remain in-force from year-to-year) and an increase in provisions for guarantees included in life insurance and annuity products.

Accordingly, during a period of declining interest rates or a prolonged period of low interest rates, our profitability may suffer as the result of a decrease in the spread between interest rates credited to insurance policyholders and annuity contract owners, and the rates we are able to earn on our fixed-income investment portfolio. In addition, certain regulatory capital and reserve requirements are based on formulas and models that consider interest rates, such as the Group's Internal Model, and an extended period of low interest rates may increase the regulatory capital we are required to hold and the amount of assets we must maintain to support our reserves, while decreasing the amount of our Eligible Own Funds (EOF), which could have an adverse impact on our Solvency II ratio. For a description of the sensitivity of our EOF to changes in interest rates, please refer to Section 6.6 – Note 4.2 "Market risks (including sensitivity analysis)" of this Annual Report.

Our exposure to changes in credit spreads primarily relates to the impact of such changes on market prices and cash flow variability. A widening of credit spreads will generally reduce the value of the fixed-income securities we hold (including credit derivatives where we assume credit exposure) and increase our investment income associated with purchases of new fixed-income securities in our investment portfolios; and, as an issuer of fixed-income securities, we may face increased interest expenses. Conversely, credit spread tightening will generally increase the value of fixed-income securities we hold and reduce our investment income associated with new purchases of fixed-income securities in our investment portfolios.

For additional information on the sensitivity of our Solvency II ratio to financial shocks on interest rates and corporate bond spreads, please refer to the AXA Group's SFCR, available on AXA's website (www.axa.com) [1].

Although we take measures, including hedging through derivative instruments, to manage the economic risks of investing in a changing interest-rate environment, we may not be able to mitigate the interest rate risk of our assets relative to our liabilities. Accordingly, ongoing volatility in interest rates and credit spreads, individually or in tandem with other factors, could have a material adverse effect on our solvency position, and on our results of operations, financial condition or cash flows through realized losses, impairments, and changes in unrealized gains and loss positions.

Fluctuations in currency exchange rates may significantly affect our results of operations, financial condition, liquidity, and solvency

Due to the geographical diversity of our business and notably the fact that significant subsidiaries of the Group are located in the United States, the United Kingdom, Switzerland, Japan, and Hong Kong, we are exposed to the risk of exchange rate fluctuations since a significant portion of our shareholdings and investments, revenues and expenses are denominated in currencies other than Euro, while our Consolidated Financial Statements are established in Euro. Likewise, the part of our debt and other obligations (including certain reinsurance treaties and retrocession agreements to which we are a party) denominated in currencies other than Euro is exposed to foreign currency exchange rate fluctuations.

Equity of Group entities is expressed primarily in Euro, US Dollar, British Pound Sterling, Swiss Franc, Japanese Yen, and Hong Kong Dollar. Fluctuations in the exchange rates used to convert foreign currencies into Euro, and in particular, fluctuations in the US Dollar against the Euro, have had, and may have in the future, a negative impact on the Shareholders' equity Group share and Underlying earnings Group share. We have not implemented a policy of fully hedging the changes in the value of the equity of our subsidiaries with equity denominated in foreign currencies. For more information about the impact of the fluctuations in the exchange rates of US Dollar, British Pound Sterling, Swiss Franc, Japanese Yen, and Hong Kong Dollar into Euro, please refer to Section 5.3 "Market risks" of this Annual Report.

Similarly, fluctuations in exchange rates may have an impact on the Group's net income as a result of the translation of foreign currency transactions, the settlement of foreign currency

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(1) The AXA Group's SFCR for the year ended December 31, 2021, is available on AXA's website, and the AXA Group's SFCR for the year ended December 31, 2022 is expected to be published on May 17, 2023 on AXA's website.

balances and discrepancies between foreign currency liabilities and assets. For more information about the main hedging positions of AXA SA with respect to foreign currencies, please refer to Section 5.3 "Market risks" of this Annual Report.

While we seek to manage our exposure to foreign currency fluctuations through hedging, fluctuations in exchange rates may have a significant impact on our Euro-denominated results of operations, cash flows, gearing ratio, shareholders' equity, and solvency. In addition, the currency hedges we use to manage foreign exchange rate risk may in themselves impact our cash and liquidity position.

Inflation or deflation in our principal markets would have multiple impacts on the Group and may negatively affect our business, solvency position and results of operations

We are exposed to inflation risk in certain of our principal markets, especially in Europe and the United States, **(i)** through our holdings of fixed interest rate and other instruments, and **(ii)** as a result of the potential for claim payments and expenses to rise faster than anticipated in our reserving and pricing assumptions.

The Group's assets are exposed to increases in inflation and/or inflation forecasts, which could result in increases in interest rates (as has happened in recent periods as a result of market anticipation as well as actions by central banks to rein in rapidly increasing inflation) and lead to a decrease in the market value of bonds held in our investment portfolio. Increases in inflation could also have an impact on the creditworthiness of bond issuers and could result in an increase in credit spreads (please refer to the paragraph above "Changes in interest rates and credit spreads may adversely affect our business, results of operations, solvency, and financial condition"). All of these factors could lead to a decline in the value of the bonds we hold, which could have an adverse effect on the profitability of our investment portfolio and on our revenues. Depending on the relevant macroeconomic context, increases in inflation could also have a negative impact on risk premiums and share prices, which could result in a decline in the market value of the Group's equity portfolio.

Inflation in the costs of claims, labor costs, cost of energy and raw materials, medical costs, new/replacement parts and materials, construction costs and tort issues and/or inflation due in particular to disruptions in the global supply chain impact the Property & Casualty industry. The impact of inflation on claim costs could be more pronounced for certain of our claims that are indexed to inflation and those Property & Casualty lines of business that are considered "long-tail", such as general Liability, Workers' Compensation and professional Liability, and other specialty lines of our AXA XL business, as they require a relatively long period of time to finalize and settle claims for a given accident year. In addition, lags in re-pricing in our Property & Casualty business, when combined with inflation, could reduce our profitability. Inflation driven in the short term by supply chain disruptions and shortages affecting raw materials and goods may negatively impact the results of our operations, especially for our short-tail lines of business. Changes in the level of inflation could also result in an increased level of uncertainty in our estimation of claims reserves, particularly for long-tail lines of business, which could have a significant adverse effect on our solvency, results, financial position, or cash flows.

A significant decline in the market value of the Group's asset portfolio and an increase in the costs of claims could also lead to a decrease in the Group's shareholders' equity.

While inflation increased considerably in 2022 and is expected to remain at elevated levels in 2023, in particular in the United States and to a lesser extent in Europe, we are also exposed to deflation risk, which materialized in the Eurozone in recent years. Deflation may erode collateral values and diminish the quality of certain investment assets and may negatively impact customer behavior or otherwise negatively affect our business and results of operations.

Adverse business and market conditions, as well as accounting rules, may impact the recoverability of goodwill, amortization of intangibles and/or reduce deferred tax assets and deferred policyholders' participation assets, which could materially affect our results of operations and financial position

Business and market conditions as well as accounting rules may impact the amount of goodwill we carry in our consolidated balance sheet, the pattern of amortization of intangible assets and the value of our deferred tax assets and deferred participation assets. The value of certain of our businesses is significantly impacted by such factors as the state of the financial markets, particularly equity markets, and ongoing operating performance.

Adverse experience relative to the methodologies, estimations and assumptions used by Management in valuing investments and determining allowances and impairments may materially adversely affect our results of operations

Certain of our invested assets, for which there is no active trading market or other observable market data, are valued using models and methodologies that involve estimates, assumptions, and significant Management judgment. During periods of market disruption, a larger portion of our investment assets may be valued using these models and methodologies as a result of less frequent trading or less observable market data with respect to certain asset classes that were previously actively traded in liquid markets. There can be no assurance that our valuations on the basis of these models and methodologies represent, for example, the price for which a security may ultimately be sold or sold at any specific point in time. In addition, the valuations of certain assets may be adversely affected by external factors and developments that were not systematically taken into account in earlier models and methodologies, such as climate-related transition risks, which may cause the market and prices for certain investments with a high carbon footprint (also known as “stranded assets”), to decrease over time. For further information on our climate-related transition risk analysis, please refer to Section 4.3 “Climate change and biodiversity” of this Annual Report. The choice of models, methodologies and/or assumptions may have a material impact on the estimated fair value amounts and could have a material adverse effect on our results of operations and financial condition.

The determination of the amount of allowances and impairments that we recognize with respect to the invested assets we hold varies by investment type, and is based upon our periodic evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available. In considering impairments, Management considers a wide range of factors, including those described in Section 6.6 – Note 1.8.2 “Financial instruments classification” of this Annual Report, and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the investment assets and the prospects for near-term recovery. For certain asset classes, particularly debt instruments, Management’s evaluation involves a variety of assumptions and estimates about the operations of the issuer of the instrument and its future earnings potential. Management updates its evaluations regularly and reflects changes in allowances and impairments as such evaluations are revised. There can be no assurance, however, that Management has accurately assessed the level of impairments taken and allowances reflected in our financial statements, especially in light of uncertainties surrounding the impacts of systemic risks, and those relating to the COVID-19 pandemic and the ongoing war in Ukraine, and the need for and timing of any additional impairments and/or allowances may have a material adverse effect on our results of operations and financial condition.

CREDIT AND LIQUIDITY-RELATED RISKS

Adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, our access to capital and increase our cost of capital

In recent years, the capital and credit markets have at times experienced high levels of volatility and disruption which, during certain periods, have significantly limited the availability of additional liquidity in the markets and credit capacity for most issuers, including the AXA Group. For more information about the contractual maturities of debt instruments held by the Group, please refer to Section 6.6 – Note 9.5 “Contractual maturities of debt instruments and loans and exposure to interest rate risk” of this Annual Report.

We need liquidity to pay our operating expenses (including claims and surrenders), dividends and interests on our debts and to refinance certain maturing debts and other liabilities. In addition, we need liquidity in connection with derivatives transactions to which we are party which require us to transfer cash collateral and/or subject us to margin calls in certain circumstances. The availability of additional financing to supplement internal liquidity resources will depend on a variety of factors such as market conditions, the overall availability of credit to the financial services industry, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long-term or short-term financial prospects if we incur large technical or investment losses or if the level of our business activity decreases due to a market downturn or recession. While Management has put in place a liquidity Risk Management framework that includes active monitoring of the Group’s liquidity position and contingency plans for accessing liquidity, liquidity constraints over a prolonged period may have a material adverse effect on our business, results of operations and consolidated financial condition.

Downgrades in our insurer and reinsurer financial strength and credit ratings could adversely impact our competitive position and damage our relationships with creditors or trading counterparties

Insurer (and reinsurer) financial strength and credit ratings are important factors used by the market and customers in establishing the competitive position of insurance and reinsurance companies and in assessing our claims-paying ability. Rating agencies review their ratings and rating criteria and methodologies on a recurring basis, and they may change or withdraw their ratings at any time, based on relevant factors that may not be entirely within our control and/or affect the insurance and reinsurance industry generally. Consequently, our current ratings may not be maintained in the future and no undue reliance should be placed on such ratings, which should not be considered as recommendations to purchase, sell, or hold any securities we have issued.

A downgrade or the potential for a downgrade in our ratings could have an adverse effect on us, including **(i)** damaging our competitive position, **(ii)** negatively impacting our ability to underwrite new insurance policies, **(iii)** increasing the levels of surrenders and termination rates of our in-force policies, **(iv)** increasing our reinsurance costs, **(v)** triggering termination provisions or collateral delivery requirements, or requiring us to return unearned premiums to cedants, under certain of our reinsurance and retrocessional agreements, **(vi)** negatively impacting our ability to obtain financing and/or increasing our cost of financing, **(vii)** harming our relationships with creditors or trading counterparties and/or **(viii)** adversely affecting public confidence in us. Any of these developments could have a material adverse effect on our business, liquidity position, results of operations, revenues and financial condition.

The financial condition and conduct of our counterparties could negatively impact the Group

We have significant exposure to third parties that owe us money, securities, or other assets and which may fail to perform or default on their obligations to us due to bankruptcy, insolvency, lack of liquidity, operational failure, fraud, or other reasons. Such third parties include private sector and government (or government-backed) issuers whose securities we hold in our investment portfolios (including mortgage-backed, asset-backed, government bonds and other types of securities), borrowers under mortgages and other loans that we extend, reinsurers and capital market counterparties to which we have ceded (directly or indirectly) our insurance risks and to which our exposure is particularly significant, customers, ceding companies, service providers, partners, trading counterparties, counterparties under swap and other derivative contracts, and other counterparties including brokers and dealers, commercial and investment banks, hedge funds, other investment funds, clearing agents and market exchanges. We may also have exposures to such counterparties under insurance policies that we have written, including in respect of D&O, surety, and similar coverages. Moreover, we are exposed to counterparty risk with respect to certain policies we write that provide coverage to our policyholders for their credit risk exposures to third parties. Under our reinsurance and retrocessional arrangements (including similar protection afforded through risk transfer transactions to capital markets), other insurers, reinsurers or capital market counterparties assume a portion of the losses and related expenses under policies we issue, although we remain liable as the direct insurer or reinsurer on all risks reinsured. While we evaluate periodically the financial condition of our reinsurers, retrocessionaires and capital market counterparties to minimize our exposure to significant losses from reinsurer/retrocessionaire/capital market counterparty insolvencies, such counterparties may become financially unsound by the time their financial obligations to us become due and force us to recapture the reinsured or retroceded business. In some cases, counterparty risk is mitigated by collateral to support the third party's financial obligations to us. However, there may be impediments to or delays in our accessing the collateral, and the collateral may not be sufficient to fully protect us in the event of a counterparty default. For information on the ratings of our reinsurers, please refer to Section 5.4 "Credit risk – Risk control and risk mitigation – Receivables from reinsurers: rating processes and factors" of this Annual Report.

Our exposure to our counterparties may also be adversely impacted by the negative consequences of the recent pandemic, the ongoing war in Ukraine, disruptions to global supply chains and elevated energy and raw material prices, the current inflationary environment, government intervention including counter-inflationary measures and their impact on the financial condition of such counterparties Insolvency proceedings and the ability to enforce debts may be impacted in some jurisdictions by governmental moratoriums and support measures. In the event that these moratorium and support measures were to be or have been terminated, a significant increase in defaults or debt restructuring may result, which may in turn have an adverse impact on the Group's counterparties and the Group's business, results of operations and financial condition.

Furthermore, recent and future bank failures, defaults, non-performance or other adverse developments that affect financial institutions, or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems or impact the international, regional and local business environments in which we operate.

There can be no assurance that defaults by the foregoing or other counterparties would not materially and adversely affect our business, results of operations and financial condition.

Risks related to the Company and its business

INSURANCE AND REINSURANCE PRICING AND UNDERWRITING-RELATED RISKS

Adverse experience relative to the assumptions and judgment used in setting reserves, developing, and pricing products and calculating industry measures of value may significantly affect our results of operations or performance indicators, which may have an adverse impact on the price of our securities

The profitability of our businesses largely depends on a variety of factors including social, economic, and demographic trends, policyholder behavior, court decisions, changes in laws and regulations, inflation, investment returns and underwriting expenses. We make assumptions about these factors in estimating our risk exposures, determining the pricing of our products, establishing our technical provisions and employee benefits reserves and reporting capital levels and business results. These assumptions are based on various modeling techniques (*e.g.*, scenarios, predictive, stochastic and/or forecasting), using both proprietary and third-party models, data analytics and related analyses. Model outputs and related analyses are subject to various assumptions, uncertainties, model errors and the inherent limitations of any statistical analysis (including availability, use, accuracy, and relevance of historical, internal and industry data) and incorporate numerous assumptions and forecasts about market conditions (such as interest rates, inflation, and currency exchange rates), capital requirements, loss frequency and severity, and policyholder behavior. The use of such models can also be affected by operational risks, including input, data, and human error. Adverse experience relative to such assumptions (in particular in the context of pandemics or major natural and man-made catastrophe events and systemic risks (*e.g.,* cyber), use of and reliance on incomplete, inaccurate or incomplete models, or inherent product defects may result in an increase in the pricing of our insurance products or the need for us to strengthen our product reserves, which may in turn have an adverse effect on our results of operations and financial condition, or lead to litigation.

In our businesses and in the Company's function as the main operational internal reinsurer of the Group, we establish reserves for claims (reported and unreported) and claims expenses in accordance with industry practices, as well as accounting, actuarial and regulatory requirements. Reserves do not represent an exact calculation of liability, but instead represent expectations of what the ultimate settlement and administration of claims will cost based on our assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity and frequency, actuarial experience on past events, legal liability, and other factors. In particular, the amount of reserves net of reinsurance is also determined based on assumptions as to the availability of reinsurance/retrocession coverage, the applicability of such coverage to potential losses, including, for example, with respect to our ability to aggregate those losses in accordance with the relevant policy terms as well as the recoverability of any reinsurance receivables. Prolonged inflation could drive up our claims costs and have a material impact on our reserves and solvency, particularly in our Personal lines business (and especially our Motor business) where inflationary trends are combined with greater competition and pricing pressures. While we continually review the adequacy of our claims reserves, because the establishment of claims reserves is an inherently uncertain and complex process involving numerous estimates, including the impacts of any regulatory and legislative changes, court interpretations, medical condition of claimants, emerging trends and theories of liability, including with respect to environmental, cyber, medical and products liability exposures, and changes in economic conditions (including inflation changes and discount rates used for evaluation of settlements), there can be no assurance that ultimate losses will not materially exceed our claims reserves and have a material adverse effect on our results of operations. The impact of certain of these factors, such as social inflation, particularly in the United States (increased litigation, expanded theories of liability, higher jury awards and settlement expectations), as well as mass tort claims related to exposure to harmful products or substances (*e.g.,* asbestos, opioids, talc, glyphosate, lead paint), on our estimation of claims reserves and ultimate costs for claims is difficult to assess and could be material. Our estimation may also be more difficult during times of adverse economic conditions due to unexpected changes in behavior of claimants and policyholders, including an increase in fraudulent reporting of exposures and/or losses, reduced maintenance of insured properties or increased frequency of small claims.

In our Life & Savings business, our earnings depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we use in setting the prices for our products and establishing the liabilities for obligations for technical provisions and claims. In certain cases, product features such as minimum guarantees or options to swap between underlying funds in certain savings products may with time result in higher realized losses than anticipated in initial assumptions. In particular, assessing the impact of minimum guarantees which are contained within certain of our Life & Savings products and the adequacy test performed on the reserves for life policies (which encompasses the recoverability of DAC, VBI and deferred policyholder participation assets) involve a significant degree of Management judgment.

While we use both our own experience and industry data to develop products and to estimate future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities, there can be no assurance that actual experience will match these estimates and that systemic risks and other risks relating to pandemics or major natural or man-made catastrophe events would not result in loss experience inconsistent with our pricing and reserve assumptions. Furthermore, while our New Business Value (NBV) and European Embedded Value (EEV) calculations are done on a market consistent basis, changes in assumptions used in calculating these measures may have a material adverse effect on the level of our NBV and/or EEV. For example, our NBV is sensitive to interest rate movements and, consequently, an adverse evolution of interest rates relative to our assumptions may have a significant impact on our NBV and a corresponding impact on the trading price of our securities.

The Group is exposed to risks related to climate change both directly through its own operations and indirectly through its insurance and investment activities

The most significant climate change risks that have and may in the future have a material impact on our business are physical risks, transition risks, and liability risks. Physical risks refer to the direct impacts of climate change on people (life and health) and property, such as those arising from rising temperatures, the increase in the frequency and severity of extreme weather events, fires, rising sea levels and changes in exposure to vector-borne diseases. Such physical risks may significantly impact our business and the insurance and reinsurance industry more broadly, including with respect to risk perception, pricing and modelling assumptions, the need for new insurance products, the amount and quantum of claims and the value of our investments, all of which may create unforeseen risks and costs not currently known to us. Transition risks refer to the risks relating to the modification of behavior and strategies of industrial actors, market participants and customers in response to climate change and related policy, regulatory and technological developments, including as a result of the cross-sectoral structural changes stemming from the transition towards a low-carbon economy. Such transition risks could impact our insurance products, underwriting and the value of our investments. In addition, both the physical and transition risks of climate change increasingly result in liability risks, including potential disputes, claims for compensation and legal proceedings brought against those we insure and potentially directly against AXA, seeking damages for contribution to climate change or for inaccurate or insufficient disclosure around material financial or operational risks. The Group is also exposed to an increasing risk of other forms of climate-related litigation, in particular claims by shareholders and other stakeholders for so-called "greenwashing" actions, misrepresentation, misleading conduct, mis-selling, fraud, breaches of fundamental human rights, breaches of fiduciary duties and breaches of disclosure obligations in listing rules or other corporate regimes, or for having deficient controls or processes in place.

Liability risks related to climate change could lead to increased claims and defense costs or materially adversely affect the value of our investments, financial condition, and results of operations. Our reputation or corporate brand could also be negatively impacted by such liability risks, or as a result of changing customer or societal perceptions of organizations that we either insure or invest in due to their actions (or lack thereof) with respect to Environmental, Social and Governance (ESG) practices and regulatory compliance or climate change.

For additional information on regulatory and litigation risks related to climate change, please refer to the paragraphs below "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions, and emerging legal, regulatory, and reputational risks in the various jurisdictions in which we operate" (in particular sub-paragraph "Risks relating to policy and regulatory initiatives on climate change, sustainability and ESG") and "Increasing scrutiny and evolving expectations from investors, customers, regulators and other stakeholders regarding environmental, social and governance matters and climate change may impact our business and results of operations".

The occurrence of natural or man-made disasters, including those resulting from changing weather patterns, diseases and climatic conditions could adversely affect our financial condition, results of operations and cash flows

Natural catastrophes. Over the past several years, changing weather patterns and climatic conditions, including as a result of climate change, have added to the unpredictability of natural disasters and to the frequency and severity thereof and created additional uncertainty as to future trends and exposures. Catastrophic events are inherently unpredictable. Our exposure to natural disasters such as hurricanes, tornadoes, windstorms, hailstorms, earthquakes, volcanic eruptions, freezes, floods, explosions, wildfires, pandemics (such as the COVID-19 pandemic), and infectious diseases, depends on various factors and is often more pronounced in certain geographic areas, including major urban centers, with a high concentration of customers, employees and/or insured property and assets.

Other catastrophic events. We are also exposed to other types of disasters including man-made disasters which refer to those resulting from negligent or deliberate human actions, such as ransomware and other disruptive forms of cyber-attacks, systemic cyber failures, terrorist attacks, military actions, and power grid and other core infrastructure (*e.g.,* telephony or Internet infrastructure) failures, as well as any new significant systemic risks (such as those relating to cyber security).

Impact of catastrophic events. The AXA Group is underwrites risks in most regions of the globe (Europe, North and Latin America, Asia-Pacific) which are all exposed to natural and man-made catastrophes. While we seek to manage the AXA Group's exposure through underwriting actions (both in our insurance operations and our inward reinsurance) and/or ceded reinsurance/retrocession coverage, there can be no assurance that the occurrence of catastrophic events will not have a material adverse impact on our operations, results, financial condition, cash flows or solvency position.

Catastrophic events could result in substantial volatility in or adversely affect our operations, results, financial condition, cash flows or solvency position, including as a result of claims occurring at higher levels or materially earlier than anticipated; losses resulting from disruptions in our operations or failures of our counterparties to perform; or declines in value of our investment portfolio. We monitor the evolution of these risks closely and generally seek to manage our exposure to them through individual risk selection, modelling and monitoring overall exposures and risk accumulation, purchase of third-party reinsurance and risk transfer transactions to capital markets. In some cases, we may reduce our exposure and/or risk appetites. There can be no assurance, however, that we will be able to adequately anticipate such evolution, as a single catastrophic event, an accumulation of losses resulting from several events or an unusual frequency of smaller losses in a particular period may affect multiple geographic areas and lines of business, and the actual frequency or severity of catastrophic events could exceed our initial projections, due to impacts from outsized major storms or other climate-related events. Accounting principles and rules preventing insurers and reinsurers from reserving for catastrophic events until they occur may also augment the impact of such events.

While we seek to reduce our exposure to catastrophic events through diversification and incremental reinsurance, we have experienced, and could in the future experience, material losses from these types of risks, which may exceed our reinsurance and retrocessional protection (or similar protection afforded through risk transfer transactions to capital markets), or such protection may otherwise be inadequate to protect us against losses or reinsurance receivables may not be recoverable as expected.

The frequency and severity of catastrophic events may also lead to an increase in AXA's net exposure as a hardening reinsurance market may limit or prevent us from obtaining adequate types and amounts of reinsurance/retrocession (or entering into adequate risk transfer transactions to capital markets) for certain risks or regions, which may result in an unexpected gap between our underwriting commitments and our reinsurance/retrocessional coverage. Catastrophic events have created, and may create in the future, significant volatility and uncertainty in reinsurance capacity and pricing and impact our ability to obtain ceded reinsurance/retrocessional coverage for our business.

Furthermore, we may be unable to obtain appropriate reinsurance/retrocession coverage with respect to exposures to certain systemic risks and other risks such as the ongoing war in Ukraine and similar events, which may result in an increase of our net exposures to such risks or require us to decrease our relevant underwriting commitments.

In addition, legislative and regulatory initiatives implemented, and court decisions rendered, following major catastrophes may adversely impact our results, financial condition, cash flows or solvency position, in particular where they seek to expand the intended scope of coverage for catastrophe-related claims beyond policy terms, including through policyholder-friendly or otherwise broad interpretation of policy wording or retroactive extension of policy coverage.

Reinsurance may be unavailable or too expensive and may not be adequate to protect us against losses, in particular in the context of cyclical Property & Casualty insurance and reinsurance businesses

The Group's net exposure may increase if we are unable to obtain adequate types and amounts of reinsurance/retrocession, whether as the result of pricing pressure, limited market capacity, response to events (such as the COVID-19 pandemic) or otherwise. Any of these factors could adversely affect our ability to write future business or result in the assumption of more risk with respect to the policies we issue. We may also incur unexpected costs as a result of one or more reinsurers' insolvency, inability or unwillingness to make timely payments under the terms of our contracts or in an amount equal to the relevant reinsurance recoverables, or inability or unwillingness to maintain collateral on acceptable terms or at all. In addition, the terms of the reinsurance treaties may evolve, which may prevent us from renewing on the same or substantially the same terms or limit our coverage for certain exposures under our policies and lead to a reduction in actual coverage or to exclusions that imply a larger net risk retained by AXA.

Historically, Property & Casualty insurers and reinsurers have experienced significant fluctuations in operating results due to volatile and sometimes unpredictable developments, many of which are beyond the direct control of the insurer/reinsurer, including competition, frequency or severity of loss events, levels of underwriting capacity by region or product line, general economic conditions, systemic risks, pandemics and related governmental measures, as well as other factors, including the development of the insurance-linked securities market and other alternatives to traditional Property & Casualty insurance and reinsurance products. Changes in customer expectations for appropriate premium levels, the frequency or severity of claims or other loss events, including losses incurred by our ceding insurers and reinsurers, the hardening of the reinsurance market or other factors affecting the Property & Casualty insurance and reinsurance businesses may have an adverse effect on our results of operations and financial condition.

Furthermore, there may be uncertainty surrounding reinsurance/retrocessional coverage for losses. Reinsurance/retrocessional coverage for losses may be more difficult to obtain, as our reinsurers may challenge the applicability of coverage, seek to rely on exclusions or seek to limit our ability to aggregate these losses in accordance with policy terms, any of which may require us to pursue arbitration/litigation and involve significant time and cost to enforce our coverage. The amount of reinsurance recovery available to us may be adversely impacted in respect of these losses.

Our Risk Management programs may be inadequate to protect us against the full extent of the exposure or losses we seek to mitigate and may leave us exposed to unidentified, unanticipated, or incorrectly quantified risks that could result in significant losses

We employ a range of Risk Management strategies, including reinsurance for own account and capital markets solutions (such as catastrophe bonds), in order to avoid or limit losses and liabilities. The failure of any of our Risk Management strategies or our inability to review or adapt our Risk Management strategies could result in significant losses and have a material adverse impact on our financial condition, results of operations, and cash flows.

We use derivatives (including equity futures, treasury bond futures, interest rate swaps and swaptions and equity options) to hedge certain, but not all, risks under guarantees provided to our clients or stemming from our assets. In particular, to hedge a significant widening of credit spreads, we use credit swaps to notably mitigate our exposure to a high deterioration of the credit quality of our asset portfolio. In certain cases, however, we may not be able to apply these techniques to effectively hedge our risks as intended or expected or may choose not to hedge certain risks because the derivative markets in question may not be of sufficient size or liquidity, the cost of hedging may be too expensive (as a result of adverse market conditions or otherwise), the nature of the risk itself may limit our ability to effectively hedge or for other reasons. This may result in higher realized losses and unanticipated cash needs to collateralize or settle transactions. Hedging counterparties may also fail to perform their obligations, resulting in unhedged exposures and losses on positions that are not collateralized.

Furthermore, the operation of our hedging program is based on models involving numerous estimates and Management judgments, including, among others, volatility and interest rates, and correlation among various market movements. These models or their underlying estimates and assumptions could prove inadequate for certain market environments, especially when financial markets experience high volatility, for instance as a result of unprecedented shocks like the war in Ukraine and similar events, pandemics and related governmental actions, such as the lockdown measures implemented in various jurisdictions in response to the COVID-19 pandemic. Our hedging program may change over time and there can be no assurance that actual experience will not differ materially from our assumptions, which could adversely impact our results of operations and financial condition.

OPERATIONAL RISKS

Inadequate or failed processes, controls or systems, human factors or external events may adversely affect our profitability, reputation, or operational effectiveness

Operational risk is inherent in our business and can manifest itself in various ways, including business interruption, poor vendor performance or default (including under significant outsourcing arrangements), systems malfunctions or failures, software and/or hardware obsolescence, computer viruses, ransomware and other disruptive forms of cyber-attacks and/or other unauthorized access to our websites and/or systems, misappropriation of sensitive information, corruption of data or operational disruption, regulatory breaches, human errors, defective products, external fraud, natural or man-made disasters and terrorist attacks. We are also exposed to risks arising from potential failures in, or non-compliance with, Group and entity policies concerning such matters as internal controls and procedures and financial reporting policies, as well as from employee misconduct or negligence and fraud. While we take measures to manage such risk, operational risk is part of the business environment in which we operate and we may incur losses from time to time due to these types of risks, as well as impairments to our liquidity, disruption of our businesses, deterioration of our solvency position, legal claims, regulatory sanctions, or damage to our reputation. The risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our securities transactions could have similar adverse effects.

Our business is highly dependent on the effective operation of our information technology, telecommunications, electronic data, and other operational systems. We rely on these systems to perform necessary business functions, including providing insurance quotes, processing applications and claims, providing information and support to customers and distributors, administering complex products, conducting actuarial analyses, and keeping financial records. We also use computer systems to store, retrieve, evaluate, and utilize significant amounts of sensitive customer, employee and company data and information, including proprietary and confidential information. Some of these systems, in turn, rely on third-party systems. Systems failures or outages or cyber-attacks, or the failure by third-party technology providers to maintain their services or to meet their contractual obligations, could compromise our ability to perform necessary business functions in a timely manner, which could harm our ability to conduct business and hurt our relationships with our customers and business partners. In the event of a disruption, our systems may be inaccessible, and our employees unable to perform their duties, for an extended period of time.

Systemic risks or risks related to global events, the ongoing war in Ukraine or pandemics may heighten and influence the aforementioned operational risks in an unprecedented fashion. For example, the COVID-19 pandemic, including related governmental measures, increased the probability and magnitude of operational risks associated with employee health problems, business continuity plans related to delays or failures in external services and measures impacting working practices (such as extensive remote working arrangements or requirements), as well as creating shortages in multiple labor markets. Remote working patterns and higher rates of turnover more broadly could lead to difficulty in obtaining and retaining talent. A failure to implement appropriate management of such heightened operational risks may adversely affect the Group's brand and reputation as well as its results of operations.

For additional information on the risks relating to the protection, processing, and transfer of personal data (including customer and employee data), please refer to the paragraph below "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business".

Cyber-attacks or other security breaches of our computer systems, technologies, or networks, or those of our third-party providers, could disrupt our businesses, result in damage to our reputation or significant financial losses, and expose us to potential regulatory sanctions

The increasing frequency and sophistication of ransomware and other disruptive forms of cyber-attacks directed at major financial institutions and other corporations recently has made clear the significance of these cyber risks and the operational, financial, and reputational damage that they can potentially inflict. In recent years, this has led to an increased regulatory focus on risks of security breaches stemming from the growing reliance of the financial sector on information and communication technology. For further information on the relevant regulatory frameworks, please refer to "Information and Communication Technology (ICT)" in Section 7.3 "General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks" of this Annual Report.

Despite the Group's implementation of a variety of security measures, the Group's data, systems, and technologies, as well as the services we provide or rely on (including mobile and cloud services), have been and may in the future be subject to unauthorized intrusions, such as physical or electronic break-ins, ransomware, and other disruptive forms of cyber-attacks,

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unauthorized tampering, or other security breaches. Like other global financial institutions and companies, the Group has, from time to time, experienced threats to or compromises of its data, systems, and technologies, including phishing, unauthorized access, malware or ransomware attacks, systems failures and disruptions which have required notification to applicable regulators and clients but have not resulted in material consequences for the Group. Exposure to these threats has widened due to a growing reliance on digital infrastructure, including from extended remote working arrangements put in place across the Group. For example, a smart working strategy that combines remote working and office presence was adopted in 2021 by AXA's main entities employing over 70% of the AXA Group's employees and was implemented globally by all of the Group's entities in 2022. Management has put in place internal controls and procedures designed to protect client data as well as the Group's assets from hacking or other types of unauthorized intrusions into the Group's computer systems, technologies and networks. There can be no assurance, however, that these controls and procedures will be sufficient, properly implemented, or effective, and prevent all attempted intrusions into the Group's systems, technologies, or networks. Any such intrusion could result in operational disruption, financial losses, unauthorized access to, tampering or loss of sensitive personal data and/or proprietary information, in addition to the diversion of significant Group resources and attention from its ordinary business activities, including the time and attention of Management. Unauthorized intrusions and compromises that have taken place, and any attempted intrusions in the future, could also lead to regulatory actions, proceedings, or sanctions against us. In addition, due to our reliance on certain infrastructures and interconnectivity with third-party providers, exchanges, clearing houses, financial institutions and other third parties, we could also be adversely impacted by any successful cyber-attack or other security event affecting any of them.

Cyber-attacks and other interruptions or disruptions of our data transmissions, systems and technologies, or those of our third-party providers (including third-party providers deemed critical to our principal activities), or a failure to maintain the availability, integrity or confidentiality of sensitive data residing on such systems or technologies, or transmitted through these networks, could potentially result in financial loss, impairment to our liquidity, a disruption of our businesses, a deterioration of our solvency position, legal claims, regulatory sanctions or damage to our reputation, any of which could materially adversely affect our results of operations or financial condition.

For additional information on the risks relating to the protection of personal data, please refer to the paragraph below "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business".

Any failure in managing and implementing our strategic initiatives could materially impact our results of operations, AXA share price and competitive position

We announced our *"Driving Progress 2023"* strategic plan on December 1, 2020, which can be expected to have a significant impact on the Group's business, competitive position, and results of operations. This strategic plan is being implemented through a number of major initiatives, including in our Health and Protection business and across our Property & Casualty Commercial lines, all of which are further described under the caption "Strategic Orientations" on pages 6 and 7 and in Section 2.6 "Outlook" of this Annual Report. All of these actions have been designed to deliver sustained earnings growth, driven by all our geographies, and a clear path to dividend growth, supported by enhanced cash generation, a strong balance sheet and disciplined capital management. Furthermore, as announced in our *"Driving Progress 2023"* strategic plan, we intend to reduce the carbon footprint of our General Account assets (*i.e.,* corporate fixed income; listed equities; real estate assets) by 20% by 2025. This new non-financial target complements the Group's commitment to contain the "warming potential" of its investment portfolio to below 1.5°C by 2050 and its objective to reach €26 billion in green investments by 2023. For more information about our *"Driving Progress 2023"* strategic plan and AXA's sustainability strategy, please refer to Section 4.1 "AXA Group's sustainability strategy" of this Annual Report. There can be no assurance, however, that any or all of our strategic initiatives will be successful, or that the process of achieving their implementation will not cause material disruption to our business operations, management, personnel, brand, and reputation.

The *"Driving Progress 2023"* strategic plan is based on a number of assumptions, covering, inter alia, the macroeconomic environment and the development of the Group's activities. These assumptions are based on various modeling techniques and forecasts regarding several factors (*e.g.,* interest rates, inflation, capital requirements, claims expenses, gross domestic product). As a result, the financial targets we intend to achieve as part of our 2020-2023 strategic plan and any subsequent strategic plans may be negatively affected by an adverse experience relative to such assumptions. Any failure to achieve such financial targets could materially impact our results of operations, share price and competitive position.

We may pursue acquisitions, joint ventures, and other transactions to expand, complement or reorganize our business, which could adversely affect our business, future profitability, and growth

External growth transactions involve risks that could adversely affect our operating results, including the substantial amount of Management time that may be diverted from operations to carry out such transactions and related integration efforts. Such transactions could also result in new debt or equity issuances, financing arrangements, and the incurrence of additional costs, contingent or unforeseen liabilities or risks and impairment and amortization expenses relating to goodwill and other intangible assets, and failure to mitigate the risks and uncertainties arising from such transactions through due diligence and indemnification provisions, all of which could materially and adversely affect our business, financial condition, results of operations and growth.

Furthermore, we may be exposed from time to time to certain risks relating to the integration of newly acquired companies. Such risks include difficulty or delay in integrating such companies, their IT, operations, employees and areas of expertise in an efficient and effective manner, which may result in the loss of certain key employees and/or customers of the acquired companies, and reliance on a transaction counterparty for transition services for an extended period of time, which may result in additional expenses and delay the integration or realization of the desired benefit of the transaction (and there can be no assurance that the transaction party will provide such transition services in a manner that is acceptable to us). As a result, we may not be able to effectively integrate acquired companies and achieve all of the expected strategic objectives, anticipated growth, synergies, expected cost savings, impact on solvency capital requirements (including contributions, if any, to the Group's Solvency II ratio or profits), innovation, operational efficiencies and business development from acquisitions within the forecast periods or at all, or we may be required to spend additional time and resources on integration, any of which could adversely affect our business, financial condition, results of operations and growth. In the case of adverse developments relating to an acquired company, modifications to our expected strategy with respect to such company, or more generally our overall strategy, might have to be considered. In addition, we may be subject to, or engage in, litigation in connection with or as a result of acquisitions or joint ventures, which could have an adverse effect on our results of operations.

We have carried out and may carry out in the future divestitures, reorganizations of existing businesses and internal reorganizations, which may result in increased regulatory burdens or adverse effects on our business, financial condition, or results of operations. Such divestitures and reorganizations, which may take the form of share or asset sales or merger, as well as reinsurance transactions, may not be carried out within the expected timeframe or at all, due to the failure to obtain regulatory or other approvals or other reasons; the anticipated profit and/or positive effect on our overall risk profile, our Solvency Capital Requirement (SCR) and Solvency II ratio (on a Group basis or AXA SA solo basis), or local solvency and capital adequacy requirements, from any such transactions may not be realized; or we may incur a loss on such transactions. Divestments of equity participations we hold may also be exposed to volatility and other market-related or geopolitical risks, which could impact the carrying value of our remaining stake in such companies, including related goodwill, and adversely affect our results of operations. All of such factors may be exacerbated by economic conditions relating to reinsurance pricing and market capacity. For additional information on the impact of divestitures, acquisitions, and other transactions on goodwill, please refer to Section 6.6 – Note 5 "Goodwill" of this Annual Report.

From time to time, we may also consider acquisitions of or investments in other companies, including through joint ventures. Any such acquisition or investment may be subject to approvals from regulatory authorities in certain countries, including as a result of foreign investment regulations and controls, which may lead to the transfer of certain assets or branches of activity and/or commitments or restrictions affecting the conduct of our business. We may experience difficulty or delay in acquiring and integrating such investments, which may result in costs, litigation or otherwise impact the intended benefit of the transaction, which could have an adverse effect on our results of operations.

We may also be exposed to liabilities and risks that were not known or assessed correctly at the time of the transaction and/or need to address capital, regulatory, compliance, tax or accounting issues or disagreements that arise after transactions have closed, which may not be covered by, or exceed the amounts of, any indemnities provided to us by the sellers or that we provided to acquirors, and could adversely affect our business and results of operations.

We conduct businesses in highly competitive environments with evolving trends that could adversely impact our results of operations and financial condition

Our competitors include mutual fund companies, Asset Management firms, private equity firms, hedge funds, commercial and investment banks, and other insurance or reinsurance companies, many of which are regulated differently from us and offer alternative products or more competitive pricing than we do.

The insurance and reinsurance industry faces disruptive competitive challenges from the emergence of new actors, such as financial technology companies, or fintech, and insurance technology companies, or insurtech, which generally benefit from less extensive regulatory requirements (including less strict capital requirements) as well as from data synergies or technological innovation. In addition, development of alternative distribution channels, claims management or underwriting services for certain types of insurance, reinsurance, and securities products, including through the Internet, may result in increasing competition as well as pressure on margins for certain types of products. Continued consolidation of the insurance and reinsurance sector may also result in increased competition.

These competitive pressures could result in increased pricing pressures on a number of our products and services, particularly as competitors seek to win market share, and may harm our ability to maintain or increase our profitability.

The failure to respond effectively to various emerging technological changes may affect our business and profitability

We face an ongoing challenge of effectively adapting to a constantly changing technological landscape. If we are not effective in anticipating the impact on our business of changing technologies, such as driverless cars, drones, connected devices, artificial intelligence or robot-advisors, our ability to successfully operate our business may be impaired. Technologies could disrupt the demand for our products or services from current customers, create coverage issues or impact the frequency or severity of losses. These changes could also affect our ability to accurately price our products and might significantly affect our margins in certain lines of business. For example, the advent of driverless cars, connected devices and usage-based insurance could materially alter the way that automobile, health, or other Personal lines insurance is marketed, priced and underwritten. In addition, the market for coverage for renewable energy infrastructure and for so-called “cyber risks”, including ransomware and other cyber-related risk, or similar emerging threats, is a rapidly evolving one, and any failure by us to provide innovative products relative to our competitors or new entrants in the market, or to price those products effectively and competitively, may result in a competitive disadvantage.

In addition, the rapid increase in the nature, volume and availability of data in recent years, whether resulting from connected customers, so-called “big data”, “blockchain”, cloud computing, increased mobile Internet access, personalization of genetic data, asymmetric information with respect to genetic testing, artificial intelligence or otherwise, may have unanticipated and adverse impacts on our business, for example by changing the nature of insurance underwriting, pricing and claims handling; by allowing customers and competitors to tailor coverage in ways that we do not currently offer; or by potentially exposing us to increased “moral hazard” in business lines where we are unable for regulatory or other reasons to adjust pricing or coverage to reflect individual risk profiles. Data-driven changes in the industry, which are at an early stage and difficult to predict, could adversely impact our business going forward, including through the expense and effort that we will need to incur in order to ensure that our employees, systems, and processes are able to efficiently adapt to and manage such changes as they arise.

Furthermore, if we are unable to effectively use and update or replace our key technology systems as they become obsolete or as emerging technology renders them competitively inefficient, or if we fail to develop the talent and skills of our human resources to meet the new technological challenges, and to attract and assimilate new talents into our Group consistent with our business goals, our business, prospects, competitive position, and financial condition could be adversely affected.

We operate through arrangements with third parties, including delegation of underwriting and claims authority, which exposes us to operational and regulatory risks and could materially adversely impact our business, results of operations and financial condition

We have entered into contractual outsourcing arrangements with third-party service providers for a wide variety of services required in connection with the day-to-day operation of our insurance, reinsurance, and Asset Management businesses (including policy administration, claims-related services, securities pricing, and other services) and our product distribution. Such arrangements expose us to operational and regulatory risks incurred by these third parties, including employee misconduct or negligence, fraud, internal control failure, contract error, disruption to distribution arrangements, ransomware and other forms of cyber-attacks, failures in processing policies and handling claims, and non-compliance with applicable laws and regulations.

In addition, part of our insurance and reinsurance businesses is underwritten by third parties under contractual arrangements, which typically authorize such third parties to bind us to new policies and to renew policies, within the terms of our licenses and subject to various contractual obligations and restrictions. If we do not delegate appropriately to relevant third parties or these third parties do not abide by the terms of our policies or licenses, amend material terms of the policies without our approval, do not price appropriately or fail to reserve relevant assumptions or otherwise breach their contractual obligations to us, we could be subject to fines, penalties, injunctions, or other similar restrictions for breach of outsourcing/licensing requirements and be liable under the policies issued by breaching third parties. Furthermore, we may be exposed to additional exposure to such risks, in particular due to legislative or regulatory measures or judicial decisions, such as those imposing customer-friendly interpretation of policy wording, which may apply to policies that were bound on our behalf by certain of these third parties.

Furthermore, as with other reinsurers, in our reinsurance business we do not separately evaluate each of the individual risks assumed under our reinsurance treaties and we largely rely on original underwriting decisions made by ceding companies. As a result, if ceding companies did not adequately evaluate the risks insured, the premiums ceded to us may not compensate us for the risks we reinsure and the losses we may incur, which may adversely affect our results of operations and financial condition.

We carry out certain of our operations through joint ventures and other partnership arrangements with third parties that we do not control. These arrangements expose us, in particular, to the failure of any of our partners to meets its contractual obligations or to comply with applicable laws and regulations.

There can be no assurance that any of our contractual arrangements with third parties will not expose us to operational, financial, and reputational risk, which could materially adversely impact our business, results of operations and financial condition. We may also not be fully indemnified for the contractual breaches of our third parties.

The Group's or its insurance or reinsurance entities' failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition

AXA and its subsidiaries are subject to evolving solvency and capital adequacy requirements, including the Solvency II framework, which is currently undergoing a review by the European Commission, including regarding insurance and reinsurance group supervision and internal models used by certain insurers and reinsurers, such as the AXA Group, to calculate their SCR. On September 22, 2021, the European Commission published its proposed directive amending Directive 2009/138/EC (the "Solvency II Directive") and explained its overall intentions on the most important aspects of the forthcoming level 2 amendments (in particular with respect to risk margin). On June 17, 2022, the Council of the European Union agreed on its position and published a compromise text, with proposed amendments to the Solvency II framework. For more information about the proposed directive amending the Solvency II Directive, please refer to Section 7.3 "General Information – Regulation and Supervision – Regulatory Capital and Solvency Requirements – Solvency II review" of this Annual Report and the paragraph below "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions, and emerging legal, regulatory, and reputational risks in the various jurisdictions in which we operate". Any changes to the Solvency II framework resulting in an increase of own funds that insurers and reinsurers are required to hold with respect to insurance policies or insurance-based investment products may require us to take actions to preserve our solvency level and business model, which might in turn have an adverse impact on our business, results of operations, relationships with customers, capacity to pay dividends, as well as our brand and reputation. It is difficult to predict the ultimate outcome of the proposed changes to current requirements, the impacts of which could include additional regulatory costs and operational constraints, as well as changes to our Internal Model, which may significantly and adversely affect our Solvency II ratio and EOF, results of operations, financial condition, and liquidity.

In addition, supervisory authorities may become more conservative in the interpretation, application and enforcement of relevant regulations, as a result of which they may, for example, impose increased reserving requirements for certain types of insurers and reinsurers or certain types of risks, greater liquidity requirements (including capital conservations measures preventing dividend distributions, share buy-backs or other payments to shareholders), higher discounts/"haircuts" on certain assets or asset classes or more conservative calculation methodologies, or question the calculation of our insurance best estimate liabilities or take other similar measures which may significantly increase regulatory capital requirements. In particular, the ACPR, the French insurance supervisory authority, may impose changes to the Internal Model we use to calculate our SCR or change its view regarding our methodologies and/or the integration method of some of our entities, which may adversely affect our Solvency II ratio. For additional information on our Internal Model and Solvency II ratio, please refer to Section 5.2 Internal control and Risk Management – Internal Model" of this Annual Report [(1)].

In the event of a failure by the Group, the Company (which, since 2022, is an ACPR-licensed reinsurance company following the internal reinsurance transformation as described in Section 2.1 "Operating highlights" of this Annual Report) or any of our insurance or reinsurance subsidiaries to meet applicable regulatory capital requirements, insurance supervisory authorities have broad authority to exercise various regulatory and administrative powers at an early stage, including limiting or prohibiting certain activities or operations (such as the acceptance of premiums), prohibiting or on the contrary ordering asset or portfolio disposals, restricting payment of dividends or other shareholder distributions, suspending managers, and/or putting a company under special oversight.

In addition, under the French recovery and resolution framework for the insurance sector (the "French Resolution Framework"), the ACPR is empowered to use resolution tools in order to maintain continuity of critical functions of insurance holding companies, and insurance and reinsurance companies (of which the Company is both an insurance holding company and a reinsurance company) that are failing or likely to fail. These tools include portfolio transfers, the establishment of a bridge institution or the establishment of a liability management structure, as well as associated resolution actions such as temporary stays on certain payments. Furthermore, the proposed directive published by the European Commission on September 22, 2021, to establish a framework for recovery and resolution of insurance and reinsurance companies aims at harmonizing national laws on recovery and resolution of insurers and reinsurers. For more information about the proposed framework, please refer to Section 7.3 "General Information – Regulation and Supervision – Regulatory Capital and Solvency Requirements – Recovery and resolutions regimes for insurers and reinsurers" of this Annual Report.

A failure of the Company, the Group and/or any of its insurance or reinsurance entities to meet its regulatory capital requirements and/or a deterioration of its/their solvency position(s) may also result in the need for significant amounts of new capital. In addition, in certain cases, the Company may be required to provide guarantees or capital commitments with respect to its insurance or reinsurance subsidiaries, whether at the request of supervisory authorities or certain counterparties, which may be reflected in our financial statements as off-balance sheet commitments. There can be no assurance that any of the foregoing will not have a material adverse effect on the Company's or the Group's liquidity position, financial condition, and results of operations. For additional information on the Company's off-balance sheet commitments, please refer to Section 6.6 – Note 5 "Off-balance sheet commitments" in Appendix III "AXA Parent Company Financial Statements" of this Annual Report.

Regulatory restrictions that inhibit our ability to freely move excess capital among our subsidiaries or which otherwise restrict fungibility of the AXA Group's capital resources may, depending on the nature and extent of the restrictions, adversely affect the capital position of our operating insurance or reinsurance subsidiaries, which may have a consequent negative impact on the perception of the AXA's Group financial strength.

Additional regulatory developments regarding solvency capital requirements may adversely affect our prudential regime as well as increase associated costs. There can be no assurance that contingency plans developed by Management will be effective to achieve their objectives and any failure by us and/or our insurance or reinsurance subsidiaries to meet minimum regulatory capital requirements and to maintain regulatory capital at competitive levels could have a material adverse effect on our business, liquidity, credit ratings, results of operations and financial condition.

We are dependent on our subsidiaries to cover our operating expenses and make dividend payments

Our principal sources of funds are **(i)** dividends from subsidiaries, **(ii)** reinsurance premiums paid by certain of the Group's European Property & Casualty carriers to the Company in its function as the main operational internal reinsurer of the Group, and **(iii)** funds that may be raised from time to time through the issuance of debt or equity securities or through bank or other borrowings and other intra-group arrangements. These funds enable us to cover our operating expenses and make Company dividend payments, among other things.

Regulatory and other legal and contractual restrictions may limit our ability to transfer funds freely, either to or from all our subsidiaries. In particular, our principal insurance subsidiaries and reinsurance subsidiaries are subject to restrictions on the amount of dividends and debt repayments that can be paid to us and our affiliates. Such restrictions may also be strengthened by capital conservation measures implemented by competent EU, national and other supervisory authorities that prohibit the payment of dividends by our subsidiaries to the Company.

Financial covenants in letters of credit and revolving credit facilities of our subsidiaries may also restrict their ability to declare and pay dividends.

(1) Please also refer to the AXA Group's SFCR for the year ended December 31, 2022, which is expected to be published on May 17, 2023, on AXA's website.

In addition, the 25% quota-share reinsurance treaties in place between the Company and the Group's European Property & Casualty carriers pursuant to which the Company receives reinsurance premiums were subject to regulatory clearance. There can be no assurance that regulatory clearance will be granted each time these arrangements are put in place or renewed, as the case may be.

Changes in applicable regulation or regulatory guidance may also limit the Company's or its subsidiaries' ability to enter into or renew such arrangements.

Moreover, we are classified as an Internationally Active Insurance Group (IAIG) under the Common Framework for the Supervision of IAIGs (the "ComFrame"), which was developed by the International Association of Insurance Supervisors (IAIS) and will apply to IAIGs, including the AXA Group, and could, in case of adoption of implementing legislation in relevant jurisdictions, result in the imposition of similar or other restrictions on the transfer of funds, including intra-group financing arrangements, which could negatively impact the fungibility of our capital. These factors may adversely impact our liquidity position and capacity to pay dividends.

We may have contingent liabilities from discontinued, divested and run-off businesses and may incur other off-balance sheet liabilities that may result in charges to our income statement

We may, from time to time, retain insurance or reinsurance obligations and other contingent liabilities in connection with our divestiture, liquidation, or run-off of various businesses. We may also, from time to time and in the course of our business, provide guarantees and enter into derivative and other types of off-balance sheet transactions that could result in income statement charges.

REGULATORY AND LITIGATION-RELATED RISKS

The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions, and emerging legal, regulatory, and reputational risks in the various jurisdictions in which we operate

The AXA Group operates in 51 countries around the world and, at the Company, Group and local entity levels, our insurance and reinsurance operations, among others, are subject to a wide variety of laws and regulations. In July 2022 the Company became the AXA Group's internal reinsurer and, as a regulated reinsurer, is subject to increased regulatory scrutiny. Our regulatory environment is evolving rapidly and supervisory authorities around the world are assuming an increasingly active and extended role in interpreting and enforcing regulations in the jurisdictions in which we do business, resulting in significant compliance challenges. We have highlighted below some of the more recent and noteworthy regulatory developments that we anticipate may impact our business in the coming periods; further details regarding these and related regulatory and supervisory matters also appear in Section 7.3 "General Information – Regulation and Supervision" of this Annual Report. The following summarizes recent developments impacting our required levels of capital and surplus; anti-money laundering and related anti-corruption measures; regulatory pronouncements with respect to interest rate and other "benchmarks", as well as climate change-related initiatives; changes to IFRS; and potential developments at Lloyd's.

Capital standards and restrictions on distributions to shareholders. The multiplicity of different regulatory regimes, capital standards and reporting requirements resulting from work on new capital standards led by the IAIS, such as the Insurance Capital Standard, and the development by the IAIS of the ComFrame, which will apply to IAIGs, including the Company as a regulated reinsurer, as well as potential changes to applicable solvency and capital adequacy requirements, such as the regulatory framework established under the Solvency II Directive, could increase operational complexity, regulatory costs and competition. In this regard, a review of the Solvency II framework by the European Commission is currently ongoing. For more information about the proposed directive amending the Solvency II Directive, please refer to Section 7.3 "General Information – Regulation and Supervision – Regulatory Capital and Solvency Requirements – Solvency II review" of this Annual Report. In addition, given the steps taken by the European Central Bank (the "ECB"), EIOPA, the ACPR, the European Systemic Risk Board and other supervisory authorities in previous years to regulate dividend distributions and share repurchases by financial institutions during the COVID-19 pandemic, there can be no assurance that additional restrictions on dividends or other distributions by financial institutions will not be implemented in the future and, if so, how such restrictions will be interpreted and applied by competent supervisory authorities. For additional information on our dividend policy and previous dividend payments, please refer to Section 1.1 "Key Figures – Dividends and dividend policy" and Section 7.3 "General Information – Bylaws – Rights, preferences and restrictions attached to the shares" of this Annual Report.

Customer protection matters. Our insurance, reinsurance, Asset Management and banking operations are subject to an increasing number of legislative and regulatory initiatives designed to increase consumer protection in the sector of financial services, in particular by enhancing disclosure and transparency requirements, as well as conduct of business and product governance rules, which have also resulted in stricter scrutiny by

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competent authorities. In the European Union, these initiatives, including Directive (EU) 2016/97 on insurance distribution (as amended, "IDD"), Directive 2014/65/EU on markets in financial instruments (as amended, "MiFID II") and Regulation (EU) 1286/2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "PRIIPs Regulation"), and similar initiatives are under review (or in the course of implementation) in other jurisdictions in which the Group operates. These initiatives, as well as future or revised guidance issued by regulatory authorities (such as the European Securities and Markets Authority (ESMA), EIOPA, the AMF and the Financial Conduct Authority (FCA)) and other emerging social and reputational trends, may increase our legal and compliance costs, limit or restrict our ability to do business or expose us to civil, criminal or regulatory actions, proceedings or sanctions, all of which may adversely impact our brand or reputation. For further information, please refer to "Evolution of the regulatory and litigation environment" in Section 7.3 "General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks" of this Annual Report.

AML and other compliance matters. In recent years there has also been a significant increase in legislative and regulatory initiatives and enforcement actions in the areas of financial crime compliance, including Anti-Money Laundering (AML), international trade sanctions and anti-bribery laws and regulations (*e.g.,* the US Foreign Corrupt Practices Act, the UK Bribery Act of 2010, French Law No. 2016-1691 of December 9, 2016 (also known as "Sapin II")), which have resulted in the need for enhanced control on transactions. As a result, the financial crime compliance programs of financial institutions remain a major focus for regulatory and law enforcement authorities, while regulatory measures in this area continue to be further amended, expanded, and strengthened. For instance, in France, Orders No. 2020-1342 of November 4, 2020, and No. 2020-115 of February 12, 2020, imposed enhanced requirements on French financial institutions, including the reinforcement of internal procedures to implement asset-freezing measures, and prevent and detect acts of corruption and influence-peddling committed in France and abroad. Furthermore, in certain jurisdictions the relevant AML, anti-corruption and sanctions rules may be enforced on an extraterritorial basis, which could expose our operations to additional or conflicting requirements. In addition, increased cooperation among authorities globally may, in the event we become subject to enforcement proceedings, or are otherwise found to be non-compliant in this area, result in more severe sanctions or monetary penalties.

Benchmark reforms. Reforms to interest rate, equity, foreign exchange rate and other types of indices (also known as "benchmarks") were enacted in 2016 by the European Parliament and the Council. Several interbank market benchmarks have since been designated as critical benchmarks, including LIBOR, EURIBOR and EONIA under applicable local benchmark regulations, and their related benchmark methodologies made subject to review. Certain critical benchmarks have been discontinued, including EONIA, which ceased to be published on January 3, 2022, and LIBOR (publication of most LIBOR settings ceased on December 31, 2021, and publication of certain USD LIBOR settings is expected to cease on June 30, 2023). In this context, Regulation (EU) 2021/168 was published on February 10, 2021, and allows the European Commission to impose a statutory replacement for certain critical benchmarks, whose cessation might result in significant disruption to the operation of financial markets in the EU. For more information about Regulation (EU) 2021/168 and benchmark regulations generally, please refer to "Reform and potential changes to reference rates and indices (benchmarks)" in Section 7.3 "General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks" of this Annual Report.

Because these reforms are affecting the whole financial services sector, the transition to new benchmarks creates industry-wide risks, to which the Group is therefore exposed. AXA is conducting a Group-wide project to manage this transition and the impacts of future benchmark changes, which could have implications for our capital models, Risk Management efforts, investment strategies and product design, among others. Implementation of these and any future regulations, amendments to existing regulations, or future or revised guidance issued by regulatory authorities (such as the ESMA, EIOPA, the AMF, the ACPR and the FCA) can be expected to increase the Group's costs in relation to operations, information systems, legal and compliance, and may also limit or restrict the Group's ability to do business or expose us to civil, criminal or regulatory actions, proceedings or sanctions, which may adversely impact our brand or reputation.

Risks relating to policy and regulatory initiatives on climate change, sustainability and ESG. Policy and regulatory initiatives and frameworks, including at French, European Union, and international levels, regarding climate change and sustainability, create increasing legal, regulatory, and reputational risks. These initiatives and frameworks include: **(i)** disclosure requirements, such as those resulting from (a) at the French level, article 29 of Law No. 2019-1147 dated November 8, 2019, on energy and climate (the "Energy-Climate Law" or "ECL") and (b) in the European Union, Regulation (EU) 2020/852 (the "Taxonomy Regulation"), Directive (EU) 2022/2464 (the "Corporate Sustainability Reporting Directive" or "CSRD"), Regulation (EU) 2019/2088 (the "Sustainable Finance Disclosure Regulation" or "SFDR"); **(ii)** conduct rules such as those resulting from Commission Delegated Regulation (EU) 2021/1257 amending Commission Delegated Regulation (EU) 2017/2358 regarding the integration of sustainability considerations into the prudential, distribution, investment and advisory framework for insurance and reinsurance undertakings, insurance distributors, asset managers and investment firms; **(iii)** prudential and Risk Management requirements such as those resulting from Solvency II reforms, EIOPA guidance and climate change stress testing exercises (such as the climate stress test exercise conducted by the ACPR, the first results of which were published in May 2021); or **(iv)** general vigilance and due diligence requirements, such as those resulting from the 2017 French "Loi de Vigilance" or the proposed EU directive on Corporate Sustainability Due Diligence (CSDD).

These and similar regulatory requirements, as well as any further regulations regarding the transition to a lower-carbon economy, sustainability and other ESG-related rules and guidance, which may overlap or conflict with one another, could increase our legal and compliance costs, expose us to new or additional risks and adversely affect our business or the value of our investments. While the Group strives to anticipate, monitor, analyze and implement all of these new initiatives and frameworks and the rules deriving therefrom, a risk of divergence in interpretation, imperfect compliance, or non-compliance, and of related enforcement or civil actions, cannot be excluded. There is also a geopolitical element to this risk, as governments and regulators in different jurisdictions take varied and often divergent approaches to the energy transition, climate policy and "net-zero" initiatives. These differences could have economic consequences, undermine the ability to fulfil our commitments, undermine the ability to support the energy transition, expose us to risk of litigation and adversely affect the value of our business or of our investments. For further information on climate-, ESG- and sustainable finance-related regulatory initiatives, please refer to "Climate and sustainable finance-related regulatory initiatives" in Section 7.3 "General Information Regulation and Supervision – Other significant legislative and regulatory frameworks" and on investment-related climate risk analysis, please refer to Section 4.3 "Climate change and biodiversity – Risks and impacts in relation to climate change and biodiversity" of this Annual Report.

Changes to IFRS. Changes to IFRS, as developed and promulgated from time to time by the International Accounting Standards Board (IASB), may significantly impact insurers and other financial institutions, including AXA, that prepare their consolidated financial statements in accordance with IFRS. In particular, the Group has undertaken the simultaneous implementation of IFRS 17 – Insurance Contracts and IFRS 9 – Financial Instruments, which became effective for annual periods beginning on or after January 1, 2023, following the adoption of IFRS 17 by the European Union on November 19, 2021. These changes will significantly affect the accounting treatment of insurance liabilities and financial assets. For further information on these two standards, please refer to "Evolution of accounting standards" in Section 7.3 "General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks" of this Annual Report. There can be no assurance that the above-mentioned changes to IFRS, or any changes to IFRS that may be adopted in the future, will not have a material adverse effect on our results of operations and financial condition.

COVID-19 pandemic-related judicial decisions. In certain jurisdictions, notably the United Kingdom, courts have rendered decisions in favor of policyholders' interests, including by adopting a policyholder-friendly interpretation of certain business interruption policy provisions. Other judicial decisions may be rendered, or legislative proposals enacted to the effect of implementing premium deferrals or refunds, customer-friendly interpretation of policy wording and/or retroactive extension of policy coverage or restricting our ability to cancel or non-renew insurance policies or collect premiums thereunder in accordance with their terms. This may require the Group to cover losses resulting from the impact of the COVID-19 pandemic, even though such losses were not covered under the terms of the relevant policy. As a result, we may be exposed to higher-than-expected losses. In addition, we may be required to materially amend certain of our existing policy wordings or otherwise change our underwriting and pricing policies and practices to take account of changing judicial and regulatory developments. There can be no assurance that any of the foregoing developments will not have an adverse effect on the Group's financial condition and results of operations or adversely impact our brand or reputation.

Regulations for underwriting syndicates and related risks. Following the acquisition of XL group in 2018, we have been managing, through AXA XL Underwriting Agencies Limited, Syndicate 2003, a large underwriting syndicate at Lloyd's and, as a result of which, are exposed to a variety of Lloyd's-related regulatory risks. For instance, the Council of Lloyd's has wide discretionary powers to regulate members of Lloyd's, and may vary the method by which the capital solvency ratio is calculated, or impose additional or special levies on members. In addition, if Lloyd's fails to satisfy the FCA's and the Prudential Regulation Authority's annual solvency test in any given year, Syndicate 2003 could be required to cease or reduce underwriting through Lloyd's. A downgrading of the Lloyd's market could also impair Syndicate 2003's ability to trade in certain classes of business at current levels. In connection with Brexit, the Lloyd's model for writing business in the European Union through Lloyd's Belgian underwriting subsidiary, Lloyd's Insurance Company SA, is under review by local supervisory authorities, which may have an impact on Syndicate 2003's ability to write EU business. As a Lloyd's syndicate providing coverage to US policyholders and covering US risks, we could also be required by US regulators to increase the level of funding required as minimum deposits for the protection of US policyholders. Any Lloyd's-related risks could have an adverse effect on our business, financial condition and results of operations.

We expect the scope and extent of applicable laws and regulations, as well as regulatory oversight, to continue to increase over the coming years. While Management proactively manages legal and regulatory risks and has adopted policies and procedures designed to ensure compliance with applicable laws and regulations in the various jurisdictions where we do business, we cannot predict with any certainty the potential effects that a change in applicable laws or regulations, their interpretation or enforcement (or of the potential effects of any new regulation or legislation in the future), or any determination we make regarding compliance with conflicting regulations, may have on our business, financial condition or results of operations. Any failure by us to remain in compliance with regulations applicable to us could result *in fines,* penalties, injunctions, or other similar restrictions, any of which could negatively impact our earnings and reputation. For a description of the regulations and supervision framework applicable to the Group, please refer to Section 7.3 "General Information – Regulation and Supervision" of this Annual Report.

We may also be adversely affected by a change in applicable laws or regulations, their interpretation or enforcement impacting, or regulatory decisions, authorizations or approvals relating to, third parties with which we do business. For instance, certain of our letter of credit facilities for cedants are effective only if the banks issuing the letters of credit are on the list of banks approved by the National Association of Insurance Commissioners (the "NAIC"). If some or all of the issuing banks under our credit facilities cease to be NAIC approved and we are unable to replace them with NAIC approved banks, our letter of credit facility capacity could be significantly diminished, especially in situations of adverse capital and credit market conditions where the cost of replacement facilities may be significantly increased or prohibitive. Please refer to the paragraph above "Adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, our access to capital and increase our cost of capital".

As a global business, we are exposed to various local political, regulatory, financial, and social risks and challenges

As a global business we are exposed to a wide variety of local political, regulatory, business, and financial risks and challenges, which may affect the demand for our products and services, the value of our investment portfolios, the levels of capital and surplus that we are required to hold, the credit quality of our counterparties and the way we are able to do business in particular countries and markets.

These risks include, for example, political, social or economic instability in the countries in which we operate, including the risk of nationalization, protectionist and nationalist measures, expropriation, price controls, capital controls, inflation, counter-inflationary measures, political polarization, restrictions on foreign trade and investment (such as changes to authorized levels of foreign ownership, which may affect our ability to conduct business in certain countries through joint ventures), the imposition, or significant enhancement, of international sanctions against certain countries (such as Russia in the context of the war in Ukraine) and connected entities (which may affect our ability to exercise our rights of ownership and conduct business through joint ventures in the relevant countries as well as our ability to do business with certain counterparts), export controls, tariffs and subsidies, fluctuations in foreign currency exchange rates (especially the US Dollar), credit risks of our local borrowers and counterparties, risk of recession, lack of local business experience in certain markets, risks associated with exposure to insurance industry insolvencies through policyholder guarantee funds or similar mechanisms and, in certain cases, risks associated with the potential incompatibility with foreign partners, especially in countries in which we are conducting business through joint ventures or other entities that we do not control.

These risks also include the risk of governments, supervisors, regulators and courts in the countries in which we operate adopting policyholder-favorable stances such as the mandatory provision of certain types of coverage, restrictions on cancellation or non-renewal of policies, extension of coverage (such as by extension of scope and/or period), and the imposition of pricing constraints/obligations to ensure the affordability of coverage for policyholders, in each case resulting in a deviation from the original terms and conditions of those policies (including potentially retroactively) and a deviation in the economic balance of these insurance policies as initially agreed with the relevant policyholders.

In addition, pressures on households and social cohesion at the local or regional level in the form of reduced economic security (including as a result of inflation) and rising inequality, pressures on healthcare systems (such as those arising from the COVID-19 pandemic or as a result of challenges facing national health care systems such as the National Health Service in the United Kingdom), food insecurity (including as a result of the ongoing war in Ukraine), or migration (including reactions to migration) could create significant societal problems or conflict in the countries, regions and/or markets in which we operate. These issues may be exacerbated by factors including but not limited to broader economic and financial market conditions, impacts from climate change, pandemics and infectious diseases, and geopolitical conflict and/or tensions, political polarization, protectionist and nationalist measures or trade wars.

There can be no assurance that any of the foregoing developments will not have an adverse effect on the Group's financial condition and results of operations.

We have been and may become in the future subject to lawsuits, regulatory investigations and/or other proceedings which may affect our business, brand, reputation, relations with regulators and/or results of operations

We are a party to numerous lawsuits (both class actions and individual lawsuits) in our corporate capacity and in our capacity as an insurer/reinsurer and involved in various regulatory investigations and examinations, and other actions arising in the various jurisdictions where we and our subsidiaries do business. Please refer to Section 6.6 – Note 31 "Litigations" of this Annual Report. We may be involved in similar proceedings in the future.

Certain of these lawsuits and investigations seek significant or unspecified amounts of damages, including punitive damages (notably in the United States), and may involve allegations of bad-faith denials of coverage, which could potentially increase the overall amounts due, if any, in connection with such matters. Certain of the regulatory authorities involved in these proceedings have substantial powers over the conduct and operations of our business. The introduction of a class action system in France in 2014 and similar developments in certain other European jurisdictions, as well as the adoption of Directive (EU) 2020/1828 dated November 25, 2020, on representative actions for the protection of the collective interests of consumers at the EU level, have increased and are likely to continue to increase litigation, risks and costs. We face significant legal risks in our businesses, and the amount of damages and penalties claimed in litigation and regulatory proceedings, as well as the volume of claims, against global financial institutions remains high. Furthermore, the increasing number of legislative and regulatory requirements, including tighter controls and higher capital requirements, consumer protection, enhancement of regulatory requirements for the oversight and disclosure of climate, ESG and sustainable finance-related initiatives as well as social and reputational trends may expose us to additional civil, criminal or regulatory actions, investigations, proceedings or sanctions, which could restrict business or have an adverse effect on the Group. For additional information, please refer to Section 7.3 "General Information – Regulation and Supervision" of this Annual Report and to the paragraph below "Increasing scrutiny and evolving expectations from investors, customers, regulators, and other stakeholders regarding environmental, social and governance matters, and climate change may impact our business and results of operations".

In addition, in the context of the COVID-19 pandemic, the opioids crisis in the United States and the ongoing war in Ukraine, coverage lawsuits have been brought against insurers, including the AXA Group or its subsidiaries in multiple jurisdictions, many of which are ongoing. For additional information in relation to the COVID-19 claims please refer to the sub-paragraph "COVID-19 pandemic-related judicial decisions" in the paragraph above "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions, and emerging legal, regulatory, and reputational risks in the various jurisdictions in which we operate" and Section 6.6 - Note 31 "Litigations" of this Annual Report. The extent of the reinsurance coverage on these claims may vary depending, among other things, on the resolution of the coverage issues under the primary policies. We may also be involved in proceedings with our reinsurers regarding coverage. For additional information please refer to the paragraph above "Reinsurance may be unavailable or too expensive and may not be adequate to protect us against losses, in particular in the context of cyclical Property & Casualty insurance and reinsurance businesses".

Due to the nature of certain of these types of proceedings, we cannot estimate the potential losses or predict with any certainty the potential impact thereof on our business, brand, reputation, relations with regulators and/or results of operations.

Increasing scrutiny and evolving expectations from investors, customers, regulators, and other stakeholders regarding environmental, social and governance matters, and climate change may impact our business and results of operations

There are increasing scrutiny and evolving expectations from investors, customers, regulators, and other stakeholders on ESG practices and disclosures, including those related to environmental stewardship, climate change, diversity, equity and inclusion and workplace conduct. There has been a wide-ranging increase of ESG-related rules and guidance and an enhancement of disclosure regimes designed to ensure that companies are transparent about their climate and ESG-related risks, strategy, targets, and goals, and how they are organizing themselves to address ESG challenges, which expose us to new or additional risks. Several organizations that provide information to investors have developed ratings for evaluating companies on their approach to different ESG matters, and unfavorable ratings of our company or our industry may lead to negative investor sentiment and the diversion of investment to other companies or industries. In 2019 we committed to contain the "warming potential" of our investment portfolio to below 1.5°C by 2050 and we announced, in our *"Driving Progress 2023"* strategic plan, that we intend to reduce the carbon footprint of our General Account assets (*i.e.*, corporate fixed income; listed equities; real estate assets) by 20% by 2025. We have joined several net zero alliances and other initiatives and partnerships which require us to make additional commitments and set climate-related targets. If we are unable to meet these targets, standards, or expectations, whether established by us or third parties, it could result in adverse publicity, reputational harm, or loss of customer and/or investor confidence, which could adversely affect our business and results of operations. We will face additional risks, including regulatory scrutiny, climate-related litigation and "greenwashing" claims, if we are perceived to inadequately disclose or mislead stakeholders in respect of our climate strategy, targets and goals, the climate impact of a product or service, the actual or perceived impact of the net zero or other alliances we may be a party to, the commitments of our customers or if there is a deficiency in the controls or processes we have in place. There is also a geopolitical element to this risk, as governments and regulators in different jurisdictions take varied and often divergent approaches to the energy transition. For more information about our *"Driving Progress 2023"* strategic plan and AXA's sustainability strategy, please refer to Section 4.1 "AXA Group's sustainability strategy" of this Annual Report.

In recent years, activist campaigns by shareholders, activist funds, non-governmental and other organizations, have been directed against numerous public companies. These campaigns have focused on strategic and business reorientations, changes in management and compensation, Board representation and other matters. A relatively recent development with respect to activism is ESG-focused campaigns. These initiatives seek to require companies to, among other things, disclose significant information in relation to ESG-related actions and commitments and other matters. On the other hand, in certain jurisdictions, we may also face actions by individuals, companies, governments or non-governmental organizations claiming that ESG-related commitments, activities and alliances are incompatible with investor expectations, our corporate purpose or other laws and regulations. The ESG regulatory framework is evolving rapidly and has been, and likely will continue to be, the subject of conflicting political and social objectives, which may have legal, regulatory, compliance and reputational consequences for us. Responding to any activist claims can be costly and time-consuming and may adversely affect our business by, among other things, diverting the attention of our Board of Directors, senior management, and employees away from the execution of business strategies. These campaigns raise new and potentially substantial risks for targeted companies, and could negatively affect our share price, reputation, and brand.

The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business

Collection, transfer, and protection of significant amounts of sensitive data are critical to the operation of our business. Regulations in this area are quickly evolving around the world, which could adversely affect our business if we fail to adapt our rules, internal controls, and strategy to the emerging regulatory environment.

Regulation (EU) 2016/679 dated April 27, 2016, on the protection and movement of personal data (as amended, the "GDPR") entered into force on May 25, 2018. GDPR significantly modified the EU data protection framework and, in particular, imposed new restrictions on data usage/processing (including profiling), disclosure to customers and a stronger enforcement regime, under which competent data protection authorities are able to fine companies that do not comply with EU rules up to 4% of their global annual turnover. Similar data protection regulations to GDPR have entered into force in many other jurisdictions, including certain US states, China, Brazil, Algeria, Egypt, and Thailand. While we have adopted and regularly review a global Data Privacy Organization/Governance policy designed to manage risks related to data protection, there can be no assurance that our existing or planned data protection rules, including our privacy-related Group Binding Corporate Rules, and governance organization will not need to be updated or replaced to comply with new laws and regulations and regulatory guidance applicable in the European Union or other jurisdictions where we operate or may operate in the future.

There is a risk that data collected by the Group and its third-party service providers is not processed in accordance with notices provided to, or obligations imposed by, data subjects, regulators or other counterparties, or in compliance with applicable data-privacy laws. The Group's IT and other systems may also in future be exposed to hacking and unauthorized intrusions, such as physical or electronic break-ins, unauthorized tampering or security breaches or other intentional or unintentional acts by parties acting from within or outside the Group, which could result in sensitive data (including customer and employee data) being stolen, lost or misused. Remote working arrangements and the accelerated digitalization of our operations may increase these threats. Negligence or failure to implement and follow internal Group policies, in particular regarding encryption of data, or to fail to perform adequate internal data collection/processing controls, may also facilitate hacking and other intrusions and result in breaches of GDPR and other applicable laws.

Any failure to comply with applicable data protection laws, and data theft, loss, or misuse, affecting any Group entity or a third-party service provider, could result in significant regulatory sanctions, penalties, injunctions or other similar restrictions, damage to our reputation, need to compensate customers, customer litigation (including class actions and individual lawsuits), and consequently have a material adverse effect on our business, results of operations and prospects.

Following the European Union Court of Justice's decision in 2015 to invalidate the European Commission's Safe Harbor, which had allowed, under certain conditions, the transfer of personal information from EU companies to US companies, transatlantic data flows continued using other mechanisms such as standard contractual clauses between companies and binding corporate rules for transfers within multinational corporate groups. While we currently believe that we can continue using such mechanisms to transfer data to the United States and to other non-EU jurisdictions and add supplementary measures as required, there is no guarantee that such mechanisms will not be subject to future challenge or to stricter scrutiny by the competent authorities, or that further changes in applicable regulations will not potentially increase our legal and compliance costs, or result in regulatory sanctions or damage to our brand or reputation. In December 2022, the European Commission announced a draft adequacy decision for the EU-US Data Privacy Framework (the "EU-US DPF"), a data transfer mechanism that would replace the invalidated EU-US Privacy Shield. As with the EU-US Privacy Shield, the EU-US DPF is limited to entities subject to the investigatory and enforcement powers of the US Federal Trade Commission or Department of Transportation, though other US statutory bodies recognized by the EU may be included in future annexes of the EU-US DPF. Because of this, the AXA Group believes that it may continue to rely on standard contractual clauses and binding corporate rules as data transfer mechanisms to transfer data from the EU to the United States and other non-EU jurisdictions, but the EU-US DPF is in development and there is no guarantee that it will be approved in its current form.

Changes in tax laws, regulations or interpretations or uncertainties in the interpretation of certain tax laws may result in adverse consequences to our business and our results of operations

As a global company operating in numerous jurisdictions, we are subject to various tax regimes and regulations. Changes in tax laws, regulations or interpretations could result in administrative actions, litigation, higher tax expenses, payments, and compliance costs.

Uncertainties in the interpretation or future developments of tax regimes may affect our tax liability, return on investments and business operations. We have been and may increasingly become exposed to the risk of tax audits and investigations (both administrative and criminal) in the various jurisdictions in which we operate. The international tax environment continues to change as a result of actions taken by the OECD, the European Union and national governments intended to address concerns over perceived international tax avoidance techniques. In addition, the introduction of new or more restrictive regulations related to tax matters in the countries where the Group operates could significantly increase compliance costs. For example, contemplated tax measures adopted in connection with the American Rescue Plan, resulting from the Global Anti-Base Erosion OECD initiative (aimed at ensuring that large multinational enterprise groups pay a minimum level of corporate tax), or EU VAT reform for insurance companies, could increase AXA

Group's costs. We take tax positions that we believe are correct and reasonable in the course of our business. However, there is no guarantee that our tax positions will be upheld by the relevant authorities, and tax audits, reassessments and investigations may result in adverse consequences, including penalties and sanctions. Our business operations, results, financial condition, liquidity, outlook, or reputation could be materially affected if one or more of the aforementioned risks materialized.

Risks related to the ownership of the Company's shares

In order to raise capital to fund future growth or for solvency purposes, we may, in the future, offer rights, warrants or similar securities at prices below the then-current market price which may adversely affect the market price of our ordinary shares and dilute the positions of existing shareholders.

The Mutuelles AXA, which comprise two French mutual insurance companies, together held 15.37% of the Company's outstanding shares and 25.67% of its voting rights as of December 31, 2022. The Mutuelles AXA have stated their intention to collectively vote their shares in AXA and may have interests conflicting with other shareholders' interests. For example, even though the Mutuelles AXA do not hold a majority of the total voting rights in AXA, efforts by the Mutuelles AXA to decline or deter a future offer to acquire control of AXA, which other shareholders may find attractive, may prevent other shareholders from realizing a premium for their AXA ordinary shares. The Mutuelles AXA may decide to increase their ownership interest in AXA or to sell all or a portion of the ordinary shares they own at some future date.

5.2 INTERNAL CONTROL AND RISK MANAGEMENT

Information in this section should be read in conjunction with Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report. The report of the Statutory Auditors on the Consolidated Financial Statements covers only information referred to in Note 4.

The AXA Group is engaged in Insurance, Reinsurance and Asset Management businesses on a global scale. As such, it is exposed to a wide variety of risks, including market risks, credit risk, insurance risks, operational risks, and other material risks, as further described in this Part 5 "Risk Factors and Risk Management" (1) and in Section 6.6 – Note 31 "Ligitations" of this Annual Report.

To manage these risks, the Group has put in place a comprehensive system of internal control and Risk Management designed to ensure that executives are informed of significant risks on a timely basis and can manage these risks, so that the Consolidated Financial Statements and other market disclosures are accurate.

In addition, the Solvency II regime requires the Group to have in place an effective system of governance which provides for sound and prudent Risk Management. This governance system must be based on a clear separation of responsibilities and must be proportionate to the nature, extent, and complexity of the Group's operations.

In this context, AXA has **(i)** put in place a control framework with three lines of defense with boundaries between each of them clearly defined and **(ii)** established four key functions.

The three lines of defense are:

	Responsibilities	Owners		
1st line of defense	Responsible for day-to-day risk and control management and decision-making	Management and staff		Actuarial function
2nd line of defense (independent from the Group's business operations)	Responsible for developing, facilitating and monitoring an effective risk and control framework	Risk Management	Compliance	Internal Control (including Internal Financial Control)
3rd line of defense	Responsible for providing independent assurance on the effectiveness of the overall control environment		Internal Audit	

The four key functions are:

- **the Risk Management function** is responsible for coordinating the second line of defense, ensuring that the risk appetite is implemented with respect to all material risks, and in charge of the design, implementation and validation of AXA Group economic capital model which is the basis for the Group Solvency II internal model ("Internal Model"), the documentation of the Internal Model and any subsequent changes made to it as well as the analysis of the performance of this model and the production of summary reports thereof. The holder of the Risk Management function, including the internal control function, at Group level is the Group Chief Risk Officer;
- **the Compliance function** is responsible for advising on compliance with laws, regulations and administrative provisions regarding insurance, reinsurance, Asset Management and Banking activities as well as monitoring that compliance is effective. The Compliance function holder at Group level is the Group Chief Compliance Officer;
- **the Actuarial function** is responsible for coordinating the calculation of technical provisions, expressing an opinion on the overall underwriting policy and on the adequacy of reinsurance arrangements. The Actuarial function holder at Group level is the Group Actuarial function holder; and
- **the Internal Audit function** is responsible for performing an evaluation of the adequacy and effectiveness of the Group's internal control system and other elements of the system of governance. The Internal Audit function is objective and independent from the operational functions. The Internal Audit function holder at Group level is the Global Head of Internal Audit.

(1) *This information is not required under IFRS and as such is not part of the Consolidated Financial Statements. Therefore, it is not covered by the report of the Statutory Auditors on the Consolidated Financial Statements.*

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The holders of key functions have direct access to the Board of Directors.

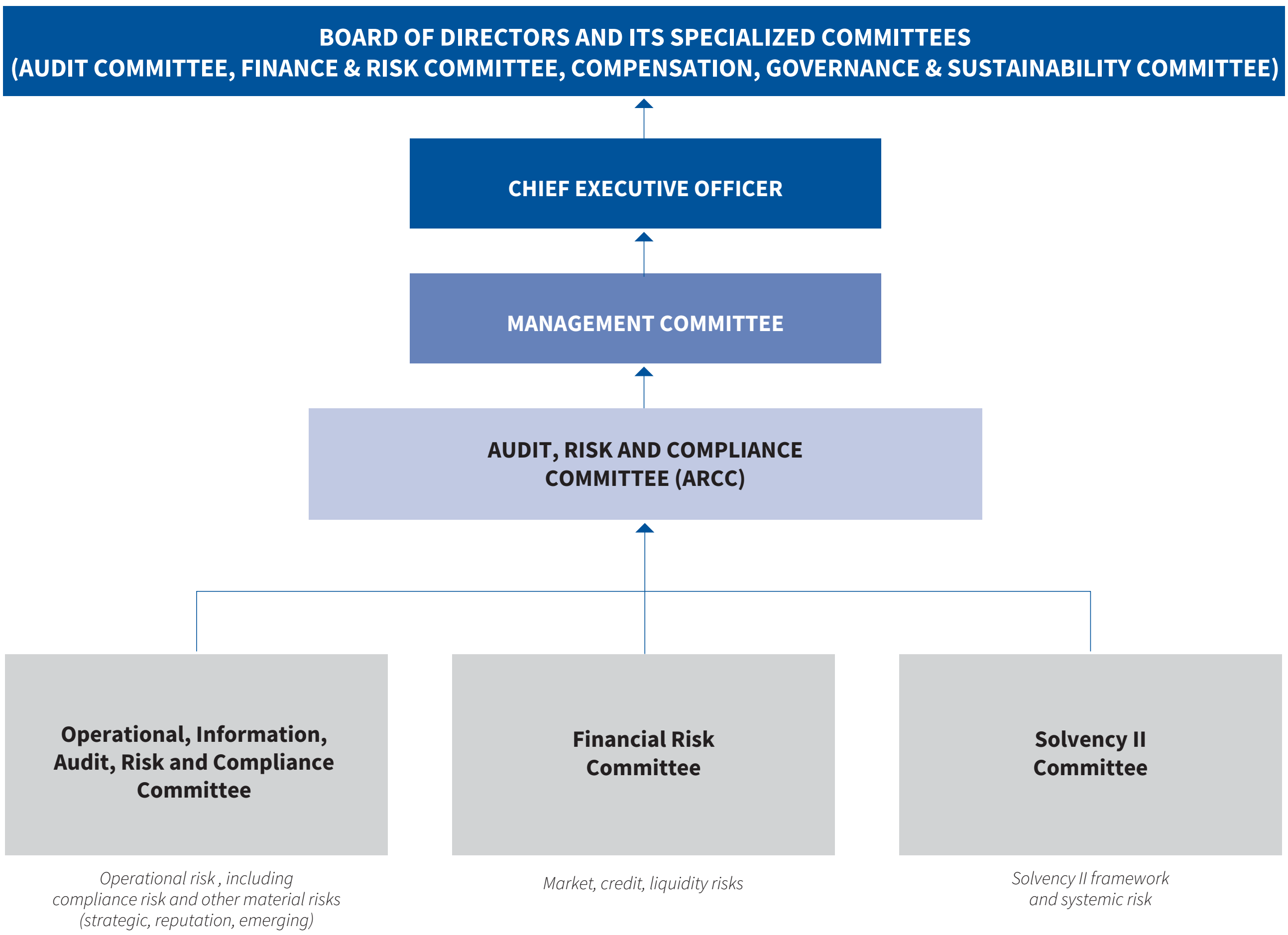
The Group Chief Executive Officer and the two Group Deputy Chief Executive Officers (*Directeurs Généraux Adjoints*), who, under Solvency II, are deemed to be "persons who effectively run" the Group, and the key functions holders must fulfil the requirements for a fit and proper assessment, as set in the Group's internal policy, adopted in compliance with the requirements of the Solvency II regulation, both at appointment and on an ongoing basis. These requirements are:

- appropriate competence and capability, taking into account professional qualifications, training, knowledge and relevant experience including understanding of regulatory requirements to enable sound and prudent management (fit); and
- propriety, taking into account reputation, financial soundness, and personal characteristics such as integrity and transparency (proper).

Furthermore, appointments to any of these positions must be notified to the French *Autorité de contrôle prudentiel et de résolution* (ACPR), through a formal process, including submission of a detailed questionnaire addressing the fitness and propriety of each person, as well as detailed background information.

Governance and Risk Management organization

GOVERNANCE



Board of Directors

The Board of Directors is responsible for ensuring that an appropriate and effective system of Internal Control and Risk Management is in place across the Group. In this context, it can undertake all controls and verifications as it deems appropriate.

The Board of Directors has established three Committees to assist it in fulfilling its responsibilities: an Audit Committee, a Finance & Risk Committee and a Compensation, Governance & Sustainability Committee. All the Board Committees constitute an important part of the Group's overall internal control environment and play a major role in reviewing Internal Control and Risk Management related issues. For more information on the composition and assignments of the Board of Directors and its Committees, please refer to Section 3.1 "Corporate governance structure" [(1)] of this Annual Report.

Audit Committee

The Audit Committee notably monitors **(i)** the Group's internal control systems and procedures for Risk Management with a view to obtaining reasonable assurance as to their effectiveness and consistent application, and **(ii)** the Group's major risk exposures and sensitivities (both financial and operational), including how these exposures and sensitivities compare with the respective levels of risk appetite set in the risk appetite framework, and how changes in these exposures and sensitivities are measured and adjusted over time. For the avoidance of doubt, the Audit Committee is not responsible for setting the risk appetite, nor required to review or opine on the level of risk appetite set.

The scope of the Audit Committee's responsibilities is set forth in the Audit Committee's Terms of Reference, approved by the Board of Directors and available on www.axa.com.

Finance & Risk Committee

The Finance & Risk Committee notably monitors the general risk situation of the Group as well as the Group's risk strategy and reviews the level of risk to which the Group is exposed as well as the risk appetite framework developed by the Executive Management for financial, extra-financial, (re)insurance and operational exposures.

It also examines any subject relating to the financial management of the Group and in particular the policy on financial Risk Management (including management of foreign exchange and interest rates exposure), the liquidity and financing of the Group, the capital and solvency as well as the impact on capital and solvency at Group level of the main orientations and limits of the Asset Liability Management (ALM) policy. It reviews the Group's responsible investment policy, its implementation and its impact on the Group investment portfolio and plan.

The scope of the Finance & Risk Committee's responsibilities is set forth in the Board of Directors Terms of Reference and available on www.axa.com.

The Executive Management

Executive Management oversees the implementation of the Internal Control system and the existence and appropriateness of Internal Control, as well as Risk Management monitoring systems within the Group.

For more information about the Executive Management, please see Section 3.1 "Corporate governance structure" of this Annual Report [(1)].

Audit Risk and Compliance Committee (ARCC)

The Audit Risk and Compliance Committee (ARCC) was created in 2016 by the Chief Executive Officer with the view to strengthening the Group's overall Risk Management governance and is chaired by the Group General Counsel with the purpose of reviewing all material audit, risk and compliance issues faced by the Group.

The scope of the ARCC covers all the Group's operations and includes the following:

- the Group's overall risk appetite, material breaches of risk limits and proposed remedial actions, the Group's risk framework as well as action plans proposed to reduce or otherwise modify the Group's material risk positions when they are beyond defined limits;
- the Group's policy, standards and limits to ensure that they are consistent with the Group's defined risk appetite;
- the Own Risk & Solvency Assessment (ORSA) and the other Solvency II reports (Group Solvency and Financial Condition report, Group Regular Supervisory report, Actuarial function holders reports);
- the Group Pre-Emptive Recovery Plan;
- the major findings identified by Internal Audit; and
- the Group's Compliance standards.

The ARCC reports back to the Management Committee on a regular basis. The ARCC also reviews and discusses the proposed agenda items for the Audit Committee and the Finance & Risk Committee with a view to ensuring that these agendas include the appropriate items.

Reporting to the ARCC, the following Group Risk Committees cover the main risk categories:

- **for financial risks:** the Group Financial Risk Committee is co-chaired by the Group Chief Financial Officer and the Group Chief Risk Officer. This Committee reviews financial risk issues faced by the Group and oversees the financial Risk Management of all (re)insurance and bank units;
- **for operational, other material risks (reputation, emerging) and internal control:** the Operational and Information Audit, Risk, Compliance Committee is co-chaired by the Group Chief Risk Officer and the Group Chief Operating Officer.

(1) This information is not required under IFRS and as such is not part of the Consolidated Financial Statements. Therefore, it is not covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

Insurance risks as well as strategic risk are directly managed and monitored at the Group ARCC level.

The Solvency II Committee, co-chaired by the Group Chief Risk Officer and the Group Chief Financial Officer, is in charge of steering the overall AXA Group Solvency II framework and the governance of the Internal Model. It provides a forum for all Group functions concerned to drive the appropriateness of the Internal Model. The SII Committee reviews the whole SII documentation to be approved by the Group Board of Directors and, by extension to the Solvency II framework, the SII Committee also monitors the subjects related to Systemic risks.

Group Risk Committees are supported by local Risk Committees to ensure consistency in the implementation of the Enterprise Risk Management (ERM) framework.

LINES OF DEFENSE ORGANIZATION

The control framework with three lines of defense has been designed to ensure that the risks that the AXA Group may face are systematically identified, measured, managed, and controlled.

First line of defense: management and staff

Management and staff have primary responsibility for **(i)** establishing and maintaining an effective control environment, **(ii)** identifying and managing the risks inherent in the products, services, and activities in their scope and **(iii)** designing, implementing, maintaining, monitoring, evaluating, and reporting on the Group's internal control system in accordance with the risk strategy and policies on internal control as approved by the Board of Directors.

Group Actuarial function

The Group Actuarial function is headed by the Group Actuarial function holder, who reports to the Group Chief Financial Officer and Management Committee member (operational/functional reporting) and to the Group Deputy Chief Executive Officer, in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations, and *Dirigeant Effectif* (executive who effectively runs the Company as required by Solvency II) (hierarchic reporting).

The Actuarial function, in accordance with article 48 of the Solvency II Directive:

- coordinates the calculation of technical provisions;
- ensures the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assesses the sufficiency and quality of the data used in the calculation of technical provisions;
- compares best estimates against experience;
- informs the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- oversees the calculation of technical provisions in the cases set out in article 82 of the Solvency II Directive;
- expresses an opinion on the overall underwriting policy;
- expresses an opinion on the adequacy of reinsurance arrangements;
- contributes to the effective implementation of the Risk Management system referred to in article 44 of the Solvency II Directive, in particular with respect to the risk modelling underlying the calculation of the capital requirements set out in Chapter VI, Sections 4 and 5, and to the assessment referred to in article 45 of the Solvency II Directive.

The Group Actuarial function holder annually produces an Actuarial report submitted to the Board of Directors, and an opinion on the reserves twice a year. The Actuarial report identifies any deficiencies and gives recommendations as to how such deficiencies should be remediated.

The Group Actuarial function holder alerts the Executive Committee/Board of Directors on any major deficiency on his area of responsibility.

Second line of defense: Group Risk Management function, including Group Internal Control function and Group Compliance function

Group Risk Management (GRM) function

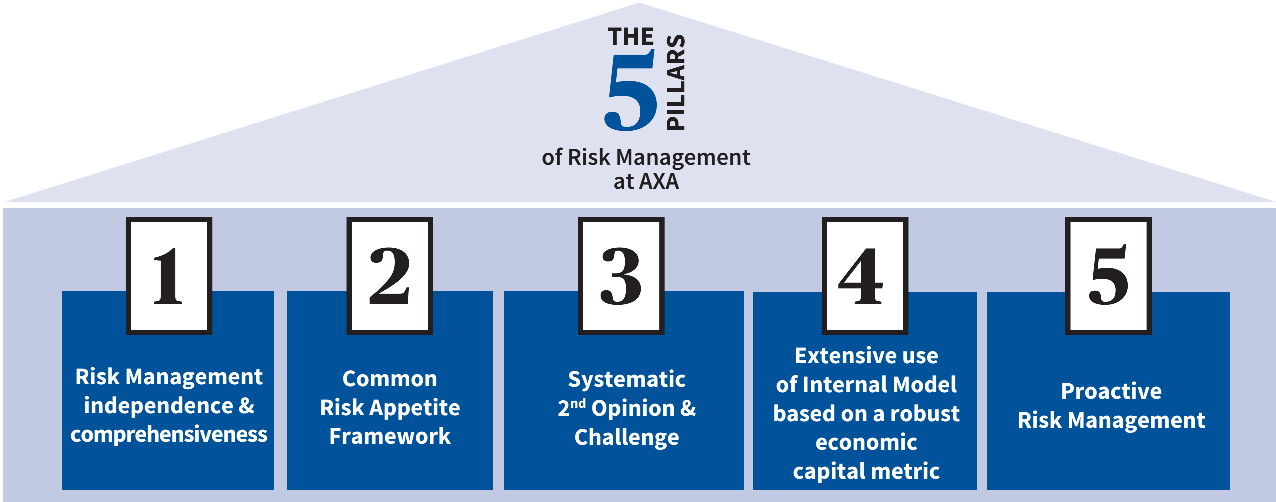
GRM is headed by the Group Chief Risk Officer, who reports to the Group Deputy Chief Executive Officer, in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations.

The role of GRM is to identify, quantify and manage the main risks to which the Group is exposed. To this end, GRM develops and deploys a number of risk measurements, monitoring instruments and methods, including a standardized methodology and framework for stochastic modelling (through the Internal Model) including the ORSA required under Solvency II.

When appropriate, this role leads to the implementation of decisions that affect the Group's risk profile, helping to monitor the solvency position and manage the volatility of the Group's earnings through sound understanding of the risks taken and optimization of capital allocation.

As an integrated part of all the Group's business processes, GRM is also responsible for the definition and implementation of the ERM framework within the AXA Group.

The ERM framework is based on the following five pillars, cemented by a strong risk culture:



1. **Risk Management independence and comprehensiveness:** Chief Risk Officers are independent from operations (first line of defense) and Internal Audit Department (third line of defense). The Risk Management Department, together with the Compliance and Internal Control Departments, constitute the second line of defense, whose objective is to develop, coordinate and monitor a consistent risk framework across the Group;
2. **Common risk appetite framework:** Chief Risk Officers are responsible for ensuring that senior management reviews and approves the risks to which the relevant entity or business unit is exposed, understands the consequences of an adverse development in such risks and have action plans that can be implemented in case of unfavorable developments;
3. **Systematic second opinion on key processes:** Chief Risk Officers provide a systematic and independent second opinion on product approval process, reserves, reinsurance, investments and ALM and challenge on operational risks and strategic plan;
4. **Extensive use of internal model based on a robust economic capital metric**: the Internal Model is intended to offer a concrete and powerful tool to control and measure exposure to most risks, in line with the Solvency II framework. The Internal Model is designed as a consistent and comprehensive Risk Management tool, which also forms an important element in the capital management and planning process;
5. **Proactive Risk Management:** Chief Risk Officers are responsible for early detection of risks. This is ensured through challenge of and constant dialogue with the relevant business and supported by the AXA Group's emerging Risks Management framework.

GRM oversees the operating entities' adherence to the ERM, supported by the local Risk Management teams. It coordinates Risk Management for the Group, steers the local Risk Management Departments, and strives to develop a risk culture throughout the Group.

GROUP COMPLIANCE FUNCTION

The Group Compliance function is responsible for advising Executive Management and the Board of Directors on applicable compliance laws, regulations, and administrative provisions, and on the impact of regulatory change on AXA Group's operations. The Group Compliance function provides expertise, advice, and support to AXA entities to assess significant compliance matters, analyzes the major compliance risks and contributes to designing solutions to mitigate the risks to which the Group is exposed. The Group Compliance function manages a wide range of compliance related matters including **(i)** financial crime (which includes anti-bribery and corruption, anti-money laundering and international sanctions/embargo compliance), **(ii)** data privacy, **(iii)** customer protection and conduct, **(iv)** compliance & ethics, **(v)** the monitoring of other major compliance and regulatory risks, and **(vi)** regular reporting of significant compliance and regulatory matters to Executive Management, the Board of Directors and regulators.

The Group Chief Compliance Officer reports to the Group Deputy Chief Executive Officer & Group General Secretary.

The compliance activities within the Group are set out in a number of standards and policies which set the minimum requirements expected to be achieved by AXA entities and their Compliance functions.

The compliance section of the Group Standards contains standards and policies on significant risk areas affecting compliance activities and sets out the high-level controls and monitoring principles to which the entities must adhere. Adherence to the Standards and Policies (Compliance Governance, Anti-Money Laundering, Sanctions, Anti-Bribery, Cross Border, Data Privacy) is mandatory. In 2022, a new Standard on Conduct and Customer Protection was established to support the Group's ambition and the AXA Value, "Customer First". It is designed to ensure that AXA continues to provide its customers with suitable advice, products, and services to meet their needs. It will be rolled out across the Group in 2023.

The Group Compliance function undertakes an annual Compliance Risk Assessment exercise which requires entities to identify the most significant compliance risks to which they are exposed. Based on this assessment an Annual Compliance Plan is developed for the following year. Using the same methodology and to comply with the French extraterritorial law (Sapin II) and ACPR requirements, a separate Anti-Bribery and Corruption Risk Assessment and Anti-Money Laundering Risk Assessment have also been implemented across AXA entities. These risk assessments enable entities to identify in a more granular manner the associated risks.

The Group Compliance function has implemented a number of monitoring processes. For example, the Compliance In-Depth Review (CIDR) which is an ongoing program of structured on-site Compliance reviews conducted by the Group Compliance Department to AXA Group Companies worldwide. The main purpose of these reviews is to measure adherence to the Group Standards and Policies, to define improvement action plans, to provide experienced advice, including on compliance technical aspects, and to rate the entity's maturity level against other Group companies. This program was introduced in 2009 using a risk-based approach. In 2022, the backlog of CIDRs created by the travel restrictions imposed following the COVID-19 crisis was fully caught-up.

On a regular basis, the Group Compliance function reports to the Group Audit Risk & Compliance Committee, the Audit Committee, and the Board of Directors (as required) on significant compliance matters. These include major regulatory changes that have compliance implications, results of the Compliance Risk Assessment, and any other significant issues that require escalation.

GROUP INTERNAL CONTROL FUNCTION

To further strengthen its control environment, the AXA Group established in 2017 a centralized Internal Control function within the second line of defense independent from business operations. The Group Head of Internal Control is reporting to the Group Head of Operational Risk and Internal Control. The Group Internal Control Department is responsible for the development of a standardized methodology and framework for internal control and for oversight of its implementation in the AXA Group's subsidiaries. For more information on the internal control at local level, please refer to the paragraph "Risk Management and internal control at local level" below.

The Internal Control framework of the AXA Group:

- is based on the principle of proportionality and takes into account the nature, scale and complexity of the entities' operations;
- is aligned with the COSO "Internal Control – Integrated Framework" of the Committee of Sponsoring Organizations of the Tradeway Commission;
- is an integral part of the Risk Management thus providing the Executive Management with a view of the risk and control environment;
- is underpinned by the Group Internal Control Standard and Group Solvency II Internal Control Policy, first approved by the Audit Committee and the Board of Directors of AXA SA in December 2017;
- encompasses Internal Financial Control, implemented since 2010 to provide reasonable assurance regarding the reliability of Internal Control Over Financial Reporting (ICOFR), and extended to Solvency II in 2014 to contribute to the Internal Model validation process. For more information on Internal Financial Control, please refer to the paragraphs "Financial reporting, disclosure, controls and procedures" and "Internal Model validation" below.

On a regular basis, the Group internal control reports to the Group Operational and Information Audit, Risk, Compliance Committee and to the Audit Committee of the Board of Directors.

Third line of defense: Group Internal Audit function

The Group's Internal Audit function provides the Group Audit Committee and the Group's Management Committee with independent and objective assurance on the effectiveness of the overall control environment across the Group.

The Global Head of Internal Audit reports to the Chair of the AXA Group Audit Committee and to the Group Deputy Chief Executive Officer and General Secretary.

All Internal Audit teams across the Group report to the Global Head of Internal Audit whilst also having a direct and unfettered reporting line to their local Audit Committee Chair and an administrative reporting line within their local management structure.

The Group's Internal Audit function exists to help the Board and Executive Management protect the assets, reputation, and sustainability of the organization by providing an independent and objective assurance activity designed to add value and improve the organization's operations. It helps the organization meet its objectives by bringing a systematic, disciplined approach to challenge Executive Management and evaluate the effectiveness of Risk Management, control, and governance processes.

Group Internal Audit sets an annual plan of work, based on an assessment of both the inherent risk and the adequacy of controls as well as consideration of the audit cycle. The plan is formally reviewed, and its performance formally monitored by the Group Audit Committee.

Over the audit cycle, all applicable audit universe components for each entity are expected to be audited. Any exceptions identified are notified to the Audit Committee.

A report is issued at the conclusion of each audit assignment to the relevant senior management. The results of the audits and resolution status of internal audit issues are presented to the relevant Audit Committee and Executive Management Committee on a regular basis.

Risk Management, Internal Control and Actuarial function at local level

Governance: the Group Governance Standards require, among other things, the Boards of AXA's main subsidiaries to establish an Audit Committee. The Audit Committees have a critical role in reviewing financial results and other financial information prepared by the management of these subsidiaries, financial reporting and control processes, critical accounting policies, specific accounting issues, key risks, and systems of internal control, fraud, and similar issues.

In addition, the Group has established Standards that apply to AXA SA and entities (including Joint ventures) where AXA has the majority of the voting rights or has a minority interest but exercises control through other means such as management. They are mandatory for all entities (including AXA SA) within scope unless otherwise indicated. The Standards focus on critical requirements and form part of the overall Risk Management framework which allow the Group to have a clear understanding of risks, both locally and Group-wide.

Chief Executive Officers are required to certify annually to the Group Chief Executive Officer that to the best of their knowledge their entities comply with the Standards. Entity Boards must be formally informed of the Annual Certifications, together with any material breaches, areas of non-compliance and corresponding mitigation plans in order to monitor progress of remedial actions.

Please note that in the following paragraphs AXA SA is included within the scope of local entities.

Risk Management: Risk Management is a local responsibility, in accordance with GRM standards and guidelines. The roles and responsibilities of local Risk Management teams are validated jointly by the Executive Committees of local entities and the Group Chief Risk Officer to ensure the alignment of central and local interests.

The minimum missions required for local Risk Management teams are:

- coordinating the second line of defense locally (which covers among others Compliance, Internal Control, Security) through a specific system of governance framework;
- ensuring that the risk appetite is implemented with respect to all risks consistently with the Group's risk appetite, with enhanced reporting, risk limits and decision processes;
- providing a second opinion on key processes, such as the definition of characteristics for new products before launch, reserves, ALM studies & asset allocation and reinsurance strategies;
- with respect to the Internal Model, Risk Management checking the adequacy of the local risk profile, and implementing, testing and validating the Internal Model.

Local Chief Risk Officers head the local Risk Management teams within each operational entity, and report both to their local Chief Executive Officer and to the Group Chief Risk Officer. They are independent from operations and Internal Audit Departments. Local Chief Risk Officers regularly report to the local Board of Directors (or to a sub-Committee) on Risk Management matters.

Their teams are responsible for controlling and managing risks within Group policies and limits, and for validating investment or underwriting decisions through local Risk Committees. The Group Chief Risk Officer chairs the Chief Risk Officers' meeting composed of the Chief Risk Officers of AXA's main subsidiaries, which meets on a quarterly basis and have monthly calls.

Internal Control: Internal Control is a local responsibility in accordance with the Internal Control Standard and Policy. Entities are expected to:

- define and document their controls and control procedures covering all important risks and processes (First line responsibility);
- regularly verify and challenge the effectiveness of the control environment (Second line responsibility);
- implement a comprehensive monitoring and reporting on internal control deficiencies at a senior level of the organization to ensure that these are rectified in an adequate and timely manner.

Local Heads of Internal Control (or equivalent) are independent from operations and report preferably to their local Chief Risk Officer. Local Heads of Internal Control (or equivalent) regularly report to the local Risk Committee and to their local Audit Committee on Internal Control matters.

Compliance: the local Compliance functions are expected to undertake an annual Compliance Risk Assessment to identify the major compliance risks to which the business is exposed. Based on the Compliance Risk Assessment, an Annual Compliance Plan must be developed at the end of each year for the following year. The local Compliance function must directly report on a regular basis to local senior management and the local Audit Committee (or equivalent body), on significant compliance matters, including key compliance risks, major regulatory changes that have compliance implications, the Annual Compliance Plan, outstanding Compliance In-Depth Review action points and any other significant issues that require escalation.

Actuarial function: the local Actuarial function holders report both to local Finance, Risk, or the Chief Executive Officer and to the Group Actuarial function holder. Their role is, in the same way as for the Group Actuarial function, defined in accordance with article 48 of the Solvency II Directive.

Local Actuarial function holders produce an Actuarial report submitted to the administrative, management or supervisory body, at least annually. The Actuarial report identifies any deficiencies and gives recommendations as to how such deficiencies should be remediated.

Local Actuarial function holders alert the local Executive Committee/Board of Directors and Group Actuarial function holder on any major deficiency on their area of responsibility.

The Group Actuarial function holder chairs the Chief Actuaries meeting composed of the local Actuarial function holders, that meets on a regular basis.

FINANCIAL REPORTING, DISCLOSURE, CONTROLS AND PROCEDURES

Scope of responsibilities

The PBRC (Plan Budget Result Central) Department within the Group Finance Department is responsible for consolidation, management reporting, as well as actuarial indicators and Solvency II Own Funds. These missions are performed for regular closings, forecasts, and strategic plan exercises. PBRC works with local PBR units within the Finance Departments of Group subsidiaries.

The local PBR units are responsible for producing their respective contribution to the Group Consolidated Financial Statements.

PBRC's role encompasses the following principal activities:

- development of both accounting and reporting standards;
- managing process instructions with the subsidiaries for the various exercises;
- managing the Group's financial consolidation and reporting systems;
- producing the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) and analyzing key performance indicators;
- developing and using management control tools;
- managing and consolidating the European Embedded Value processes, related actuarial indicators and the Solvency II Own Funds;
- coordinating the production of the Group's Annual Reports filed with the AMF;
- coordinating the production of reports filed with the ACPR related to Solvency II;
- liaising with the Statutory Auditors and contributing to Audit Committee meetings as required;
- coordinating the production of the Statement of Non-Financial Performance; and
- fostering convergence of accounting and financial reporting processes, systems and organizations for insurance activities in Europe.

PBRC has defined and implemented a set of policies and procedures to ensure that the consolidation process leading to the consolidated financial statements is timely and accurate. This consolidation process is based on the following:

Definition of standards and use of a centralized information system

Group accounting standards, which are consistent with accounting and regulatory principles, are set forth in the "AXA Group Accounting Manual" and updated regularly by PBRC experts. These guidelines are submitted to AXA's Statutory Auditors for review before being made available to AXA's subsidiaries.

The Group's consolidation and reporting processes are based on a central information system "Magnitude". This tool is managed and updated by a dedicated team. This system is also used to deliver the management reporting information and the Solvency II Own Funds. The process through which this management reporting information and the Solvency II Own Funds are produced and validated is the same as the one used to prepare consolidated financial information.

Operating control mechanisms

At entity level, AXA's subsidiaries are responsible for recording and controlling accounting and financial data that comply with the AXA Group Accounting Manual and reflect consolidation rules under IFRS accounting standards. In this respect, the Chief Financial Officer of each entity signs off on the accuracy of their respective contribution to the consolidated figures reported through "Magnitude" and their compliance with both the AXA Group Accounting Manual and instructions in all frameworks produced (IFRS, European Embedded Value, actuarial indicators, and Solvency II Own Funds) within the internal financial control program.

At PBRC level, accounting, financial and economic information reported by entities are analyzed by teams that liaise with subsidiaries on a full-time basis. In particular, these teams analyze the compliance with the AXA Group Accounting Manual and Group actuarial standards.

Internal Control Over Financial Reporting (ICOFR)

The AXA Group's ICOFR is a process designed under the supervision of the Group Chief Financial Officer and the Group Chief Risk Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements.

In that context, and based on the Group Internal Control Standard, the Group has implemented a comprehensive program managed by Group Risk Management, entitled Internal Financial Control (IFC), to ensure that the Group Chief Executive Officer has a reasonable basis to conclude that AXA Group's ICOFR is effective as of the end of each financial year.

The IFC program is based on the Group's IFC Standard, which is an Internal Control and governance standard based on the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Tradeway Commission (COSO). It is designed to ensure consistency and quality in AXA Group's financial reporting and provide an overall framework for the annual IFC program precising the scope of application and governance.

The entities in IFC scope are required to document their significant processes and key controls, as well as the rationale of how the associated risk of material misstatement due to error or fraud can be reduced to an acceptable level. This is performed under the supervision of the Chief Financial Officer, sponsor of the IFC program. The independent Internal Financial Control function, anchored within Risk Management for most entities, is in charge of testing the design and operational effectiveness of those key controls, and ensuring that identified control deficiencies are remediated.

At each year-end, the in-scope entities must perform an evaluation of their ICOFR as part of an internal certification process, involving formal sign-off by process owners and with a formal management report from the entity's Chief Financial Officer and Chief Risk Officer stating their conclusion as to the effectiveness of the entity's ICOFR.

Disclosure controls and procedures

The Group has implemented a formal internal review and sign-off process pursuant to which all Management Committee members, Chief Financial Officers and certain other senior executives are required to certify various matters covered in AXA's Universal Registration Document.

This process is based on the following four pillars:

1. Chief Financial Officer Sign-Off Certificates, which are required to be submitted by all local Chief Financial Officers to PBRC, together with the required subsidiary financial reporting and consolidation information;
2. IFC Management reports are required to be submitted by the Chief Financial Officer or another senior executive of every in-scope entity, as part of the IFC program dedicated to ICOFR;
3. Disclosure Controls & Procedures certificates, which are required to be submitted by AXA's Management Committee members, Chief Financial Officers and certain other senior executives pursuant to which each of these executives is required to review the Group's Universal Registration Document and formally certify **(i)** the accuracy and completeness of the information in the Annual Report with respect to the companies under his/her responsibility, and **(ii)** the effectiveness of disclosure controls and procedures and ICOFR at companies under his/her responsibility (with specific disclosure of any significant deficiencies or material weaknesses). In addition, as part of this "sub-certification" process, these executives are required to review and comment on a number of cross-sectional disclosures in the Universal Registration Document relating to risk and other matters;
4. Chief Financial Officer Sign-Off certificates on the notes to the Consolidated Financial Statements: PBRC provides Chief Financial Officers with the contribution of the entities under their responsibility to the Consolidated Financial Statements in order to facilitate their certification on the accuracy and completeness of the information in the Universal Registration Document of the Group.

For further information, please refer to Appendix I "Management's annual evaluation of the internal control over financial reporting" of this Annual Report.

CONCLUSION

The Group has established a comprehensive system of Internal Control procedures and mechanisms that management believes appropriate and adapted to its business and the global scale of its operations.

However, all Internal Control systems, no matter how well designed, have inherent limitations and cannot provide absolute certainty or guarantee against the materialization of risks and control failures. Even systems determined to be effective by the management may not prevent or detect all human errors, all system malfunctions, all fraud, or all misstatements and can provide only reasonable assurance.

Own Risk and Solvency Assessment (ORSA) (1)

POLICY AND GOVERNANCE

Under Solvency II, the Group and certain of its subsidiaries (*i.e.,* all insurance and reinsurance entities in the European Economic Area and insurance and reinsurance entities outside the European Economic Area that are within the scope of the Internal Model) are each required to produce an ORSA report which is filed with the applicable national supervisor. At Group level, the Group Chief Risk Officer is responsible for developing the ORSA policy, implementing the ORSA process and coordinating the ORSA reporting.

The ORSA policy defines minimum standards for assessing and reporting own risks and Solvency to be applied across the Group. Adherence to this policy is expected to be promoted and monitored by all entity heads of Risk Management Department (Chief Risk Officers).

The Group ORSA report is reviewed annually by the Solvency II Committee and presented, first, to the ARCC, and then to the Audit and the Finance & Risk Committees, before being submitted to the Board of Directors, which approves the conclusions of the Group ORSA report and authorizes its filing with the ACPR.

Beyond the annual ORSA report, a quarterly assessment is performed to update the Group's risk profile against Risk Appetite limits and adapt management actions accordingly. This information is reported to the ARCC which regularly reviews all material audit, risk and compliance issues faced by the Group and to the Finance & Risk Committee of the Board of Directors.

PURPOSE AND CONTENT

ORSA encompasses processes to identify, assess, monitor, manage and report the short to medium term risks to which the Group is exposed and to ensure the adequacy of the level of own funds within the Group Solvency targets, taking into account the Group's risk profile, as well as approved risk appetite limits and business strategy. As an important component of the Risk Management system, it is intended to give a comprehensive and complete vision of the risks embedded in the businesses of the Group on a continuous basis.

ORSA mainly encompasses Risk Management and financial activities, which are organized around the following processes:

- Solvency Capital Requirement (SCR) & Eligible Own Funds (EOF) quarterly calculation;
- liquidity risk reporting;
- strategic planning and financial projections;
- risk appetite process;
- stress and scenario testing analysis and monitoring; and
- reputation, regulatory, emerging and strategic risk assessment and review.

The ORSA report provides an assessment on:

- the overall Solvency needs through the measurement of quantifiable risks considering risk mitigation actions implemented in current economic context and approved business strategy and within approved risk appetite limits. Stress scenario analyses are performed to ensure adequacy of the economic capital assessed. This is supported by the Enterprise Risk Management system, including the identification, monitoring and management of non-quantifiable risks;
- the compliance, on a continuous basis, with **(i)** regulatory capital requirements, through the assessment of the ability to meet capital requirements using the approved Internal Model, in compliance with the Solvency II regulatory standard, as well as **(ii)** requirements regarding technical provisions. Stress scenario analyses are performed to ensure adequacy of the economic capital assessed. Also, the extensive use of the Internal Model outputs for key decision-making processes provides a feedback loop for improving the modelling according to the evolution of the risk profile;
- the significance with which the risk profile of the AXA Group deviates from the assumptions underlying the SCR calculated on the basis of the Internal Model. Extensive validation tests are performed to assess the relevance of the Internal Model and the model error. Limitations of the Internal Model and evolution plan resulting from the validation activities are presented.

(1) This information is not required under IFRS and as such is not part of the Consolidated Financial Statements. Therefore, it is not covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

Internal Model [1]

For more information on regulatory capital and solvency requirements applicable to the Group, including Solvency II, please refer to Section 7.3 "General Information – Regulation and Supervision" of this Annual Report.

The Group has developed a robust economic capital model since 2007. The internal model of the Group (the "Internal Model") is used in its Risk Management systems and decision-making processes. The ACPR has approved the use by the Group of its Internal Model to calculate its SCR since Solvency II is in force. The Internal Model encompasses the use of AXA Group's economic capital model on all material entities.

AXA continues to review regularly the scope, underlying methodologies and assumptions of the Internal Model and will adjust its SCR accordingly. In addition, AXA's Internal Model has been and may be revised from time to time in accordance with applicable regulations. However, any major change to the Internal Model would be subject to the prior approval of the ACPR, which may require adjustments to the level of SCR. In addition, the Group monitors EIOPA's work program which, through its objectives, is also expected to continue to carry out consistency reviews of European insurers' internal models. Such review may lead to further regulatory changes to increase convergence and to strengthen oversight of cross-border groups, as well as changes to internal models and Solvency II capital requirements.

The Group's main goal in using its Internal Model as opposed to the Solvency II standard formula is to better reflect the Group's risk profile in its SCR. This is reflected through several objectives:

- taking into account local specificities – the Group is a global company, and caters to a wide range of insurance markets with a variety of products offered targeting certain demographics and with differing risk exposures. It is therefore appropriate, to the extent possible, to calibrate stresses specific for these risk profiles and to allow for the benefits of diversification of risks which arise as a result of being spread over these markets;
- addressing shortcomings inherent to the standard formula – based on its expertise, the Group can improve on the approach of the standard formula (which is naturally constrained by its general scope, and which does not cover all measurable risks) and have models more appropriate to the scope of the Group; and
- allowing for better evolution of the model over time – as the Group's experience increases, business expands to new markets and product innovations create different risks to consider, the flexibility of an internal model allows the specificities of these developments to be reflected.

The Internal Model is based on a common definition of risks used consistently throughout the Group. It aims to ensure that the Company risk mapping is comprehensive and is followed in a consistent way across the Company and that efficient procedures and reporting are in place so that roles and responsibilities are allocated to identify, measure, monitor, manage and report key risks.

The Group risk grid [2] aims to identify all material risks applicable to the Company's insurance businesses. The Internal Model is intended to capture all material risks to which the Group is exposed from the risk assessment performed at sub-risk level to the overall aggregation of risk categories.

The underlying methodologies and assumptions used in the economic capital model are regularly reviewed to ensure that they accurately reflect the AXA Group's risk profile and new methods are developed and integrated regularly (in accordance with the Internal Model change policy).

The SCR, calculated on the basis of the Internal Model, represents the value at risk of Group EOF at the 99.5th percentile over a one-year horizon. In other words, the Solvency Capital Requirement is the capital needed to sustain an extreme shock likely to occur with a 0.5% probability (*i.e.,* a 1 in 200 years event). It aims at including all material quantifiable risks (market, credit, insurance and operational) and reflecting the Group's diversified profile.

In addition to the risks that impact the SCR through the Internal Model calculation, the Group also monitors its liquidity risk, reputation risk, strategic risk, and regulatory risks as well as emerging threats.

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(1) This information is not required under IFRS and as such is not part of the Consolidated Financial Statements. Therefore, it is not covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

(2) The Group risk grid is designed to identify all risks applicable to AXA businesses. Risk categories are further split into sub-risks. The risk assessment is performed at the sub-risk level. The risk grid is regularly reviewed and validated at Group level.v

AXA GROUP SOLVENCY II RATIO

In addition to the SCR assessment, which intends to cover all quantifiable risks to which the Group is exposed (insurance, financial, and operational risks), the AXA Group performs sensitivity analyses of its Solvency II ratio to material risks and events.

These analyses quantify, for instance, the potential impact on the AXA Group's Solvency II ratio of **(i)** financial shocks on corporate bond and sovereign spreads, on interest rates, and on equity, and credit migration, **(ii)** a wide range of shocks reflecting historical stress events (such as the 2008-2009 financial crisis, the 2011 financial crisis), and **(iii)** standardized shocks such as one year out of two hundred pandemic spread on mortality exposures, a vicennial Nat-Cat shock or a vicennial operational risk.

These sensitivity analyses do not take into account preemptive management actions that might be taken to mitigate the effects of the defined shocks, nor indicate a probability of occurrence, but are designed:

- to demonstrate that the AXA Group Solvency ratio is resilient to a wide range of shocks;
- to ensure through the risk appetite framework that the management reviews and acknowledges the risks that arise in their company, understands the consequences of an adverse development of these risks, and have action plans that can be implemented in case of unfavorable developments; and
- to verify the robustness of the Internal Model.

The Solvency II ratio as of December 31, 2022, as published on February 23, 2023, was assessed at 215% [(1)], compared to 217% as of December 31, 2021, and meets AXA's target level of 190%.

INTERNAL MODEL GOVERNANCE

At Group level, the governance bodies involved in the Internal Model governance are as follows:

- the Board of Directors reviews the Internal Model, and authorizes the application to the ACPR for approval of major changes to the Internal Model;
- the Audit, Risk and Compliance Committee; and
- the Solvency II Committee.

At Group level, the Internal Model is reviewed, tested, and approved on an ongoing basis by the Solvency II Committee. The Solvency II Committee is supported by risk technical working groups reviewing changes proposed to the Internal Model and presenting conclusions of these diligences to the Solvency II Committee. The Solvency II Committee also reviews the Internal Model validation and model change processes and liaises with local governance. It also reviews the conclusions of the regular validation activities.

INTERNAL MODEL VALIDATION

The Group has implemented and documented a validation process of its Internal Model to monitor its performance and continued adequacy. This process and associated governance are documented in the Group validation policy, endorsed by the ARCC.

The Group validation policy is supplemented by local validation policies specifying the local validation activities and responsibilities.

Validation does not only apply to the quantitative aspects of the model (input data, theory & methodology, parameters & assumptions, data, results) but also encompasses the qualitative aspects of the model: expert judgment, documentation, model governance, use test, systems/IT.

Risk Management performs regular integrated validation activities, described in the Internal Model validation policy, mostly organized around:

- validation of the model structure, modelling choices, parameters, and assumptions; and
- validation of the Solvency Capital Requirement calculation and results.

These tasks are performed mostly within the Risk Management Departments in charge of the model, through controls and validation activities using validation tools such as sensitivity tests, back testing, scenario testing, and stability analysis and any other relevant activity.

These validation procedures are complemented by independent challenge and validation of assumptions, key parameters, and results through Committees (including assumptions Committees, calibration Committees and clearance Committees) intended to provide an adequate level of expertise and seniority.

In particular, Group Risk Management teams provide independent testing of the local model choices, local parameters, assumptions, or calibration as well as local results.

Apart from this fully integrated validation, sanctioned by the Group Chief Risk Officer's review and sign-off, a comprehensive independent review process has been defined and implemented to provide adequate comfort to AXA Group management and Board of Directors that the model and its outputs meet a "fit for purpose" standard.

(1) The Solvency II ratio is estimated primarily using AXA's Internal Model calibrated based on an adverse 1/200 years shock. For additional information, please refer to Section 5.2 "Internal Control and Risk Management – Internal Model" of this Annual Report. The Solvency II ratio will be finalized prior to the publication of the AXA Group's SFCR currently expected to be on May 17, 2023.

The independent reviews are performed by the following two internal teams:

- IFC teams, at local and Group level, responsible for assessing the effectiveness of the Internal Control framework over Solvency II, on the basis of the testing of processes and controls over the EOF and STEC (short term economic capital), at least annually; and
- Internal Model Review (IMR) team, a Group team responsible for the in-depth actuarial review of the model under local teams' responsibility, the conception and methodology when locally developed, and the local implementation of the Group principles where relevant. IMR controls are performed on a 3-year rolling basis, independently from closing agenda.

Both IMR and IFC are fully independent from the development, the governance, and the processing of the Internal Model.

Furthermore, independent third parties have been engaged to provide a positive assurance opinion to the AXA Group Board of Directors on the compliance of the Internal Model with the Solvency II Directive requirements. Such independent opinion is provided based on FY2022 process and results, at Group and local levels.

At the end of the annual validation process, the Board of Directors is provided with a report summarizing the conclusions of the internal review by Risk Management and the conclusion of the independent review by IMR and IFC as well as a review by independent third parties as aforementioned.

Governance of investment strategy and Asset Liability Management (ALM)

The AXA Group, as an insurance group, follows an investment strategy mainly driven by Asset Liability Management (ALM). The overall objectives of all investment decisions made within the Group are to meet its obligations and commitments to policyholders, to protect the solvency of the Group's entities, and to generate superior return over time.

GENERAL INVESTMENT GOVERNANCE

The Group Chief Investment Officer (Group CIO) heads the Group-wide community of local insurance companies CIOs, the central Investment & ALM Department, and reports to the Group Chief Financial Officer. In particular, he is responsible for aligning AXA's investment strategy with the Group's broader strategy, including its commitments to responsible investment, promoting better cooperation between entities, improving the strategy and investment methodology and steering investment decisions.

Local investment & ALM activities are steered by local CIOs. Local CIOs manage local portfolios, aiming at an optimized risk-return ratio, maintain reporting lines to the Group, and manage close relationships with asset managers and local stakeholders. Moreover, they are responsible for the investment performance and for implementing and executing a sound Asset Liability Management.

GROUP AND LOCAL GOVERNANCE BODIES

In order to efficiently coordinate local and global investment processes, decisions within the Group's investment community are taken by two main governance bodies:

- the Group Investment Committee, which is chaired by the Group Chief Financial Officer. This Committee defines the Group's investment strategy, steers tactical asset allocation, evaluates new investment opportunities and monitors the Group's investment performance; and
- the Group Financial Risk Committee is co-chaired by the Group Chief Financial Officer and the Group Chief Risk Officer. The Group Chief Investment Officer is also member of this Committee (please refer to the paragraph "Audit Risk and Compliance Committee" above).

At the entity level, each insurance company has a local Investment and ALM Committee whose terms of reference are approved by the local Executive Committees.

These Committees are responsible for, inter alia, defining the entity's Strategic Asset Allocation, approving, and monitoring investments, meeting local compliance obligations, and reviewing the participation in investment proposals syndicated by the Group, as well as local investment proposals.

ALM STUDIES AND STRATEGIC ASSET ALLOCATION

ALM aims to match assets with the liabilities generated by the sale of insurance policies. The objective is to define the optimal asset allocation so that all liabilities can be met with the highest degree of confidence while maximizing the expected investment return.

ALM studies are performed by the Investment & ALM Department with the support of internal asset managers when appropriate and a second opinion is provided by the Risk Management Department. They use methodologies and modelling tools that develop deterministic and stochastic scenarios, embedding policyholders' behavior considerations for the liabilities, financial market evolution for the assets and taking into account existing interaction between the two. This process aims at maximizing expected returns given a defined level of risk. Furthermore, a series of additional constraints are taken into account, such as Solvency II economic capital model considerations, earnings stability, protection of the solvency margin, preservation of liquidity, as well as local and consolidated capital adequacy and requirement.

ALM constraints are also taken into account when new insurance products are being designed as part of the product approval process (see Section 5.6 "Insurance risks – Product approval" of this Annual Report).

At the entity level, the strategic asset allocation issued from the ALM study must be reviewed by local Risk Management, and verified against predefined risk appetite limits, before being approved by the local Investment and ALM Committee.

INVESTMENT APPROVAL PROCESS

Investment opportunities, like non-standard investments, new strategies, or new structures, are subject to an Investment Approval Process (IAP) in line with the third pillar of the Group Risk Management principles which provides for a systematic second opinion on key processes. The IAP ensures key characteristics of the investment are analyzed, such as risk and return expectations, experience and expertise of the investment management teams, as well as accounting, tax, legal and reputational issues.

The IAP is completed at Group level for any significant investment, depending on the investment size and the number of entities participating in it. The successful completion of an IAP is done after the production of a second independent opinion by Group Risk Management. The IAP is used and completed at local level to cover local regulatory characteristics (including tax and statutory accounting).

Local IAP is also run for investments in new asset classes for local entities under the same principles.

GOVERNANCE FRAMEWORK FOR DERIVATIVES

Products involving hedging programs based on derivative instruments are designed and executed with the support of dedicated teams at AXA Investment Managers and AXA SA. In a similar way, this set-up ensures that all entities benefit from technical expertise, legal protection, and good execution of such transactions within the following governance framework for derivatives.

Derivative strategies are reviewed by local Investment and ALM Committees. In addition, there is a segregation of duties between those responsible for making investment decisions, executing transactions, processing trades, and instructing the custodian. This segregation of duties aims in particular at avoiding conflicts of interest.

The market risks arising from derivatives are regularly monitored taking into account the Group's various constraints (such as risk appetite and Internal Model).

Such monitoring is designed to ensure market risks, arising from cash or derivative instruments, are properly controlled and remain within approved limits.

Legal risk is addressed by defining a standardized master agreement. The Group's business units may trade derivatives only if they are covered by legal documentation which complies with the requirements set out in the Group standards. Any change to certain mandatory provisions defined in the Group standards must be approved by GRM.

Additionally, there is a centralized counterparty risk policy. GRM has established rules on authorized counterparties, minimum requirements regarding collateral and counterparty exposure limits.

The operational risk related to derivatives is measured and managed in the context of the Group's global operational risk framework. Furthermore, execution and management of derivatives are centralized within dedicated teams, reducing the AXA Group's operational risk.

Valuation Risk is also addressed through the use of dedicated teams, within the Group's asset managers and banks. They independently counter-valuate the derivatives positions so as to achieve appropriate accounting, payment, and collateral management. They also challenge the prices proposed by counterparties in the event that the applicable AXA entity wishes to initiate, terminate, or restructure derivatives. Such capacity in pricing requires strong expertise, which relies on rigorous market analysis and the ability to follow the most up-to-date market developments for new derivatives instruments.

INVESTMENT AND ASSET MANAGEMENT

For a large proportion of its assets, the Group utilizes the services of asset managers to invest in the market:

- local AXA companies assign the day-to-day management of their asset portfolios primarily to AXA's Asset Management subsidiary, namely AXA Investment Managers. Local CIOs continuously monitor, analyze, and challenge asset managers' performances; and
- in order to benefit from a more asset-specific and/or geographical expertise, the Group may also decide to invest through external asset managers. In such event, thorough due diligence analyses are performed by the Investment and the Risk Management communities, and a continuous monitoring is implemented at both Group and Local levels.

5.3 MARKET RISKS

Market risks: definition and exposure

Information in this Section should be read in conjunction with Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report. Only information referred to in Note 4 is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

Information in this Section should be read in conjunction with the paragraph "Market-related risks" in Section 5.1 "Risk Factors" of this Annual Report.

AXA Group is exposed to financial market risks through its core business of financial protection (*i.e.,* insurance) and through the financing of its activities as part of its equity and debt management.

The market risks to which Property & Casualty (P&C), Life & Savings (L&S) and Health portfolios are exposed arise from a variety of factors including:

- a decline in market returns may cause us to accelerate amortization of deferred acquisition costs, value of business in-force and other intangibles;
- a decline in returns on assets (linked to a sustained fall in yields on fixed income investments or to lower equity markets) could reduce investment margins on General Account products or fees on Unit-Linked contracts and impact the performance of asset managers;
- a change in yields on fixed-income investments (linked to changes in interest rates or in credit spreads) affects the market value of investments and liabilities and could impact adversely the Group's solvency or liquidity position, and increase policyholder's surrenders due to competitive pressures;
- a decline in asset market value (relating, for example, to equity, real estate, or alternatives, etc.) could adversely impact the Group's solvency position, as well as available surplus;
- a change in foreign-exchange rates would have limited impact for the operating units since foreign-currency commitments are matched to a large extent by assets in the same currency or covered by hedges, but it could affect the earnings contribution in euros;
- furthermore, Health and Property & Casualty activities are subject to inflation which may increase the compensation payable to policyholders, so that the actual payments may exceed the associated reserves set aside. This risk can be significant for long-tail businesses but is managed through regular pricing adjustments or specific protections against peaks of inflation.

The Group policies implemented to manage these risks are tailored to each product type and their related risks.

The main market risks to which the AXA Group is exposed are the following:

- interest-rate risk, spread risk and equity risk related to the operating activities of Group subsidiaries;
- exchange-rate risk related to the operating activities of Group subsidiaries; and
- risks relating to the management of holding companies' exposure to foreign currency exchange rate fluctuations and debt.

AXA Group's exposure to market risks is covered by AXA Group's Solvency Capital Requirement metric, as detailed in the paragraph "Internal Model" in Section 5.2 "Internal Control and Risk Management" of this Annual Report and is taken into account in AXA's Liquidity Risk Management framework (please refer to Section 5.5 "Liquidity Risk" of this Annual Report).

Risk control and risk mitigation

For more information on the AXA Group's risk controls and Risk Management processes, please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report.

In addition, AXA Group's investment strategy, which is mainly driven by Asset Liability Management, aims to meet the Group's obligations and commitments to policyholders, and to protect the solvency of the Group and of its entities (please refer to paragraph "Governance of investment strategy and Asset Liability Management (ALM)" in Section 5.2 "Internal Control and Risk Management" of this Annual Report).

Local operating units have the primary responsibility for managing their market-related risks, while abiding by the risk framework defined at Group-level, in terms of limits/thresholds and standards. This approach aims to allow a swift reaction in an accurate and targeted manner to changes in financial markets, political and economic environments in which the Group operates.

A wide variety of Risk Management techniques are used to control and mitigate the market risks to which the Group is exposed. These techniques, used primarily in all operating subsidiaries, include:

- local risk appetite governance and processes, including functional limits on market risks defined locally and approved by the local Board or Executive Committee;
- Asset Liability Management (ALM), *i.e.,* defining an optimal strategic asset allocation with respect to the liabilities' structure in order to reduce the risk to a desired level;
- a disciplined investment process, requiring for any sophisticated investment a formal thorough analysis by the Investment Department, and a second opinion by Risk Management;
- hedging of financial risks when they exceed the tolerance levels set by the Group. Operational management of derivatives is based on stringent rules and is mainly performed by AXA SA for the holding company activities and AXA Investment Managers for operating units;
- a regular monitoring of the financial risks on the Group Solvency II ratio; and
- reinsurance which also offers solutions to mitigate certain financial risks.

As regards the market risks relating to the management of holding companies' foreign exchange and interest rates exposure, the following Risk Management measures have been defined and implemented.

For the purpose of optimizing the financial management and control of financial risks linked to AXA SA and its sub-holding companies, the Group Corporate Finance and Treasury Department has defined a methodology to monitor and assess financial risks.

The policy on the management of holding companies' interest rate risk aims at monitoring and limiting the potential medium-term variation in interest expenses and consequently at partially protecting future levels of interest expenses against movements in interest rates. Regarding foreign exchange risk, the implemented policy's objective is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates. The purpose of the policy is therefore to protect partially the value of AXA's net foreign-currency investments in its subsidiaries to the extent of the following year's foreseeable dividends and more generally the exposure of AXA SA's liquidity to FX movements.

AXA regularly monitors its exchange rate hedging strategy and will continue to review its effectiveness and the potential need to adapt it taking into account impacts on earnings, value, solvency, gearing ratio and liquidity.

The Group Corporate Finance and Treasury Department is in charge of producing reporting data that consolidate interest rate, foreign exchange, and liquidity risk exposures, as well as the interest expenses of AXA SA and its sub-holdings. This reporting also includes medium-term forecasts.

Synthetic reports, including information about hedging strategies, are sent to, and reviewed by the Finance & Risk Committee of AXA's Board of Directors five times a year.

Focus on main market risks and sensitivity analysis

INTEREST RATES & EQUITY RISKS RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

AXA Group performs sensitivity analyses to estimate its exposure to movements in interest rates and equity markets. These analyses quantify the potential impact on the Group of positive and adverse changes in financial markets.

AXA Group analyzes sensitivities to movements in interest rates and equity markets looking at two different measures:

- sensitivities of the Group Eligible Own Funds (EOF), as described below;
- sensitivities of Group Solvency II ratio (please refer to Section 5.2 “Internal Control and Risk Management” of this Annual Report [1].

Eligible Own Funds represent the amount of economic capital available to absorb losses under stress events. The EOF are the surplus of assets over liabilities derived from the Solvency II balance sheet.

AXA Group Risk Management is monitoring EOF sensitivities and the EOF is derived from IFRS shareholders’ equity.

The following table presents the reconciliation between IFRS shareholders’ equity to group EOF:

Reconciliation IFRS shareholders’ equity [(a)] EOF *(in Euro billion)*	**2022**
IFRS shareholders’ equity [(a)]	**45.4**
Net URCG not included in shareholders’ equity	5.5
Elimination TSS/TSDI	(5.7)
Elimination Intangibles	(33.5)
o/w Goodwill	*(17.7)*
o/w DAC	*(11.9)*
o/w VBI	*(0.9)*
o/w Others	*(3.1)*
IFRS tangible net asset value [(a)]	**11.7**
Dividends to be paid [(b)]	(5.0)
Technical provision adjustments	34.8
o/w Risk Margin	*(8.4)*
o/w BEL	*43.3*
Other adjustments	(0.8)
Unrestricted TIER 1	**40.7**
Restricted Tier 1 + Tier 2	17.1
Tier 3	0.7
Group Eligible Own Funds [(c)]	**58.5**

(a) Group share.
(b) Dividends to be paid in year N+1 and provisions for share buy-back.
(c) Including minority interests.

(1) Only information contained in Section 5.2 “Internal Control and Risk Management” of this Annual Report and referred to in Section 6.6 – Note 4 “Financial and Insurance Risks Management” of this Annual Report is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

The main elements of the reconciliation from the €45.4 billion of IFRS shareholders' equity to the €11.7 billion of IFRS TNAV are as follows:

- addition of €5.5 billion of net unrealized gains and losses on assets not reflected in IFRS shareholders' equity;
- deduction of €5.7 billion of undated deeply subordinated notes and of undated subordinated notes included in IFRS shareholders' equity; and
- elimination of €33.5 billion of intangible assets net of unearned revenues and fee reserves, taxes, and policyholder bonuses.

IFRS TNAV decreased by €27.9 billion mainly driven by lower IFRS shareholders' equity. This aggregate however reflects the IFRS accounting value of liabilities and not their economic value which is better reflected within Solvency II EOF.

The main elements of the reconciliation between the IFRS TNAV and the group EOF Unrestricted Tier 1 are as follows:

- deduction of €5.0 billion of foreseeable dividends to be paid to shareholders in 2023 of €3.9 billion and provisions for the share buy-back of €1.1 billion;
- addition of €34.8 billion reflecting the Solvency II technical provision adjustments corresponding to the adjustment from IFRS reserves to best estimate liabilities (€+43.3 billion) and the risk margin net of tax (€-8.4 billion); and
- other adjustments between IFRS TNAV and group EOF Unrestricted Tier 1 (€-0.8 billion);
- Group EOF are then the sum of Unrestricted Tier 1, Restricted Tier 1, Tier 2, and Tier 3.

Information on the group EOF is disclosed in the "Embedded Value & Solvency II Own Funds Report 2022" which is available on AXA Group website (www.axa.com).

The sensitivities of the EOF to changes in major economic assumptions were calculated as follows for the 2022 values:

- **upward shift of 50 basis points in reference rates** simulates a sudden shock to the initial conditions. This means changes to: 1) the current market values of fixed-interest assets, with related possible changes to projected capital gains/losses and/or fee revenues, 2) future reinvestment rates for all asset classes, and 3) discount rates. The change is applied to the reference interest rates, including the volatility adjuster were applied in the base case. Inflation rates, the volatility on interest rates and the Ultimate Forward Rates are not changed;
- **downward shift of 50 basis points in reference rates** is the same as above but with a shift downward;
- **25% higher value of equity markets** simulates a shock to the initial conditions for equities only. Listed equities and private equity values including the impact of equity hedges are shocked. This means changes to current market values of all these equities excluding hedge funds, with related possible changes to projected capital gains/losses and/or fee revenues;
- **25% lower value of equity markets**: same methodology as mentioned above assuming a decrease.

L&S EOF sensitivities	**2022 EOF** *(in Euro million)*	**2022 EOF** *(in percentage)*
Closing amount	**43,729**	**100%**
Interest rates +50bps	1,041	2%
Interest rates -50bps	(1,426)	(3%)
Equity markets +25%	2,591	6%
Equity markets -25%	(2,553)	(6%)

P&C EOF sensitivities	**2022 EOF** *(in Euro million)*	**2022 EOF** *(in percentage)*
Closing amount	**30,044**	**100%**
Interest rates +50bps	138	0%
Interest rates -50bps	(160)	(1%)
Equity markets +25%	1,236	4%
Equity markets -25%	(1,148)	(4%)

All sensitivities are presented net of tax, and where applicable, net of policyholders' participation.

2022 interest rate sensitivities for Life & Savings business (% of L&S EOF) of 2% to upward 50 bps and -3% to downward 50 bps show an asymmetry mainly driven by guaranteed interest rates having higher value when interest rates decrease, while higher reinvestment returns would need to be shared with policyholders limiting shareholders' gains in a higher rate environment. However, this classical pattern is not followed everywhere, as for certain type of business with significantly low interest rate guarantees, the EOF behaves more like a portfolio of fixed-income assets. In addition, higher interest rates affect the value both positively through higher investment rate and negatively through lower starting value of fixed income assets and higher discount rates for future profits. For different product types these interactions produce different results.

2022 interest rate sensitivities for Property & Casualty business (% of P&C EOF) of 0% to upward 50 bps and -1% to downward 50 bps reflect mainly the impacts on fixed-income assets, offset by discount on liabilities.

2022 equity market sensitivities for Life & Savings business (% of L&S EOF) of 6% to 25% higher value and -6% to 25% lower value reflect mainly the impact of guarantees and profit-sharing rules, along with some hedging programs to limit potential losses. The impacts of equity market value changes can come from General Account exposures or from changing asset balances impacting future fee revenue on separate account business.

2022 equity market sensitivities for Property & Casualty business (% of P&C EOF) of 4% to 25% higher value and -4% to 25% lower value reflect the impacts on equities including derivatives on equities.

EXCHANGE-RATE RISK RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

A 10% change in foreign exchange rate as at December 31, 2022 and December 31, 2021 between euro and main functional currencies of the Group (USD, JPY, and CHF) would have had the following impacts on shareholders' equity Group share and Underlying earnings Group share:

2022 *(in %)*	**Shareholders' equity Group share**		**Underlying Earnings Group share**	
Currency	**-10%**	**+10%**	**-10%**	**+10%**
US Dollar	3%	-3%	2%	-2%
Japanese Yen	1%	-1%	1%	-1%
Swiss Franc	1%	-1%	2%	-2%

2021 *(in %)*	**Shareholders' equity Group share**		**Underlying Earnings Group share**	
Currency	**-10%**	**+10%**	**-10%**	**+10%**
US Dollar	2%	-2%	2%	-2%
Japanese Yen	1%	-1%	2%	-2%
Swiss Franc	1%	-1%	1%	-1%

In the insurance companies, which accounted for 93% of Group assets at December 31, 2022 (93% in 2021), assets and liabilities with foreign currency exposure are generally naturally matched or hedged.

- **France:** 33% of Group assets at the end of 2022 (34% in 2021):

  In France, AXA was exposed to exchange-rate risk for a total amount of €22,330 million at the end of 2022 (€22,560 million in 2021) held both directly and indirectly through investment funds partly invested in foreign currencies (US Dollar: €17,160 million *versus* €17,460 million in 2021, Pound Sterling: €2,660 million *versus* €2,920 million in 2021 and Japanese Yen: €1,330 million *versus* €1,030 million in 2021). This exposure allows AXA France to diversify its investments and enable policyholders to benefit from the performance of international financial markets. AXA France offsets its exposure to exchange-rate risk by using foreign exchange forwards and other derivatives (notional of €19,620 million *versus* €20,570 million in 2021).

- **Europe:** 33% of Group assets at the end of 2022 (35% in 2021):

  Switzerland

  In Switzerland, AXA was exposed to exchange-rate risk through their investments in foreign currencies (mainly Euro and US Dollar) due to limited investment possibilities in the Swiss market. A major portion of the exposure is hedged back into Swiss Francs with foreign exchange swaps, options, and forwards. At the end of 2022, Switzerland foreign exchange exposure amounted to €13,051 million (€14,936 million in 2021) which represented 25% of total assets (25% of total assets in 2021), of which €10,416 million were hedged (€11,659 million in 2021).

Germany

In Germany, AXA held €12,650 million investments denominated in foreign currencies at the end of 2022 (€13,363 million in 2021) both directly and indirectly through investment funds with the aim of diversifying its investments and taking advantage of foreign markets' performance. These investments were mainly denominated in US Dollar (€9,970 million *versus* €10,226 million in 2021) and in Pound Sterling (€1,101 million *versus* €1,141 million in 2021). AXA Germany controls and limits its exchange-rate risk by using foreign exchange forwards for a notional amount of €6,730 million (notional €9,654 million in 2021), currency swaps for a notional amount of €2,413 million (notional €2,244 million in 2021), €1,781 million of foreign exchange collars were used in 2022 compared to none in 2021 and matching coverage (matching assets and liabilities denominated in the same currency) for €42 million (€28 million in 2021).

Belgium

In Belgium, AXA held investments in foreign currency for €2,900 million at the end of 2022 (€3,664 million in 2021) both directly and indirectly through investment funds with the aim of diversifying its investments and taking advantage of foreign market performance. These investments were mainly denominated in US Dollar for €1,900 million (€2,348 million in 2021) and in Japanese Yen for €569 million (while the 2nd highest exposure in 2021 was in British Pound for €462 million). AXA Belgium controls and limits its exchange-rate risk by using Foreign Exchange Forwards, Cross Currency Swaps and Collar Options strategies for a notional amount of €2,850 million (€3,315 million in 2021).

United Kingdom & Ireland

In the United Kingdom, AXA was exposed to exchange-rate risk through its AXA Insurance and AXA PPP Healthcare subsidiaries, which operate in Pound Sterling, and through AXA Ireland which operates in Euro. It has diversified its investment portfolios in line with Asset Liability Management objectives. At December 31, 2022 AXA UK held investments denominated in foreign currencies for €4,653 million (€4,879 million in 2021) mainly in US Dollar (€2,433 million), with further UK exposure to the Euro (€1,556 million) and exposure to Pound Sterling (€390 million) in Ireland. This exposure is held both directly and indirectly through investment funds (CLO funds, Alternative Credit funds, Assets Backed Securities, Commercial Real Estate loans and other investment funds). Of this exposure, €3,743 million (€4,131 million in 2021) is hedged through foreign exchange forwards, options, or cross currency swaps, with a further €321 million (€339 million in 2021) of exposure hedging liabilities held within the business.

Spain

In Spain, AXA entities held investments in foreign currency for €846 million in 2022 (€749 million in 2021), directly and indirectly through physical assets. These investments are mainly in US Dollar €592 million (€667 million in 2021). Exchange-rate risk exposure was hedged for a notional amount of €838 million (€671 million in 2021) using mainly foreign exchange forwards, currency swaps and collars.

Italy

In Italy, AXA held investments in foreign currency for €901 million in 2022 (€1,097 million in 2021) both directly and indirectly through physical assets. These investments are mainly in US Dollar for €627 million (€808 million in 2021). The overall exchange risk exposure is managed within the foreign exchange limits approved by Local Investment Committees. Unhedged foreign exchange exposure amounts to €127 million (€170 million in 2021).

- **Asia:** 13% of Group assets at the end of 2022 (12% in 2021):

Japan

In Japan, AXA entities may invest when relevant outside the Japanese market in order to diversify and optimize investments and enhance returns. At the end of 2022, the total assets denominated in foreign currencies held both directly and indirectly through investment funds (mainly US Dollar) represented an amount of €13,106 million (€10,301 million in 2021) excluding assets backing Unit-Linked contracts. Most of the corresponding exchange-rate risk was hedged through the use of derivatives.

Hong Kong

AXA Hong Kong holds investments denominated in foreign currencies for €20,347 million (€21,687 million in 2021), both directly and indirectly through investment funds. These investments are mainly in US Dollar for €16,981 million (€18,765 million in 2021), partly in equivalence to the technical liabilities denominated in US dollar amounting to €12,640 million (€10,476 million in 2021). The remaining position allows to take advantage of the US bond market which is more developed than the Hong Kong bond market one notably in terms of liquidity and available maturities. Exchange-rate risk exposure was hedged using options, foreign exchange forwards and cross currency swap for a net notional amount of €4,406 million (€711 million) in 2021 by foreign exchange forwards and cross currency swap.

- **International:** 2% of Group assets at the end of 2022 (2% in 2021):

AXA entities held investments denominated in foreign currencies for €1,837 million in 2022 (€2,798 million in 2021) both directly and indirectly through investment funds which are mainly denominated in US Dollar €1,144 million

(€1,895 million in 2021). In particular, Mexico has its exchange-rate risk exposure mostly under congruent coverage, matching assets and liabilities denominated in the same currency. Besides, Colombia has his exchange-rate risk exposure hedged (through forwards).

- **AXA XL:** 10% Group assets at the end of 2022 (9% in 2021):

  For the majority of AXA XL's business, assets and liabilities are denominated in US Dollar. For business written in currencies other than in US Dollar, the risk is managed primarily by matching assets and liabilities in each currency. Asset positions in certain currencies are hedged back to US Dollars using foreign exchange forwards with a notional amount of €1,843 million at the end of 2022 (€1,468 million in 2021).

- **Transversal and Central Holdings:** 9% of Group assets at the end of 2022 (8% in 2021):

  AXA SA & other Central Holdings

  Since 2001, AXA SA has adopted a hedging policy which objective is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates. The purpose of the policy is therefore to protect partially the value of AXA's net foreign-currency investments in its subsidiaries to the extent of the following year's foreseeable dividends and more generally the exposure of AXA SA's liquidity to foreign exchange movements.

As at December 31, 2022 and December 31, 2021, the main hedging positions of AXA SA were as follows:

	Amount in currency *(in billion)*		Amount in Euro *(in billion)*	
Foreign currency hedging	**2022**	**2021**	**2022**	**2021**
US Dollar	4.8	3.7	3.6	3.3
HK Dollar	2.2	0.4	0.3	0.0
Japanese Yen	337.2	289.7	2.2	2.2
Pound Sterling	2.9	2.7	2.1	3.3
Swiss Franc	1.9	1.2	1.9	1.1

In addition to the foreign exchange rate management performed locally (hedged through Foreign Exchange forward and currency swaps), the Group Corporate Finance and Treasury Department steers the global exposure to foreign exchange risk and reports the position five times a year to the Finance & Risk Committee of the Board of Directors.

5.4 CREDIT RISK

Credit risk: definition and exposure

Information in this Section should be read in conjunction with Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report. Only information referred to in Note 4 is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

Information in this Section should be read in conjunction with the paragraph "Credit and liquidity-related risks" in the Section 5.1 "Risk factors" of this Annual Report.

Credit risk is defined as the risk that a third party in a transaction will default on its commitments. Given the nature of its core business activities, AXA Group monitors three major types of counterparties, using methods suitable to each type:

- investment portfolios held by the Group's insurance operations (excluding assets backing separate-account products where the financial risk is borne by policyholders) as well as by banks and holding companies;
- receivables from reinsurers resulting from reinsurance ceded by the AXA Group; and
- credit and credit-sensitive exposures on third party obligors stemming from some Group insurance and assumed reinsurance businesses.

AXA Group's exposure to credit risk is covered by AXA Group's Solvency Capital Requirement metric, as detailed in the paragraph "Internal Model" in the Section 5.2 "Internal Control and Risk Management" of this Annual Report and is taken into account in AXA's liquidity Risk Management framework (please refer to Section 5.5 "Liquidity risks" of this Annual Report).

Risk control and risk mitigation

For more information on the AXA Group's risk controls and Risk Management processes, please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report.

In addition, AXA Group's investment strategy, which is mainly driven by Asset Liability Management, aims to meet the Group's obligations and commitments to policyholders, and to protect the solvency of the Group and of its entities (please refer to paragraph "Governance of investment strategy and Asset Liability Management (ALM)" in Section 5.2 "Internal Control and Risk Management" of this Annual Report).

A specific set of limits take into account all AXA Group exposures on a given ultimate shareholder through debt securities, cash, equity, derivatives, reinsurance receivables, insurance and assumed reinsurance commitments. They aim at managing globally the default risk of a given counterparty.

INVESTED ASSETS: A CENTRAL MONITORING OF COUNTERPARTY EXPOSURE

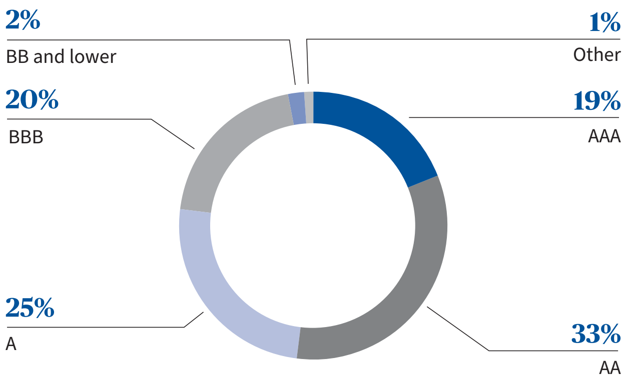
AXA Group concentration risk is monitored by different analyses performed at Group level by issuer and ultimate shareholder, in addition to local procedures and by a set of Group and local issuer limits.

These limits aim at managing the default risk of a given issuer, depending on its rating and on the maturity and seniority of all bonds issued by the issuer and held by the AXA Group (corporate, Government agency and sub sovereign).

On sovereign exposures, specific limits have also been defined on government bonds and government-guaranteed bonds.

Compliance with the limits is ensured by the Group through defined governance. The Group Credit Risk Committee handles, on a monthly basis, the issuer exposure breaches to the Group's limits and determines coordinated actions for excessive credit concentrations. A Group Credit Team reporting to the Group Chief Investment Officer (Group CIO) provides credit analyses independently from Group asset managers, in addition to local CIO teams. The Group Financial Risk Committee is regularly kept informed of the main credit risks.

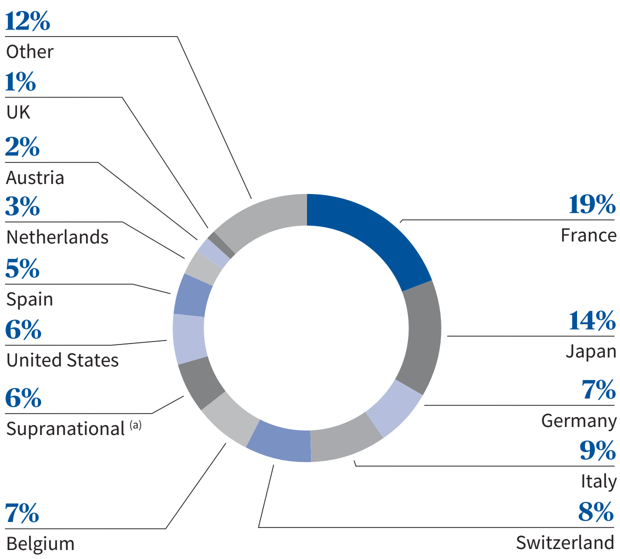
As at December 31, 2022, the breakdown of the debt security portfolio (€307 billion) by credit rating category was as follows:



As at December 31, 2021, the breakdown of the debt security portfolio (€402 billion) by credit rating was: 21% in AAA, 33% in AA, 20% in A, 21% in BBB, 2% in BB and lower, and 3% in other.

Credit risk diversification and analysis policies, particularly using credit ratings, are implemented by Investment Departments and monitored by Risk Management teams.

As at December 31, 2022, the breakdown of Government and Government related bonds fair values (€167 billion) by country was as follows:



(a) Includes mainly European institution issuers (European Investment Bank, European Union, European Financial Stability Facility, Eurofima).

CREDIT DERIVATIVES

The AXA Group, as part of its investment and credit Risk Management activities, uses strategies that involve credit derivatives (mostly Credit Default Swaps or CDS), which are mainly used as an alternative to debt security portfolios, when coupled with government debt securities, but also as a protection on single corporate names or specific portfolios.

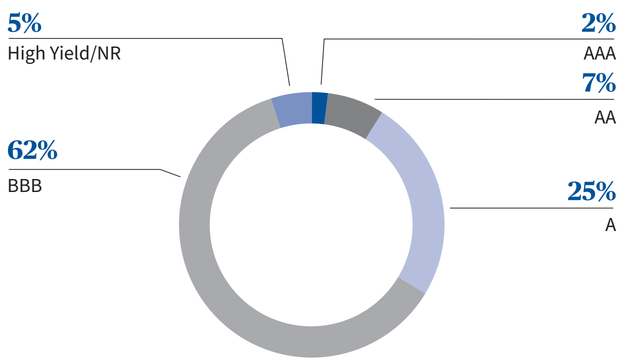
As at December 31, 2022, the nominal amount of positions taken through credit derivatives was €10.5 billion (1) of CDS (cumulated notional amounts of €1.0 billion protections bought and of €9.5 billion protections sold), which can be broken down as follows:

i. €1.0 billion of CDS protections bought to hedge credit risk with regard to certain investments, mostly in corporate bonds;

ii. €9.5 billion of CDS protections sold as an alternative to the direct purchase of a corporate bond mainly by holding government bonds and at the same time selling protection on very good quality names. This type of ALM strategy is often implemented to compensate for the lack of depth or liquidity in some markets in order to take synthetic credit risk.

Limits applied to issuers take into account the credit derivative positions.

As at December 31, 2022 the breakdown of these CDS's underlying debt securities gross exposure by rating was as follows:



Credit risk relating to CDOs is monitored separately, depending on the tranches held, and regardless of the type of assets held (debt securities or credit derivatives).

(1) This figure represents an accounting view i.e. 100% of assets held directly and in consolidated investment funds "Core Investment Portfolios", and excluding credit derivatives in non-consolidated investment funds, in line with Section 6.6 – Note 20 "Derivative instruments" of this Annual Report. The Group holds €17.1 billion (notional amount) of credit derivatives as total exposure including consolidated investment funds "Satellite Investment Portfolios" (€0.8 billion).

COUNTERPARTY RISK ARISING FROM OVER-THE-COUNTER (OTC) DERIVATIVES

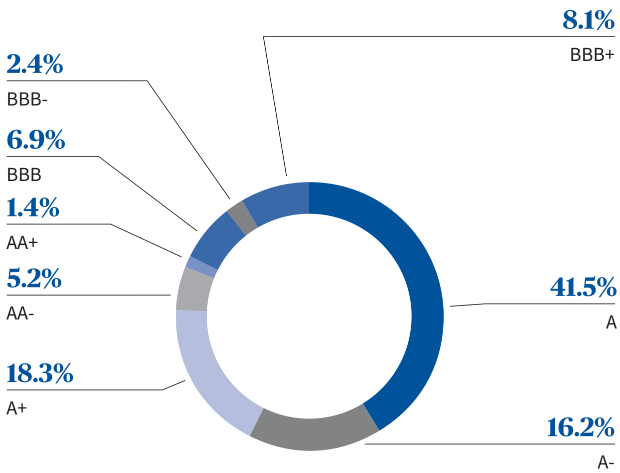
AXA Group actively manages counterparty risk generated by OTC derivatives through a specific Group-wide policy. This policy includes:

- rules on derivative contracts (ISDA, CSA);
- mandatory collateralization;
- a list of authorized counterparties;
- a limit framework and an exposure monitoring process.

Limits are set specifically for each authorized counterparty, based on an internal scoring system. This policy also includes daily collateralization for the majority of the Group's exposure.

The Group Credit Risk Committee approves changes to the above policy and reviews the exposures every month.

As at December 31, 2022, the breakdown of counterparty exposure coming from OTC derivatives by rating was as follows (positive fair value net of collateral received):



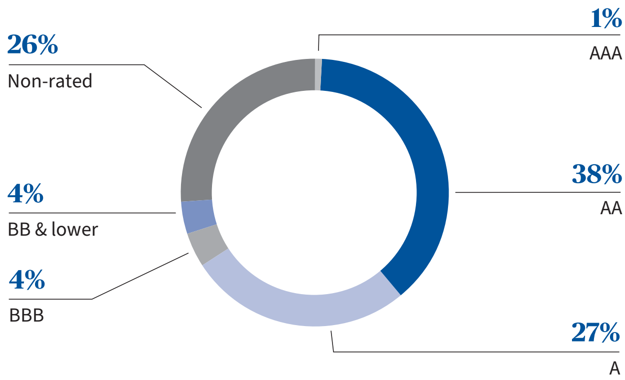
RECEIVABLES FROM REINSURERS: RATING PROCESSES AND FACTORS

To manage the risk of reinsurers' insolvency, a Security Committee is in charge of assessing reinsurers' quality and acceptable commitments. The Committee is under joint authority of GRM and AXA Global Re. This risk is monitored to oversee the credit reinsurance exposure of the Group and to avoid any excessive exposure to any specific reinsurer. The Group Security Committee meets monthly – and more frequently during renewal periods – and decides on any action to be taken with the aim of limiting AXA Group's exposure to the risk of default by any of its reinsurers.

In addition, the Group summarizes and analyzes its exposure to all reinsurers by factoring in all positions with reinsurers (claims, premiums, reserves, deposits, pledges, and security deposits).

The Group's top 50 reinsurers accounted for 74% of reinsurers' share of insurance and investment contract liabilities in 2022 (*versus* 72% in 2021).

The breakdown of all reserves ceded to reinsurers by reinsurer rating as of December 31, 2022 (€42.5 billion) was as follows:



The "Non-rated" caption relates to reserves ceded to reinsurance pools, reserves ceded to reinsurers with which the AXA Group does limited business (not in the top 50) and reinsurers not rated by the main rating agencies.

As at December 31, 2021, the breakdown of reserves ceded to reinsurers (€40.5 billion) by reinsurer rating was: 6% in AAA, 32% in AA, 22% in A, 3% in BBB, 8% in BB and lower and 29% in non-rated.

The increase in reserves ceded to reinsurers is mainly driven by increase in ceded P&C claims reserves at AXA XL, prior year long-tail lines and Natural Catastrophes.

CREDIT EXPOSURE STEMMING FROM INSURANCE AND ASSUMED REINSURANCE BUSINESSES

The AXA Group, through AXA XL, is also exposed to credit risk through various insurance and assumed reinsurance businesses that either:

- embed a credit component, such as Trade Credit Insurance, Political Risk-Contract Frustration, Surety, Mortgage Reinsurance; or
- are sensitive to credit risk, *i.e.,* there is a strong correlation between a credit event and claims under the (re)insurance cover, such as Directors & Officers (D&O) and Errors & Omissions (E&O).

Among those exposures, the larger ones are reported monthly on a per name basis and are aggregated wherever relevant with exposures coming from other sources, mainly investments, to maintain concentrations under control.

Each month, the Group Credit Risk Committee monitors the aggregate ultimate shareholder exposures *versus* the risk appetite limits, as well as the contributions of the various credit risk sources including the split by lines of business, reviews potential breaches to the Group limits and remediation plans, and when necessary, handles additional capacity requests and allocates capacity between investments and insurance & reinsurance businesses. AXA Credit team provides the Group Credit Risk Committee with credit assessments on the biggest exposures or on a case-by-case basis when required.

Utilizations of Group limits per name are shared with local Risk Management and business teams, in order to avoid excessive concentrations and breaches.

The Group Financial Risk Committee is regularly informed of the main credit risks including those related to (re)insurance businesses.

BANK CREDIT ACTIVITIES

At December 31, 2022, total invested assets of banking activities amounted to €13.3 billion (€12.9 billion as at December 31, 2021).

AXA Banking operations, based in France, are mostly limited to retail banking activities, distributing simple investment and credit products.

As such, AXA banks' Risk Management policies are based on their stated risk appetite, with the following key principles:

- Dedicated Counterparty and Credit Risk functions with appropriate Committees;
- quality of sovereign, international institutions, corporate and bank counterparties portfolio closely monitored;
- adequacy to Group risk standards; and
- tightly managed market, asset & liability, foreign exchange and interest rate risks including a strict collateral policy.

Credit risk in the banks encompasses:

- retail credit risk, resulting from the commercial activity – sales of mortgages and other type of loans to retail clients and small enterprises. Credit Risk Management is done through careful risk and a regular monitoring of portfolios by product management teams and Risk Management teams;
- other than retail credit risk, resulting from investment activity. This activity is limited with strong control processes in place.

Credit risks are regularly reviewed by the Management Board of each bank, and are subject to regulation.

The banks aim to meet all regulatory capital obligations.

5.5 LIQUIDITY RISK

Information in this Section should be read in conjunction with Section 2.4 "Liquidity and capital resources" of this Annual Report.

The liquidity risk is the uncertainty, emanating from business operations, investments or financing activities, over whether AXA SA and/or an AXA entity will have the ability to meet payment obligations in a full and timely manner, in current or stressed environments. Liquidity risk concerns assets and liabilities as well as their interplay.

Liquidity is a key dimension of the Risk Appetite Framework allowing the AXA Group to ensure that both AXA SA and the local entities have at all times sufficient liquidity buffer to withstand a severe shock. The objective is achieved through the monitoring of the liquidity adequacy across the AXA Group on the basis of the "Excess Liquidity" metric, *i.e.* the difference between liquidity resources and liquidity needs calculated under severe stress conditions and over different time horizons: 1 week, 1 month, 3 months and 12 months.

For each time horizon, the post-stress liquidity resources available and the post-stress liquidity needs (*i.e.* net outflows) to be paid are projected to measure the excess liquidity. The stressed conditions are calibrated so as to reflect extreme circumstances (*e.g.* distressed financial markets, confidence crisis towards the Group, natural catastrophes). The approach is prudent as it is assumed that all events occur simultaneously.

5.6 INSURANCE RISKS

Insurance risks: definition and exposure

Information in this Section should be read in conjunction with Section 6.6 – Note 4 “Financial and insurance Risk Management” of this Annual Report. Only information referred to in Note 4 is covered by the report Statutory Auditors on the Consolidated Financial Statements.

Information in this Section should be read in conjunction with the paragraph “Pricing and underwriting-related risks” in Section 5.1 “Risk factors” of this Annual Report.

The Group’s insurance subsidiaries are primarily responsible for managing their insurance risks linked to underwriting, pricing and reserving. They are also responsible for taking appropriate actions in response to changes in insurance cycles and to the political and economic environments in which they operate.

In the context of its Property & Casualty (P&C) and Protection & Health businesses operations as described in Section 1.3 “Business overview” of this Annual Report, the AXA Group is exposed to the following main insurance risks, which include:

- premium risk resulting from fluctuations in the timing, frequency and severity of insured events, and relating to:
  - valuation of reserves for unexpired risks on existing contracts (insufficient premium reserves),
  - mispricing of policies to be written (including renewals) during the period, and
  - expense payments;
- reserve risk resulting from fluctuations in the timing and amount of claim settlements and relating to the insufficiency of claims reserves, which includes:
  - misestimating claims reserves (average payments), and
  - fluctuation of payments around their statistical average;
- catastrophe risks embedding both natural events such as climatic or meteorologic phenomena (including windstorms, hurricanes, floods or hailstorms), tectonic ones (earthquakes, volcanoes) and man-made ones, such as nuclear, liability, cyber, conflagration, terrorist attacks.

Life risks also include risks related to mortality, longevity, lapses, disability and pandemics among others. The main risks to which the Life business is exposed are longevity risk and lapse risk, which are both sensitive to changes in interest rates, and could be defined as follows:

- longevity risk is the risk related to the overestimation of mortality rates for business contingent on longevity;
- lapse risk is the risk of experiencing lapses lower (or higher) than expected on a permanent basis for businesses adversely sensitive to a decrease (or an increase) in lapses.

AXA Group’s exposure to insurance risks is covered by the AXA Group’s Solvency Capital Requirement, as detailed in the paragraph “Internal Model” in Section 5.2 “Internal Control and Risk Management” of this Annual Report and is taken into account in AXA’s liquidity Risk Management framework (please refer to Section 5.5 “Liquidity risk” of this Annual Report).

Risk control and risk mitigation

For more information on the AXA Group's risk controls and Risk Management processes, please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report.

In addition, AXA Group's investment strategy, which is mainly driven by Asset Liability Management, aims to meet the Group's obligations and commitments to policyholders, and to protect the solvency of the Group and of its entities (please refer to paragraph "Governance of investment strategy and Asset Liability Management (ALM)" in Section 5.2 "Internal Control and Risk Management" of this Annual Report).

Insurance risks for Life & Savings, Health and Property & Casualty businesses are covered through four major processes, defined at Group level but performed jointly by central and local teams:

- implementing a product approval process, which entails risk controls on new products that complement underwriting rules and product profitability analyses;
- optimizing reinsurance strategies in order to limit the Group's peak exposures thereby protecting its solvency by reducing volatility and to mitigate risk within the Group to benefit from diversification;
- reviewing technical reserves including a roll forward analysis; and
- monitoring emerging risks to share expertise within the underwriting and risk communities.

PRODUCT APPROVAL

AXA Group has defined a set of procedures to approve new products launches. These procedures are adapted and implemented locally, and aim at fostering product innovation across the Group while maintaining risks under control. The validation framework relies among others on the results of the Solvency Capital Requirement's assessments, based on the AXA Group's Internal Model, to ensure that new products undergo a thorough approval process before they are brought to market.

In Life & Savings, as well as Health, the Product Approval Process is managed at local level for all traditional products meeting Group's minimum requirements, which allows maintaining time-to-market product launches. For sophisticated products, local entities require Group's approval before launch to ensure all long-term commitments are monitored at Group level and benefit from the Group expertise on enhanced or specific guarantees.

In Property & Casualty, methods are adapted to the underwriting of risks, while maintaining the principle of local decision-making based on a documented approval procedure and using the output of the internal model. The aim is twofold:

- for pre-launch business, the aim is to ensure that new risks underwritten by the Group have been scrutinized before proposing them to customers;
- for post-launch business, appropriate profitability and risk control are performed to verify that the business remains in line with the Group's risk framework.

This framework is part of the Group underwriting policy and ensures that no risks are taken outside the Group tolerances and that value is created by adequate risk pricing.

EXPOSURE ANALYSIS AND RISK ASSESSMENT

AXA Group reviews regularly its exposure to ensure that the risks underwritten are diversified geographically and by lines of business in order to manage risk concentration, and to verify adequacy of reinsurance.

For Life & Savings, Health and Property & Casualty activities, AXA Group has developed and deployed common models and metrics to consistently measure risks throughout the Group (in particular *via* its economic capital framework as detailed in Section 5.2 "Internal Control and Risk Management" of the Annual Report. This enables the Group to verify that its exposure complies with consolidated risk appetite limits along the dimensions of earnings, Eligible Own Funds (EOF), solvency and liquidity. These tools also contribute substantially to monitoring the major risks (claims frequency deviation, claims severity, reinsurance, pricing consistency, natural and man-made catastrophes, biometric and behavior risks deviations).

This framework is included in the governance set out previously for product development control.

In the Life & Savings, Health businesses, these tools allow for mortality/longevity risks to be analyzed on a multi-country basis. The AXA Group regularly monitors its exposure to these risks (including mortality, longevity and morbidity) and uses the results of this work to optimize its product design and its reinsurance coverage. These exposure analyses are supported by expert risk models in Life & Savings.

Regarding the Property & Casualty exposures, *ad hoc* concentration risk models (internal and external for natural catastrophe and for man-made catastrophe) are developed to ensure yearly natural catastrophe volatility, coming from events such as windstorm, earthquake, hurricane or typhoon, or catastrophe man-made events, such as cyber or liability ones, are not likely to affect the Group above the set tolerance levels.

Since 2015, the Group has strategically developed a strong in-house expertise of development and validation of natural catastrophe models to cope with their dynamic nature in the context of global climate change. This has been complemented by a reinforced and continuously enhanced expertise in the modelling of systemic events (without border in time and space) like Cyber.

CEDED REINSURANCE

The reinsurance structure in charge of Life & Savings, Health and Property & Casualty reinsurance (AXA Global Re up to mid-2022 and then Group Ceded Re) reports to the Group Deputy Chief Executive Officer, in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations. Its main mandate is to contribute to the protection of the Group through the centralization of the Group's purchase of reinsurance.

For the Life & Savings, Health and Property & Casualty operations, reinsurance programs are set up as follows:

- Group's operating entities reinsurance capacity are set in alignment with Group Standards and with their local risk appetite limits considering the risk assessment previously described;
- their risks are modeled through in-depth actuarial analyses conducted on each portfolio; specifically, for Property & Casualty modelling, *via* the Group economic capital model, AXA uses several models both internal and external for assessing the risk associated with the main natural perils (storms, floods, earthquakes, etc.).

Reinsurance strategy

Centralization and harmonization of treaty reinsurance purchase is based on the same procedures for both the Life & Savings, Health businesses as for the Property & Casualty activities.

In order to build adjusted and optimized protection, the Group's operating entities are reinsured by AXA SA except for very specific cases notably for products developed in partnership with reinsurers in Life and Health and except for some AXA XL treaties.

Group Ceded Re can place a variable part of the local treaties on the reinsurance market, for regulatory reasons for example. A portion of the risk exposure is retained and mitigated within AXA SA through the Group covers (including through a pool mechanism for Property) and the remaining part is ceded to external reinsurers.

Group Ceded Re is responsible for all Group external cessions. Since the acquisition of the XL group, AXA XL contributes to placing directly part of its covers (mainly quota share for specialties and for US portfolios) under Group Ceded Re's delegation and control. 2023 Group reinsurance protections ensure respecting the risk appetite as in 2022.

These protections consist of major Group-covers (CAT, Property Per Risk, International Liability, Marine Whole Account (incl. Marine, Energy, etc.), Cyber, Motor Third Party Liability and Life) and various entities' specific local covers mainly driven by AXA XL-dedicated protections (*e.g.* Aviation, Marine, Energy, US Liability, Political risks, retro, etc.).

The structures of Group covers are designed to adequately protect the Group in compliance with the Group risk appetite framework. Specific proportional and non-proportional covers are arranged through either the traditional reinsurance market or alternative capital markets (cat bonds and Insurance Linked Securities – ILS) both on an indemnity and industry loss index basis.

As opposed to the other Group covers where the Group retention is kept by AXA SA, in 2022, 94% of the Property Pool year-end financial result net of external reinsurance protections is retroceded back to local entities, through a pool mechanism managed by Group Ceded Re on behalf of those local entities.

AXA also uses alternative capital market solutions also known as Insurance-Linked Securities (ILS), such as catastrophe bonds, as part of the overall reinsurance strategy. The use of ILS may not provide the same level of protection as traditional reinsurance, and the protections provided may vary depending on the region in which the loss occurred, or the number of events that make up the loss. Like traditional reinsurance, the accessibility of the ILS market may be impacted by disruptions, volatility or uncertainty, such as those that may arise following a major catastrophic event. Also, to the extent that AXA uses ILS products providing reinsurance protections based on an industry loss index rather than on its actual incurred losses, such transactions could result in a larger or lower residual loss than anticipated.

Finally, in addition to the analyses described above, the Group Security Committee regularly monitors the AXA Group credit exposures to reinsurers, to ensure that consolidated exposures remain within the Group risk tolerance (see Section 5.4 "Credit Risk – Receivables from reinsurers" of this Annual Report).

TECHNICAL RESERVES

Operational entities specifically monitor their reserve risks. Claims reserves are estimated and booked on a file by file basis by the claims handlers. Additional reserves are also booked by the local entities.

The additional reserves' calculations are carried out locally by a two-independent-opinion process.

Actuaries in charge of assessing reserves use various statistical and actuarial methods. Their assumptions are made following discussions with claims managers, pricing actuaries, underwriters and other specialized departments.

They notably ensure that:

- a sufficient number of operating elements have been scrutinized (including contracts, premiums and claims patterns, claims' handling, and reinsurance effects);
- enough data is available (such as sufficient claims experience or granularity) and adequate to achieve the reserving exercise;
- the technical assumptions and actuarial methodologies are in line with professional practices and sensitivity analyses are performed at least for most significant ones;
- a roll-forward analysis of reserves including merit-rating (boni-mali, Actual-to-Expected) back-tests has been performed, the regulatory and economic context references are taken into account and material deviations are explained;
- the operational losses relating to the reserving process have been adequately quantified; and
- the Best Estimate Liabilities have been calculated in accordance with articles 75 to 86 of the Solvency II Directive and Group guidelines.

The breakdown of the Group's Property & Casualty technical reserves by line of business was as follows:

- 24% at the end of 2022 (25% at the end of 2021) of the Group's Property & Casualty reserves cover Motor insurance business;
- 10% at the end of 2022 (10% at the end of 2021) of the Group's Property & Casualty reserves cover Property insurance business;
- 9% at the end of 2022 (9% at the end of 2021) of the Group's Property & Casualty reserves cover Liability insurance business;
- 5% at the end of 2022 (4% at the end of 2021) of the Group's Property & Casualty reserves cover Specialty insurance business;
- 11% at the end of 2022 (12% at the end of 2021) of the Group's Property & Casualty reserves cover Reinsurance business;
- 41% at the end of 2022 (40% at the end of 2021) cover the other lines of business.

The breakdown of the Group's Life & Savings technical insurance reserves by product type was as follows:

- 34% at the end of 2022 (33% at the end of 2021) of the Group's Life & Savings technical reserves cover Protection business;
- 18% at the end of 2022 (17% at the end of 2021) of the Group's Life & Savings technical reserves cover Unit-Linked business;
- 40% at the end of 2022 (45% at the end of 2021) of the Group's Life & Savings technical reserves cover G/A Savings business;
- 7% at the end of 2022 (5% at the end of 2021) of the Group's Life & Savings technical reserves cover other lines of business.

The Group's Health technical reserves represented 7% of the Group's total technical reserves at the end of 2022 (7% at the end of 2021). Technical reserves for Health Life-like contracts (*i.e.* contracts with long-term guarantees or coverage and/or surrender value) represented 93% of the Group's Health technical reserves at the end of 2022 (94% at the end of 2021).

5.7 OPERATIONAL RISKS SNFP

Information in this Section should be read in conjunction with the paragraph “Operational and business-related risks” in Section 5.1 “Risk factors” of this Annual Report.

AXA Group has defined a single framework for identifying, quantifying and monitoring the main operational risks that may arise from a failure in its organization, systems, processes and resources or from external events.

Operational risks include legal risks and excludes risks arising from strategic decisions, as well as reputation risks.

AXA Group’s Operational risk framework provides for the deployment of a common system, dedicated operational risk teams and a common operational risk typology classifying operational risks into seven risk categories: internal fraud; external fraud; employment practices and workplace safety; clients, products and business practices; damages to physical assets; business disruption; and system failures and execution, delivery and process management. Its implementation is not limited to insurance activities. It encompasses all AXA entities, including insurance companies, banking activities, AXA Investment Managers and internal service providers consistent with AXA policy on operational Risk Management.

Both quantitative and qualitative requirements are defined:

- across the Group, the most critical operational risks of each entity and a set of stress scenarios are identified and assessed following a forward-looking and expert-opinion approach. These risk scenarios are then used to estimate the capital requirement needed to cover operational risks based on advanced models based on Solvency II principles. The operational Risk Management process is embedded into local governance through senior management validation to ensure that the risk assessment is adequate, appropriate and comprehensive but also to ensure that adequate corrective and pre-emptive actions are defined and implemented in respect of the main risks;
- in addition, a loss data collection process is in place within most companies of the Group in order to track and appropriately mitigate actual operational risk losses. This process is also used as a valuable source of information to back-test the assumptions taken in risk assessments.

A key objective of the AXA Group’s operational risk economic capital model is to understand and reduce losses resulting from operational failures and to define an appropriate risk response strategy for major operational risk scenarios. Entities and Group Operational Risk profiles are presented to local/Group Risk Committees for decisions and actions to be taken.

In 2022, the Group Operational Risk Profile is reasonably well spread out with all seven operational risk categories covered and the main risks being the following:

- transaction capture, execution and maintenance risk is a major risk and relates to process error, failure, and/or misperformance;
- compliance risk due to increases in legislation and regulation remains a major concern and is under the close monitoring of Group Compliance;
- external fraud & system security risk continues also to be a top priority. AXA Group’s exposure to cyber risk is still high with more and more new technology into AXA Group’s products and services. Information on cyber risks should be read in conjunction with the paragraph “Operational and business-related risks” in Section 5.1 “Risk factors” of this Annual Report.

AXA Group’s exposure to operational risks is captured in the AXA Group’s Solvency Capital Requirement as detailed in the paragraph “Internal Model” in Section 5.2 “Internal Control and Risk Management” of this Annual Report.

Specific actions are identified at Group and local levels to mitigate these risks. Also, the implementation of the Internal Control framework will continue to contribute to better embed controls in activities and mitigate the risks.

As regards information risks, AXA has built an Information Risk Management (IRM) framework to enable information risk decisions to be made consistently across the organization and establish sustainable Risk Management capabilities that are integrated with the business.

AXA relies on third-party providers for outsourcing of services at different stages of the value chain. Although relying on partners is a strategic advantage, onboarding a vendor into AXA’s organization requires AXA to assess the risks it might bring, such as regulatory, compliance, IT security, etc.

To protect both business and customers, AXA has set up a dedicated Vendor Risk Framework program co-sponsored by Group Risk Management and Group Procurement. This program is supported by Group functions (Compliance, Data Privacy, Information Security, Operational Resilience, Legal, Reputation and Internal Control) and local stakeholders (Chief Risk Officers, Chief Procurement Officers and Insurance Procurement Directors).

The Vendor Risk Framework defines a set of requirements for each relationship, with a risk-based approach, *i.e.* existing and potential new contracts. After identification of the criticality through pre-determined criteria, an appropriate level of due diligence, minimum requirements and oversight is implemented.

For more information on the AXA Group’s risk controls and Risk Management processes, please refer to Section 5.2 “Internal Control and Risk Management” of this Annual Report.

5.8 OTHER MATERIAL RISKS

Strategic risks

A strategic risk is the risk that a negative impact (current or prospective) on earnings or capital, material at the Group level, arises from (a) a lack of responsiveness to industry changes or consumers' needs evolution, or (b) adverse business decisions regarding:

- significant changes in footprint, including through disposals or acquisitions;
- changes in product offering and client segmentation;
- changes in distribution model (channel mix including alliances/partnerships, multi-access and digital distribution).

Given the nature of strategic risks, there is no capital charge assessment but a strong strategic Risk Management framework to anticipate and mitigate these risks. Group Risk Management is involved at early stage in major strategic projects (*e.g.* large M&A projects). The Group governance standards require among other things a Risk Management second opinion on key processes, including significant transactions and strategic plans. Furthermore, the ORSA report provides an assessment on the overall solvency needs which include the Solvency II ratio projection made until the strategic plan horizon and in stress scenarios as detailed in Section 5.2 "Internal Control and Risk Management – Own Risk and Solvency Assessment (ORSA)" of this Annual Report.

Reputation risk

Reputation risk is the risk that an event, internal or external, will negatively influence the stakeholders' perception and trust of the Company or where there is a gap between stakeholders' expectation and the Company's behaviors, attitudes, values, actions, or inactions.

Given the nature of reputation risk, there is no capital charge assessment but the AXA Group has defined a global framework with a two-fold approach to reactively protect and proactively identify, monitor, manage and mitigate reputational issues to not only minimize value destruction, but also to build and maintain brand equity and trust among stakeholders.

AXA Group has a Global Reputation Network whose purpose is to implement locally a Reputation Risk Management framework. The objectives of the Reputation Risk Management approach are in line with AXA's overall Enterprise Risk Management approach aiming to develop a reputation risk culture and risk intelligence.

Three main objectives drive the Reputation Risk Management approach:

- proactively manage reputation risk, avoid or minimize negative issues impacting the reputation of AXA and build trust among all of AXA stakeholders;
- define accountability for reputation risk across the organization, at Group and local levels;
- implement a common reputation Risk Management framework throughout the organization.

AXA Group monitors in near real-time potential and existing issues and receives periodic top reputation risk reports from local entities. Every two months, an informational report is submitted to the Group Audit, Risk and Compliance Committee, and once a year, an internal report analyzes the main cases of reputation risk managed by AXA. Regular dialogue with the Global Reputation Network allows for building awareness, identification and dissemination of key topics that could negatively impact the Group's reputation.

The implementation of the Reputation Risk Framework encompasses AXA Group's main activities including insurance, Asset Management as well as internal service providers.

Emerging risks SNFP

Emerging risks are risks which may develop or which already exist and are continuously evolving. Emerging risks are marked by a high degree of uncertainty, as some of them may never even emerge.

Given the nature of emerging risks, there is no capital charge assessment, but the AXA Group has established processes to monitor emerging risks which could develop over time and become significant. The emerging risk framework encompasses a network of circa 120 people within the AXA Group (mainly based in insurance, Asset Management and support function entities such as AXA Group Operations) which allows expertise to be shared within the business and risk communities and ensures adequate underwriting policies are defined.

Emerging risks surveillance is organized through a detection process including watch on scientific publications, court decisions, etc. Risks are monitored and classified within a risk mapping constituted of five sub-groups (environment & energy, society, regulation & politics, economy, finance & business, health & medicine, and tech & data). After prioritization of the monitored risks by senior management or after a warning from an entity, in-depth internal studies are developed on a bi-annual basis by GRM to review a specific risk and its potential impact in terms of insurance.

Since 2014, an annual Future Risks Survey is conducted to collect the views of internal and external stakeholders on the most significant emerging risks for society at large.

By seeking to develop new solutions, acting as an advisor to Risk Management and actively contributing to the overall debate about the issues involved, along with other major market players, AXA Group intends to promote a better understanding and better forecasting of the emerging risks and to support sustainable development.

Regulatory risks

For further information on the regulatory environment in which AXA Group operates including regulatory risks, please refer to the paragraph “Regulatory-related risks” in Section 5.1 “Risk factors” of this Annual Report.

Sustainability risks SNFP

For further information on the sustainability risks to which the AXA Group may be exposed, please refer to Section 4.1 “AXA Sustainability strategy” of this Annual Report.

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CONSOLIDATED FINANCIAL STATEMENTS

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6.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in Euro million) Notes		December 31, 2022	December 31, 2021 restated [a]
5	Goodwill	17,754	17,167
6	Value of purchased business in force	1,094	919
7	Deferred acquisition costs and equivalent	19,731	17,825
8	Other intangible assets	4,293	4,297
	Intangible assets	**42,872**	**40,208**
	Investments in real estate properties	28,837	28,355
	Financial investments	389,129	486,564
	Assets backing contracts where the financial risk is borne by policyholders	76,467	86,315
9	**Investments from insurance activities** [a]	**494,433**	**601,234**
9	**Investments from banking and other activities** [a]	**21,979**	**19,729**
10	**Investments accounted for using the equity method**	**2,428**	**2,601**
14	**Reinsurers' share in insurance and investment contracts liabilities**	**39,637**	**36,970**
	Tangible assets	2,231	2,443
14	Deferred policyholders' participation assets	6,573	-
19	Deferred tax assets	4,154	421
	Other assets	**12,958**	**2,864**
	Receivables arising from direct insurance and inward reinsurance operations	27,044	25,812
	Receivables arising from outward reinsurance operations	4,102	2,612
	Receivables – current tax	882	908
	Other receivables	10,354	8,991
11	**Receivables**	**42,382**	**38,323**
5	**Assets held for sale** [b]	**13,843**	**8,512**
12	**Cash and cash equivalents**	**26,165**	**25,051**
	TOTAL ASSETS	**696,697**	**775,491**

Note: All invested assets are shown net of related derivative instruments impact.

(a) Reclassification of Architas activities previously reported as part of Life & Savings (Insurance activities) to Asset Management (Other activities).

(b) As of December 31, 2022, amounts included the assets relating to a closed life and pensions portfolio in Germany, for which the disposal process was not finalized at year-end. As of December 31, 2021, amounts included the assets relating to Malaysia and Singapore operations, a General Account portfolio in Belgium, as well as the remaining Group Life portfolio in Switzerland, for which the disposal processes were not finalized at year-end.

(in Euro million) Notes		December 31, 2022	December 31, 2021
	Share capital and capital in excess of nominal value	23,027	25,354
	Reserves and translation reserve	15,651	38,487
	Net consolidated income – Group share	6,675	7,294
	Shareholders' equity – Group share	**45,353**	**71,135**
	Minority interests	**3,025**	**4,094**
6	**Total shareholders' equity**	**48,378**	**75,229**
	Subordinated debt	11,804	10,449
	Financing debt instruments issued	1,672	800
7	**Financing debt** [(a)]	**13,476**	**11,249**
	Liabilities arising from insurance contracts	381,109	387,827
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders	59,829	66,983
	Total liabilities arising from insurance contracts	**440,938**	**454,810**
	Liabilities arising from investment contracts with discretionary participating features	34,259	35,297
	Liabilities arising from investment contracts with no discretionary participating features	87	76
	Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	4,399	4,790
	Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	12,496	14,587
	Total liabilities arising from investment contracts	**51,243**	**54,750**
	Unearned revenue and unearned fee reserves	2,368	2,117
	Liabilities arising from policyholder participation and other obligations	12,587	48,936
	Derivative instruments relating to insurance and investment contracts	569	(863)
	Liabilities arising from insurance and investment contracts	**507,703**	**559,750**
	Liabilities arising from banking activities [(a)]	**12,944**	**14,643**
	Provisions for risks and charges	**6,007**	**8,942**
	Deferred tax liabilities	**1,434**	**5,334**
	Minority interests of consolidated investment funds and puttable instruments held by minority interest holders	6,397	7,750
	Other debt instruments issued, notes and bank overdrafts [(a)]	10,558	10,518
	Payables arising from direct insurance and inward reinsurance operations	11,250	10,957
	Payables arising from outward reinsurance operations	15,706	15,362
	Payables – current tax	1,260	924
	Collateral debts relating to investments under lending agreements or equivalent	34,245	35,030
	Other payables	13,966	12,177
	Payables	**93,382**	**92,719**
4	**Liabilities held for sale** [(b)]	**13,372**	**7,626**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**696,697**	**775,491**

(a) Amounts are shown net of related derivative instruments impact.
(b) As of December 31, 2022, amounts included the liabilities relating to a closed life and pensions portfolio in Germany, for which the disposal process was not finalized at period-end.
As of December 31, 2021, amounts included the liabilities relating to Malaysia and Singapore operations, a General Account portfolio in Belgium, as well as the remaining Group Life portfolio in Switzerland, for which the disposal processes were not finalized at year-end.

6.2 CONSOLIDATED STATEMENT OF INCOME

(in Euro million, except EPS in Euro) Notes		December 31, 2022	December 31, 2021
	Gross written premiums	99,415	96,825
	Fees and charges relating to investment contracts with no participating features	202	209
	Revenues from insurance activities	**99,617**	**97,034**
	Net revenues from banking activities	237	535
	Revenues from other activities	2,491	2,362
21	**Revenues** [a]	**102,345**	**99,931**
	Change in unearned premiums net of unearned revenues and fees	**(128)**	**(509)**
	Net investment income [b]	12,205	12,165
	Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity [c]	2,114	3,188
	Net realized gains and losses and change in fair value of investments at fair value through profit and loss [d]	(11,329)	7,965
	of which change in fair value of assets with financial risk borne by policyholders [e]	*(9,653)*	*7,362*
	Change in investments impairments [f]	(1,507)	(569)
22	**Net investment result excluding financing expenses**	**1,483**	**22,749**
	Technical charges relating to insurance activities [e]	(70,877)	(86,920)
23	Net result from outward reinsurance	(556)	(1,514)
	Bank operating expenses	(13)	(63)
25	Acquisition costs	(12,710)	(12,665)
	Amortization of the value of purchased business in force	(54)	(388)
25	Administrative expenses	(10,365)	(10,386)
	Change in tangible assets impairment	7	(6)
	Change in goodwill impairment and other intangible assets impairment and amortization	(135)	(253)
	Other income and expenses [g] [h]	329	(461)
	Other operating income and expenses	**(94,372)**	**(112,657)**
	Income from operating activities before tax	**9,329**	**9,514**
10	Income (net of impairment) from investment accounted for using the equity method	(141)	144
	Financing debts expenses [i]	(477)	(462)
	Net income from operating activities before tax	**8,710**	**9,196**
19	Income tax	(1,855)	(1,689)
	Net consolidated income after tax	**6,856**	**7,507**
	Split between:		
	Net consolidated income – Group share	**6,675**	**7,294**
	Net consolidated income – Minority interests	180	214
27	**Earnings per share**	**2.84**	**2.98**
27	**Fully diluted earnings per share**	**2.83**	**2.97**

(a) Gross of reinsurance.
(b) Net of investment management costs.
(c) Includes impairment releases on investments sold.
(d) Includes realized and unrealized forex gains and losses relating to investments at cost and at fair value through shareholders' equity.
(e) Change in fair value of assets with financial risk borne by policyholders is offset by a balancing entry in technical charges relating to insurance activities.
(f) Excludes impairment releases on investments sold.
(g) In 2022, it included the impact related to the disposal process of a General Account portfolio in Belgium (see Note 5.3).
In 2021, it included the losses related to the disposal processes of the Gulf Region operations, and the provisions related to the disposal processes of Malaysia and Singapore operations, as well as of a General Account portfolio in Belgium.
(h) In 2022, it included the effect of applying IAS 29 standard related to hyperinflation in Turkey for €-20 million of which €-19 million group share (see Note 1.2.1.2).
(i) Includes net balance of income and expenses related to derivatives on financing debt (nonetheless excludes change in fair value of these derivatives).

6.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in Euro million)	December 31, 2022	December 31, 2021
Reserves relating to changes in fair value through shareholders' equity	(27,664)	(6,248)
Translation reserves	1,189	2,030
Items that may be reclassified subsequently to Profit or Loss	**(26,474)**	**(4,218)**
Employee benefits actuarial gains and losses	987	619
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	6	(2)
Items that will not be reclassified subsequently to Profit or Loss	**993**	**617**
Net gains and losses recognized directly through shareholders' equity	**(25,481)**	**(3,602)**
Net consolidated income	**6,856**	**7,507**
Split between:		
Net consolidated income – Group share	**6,675**	**7,294**
Net consolidated income – Minority interests	180	214
TOTAL COMPREHENSIVE INCOME (CI)	**(18,625)**	**3,906**
Split between:		
Total comprehensive income – Group share	(18,278)	3,815
Total comprehensive income – Minority interests	(347)	90

Amounts are presented net of tax, policyholders' participation and other shadow accounting related movements. Tax, policyholder participation and related effects are further detailed in the Notes to the Consolidated Financial Statements.

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CONSOLIDATED FINANCIAL STATEMENTS
6.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

6.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders											
	Share Capital					Other reserves						
(in Euro million, except for number of shares and nominal value)	Number of shares *(in thousands)*	Nominal value *(in Euro)*	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Other [(a)]	Translation reserves [(b)]	Undistributed profits and other reserves [(c)]	Shareholders' equity Group share	Minority interests [(b) (c)]
Shareholders' equity opening January 1, 2022	**2,421,569**	**2.29**	**5,545**	**21,803**	**(1,630)**	**17,491**	**(556)**	**6,623**	**(2,843)**	**24,701**	**71,135**	**4,094**
Capital	(69,798)	2.29	(160)	-	-	-	-	-	-	-	(160)	-
Capital in excess of nominal value	-	-	-	(1,707)	-	-	-	-	-	-	(1,707)	-
Equity – share based compensation	-	-	-	59	-	-	-	-	-	-	59	-
Treasury shares	-	-	-	-	(520)	-	-	-	-	-	(520)	-
Others reserves – transaction on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-	-	-	(994)	-	-	(994)	-
Financial expenses – Undated subordinated debt	-	-	-	-	-	-	-	-	-	(203)	(203)	-
Others (including impact on change in scope) [(c) (d)]	-	-	-	-	-	-	-	-	-	(440)	(440)	(721)
Dividends	-	-	-	-	-	-	-	-	-	(3,539)	(3,539)	-
Impact of transactions with shareholders	**(69,798)**	**2.29**	**(160)**	**(1,648)**	**(520)**	**-**	**-**	**(994)**	**-**	**(4,182)**	**(7,503)**	**(721)**
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-	(26,453)	(671)	-	-	-	(27,125)	(539)
Translation reserves	-	-	-	-	-	-	-	2	1,181	-	1,184	6
Employee benefits actuarial gains and losses	-	-	-	-	-	-	-	-	-	981	981	6
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	-	-	-	-	-	-	-	-	-	6	6	0
Net consolidated income	-	-	-	-	-	-	-	-	-	6,675	6,675	180
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**	**(26,453)**	**(671)**	**2**	**1,181**	**7,663**	**(18,279)**	**(347)**
Shareholders' equity closing December 31, 2022	**2,351,771**	**2.29**	**5,386**	**20,155**	**(2,150)**	**(8,963)**	**(1,227)**	**5,632**	**(1,662)**	**28,182**	**45,353**	**3,025**

Note: Amounts are presented net of impacts of shadow accounting and its effects on policyholder participation, deferred acquisition costs, and value of business in force.

(a) Mainly undated subordinated debts (see Note 6.1.1).

(b) In 2022, it included the effect over the reporting period of applying IAS 29 standard related to hyperinflation in Turkey for €118 million of which €110 million group share (see Note 1.2.1.2).

(c) In 2022, it included the retrospective effect of applying IAS 29 standard related to hyperinflation in Turkey for €132 million of which €130 million group share (see Note 1.2.1.2) and cancellation of a receivable with regards to the dividend withholding tax paid in 2001, 2002 and 2003 for €-353 million.

(d) Including changes in ownership interest in consolidated subsidiaries.

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CONSOLIDATED FINANCIAL STATEMENTS
6.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders											
	Share Capital					Other reserves						
(in Euro million, except for number of shares and nominal value)	Number of shares *(in thousands)*	Nominal value *(in Euros)*	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Other (a)	Translation reserves	Undistributed profits and other reserves	Shareholders' Equity Group share	Minority interests
Shareholders' equity opening January 1, 2021	**2,418,389**	**2.29**	**5,538**	**21,735**	**(744)**	**22,575**	**483**	**6,411**	**(4,663)**	**20,275**	**71,610**	**4,565**
Capital	3,179	2.29	7	-	-	-	-	-	-	-	7	-
Capital in excess of nominal value	-	-	-	18	-	-	-	-	-	-	18	-
Equity – share based compensation	-	-	-	50	-	-	-	-	-	-	50	-
Treasury shares	-	-	-	-	(886)	-	-	-	-	-	(886)	-
Others reserves – transaction on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-	-	-	90	-	-	90	-
Financial expenses – Undated subordinated debt	-	-	-	-	-	-	-	-	-	(194)	(194)	-
Others (including impact on change in scope) [b]	-	-	-	-	-	-	-	(90)	-	117	27	(562)
Dividends paid	-	-	-	-	-	-	-	-	-	(3,403)	(3,403)	-
Impact of transactions with shareholders	**3,179**	**2.29**	**7**	**68**	**(886)**	**-**	**-**	**-**	**-**	**(3,480)**	**(4,291)**	**(562)**
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-	(5,084)	(1,039)	-	-	-	(6,123)	(125)
Translation reserves	-	-	-	-	-	-	-	211	1,820	-	2,032	(2)
Employee benefits actuarial gains and losses	-	-	-	-	-	-	-	-	-	615	615	4
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	-	-	-	-	-	-	-	-	-	(2)	(2)	0
Net consolidated income	-	-	-	-	-	-	-	-	-	7,294	7,294	214
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**	**(5,084)**	**(1,039)**	**211**	**1,820**	**7,906**	**3,815**	**90**
Shareholders' equity closing December 31, 2021	**2,421,569**	**2.29**	**5,545**	**21,803**	**(1,630)**	**17,491**	**(556)**	**6,623**	**(2,843)**	**24,701**	**71,135**	**4,094**

Note: Amounts are presented net of impacts of shadow accounting and its effects on policyholder participation, deferred acquisition costs, and value of business in force.
(a) Mainly undated subordinated debts (see Note 6.1.2).
(b) Including changes in ownership interest in consolidated subsidiaries without losing control.

6.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in Euro million)	December 31, 2022	December 31, 2021
Operating income including discontinued operations before tax	**8,710**	**9,196**
Net amortization expense [(a)]	(163)	870
Change in goodwill impairment and other intangible assets impairment [(b)]	-	212
Net change in deferred acquisition costs and equivalent	(696)	(806)
Net increase/(write back) in impairment on investments, tangible and other intangible assets	1,488	561
Change in fair value of investments at fair value through profit or loss	11,379	(9,703)
Net change in liabilities arising from insurance and investment contracts [(c)]	(9,506)	5,481
Net increase/(write back) in other provisions [(d)]	(263)	574
Income (net of impairment) from investment accounted for using the equity method	152	(144)
Adjustment of non cash balances included in the operating income before tax	**2,391**	**(2,955)**
Net realized investment gains and losses	(2,187)	(1,498)
Financing debt expenses	477	460
Adjustment for reclassification to investing or financing activities	**(1,710)**	**(1,038)**
Dividends recorded in profit or loss during the period	(3,320)	(3,240)
Investment income & expense recorded in profit or loss during the period [(e)]	(8,611)	(9,552)
Adjustment of transactions from accrued to cash basis	**(11,931)**	**(12,792)**
Net cash impact of deposit accounting	275	1,008
Dividends and interim dividends collected	3,734	3,732
Investment income [(e)]	11,392	12,545
Investment expense (excluding interests on financing and undated subordinated debts, margin calls and others)	(2,548)	(2,271)
Net operating cash from banking activities	(838)	(1,877)
Change in operating receivables and payables	956	4,344
Net cash provided by other assets and liabilities [(f)]	(1,585)	(1,811)
Tax expenses paid	(1,343)	(1,531)
Other operating cash impact and non cash adjustment	378	(25)
Net cash impact of transactions with cash impact not included in the operating income before tax	**10,420**	**14,114**
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	**7,881**	**6,526**
Purchase of subsidiaries and affiliated companies, net of cash acquired	(34)	24
Disposal of subsidiaries and affiliated companies, net of cash ceded	315	(1,107)
Net cash related to changes in scope of consolidation	**281**	**(1,083)**
Sales of debt instruments [(f)]	66,241	59,232
Sales of equity instruments and non consolidated investment funds [(f)] [(g)]	24,286	18,747
Sales of investment properties held directly or not [(f)]	2,590	1,988
Sales and/or repayment of loans and other assets [(f)] [(h)]	24,961	20,289
Net cash related to sales and repayments of investments [(f)] [(g)] [(h)]	**118,078**	**100,257**

(in Euro million)	December 31, 2022	December 31, 2021
Purchases of debt instruments [f]	(55,650)	(50,922)
Purchases of equity instruments and non consolidated investment funds [f] [g]	(25,697)	(22,294)
Purchases of investment properties held direct or not [f]	(3,212)	(4,179)
Purchases and/or issues of loans and other assets [g] [h]	(33,046)	(27,551)
Net cash related to purchases and issuance of investments [f] [g] [h]	**(117,605)**	**(104,946)**
Sales of tangible and intangible assets	33	6
Purchases of tangible and intangible assets	(353)	(350)
Net cash related to sales and purchases of tangible and intangible assets	**(321)**	**(344)**
Increase in collateral payable/Decrease in collateral receivable	112,336	148,634
Decrease in collateral payable/Increase in collateral receivable	(112,300)	(151,469)
Net cash impact of assets lending/borrowing collateral receivables and payables	**36**	**(2,835)**
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	**470**	**(8,951)**
Issuance of equity instruments	335	279
Repayments of equity instruments	(3,959)	(1,299)
Transactions on treasury shares	(28)	(10)
Dividends payout	(3,676)	(3,489)
Interests on undated subordinated debts paid	(290)	(265)
Acquisition/sale of interests in subsidiaries without change in control	(0)	(4)
Net cash related to transactions with shareholders	**(7,618)**	**(4,786)**
Cash provided by financial debts issuance	3,361	1,022
Cash used for financial debts repayments	(1,538)	(116)
Interests on financing debt paid [i]	(329)	(453)
Net interest margin of hedging derivatives on financing debt	-	-
NET CASH RELATED TO GROUP FINANCING	**1,494**	**454**
Other financing cash impact and non cash adjustment	**-**	**-**
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	**(6,124)**	**(4,333)**
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	**0**	**-**
CASH AND CASH EQUIVALENT AS OF JANUARY 1 [j]	**24,371**	**27,516**
Net cash provided by operating activities	7,881	6,526
Net cash provided by investing activities	470	(8,951)
Net cash provided by financing activities	(6,124)	(4,333)
Net cash provided by discontinued operations	0	-
Impact of change in consolidation method and of reclassifications as held for sale [k]	(488)	3,411
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	(430)	202
CASH AND CASH EQUIVALENT AS OF DECEMBER 31 [j]	**25,679**	**24,371**

(a) Includes premiums/discounts capitalization and relating amortization, amortization of investment and owner occupied properties (held directly).
(b) Includes impairment and amortization of intangible assets booked in the context of business combinations.
(c) Includes impact of reinsurance and change in liabilities arising from contracts where the financial risk is borne by policyholders.
(d) Mainly includes change in provisions for risks & charges, for bad debts/doubtful receivables and change in impairment of assets held for sale.
(e) Includes gains/losses from derivatives hedging variable annuities.
(f) Includes related derivatives.
(g) Includes equity instruments held directly or by consolidated investment funds as well as non consolidated investment funds.
(h) Includes sales/purchases of assets backing insurance & investment contracts where the financial risk is borne by policyholders.
(i) Includes net cash impact of interest margin relating to hedging derivatives on financing debt.
(j) Net of bank overdrafts.
(k) As of December 31, 2022, included amounts related to a closed life and pensions portfolio in Germany for which disposal process was not finalized at year-end. As of December 31, 2021, included amounts related to Malaysia and Singapore operations, a General Account portfolio in Belgium, as well as the remaining Group Life portfolio in Switzerland, for which disposal processes were not finalized at year-end.

Cash and cash equivalents are presented in Note 12.

6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Accounting principles

1.1 GENERAL INFORMATION

AXA SA, a French *Société Anonyme* (the "Company" and, together with its consolidated subsidiaries, "AXA" or the "Group"), is the holding (parent) company of an international financial services group focused on financial protection [(1)]. AXA operates both in Europe and worldwide. The list of the main entities included in the scope of AXA's Consolidated Financial Statements is provided in Note 2 of the Notes to the Consolidated Financial Statements.

AXA is listed on Euronext Paris Compartiment A.

These Consolidated Financial Statements including all Notes were set by the Board of Directors on March 14, 2023.

1.2 GENERAL ACCOUNTING PRINCIPLES

AXA's Consolidated Financial Statements are prepared as of December 31.

The Consolidated Financial Statements are prepared in compliance with IFRS and interpretations of the IFRS Interpretations Committee that are endorsed by the European Union before the balance sheet date with a compulsory date of January 1, 2022. The Group does not use the "carve out" option allowing not to apply all hedge accounting principles required by IAS 39.

1.2.1 IFRS requirements first applied on January 1, 2022

1.2.1.1 IFRS REQUIREMENTS ADOPTED ON JANUARY 1, 2022

The application of the amendments below as of January 1, 2022 had no material impact on the Group's Consolidated Financial Statements.

Amendments and interpretations	Publication date	Topic
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: Onerous contract – cost of fulfilling a contract	May 14, 2020	The amendments specify which costs an entity includes when determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.
IFRS 3 - Business Combinations: Updating a reference to the Conceptual Framework	May 14, 2020	The amendments update IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. They also introduce an exception from the requirement in IFRS 3 to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.
IAS 16 - Property, Plant and Equipment: Proceeds before intended use	May 14, 2020	The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
Annual Improvements 2018-2020 Cycle	May 14, 2020	Collection of amendments to IFRS in response to issues that are not part of a major project.

1.2.1.2 HYPERINFLATION ACCOUNTING

The Turkish economy is considered to be hyperinflationary in accordance with the criteria of IAS 29 - Financial Reporting in Hyperinflationary Economy: as of December 31, 2022, the cumulative three-year inflation rate in Turkey exceeded 100% to reach 156.2%. As a consequence, the financial statements of the Turkish consolidated subsidiaries are incorporated in the Group's Consolidated Financial Statements as of December 31, 2022 applying the hyperinflation accounting.

(1) *In 2022, AXA SA became the Group's internal reinsurer.*

IAS 29 requires the financial statements of the entities operating in hyperinflationary economies to be adjusted to reflect the changes in the general purchasing power of their functional currency. Thus, non-monetary assets and liabilities of AXA's Turkish subsidiaries which are not already expressed in terms of the measuring unit current at the period end date are restated to reflect the change in the Consumer Price Index ("CPI").

In the Group's consolidated statement of financial position as at the reporting date, the restatement effects on equity items are included in other components of comprehensive income, altogether with the translation differences, since the change in the Turkish CPI is correlated with movements in the Turkish lira/ Euro exchange rate.

The effect of inflation on monetary assets and liabilities over the reporting period is included in the reporting period's consolidated income as a loss on net monetary position. The cumulated gains and losses on net monetary position for previous periods are included within the retained earnings.

As stated in IAS 21 - The Effects of Changes in Foreign Exchange Rates, financial statements of Turkish subsidiaries, including their income statements, are translated in Euros at the closing exchange rate.

The presentation of the consolidated income statement of the reporting period is not restated as the effect of the restatement is not material. The comparative information is not restated.

1.2.2 Standards and amendments published but not yet effective

1.2.2.1 IFRS 17 - INSURANCE CONTRACTS AND IFRS 9 - FINANCIAL INSTRUMENTS

AXA will apply IFRS 17 - Insurance Contracts and IFRS 9 - Financial Instruments for the first time on January 1, 2023.

IFRS 17 - Insurance Contracts, published on May 18, 2017 and amended on June 25, 2020 and on December 9, 2021, was adopted by the European Union with an exemption regarding the annual cohort requirement (see below).

IFRS 9 - Financial Instruments was issued on July 24, 2014 and adopted by the European Union on November 22, 2016, with the published effective date on January 1, 2018. However, amendments to IFRS 4 - Insurance Contracts "Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts", published on September 12, 2016, and "Extension of the temporary exemption from applying IFRS 9", published on June 25, 2020, both endorsed by the European Union, allowed entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 before the new insurance contract standard, IFRS 17, becomes effective. The amendments provided two options:

(i) apply a temporary exemption from implementing IFRS 9 until the earlier of **(i)** the effective date of IFRS 17, or **(ii)** annual reporting periods beginning on or after January 1, 2023, following the deferral of the effective application of IFRS 17 until the same date. Additional disclosures related to financial assets were required during the deferral period. This option was only available to entities whose activities are predominantly connected with insurance and that had not applied IFRS 9 previously; or

(ii) adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before IFRS 17 is implemented. During the interim period, additional disclosures were required.

The Group, eligible for the temporary exemption option **(i)**, decided to defer the implementation of IFRS 9 until the effective date of IFRS 17, as mentioned above. Disclosures related to financial assets required during the deferral period are included in the Group's Consolidated Financial Statements.

Finally, an amendment to IFRS 17 -Initial Application of IFRS 17 and IFRS 9 - Comparative Information, issued on December 9, 2021 and endorsed by the European Union on September 8, 2022, improved requirements for the comparative information to be disclosed on initial application of IFRS 17 and IFRS 9. It permits entities that first apply both standards at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. AXA intends to restate the comparative period at the first application of IFRS 9 and apply this "classification overlay", including the impairment requirements of IFRS 9, to all eligible financial assets.

Status of the IFRS 17 and IFRS 9 implementation program

In order to adopt these two new standards in its Consolidated Financial Statements, AXA conducted a global implementation program launched in 2016. This program involved both the central functions and all the entities included in the Group's consolidation scope, covered various aspects such as methodology, modelling, information systems, accounting and reporting, risk management, internal control, etc., and required the update of existing tools or the creation of new dedicated ones.

The adoption of IFRS 17 and IFRS 9 will result in significant accounting changes, with an impact on AXA's consolidated statement of financial position and consolidated statement of income. At the date of the publication of these Consolidated Financial Statements, the Group has estimated the expected impacts at the transition date, *i.e.* as of January 1, 2022, as disclosed below.

The implementation process is currently focused on building the comparative 2022 information applying transitional requirements in both standards. Although the work is well advanced, it is not finalized as of the date of the publication of these Consolidated Financial Statements, and it is not yet practicable to reliably disclose any quantitative information on the impacts of IFRS 17 and IFRS 9 for the comparative 2022 period.

The Group might determine that current options or valuations relating to IFRS 17 and IFRS 9 could be adjusted in the course of the formal implementation of the standards in the Group's 2023 financial reporting.

Estimated impacts of adoption of IFRS 17 and IFRS 9 at the transition date (January 1, 2022)

The figures below are currently expected to be included in AXA's opening statement of financial position under IFRS 17 and IFRS 9 as of January 1, 2022. All IFRS 17 and IFRS 9 related assessments and expectations are based on AXA's analysis as of today. These assessments and expectations may be subject to further refinement before the release of the Group's interim Consolidated Financial Statements as of June 30, 2023.

SIMPLIFIED RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JANUARY 1, 2022 – ESTIMATED IMPACTS OF IFRS 17 AND IFRS 9 AT TRANSITION DATE

(In Euro billion)	December 31, 2021 (Published)	January 1, 2022 (Restated)	Impact of the restatement
Intangible assets	**40**	**22**	**(18)**
Investments from insurance activities	**601**	**600**	**(1)**
Investments from banking and other activities	**20**	**21**	**1**
Investments accounted for using the equity method	**3**	**2**	**(0)**
Derivatives assets [(a)]	**-**	**9**	**9**
Reinsurance assets	**37**	**26**	**(11)**
of which Contractual Service Margin (CSM)	*-*	*1*	*1*
of which Risk adjustment	*-*	*1*	*1*
Receivables and other assets [(b)]	**41**	**15**	**(26)**
Assets held for sale	**9**	**8**	**(0)**
Cash and cash equivalents	**25**	**25**	**0**
TOTAL ASSETS	**775**	**729**	**(47)**

(In Euro billion)	December 31, 2021 (Published)	January 1, 2022 (Restated)	Impact of the Restatement
Shareholders' equity excluding Other Comprehensive Income (OCI) on investments and technical liabilities – Group share	54	55	0
OCI on investments and technical liabilities – Group share	17	(3)	(20)
Minority interests	4	4	0
TOTAL SHAREHOLDERS' EQUITY	**75**	**55**	**(20)**
TOTAL SHAREHOLDERS' EQUITY EXCLUDING OCI	**58**	**58**	**0**
Financing debt	**11**	**12**	**0**
Technical liabilities	545	539	(6)
of which Contractual Service Margin (CSM)	*-*	*34*	*34*
of which Risk adjustment	*-*	*4*	*4*
Investment contracts – without discretionary participation features	15	15	(0)
Insurance, investment contracts and reinsurance liabilities	**560**	**554**	**(6)**
Banking liabilities	**15**	**15**	**0**
Provisions for risks and charges	**9**	**10**	**1**
Derivatives liabilities [(a)]	**-**	**11**	**11**
Payables [(b)]	**98**	**66**	**(32)**
Liabilities held for sale	**8**	**7**	**(0)**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**775**	**729**	**(47)**

(a) Derivatives, presented alongside their underlying items until December 31, 2021 are reclassified in separate assets and liabilities lines in the restated statement of financial position as of January 1, 2022.

(b) Insurance and reinsurance related receivables and payables as of December 31, 2021 are reclassified in the restated statement of financial position as of January 1, 2022 due to the cash basis presentation required by IFRS 17, leading to a decrease of technical liabilities and reinsurance assets, respectively amounting to €-16 and €-10 billion.

(In Euro billion)	December 31, 2021 (Published)	Net impact of IFRS 9	Net impact of IFRS 17	January 1, 2022 (Restated)
Shareholders' equity excluding Other Comprehensive Income (OCI) on investments and technical liabilities – Group share	54	2	(2)	55
OCI on investments and technical liabilities – Group share	17	(2)	(17)	(3)
Minority interests	4	-	-	4
TOTAL SHAREHOLDERS' EQUITY	75	-	(20)	55
TOTAL SHAREHOLDERS' EQUITY EXCLUDING OCI	58	2	(2)	58

IFRS 17 and IFRS 9 total restated shareholders' equity excluding Other Comprehensive Income ("OCI") is expected to remain broadly stable at transition (€58 billion including minority interests) compared to IFRS 4 and IAS 39.

With regard to the OCI, the scope of its application is different under IFRS 17 compared to IFRS 4:

- for Property and Casualty contracts, the impact of changes in discount rates on technical liabilities will flow through OCI, which will therefore partly match the OCI related to the investments;
- for direct participating contracts, the OCI on the technical liabilities will fully offset the OCI on the investments. In addition, a negative accounting mismatch in OCI will structurally occur as some underlying items, notably investments in real estate properties, are expected to continue to be accounted for at amortized cost, with therefore no recognition of unrealized gains and losses in shareholders' equity while these unrealized gains and losses will be included in the value of the contracts (with a corresponding negative effect in OCI).

Further details explaining these expected impacts are provided below for both IFRS 17 and IFRS 9.

IFRS 17 - Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 - Insurance Contracts. It aims at being more economic and better reflecting the underlying profitability of the business, while increasing comparability across the industry.

Scope

IFRS 17 applies to insurance contracts issued, reinsurance contracts issued (inward business), reinsurance contracts held (outward business) and investment contracts with discretionary participation features provided the entity also issues insurance contracts. It requires separating the following components from insurance contracts: **(i)** embedded derivatives, if they meet certain specified criteria, **(ii)** distinct investment components, and **(iii)** distinct performance obligations to provide non-insurance goods and services. These components should be accounted for separately in accordance with the related standards.

Contract boundaries

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends notably when the entity has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

Level of aggregation

The standard defines the level of aggregation to be used for measuring the insurance contract liabilities and the related profitability. Indeed, IFRS 17 requires to identify portfolios of insurance contracts, which comprise contracts that are subject to similar risks and are managed together. Afterwards, each portfolio of insurance contracts issued shall be divided into three groups:

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- the remaining contracts in the portfolio.

Moreover, IFRS 17 as issued by the IASB introduces the "annual cohort requirement" that prevents contracts issued more than one year apart from being included in the same group. However, the Standard as adopted by the European Union provides an optional exemption from applying this annual cohort requirement for the following contracts:

- groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features, and with cash flows that affect or are affected by cash flows to policyholders of other contracts;
- groups of insurance contracts that are managed across generations of contracts and that meet certain conditions and have been approved by supervisory authorities for the application of the matching adjustment.

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This exemption will be reviewed by the end of 2027, taking into account the outcome of the IASB's post-implementation review of IFRS 17. AXA intends to apply this exemption to eligible groups of insurance contracts.

Compared with the level at which the liability adequacy test is performed under IFRS 4, the level of aggregation under IFRS 17 is more granular and can therefore potentially result in more contracts being identified as onerous and losses on onerous contracts being recognized sooner.

The general measurement model

IFRS 17 requires applying by default the general measurement model ("Building Block Approach", or "BBA") which is based on the following "building blocks":

- the fulfilment cash flows ("FCF"), which comprise:
  - probability-weighted estimates of future cash flows;
  - an adjustment to reflect the time value of money (*i.e.* discounting) and the financial risks associated with those future cash flows; and
  - a risk adjustment for non-financial risk;
- the Contractual Service Margin ("CSM").

Risk adjustment for non-financial risk

Regarding the risk adjustment, its measurement should reflect the compensation required by AXA for bearing the uncertainty around the amount and timing of the future cash flows that arises from non-financial risk as AXA fulfils insurance contracts.

The Group considers the 62.5th-67.5th percentile range as the adequate level of prudence on underlying reserves.

The determination of the risk adjustment follows a value-at-risk type approach, reflecting a retained confidence level with reference to the risk drivers of reserves. The value-at-risk is the maximum loss within a certain confidence level. The implementation is slightly different between Life and Savings and Property and Casualty businesses. For Life and Savings business, groups of contracts are first shocked, risk factor by risk factor, up to the retained confidence level to assess the change in the present value of future cash flows. Then, diversification benefits between risks implicit to the entity's portfolio are considered by applying correlation factors between risks. For Property and Casualty liabilities for incurred claims, a direct value-at-risk calculation, reflecting the retained confidence level, is applied to the full probability distribution of the reserves. Finally, a diversification effect between entities is considered to reflect the fact that a same risk is unlikely to impact all the entities at the same time.

Discount rates

Regarding the discount rate, AXA intends to adopt a bottom-up approach. IFRS 17 requires the use of a market consistent yield curve factoring the illiquidity embedded in insurance liabilities. The methodology consists in using a Basic Risk-Free Rate ("RFR"), based on swaps for most currencies and government bonds for others, and adding on a liquidity premium ("LP") allowance to reflect the remuneration of illiquidity observed on traded assets until the Last Liquid Point ("LLP"), meaning the longest maturity for which there are enough traded bonds. An Ultimate Forward Rate ("UFR") macro-economically defined as the sum of the average of past real interest rates and central bank's target inflation is also considered. Discount rates ranging between the LLP and the UFR maturities are obtained by extrapolation.

Contractual Service Margin (CSM)

Compared to IFRS 4, the introduction of the CSM is a major change. The CSM represents the unearned profit for a group of insurance contracts, in other words the present value of future profits attributable to the shareholders. It will be recognized in the consolidated statement of income over the coverage period of the contracts, as the entity provides services to the policyholders. The CSM of a group of contracts cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately.

At the end of each subsequent reporting period the carrying amount of a group of insurance contracts is remeasured to be the sum of:

- the liability for remaining coverage ("LRC"), which comprises the FCF related to future services and the CSM of the group at that date; and
- the liability for incurred claims ("LIC"), which is measured as the FCF related to past services allocated to the group at that date.

Under the general measurement model, the CSM is adjusted at each subsequent reporting period for changes in expected future cash flows driven by changes in technical assumptions (death, morbidity, longevity, surrenders, expenses, future premiums…). However, if negative changes in future discounted cash flows are greater than the remaining CSM, the difference is immediately recognized in profit or loss as the CSM cannot be negative. Interest is also accreted on the CSM at rates locked in at initial recognition of a contract (*i.e.* discount rate used at inception to determine the present value of the estimated cash flows). Moreover, the CSM will be released into profit or loss based on coverage units, reflecting the quantity of the benefits provided and the expected coverage duration of the remaining contracts in the group. Given the variety of insurance contracts, the definition of coverage units involves the use of judgment by considering both the level of coverage defined within the contract (*e.g.* a death benefit over a fixed term, the policyholders' account value, or a combination of guarantees) and the expected coverage duration of the contract.

This general measurement model is expected to apply for AXA long term Protection and Health business as well as for few General Account savings contracts with no direct participation features and for assumed long term reinsurance.

The Premium Allocation Approach

A simplified Premium Allocation Approach ("PAA") is permitted for the measurement of the liability for remaining coverage if it provides a measurement that is not materially different from the general measurement model or if the coverage period is one year or less. With the PAA, the liability for remaining coverage corresponds to premiums received at initial recognition less acquisition costs and amounts already recognized as insurance revenue at the closing date. However, the general measurement model remains applicable for the measurement of incurred claims. For the PAA, changes relative to IFRS 4 are expected to be limited and mainly linked to the discount of all reserves, a more granular onerous contract testing based on facts and circumstances and the inclusion of a risk adjustment for non-financial risk.

The PAA is expected to be used for most of the AXA Property and Casualty business and, to a lesser extent, for some short-term Protection businesses.

The Variable Fee Approach

The Variable Fee Approach ("VFA") is the mandatory model for measuring contracts with direct participation features (also referred to as "direct participating contracts"). A contract has a direct participation feature if it meets all three requirements below:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

This assessment of whether the contract meets the criteria above is made at inception of the contract and not revised subsequently, except in case of substantial modification of the contract.

The VFA is expected to apply for a large part of the AXA Life and Savings businesses (both General Account and Unit-linked contracts), as well as for long term Protection and Health businesses which include participating features.

For these contracts, the general model described above is adapted as follows: the CSM needs to be adjusted **(i)** for changes in the variable fee (company's share in the change in fair value of underlying items that corresponds to the revenue of the insurer), **(ii)** for the time value of money, and **(iii)** for the effect of changes in financial risks not arising from underlying items (such as options and guarantees). In order to allow an appropriate release pattern of the CSM, consistent with the definition of the investment-related service, real-world expected development of the CSM and coverage units (the policyholders' account value) need to be considered when determining the CSM release factor.

As a result of applying IFRS 17, the shareholders' share in the unrealized capital gains and losses on underlying items related to VFA contracts will be recognized in CSM instead of equity under the current accounting framework.

Therefore, shadow accounting (*i.e.* recognition of policyholders participation in unrealized capital gains and losses as allowed by IFRS 4 for insurance and investment contracts with discretionary participating features) will no longer apply under IFRS 17.

For some groups of VFA contracts, the Group also intends to apply the "risk mitigation" accounting option that allows to reduce or remove any accounting mismatch arising from the mitigation of financial risks impacting the CSM by using **(i)** derivatives, **(ii)** financial assets measured at fair value through profit and loss and held within shareholders' fund or **(iii)** reinsurance contracts. Under this option, it is allowed (on a prospective basis from the transition date to IFRS 17) not to adjust the CSM but instead affect the profit or loss for the changes in the fulfilment cash flows and the entity's share in the fair value return on the underlying items that the hedging instruments are intended to mitigate.

Presentation

Under IFRS 17, in terms of presentation, the amounts recognized in the statements of financial performance have to be disaggregated into:

- an insurance service result, comprising insurance revenue (corresponding to the insurance service provided over the period, which will be more comparable with the revenue of other industries) and insurance service expenses (*i.e.* incurred claims and other incurred insurance service expenses); and
- a net finance income or expenses from insurance and reinsurance contracts, which mostly relates to non-direct participating business and shareholders' funds, with the expectation that AXA will generally apply the option to disaggregate insurance financial income or expense between the statement of profit or loss and the other comprehensive income in order to limit the volatility in net income (considering that many of the supporting financial assets will be measured at fair value through other comprehensive income under IFRS 9). Under this option, for non-participating contracts, the difference between the valuation of the liabilities at locked-in rates (used for the unwind in the insurance finance income or expenses) and their valuation at current rates is recognised in OCI. In the same way, when changes in liabilities arise from a contractual link (indexation) between inflation and the payments to policyholders, the changes due to inflation that relate to future services should also be considered as resulting

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from a financial risk and therefore recognized through OCI with a release through profit or loss over the duration of the payments to the policyholders.

A minimal part of the expenses (up to 10%) will not be attributable to IFRS 17 contracts and therefore will not be projected in the FCF and will be charged to the profit or loss as incurred.

Under IFRS 17, compared to IFRS 4, insurance revenues will not anymore reflect the premiums underwritten during the period since they will:

- exclude any investment component that is the main bulk of the premiums in Life and Savings and Protection and Health businesses; and
- reflect the portion of the premiums earned during the period, *i.e.* the release of the FCF (the expected cash flows of the period plus the related release of risk adjustment) as well as the CSM release (corresponding to the portion of the profits acquired during the period).

In respect of the presentation of consolidated statement of financial position, the other changes compared to IFRS 4 relate notably to the following:

- intangible assets will decrease as a result of the removal of deferred acquisition costs ("DAC") for €18 billion and the value of purchased business in-force (VBI) for €1 billion as of January 1, 2022; these assets represent a part of future profits under IFRS 4 that are implicitly embedded within the CSM under IFRS 17;
- insurance and reinsurance related receivables and payables will no longer be presented separately from technical liabilities and reinsurance assets, leading to a reduction of total assets and liabilities;
- policy loans, presented within the investments under IAS 39, will be reclassified within insurance liabilities (see below *Estimated impacts of IFRS 9 on financial assets as of January 1, 2022*);
- portfolios of contracts that have asset balances and those that have liability balances will be presented separately on each side of the consolidated statement of financial position.

Transition methods

For the transition from IFRS 4 to IFRS 17, the standard has to be applied retrospectively using the Full Retrospective Approach ("FRA") unless impracticable, in which case two options are possible:

- either the modified retrospective approach ("MRA"): based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications of requirements are applied to the extent their full retrospective application is not possible, but still with the objective to achieve the closest outcome to retrospective application possible; or
- the fair value approach ("FVA"): the CSM is determined as the positive difference between the fair value of liabilities determined in accordance with IFRS 13 - Fair Value Measurement [1] (corresponding to the price that would be required by an external party to transfer the liabilities) and the fulfilment cash flows (any negative difference would be recognized in retained earnings at the transition date). This approach consists in repricing the contracts in the light of actuarial and financial parameters observed at the transition date.

The Group intends to apply the FRA mainly to the liabilities for remaining coverage of contracts measured with the PAA and the liabilities for incurred claims occurred since 2016.

For other groups of contracts, different factors (such as the impossibility of running models since the inception of the contracts, the lack of historical data…) are expected to make the application of the FRA unpracticable. For these groups of contracts, AXA therefore expects to apply the MRA or the FVA. In particular:

- for long-term Life and Savings contracts, the MRA is expected to be the approach the most broadly used, the FVA being applied only on a more limited basis; and
- for LIC occurred before 2016 related to non-participating contracts, in the absence of reasonable and supportable information (under IFRS 4, claims reserves are generally not discounted and determining the correct locked-in discount yield curves is not possible without hindsight for periods before the adoption of Solvency 2), the FVA will be applied with the option taken to set the OCI to zero on transition (*i.e.* discounting the liabilities with the transition yield curve instead of an historical accident year yield curve).

IFRS 9 - Financial instruments

IFRS 9 - Financial instruments replaces IAS 39 and provides accounting requirements related to the classification and measurement of financial instruments.

Changes in accounting policies resulting from the adoption of IFRS 9 will be applied retrospectively, excluding the changes in hedge accounting that, with some exceptions (see below), may only be applied prospectively from January 1, 2023.

Classification and measurement of financial assets

IFRS 9 uses a single approach to determine the measurement category for financial assets based on the business model in which those financial assets are held and on the characteristics of their contractual cash flows:

- a financial asset is measured at amortized cost if both **(i)** the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and **(ii)** the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI");

(1) Excluding paragraph 47 of IFRS 13 relating to demand features as required by IFRS17.C20.

- if both **(i)** the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and for sale, and **(ii)** the contractual terms of cash flows are SPPI, the financial asset is measured at fair value through other comprehensive income ("FVOCI") and realized gains or losses would be recycled through profit or loss upon sale. Most of AXA's investments in debt instruments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- assets not fitting either of these categories are measured at fair value through profit or loss ("FVTPL").

In addition, IFRS 9 provides the following classification options designed to eliminate or significantly reduce accounting mismatches that would otherwise arise if the general classification approach were applied:

- an entity can designate at FVTPL a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI if doing so eliminates or significantly reduces an accounting mismatch in profit or loss;
- for equity instruments that are not held for trading, an entity can make an irrevocable election to present in OCI (instead of profit or loss) subsequent changes in the fair value of those instruments (including realized gains and losses), dividends being recognized in profit or loss.

Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses ("ECL"), as opposed to incurred credit losses under IAS 39. Under the IFRS 9 impairment approach, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses.

ECL is defined at each financial reporting date based on the key inputs which are the probability of the default, the magnitude of the potential credit loss (after any potential recovery) and the exposure to the risk of default.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. IFRS 9 distinguishes between lifetime ECL calculated for financial instruments for which there have been significant increases in credit risk since initial recognition, and 12-month ECL recognized for financial instruments for which the credit risk has not increased significantly since initial recognition. It is assumed that the credit risk has not increased significantly since initial recognition if the financial instrument has low credit risk at the reporting date, and 12-month ECL is recognized for those financial instruments. In addition, a particular impairment approach, quite similar to that existing under IAS 39, is applied to instruments for which the credit event has already occurred. Previously recognized ECL allowances are reversed when the corresponding credit risk improves.

As a part of its IFRS 9 implementation process, AXA created a new impairment model including a credit risk assessment that combines quantitative and qualitative approaches, ECL calculation tools, dedicated accounting and specific governance.

The new impairment model will apply to debt instruments and receivables held by the Group and measured at amortized cost or at FVOCI.

Estimated impacts of IFRS 9 on financial assets as of January 1, 2022

Most of the Group's financial assets are measured at fair value both before and after transition to IFRS 9, and most of the debt instruments accounted for at FVOCI under IAS 39 are expected to continue to be accounted for at FVOCI under IFRS 9. The new classification and measurement (including impairment) requirements are however expected to result in the following changes in the financial assets held by AXA as of January 1, 2022:

- for equity securities, as IAS 39 FVOCI with recycling of realized gains and losses in profit or loss is no longer permitted under IFRS 9, AXA expects to apply the optional designation at FVOCI without recycling for most of equity securities held, which represents an estimated investment amount of €22 billion (of which €7 billion of unrealized gains cumulated in OCI), in order to avoid a significant new volatility in net income resulting from this asset class, compared to the current IAS 39 accounting. As a consequence of this reclassification from FVOCI with recycling to FVOCI without recycling, the cumulated amount of IAS 39 impairment allowances (€-2 billion) is also expected to be transferred from retained earnings to OCI without recycling, with no impact on the Group's total consolidated shareholders' equity. As a result, the OCI balance without recycling is estimated to be €5 billion;
- some debt instruments and non consolidated funds, for a total of €13 billion, are expected to be reclassified from FVOCI to FVTPL with unrealized gains of €2 billion transferred from OCI to retained earnings, either because those instruments do not meet the SPPI criteria or because the optional designation at FVTPL is applied;

- some loans, accounted for at amortized cost under IAS 39, for a total of €5 billion, are expected to be designated at FVTPL under IFRS 9 applying the fair value option in order to eliminate or significantly reduce accounting mismatches in profit or loss, with a limited impact on retained earnings;
- loans granted to policyholders, for a total of €2 billion, accounted for as investments at amortized cost under IAS 39, will be reclassified as a part of fulfilment cash flows of insurance contracts within the scope of IFRS 17;
- AXA estimates that the application of new IFRS 9 impairment requirements on FVOCI debt instruments will result in limited additional impairment allowances (impact expected to be less than €0.1 billion).

Classification and measurement of financial liabilities

IFRS 9 requirements for financial liabilities remain largely unchanged compared to IAS 39, except for the changes in fair value of financial liabilities that are optionally designated at fair value through profit or loss.

Under IAS 39, the entire amount of those changes is recorded in profit or loss, whereas IFRS 9 requires an entity to recognize the portion thereof attributable to changes in the credit risk of that liability in other comprehensive income, unless this treatment would create or enlarge an accounting mismatch in profit or loss.

AXA has applied this requirement since 2017, when the Group decided to early adopt the corresponding amendment to IFRS 9.

Hedge accounting

IFRS 9 establishes a more principle-based approach for the general hedge accounting model and aligns hedge accounting more closely with the risk management.

In particular, IFRS 9 introduces the possibility to apply prospectively from January 1, 2023 the hedge accounting for fair value hedges of equity instruments designated at fair value through OCI, that implies to record in OCI, without recycling into profit or loss, the changes in fair value of both the hedged equity instrument and the derivative.

In addition, IFRS 9 provides new accounting mechanism, applicable retrospectively from January 1, 2023, designed to reduce the volatility in profit or loss and referred to as “cost of hedging approach”, for the situations where only a part of a derivative is designated as the hedging instrument (for example, the intrinsic value of a purchased option or changes in the spot element of a forward contract).

When first applying IFRS 9, an entity may make an accounting policy choice to continue applying the hedge accounting requirements in IAS 39, instead of those in IFRS 9. AXA intends to apply IFRS 9 requirements for all hedges with the exception of portfolio fair value hedges of interest rate risk (commonly referred to as “fair value macro hedges”). For the latter, AXA will continue applying the hedge accounting requirements currently in IAS 39 as allowed by the IASB that is addressing macro hedge accounting as a separate project.

Most Group’s hedge accounting relationships documented under IAS 39 will be considered as continuing hedge relationships under IFRS 9 with the exception of those implying derivative instruments which are part of underlying items of insurance or investment contracts with direct participating features within the scope of IFRS 17, as no accounting mismatch exists in this case. The IAS 39 hedge relationships implying those derivatives will therefore be discontinued.

Change in the presentation of derivative instruments

Under the current presentation, AXA discloses derivative instruments, in its consolidated statement of financial position, alongside their underlying assets or liabilities. Thus, for each line of assets or liabilities concerned, a net economic position is currently presented.

Together with the first application of IFRS 9, AXA has decided to present its derivative instruments in separate lines of its consolidated statement of financial position, as either an asset or a liability depending upon the fair value position at the reporting date, with no offsetting. In the Group’s consolidated statement of financial position as of January 1, 2022, the derivative assets and liabilities lines are expected to represent respectively €9 billion and €11 billion, the net balance of €-2 billion mostly resulting from derivatives previously classified within the investments.

1.2.2.2 OTHER AMENDMENTS AND INTERPRETATIONS

The following amendments and interpretation are not expected to have a material impact on the Group's Consolidated Financial Statements:

Amendments and interpretations	Publication date	Effective for annual periods beginning on or after	Topic
IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	May 7, 2021	January 1, 2023 (a)	The amendments narrow the scope of the exemption from the recognition of deferred tax liabilities and assets in IAS 12 so that this exception no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	February 12, 2021	January 1, 2023	The amendments to IAS 1 require entities to disclose their "material accounting policy information" rather than their "significant accounting policies". IFRS Practice Statement 2 Making Materiality Judgements is modified accordingly to support these amendments.
IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	February 12, 2021	January 1, 2023	The amendments introduce a definition of 'accounting estimates' and other changes to help entities distinguish changes in accounting policies from changes in accounting estimates.
IAS 1 - Presentation of Financial Statements: - Classification of Liabilities as Current or Non-current - Classification of Liabilities as Current or Non-current - Deferral of Effective Date - Non-current Liabilities with Covenants	January 23, 2020, July 15, 2020, October 31, 2022	January 1, 2024 (b)	The amendments clarify requirements in IAS 1 for the presentation of liabilities in the statement of financial position and improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.
IFRS 16 - Leases: Lease Liability in a Sale and Leaseback	September 22, 2022	January 1, 2024 (a) (b)	The amendments introduce specific subsequent measurement requirements for sale and leaseback transactions.

(a) With earlier application being permitted (subject to conditions in some cases) but not elected by the Group.
(b) Not yet endorsed by the European Union.

1.2.3 Preparation of financial statements

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. It requires a degree of judgment in the application of the Group accounting principles described below. The main balance sheet captions concerned are goodwill (in particular impairment tests described in paragraph 1.7.1), intangible assets acquired in a business combination, the value of acquired business in force, deferred acquisition costs and equivalent, certain assets accounted at fair value, deferred tax assets, liabilities relating to the insurance business, pension benefit obligations and balances related to share-based compensation. The principles set out below specify the measurement methods used for these items. These methods, along with key assumptions where required, are discussed in greater depth in the notes relating to the asset and liability items concerned where meaningful and useful.

As recommended by IAS 1, assets and liabilities are generally classified globally on the balance sheet in increasing order of liquidity, which is more relevant for financial institutions than a classification between current and non-current items. As a standard practice for insurance companies, expenses are classified by destination in the income statement.

All amounts in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and in the Notes are expressed in Euro million.

1.3 CONSOLIDATION

1.3.1 Scope and basis of consolidation

Companies in which AXA exercises control are subsidiaries. They are fully consolidated from the date on which control is transferred to AXA. Under IFRS 10, AXA controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Only substantive rights (*i.e.* the holder must have the practicability to exercise them) and rights that are not protective shall be considered. AXA can have power with less than a majority of the voting rights of an investee, in particular through:

- the proportion of ownership with regards to the other investors;
- potential voting rights;
- a contractual arrangement between the investor and other vote holders;
- rights arising from other contractual arrangements; or
- a combination of these indicators.

Under IFRS 11, companies over which AXA exercises a joint controlling influence alongside one or more third parties are joint ventures and are accounted for under the equity method.

Companies in which AXA exercises significant influence are accounted for under the equity method. Under IAS 28, significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights. Significant influence can also be exercised through an agreement with other shareholders.

Under the equity method, AXA's share of equity investments' post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in reserves is stated under "Other reserves".

Investment funds and real estate companies are either fully consolidated or accounted for under the equity method, depending on which conditions of IFRS 10/IFRS 11/IAS 28 listed above they satisfy. Fees received by asset managers are also taken into account in the assessment of the exposure to variability of returns. For fully consolidated investment funds, minority interests are recognized at fair value and shown as liabilities in the balance sheet if the companies' instruments can be redeemed at any time by the holder at fair value. Investment funds accounted by equity method are shown under the balance sheet caption "Financial investments".

Some companies in which AXA exercises control, a joint controlling influence or a significant influence are excluded from the scope of consolidation as they are not material with respect to the Group's Consolidated Financial Statements. These are mainly investment funds.

1.3.2 Business combinations and subsequent changes in the Group ownership interest

In accordance with the option made available by IFRS 1 First-time adoption of IFRS, business combinations prior to 2004 were not restated with respect to French accounting principles in force at the time.

VALUATION OF ASSETS ACQUIRED AND LIABILITIES ASSUMED OF NEWLY ACQUIRED SUBSIDIARIES AND CONTINGENT LIABILITIES

Upon first consolidation, all assets, liabilities and contingent liabilities (unless they are not present obligations) of the acquired company are estimated at their fair value. However, in compliance with an exemption permitted by IFRS 4, liabilities related to life insurance contracts or investment contracts with discretionary participating features are maintained at the carrying value prior to the acquisition date to the extent that this measurement basis is consistent with AXA's accounting principles. The fair value of acquired business in force relating to life insurance contracts and investment contracts with discretionary participating features is recognized as an asset corresponding to the present value of estimated future profits emerging on acquired business in force at the date of acquisition (also referred to as value of acquired business in force or VBI and reflecting the difference between the fair value and the carrying value of the liabilities). The present value of future profits takes into consideration the cost of capital and is estimated using actuarial assumptions based on projections made at purchase date but also using a discount rate that includes a risk premium.

Investment contracts with no discretionary participating features do not benefit from the exemption permitted by IFRS 4 such as described above, under which the fair value of acquired liabilities is booked through the recognition of an asset corresponding to the value of acquired business in force. Liabilities relating to investment contracts with no discretionary participating features are measured directly at fair value. In accordance with IAS 39, the fair value of these contracts cannot be less than surrender value when they contain a demand feature.

Other identifiable intangible assets such as the value of customer relationships should be recognized. The value of customer relationships intangible represents the value of future cash flows expected from renewals and the cross-selling of new products to customers known and identified at the time of the acquisition. These projections include assumptions regarding claims, expenses and financial revenues, or they can be estimated on the basis of the New Business Value. In line with accounting practices in force before the adoption of IFRS, which may continue to be applied under IFRS 4, future premiums relating to acquired business may be recognized in the "Value of acquired business in force" item.

To the extent that these other intangible assets can be estimated separately, they can also be measured by looking at the purchased marketing resources that will allow to generate these future cash flows. The nature of the intangible assets recognized is consistent with the valuation methods used when purchasing the acquired entity.

In the context of a business combination, only restructuring costs that can be measured reliably and which correspond to an existing liability of the acquired company prior to the acquisition date are included in restructuring provisions recognized in the acquired company's balance sheet at acquisition date.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group.

Purchase consideration includes any contingent element (adjustment in the acquisition price conditional upon on one or more events). In the estimate of the contingent element, attention is paid to use assumptions that are consistent with the assumptions used for the valuation of intangible assets such as VBI. For business combinations that occurred before January 1, 2009, any contingent element was included in the cost of the combination to the extent the adjustment was probable and could be measured reliably. If the future events do not occur or the estimate needs to be revised, the cost of the business combination continues to be adjusted accordingly, taking account of the impact in terms of additional goodwill and/or adjustments of the valuation of acquired assets and liabilities. For business combinations on or after January 1, 2009, any change to the estimate of the contingent element between the acquisition date and the amount actually subsequently paid is recognized in the income statement.

Direct transaction costs related to a business combination are charged in the income statement when incurred.

In step acquisitions, any previous minority interest held by the Group is measured at fair value and the resulting adjustment is recognized through net income. Similarly, when an additional purchase changes the control from significant influence or joint control to control, any investment pre-existing in a former associate/joint venture is re-measured to its fair value with the gain or loss through net income (consequently also resulting in a new goodwill).

According to a decision taken for each acquisition, any minority interest may be measured at fair value or at its proportionate interest in the acquiree's identifiable net assets.

GOODWILL

Goodwill is measured as the excess of **(i)** the aggregate of the consideration transferred, the amount of any minority interest in the acquiree and in a business combination achieved in stages, the acquisition-date fair value of the Group's previously held equity interest in the acquiree over **(ii)** the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising from the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

If the cost of acquisition is less than the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, the difference is directly recorded in the consolidated statement of income.

Adjustments can be made to goodwill within twelve months of the acquisition date, if new information becomes available to complete the initial accounting. In this case, comparative information is presented as if the initial accounting had been completed from the acquisition date.

If, after the period of twelve months, a deferred tax asset, initially considered as not recoverable, finally meets the recognition criteria, the corresponding tax benefit is recorded in the consolidated statement of income without a corresponding adjustment in goodwill.

Goodwill is allocated to cash generating units corresponding to **(i)** the companies acquired or portfolios of business acquired according to their expected profitability, and **(ii)** the entities already within the AXA Group that will benefit from the synergies of the combination with the activities acquired. This allocation of goodwill is used both for segment reporting and for impairment testing.

PURCHASE AND SALE OF MINORITY INTERESTS IN A CONTROLLED SUBSIDIARY

Purchase and sale transactions of minority interests in a controlled subsidiary that do not change the conclusion of control are recorded through shareholders' equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

PUT OVER MINORITY INTERESTS

When control over a subsidiary is acquired, a put option may be granted to minority shareholders. However, the recognition of the puttable instruments as a liability depends on the contractual obligations.

When the contract involves an unconditional commitment exercisable by the option holder, it is recognized as a liability. Since the balancing entry to this liability is not specified by current IFRS, the Group's method is to **(i)** reclassify minority interests from equity to liability, **(ii)** re-measure this liability at the present value of the option price, and **(iii)** recognize the difference either as an increase in goodwill for puts existing before January 1, 2009, or as a decrease in equity (Group share) for a put granted after January 1, 2009, to the extent there is no immediate transfer of risks and rewards. Similarly, subsequent changes in the liability are recorded against goodwill for puts existing before January 1, 2009, and against equity (Group share) for puts granted after that date.

INTRA-GROUP TRANSACTIONS

Intra-group transactions, including internal dividends, payables/receivables and gains/losses on intra-group transactions are eliminated:

- in full for controlled subsidiaries; and
- to the extent of AXA's interest for entities consolidated by equity method.

The effect on net income of transactions between consolidated entities is always eliminated. However, in case of a loss, an impairment test is performed, in order to assess whether an impairment of the underlying item has to be booked.

In the event of an internal sale of an asset that is not intended to be held on the long term by the Group, deferred tax is recognized as the current tax calculated on the realized gain or loss is eliminated. The income statement impact of the potential policyholders' participation resulting from this transaction is also eliminated, and a deferred policyholders' participation asset or liability is posted to the statement of financial position.

In addition, the transfer of consolidated shares, between two consolidated subsidiaries but held with different ownership percentages, should not impact the Group net income. The only exception would be any related tax and policyholders' participation recorded in connection to the transaction, which are maintained in the Consolidated Financial Statements. These transfers also have an impact on Group shareholders' equity (with a balancing entry recorded in minority interests). This impact is identified in the "other" changes of the consolidated statement of shareholders' equity.

1.4 FOREIGN CURRENCY TRANSLATION OF FINANCIAL STATEMENTS AND TRANSACTIONS

The Consolidated Financial Statements are presented in Euro million, the Euro being the Group's presentational currency.

The results and financial position of all Group entities that have a functional currency (*i.e.* the currency of the primary economic environment in which the entity operates) different from the Group presentational currency are translated as follows:

- assets and liabilities of entities in a functional currency different from Euro are translated at the closing exchange rate;
- revenues and expenses are translated at the average exchange rate over the period, except for revenues and expenses of the entities operating in hyperinflationary economies which are translated in Euros at the closing exchange rate as explained in paragraph 1.2.1.2;
- all resulting foreign exchange differences are recognized as a separate component of equity (translation differences).

At the local entity level, foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied as explained in paragraph 1.10.

As mentioned in paragraph 1.3.2, goodwill arising on the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

Foreign exchange differences arising from the translation of a net investment in a foreign subsidiary, borrowings and other currency instruments qualifying for hedge accounting of such investment are recorded in shareholders' equity under translation differences and are recycled in the income statement as part of the realized gain or loss on disposal of the hedged net investment.

Foreign exchange differences arising from monetary financial investments available for sale are recognized as income or expense for the period in respect of the portion corresponding to amortized cost. The residual translation differences relating to fair value changes are recorded in shareholders' equity, like for non-monetary items such as equity securities.

Regarding the cumulative amount of the exchange differences related to disposed business, the Group applies the step-by-step consolidation method (IFRIC 16).

1.5 FAIR VALUE MEASUREMENT

The Group applies the IFRS 13 fair value hierarchy as described below for all assets and liabilities where another IFRS requires or permits fair value measurement or disclosures about fair value measurement in the Notes. Principles below address mostly assets given the nature of the activities of the Group.

1.5.1 Active market: quoted price

Fair values of assets and liabilities traded on active markets are determined using quoted market prices when available. An instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis between a willing seller and a willing buyer. For financial instruments traded in active markets, quotes received from external pricing services represent consensus prices, *i.e.* using similar models and inputs resulting in a very limited dispersion.

The fair value amounts of assets and liabilities for which fair value is determined in whole directly by reference to an active market are disclosed as level 1 in the Notes to the financial statements.

1.5.2 Active *versus* inactive markets – financial instruments

Financial instruments are considered as being quoted in an active market when:

- quotes that represent consensus are regularly provided by external pricing services with limited dispersion; and
- prices are readily available.

Liquidity may be defined as the possibility to sell or dispose of the asset in the ordinary course of business within a certain limited time period at approximately the price at which the investment is valued. Liquidity for debt instruments is assessed using a multi-criteria approach including the number of quotes available, the place of issuance and the evolution of the widening of bid ask spreads.

A financial instrument is regarded as not quoted in an active market:

- if there is little observation of transaction prices as an inherent characteristic of the instrument;
- when there is a significant decline in the volume and level of trading activity;
- in case of significant illiquidity;
- if observable prices cannot be considered as representing fair value because of dislocated market conditions.

Characteristics of inactive markets can therefore be very different in nature, inherent to the instrument or indicative of a change in the conditions prevailing in certain markets.

1.5.3 Assets and liabilities not quoted in an active market

Fair values of assets and liabilities that are not traded in an active market are estimated using:

- external and independent pricing services; or
- valuation techniques.

Fair values of assets and liabilities that are not traded in active market mainly based on observable market data are disclosed as level 2 in the Notes to the Consolidated Financial Statements.

Fair values mainly not based on observable market data are disclosed as level 3 in the Notes to the Consolidated Financial Statements.

- No active market: use of external pricing services

External pricing services may be fund asset managers in the case of non-consolidated investments in funds or brokers. To the extent possible, the Group collects quotes from external pricing providers as inputs to measure fair value. Prices received may form tight clusters or dispersed quotes which may then lead to the use of valuation techniques. The dispersion of quotes received may be an indication of the large range of assumptions used by external pricing providers given the limited number of transactions to be observed or reflect the existence of distress transactions. In addition, given current market conditions since the financial crisis and the persistency of complete inactivity of some markets since then, many financial institutions closed their desks dedicated to structured assets deals and are no longer in a position to deliver meaningful quotes.

- No active market: use of valuation techniques

The objective of valuation techniques is to arrive at the price at which an orderly transaction would take place between market participants (a willing buyer and a willing seller) at the measurement date. Valuation techniques include:

  - market approach: the consideration of recent prices and other relevant information generated by market transactions involving substantially similar assets or liabilities,
  - income approach: use of discounted cash flow analysis, option pricing models, and other present value techniques to convert future amounts to a single current (*i.e.* discounted) amount,
  - cost approach: the consideration of amounts that would currently be required to construct or replace the service capacity of an asset.

Valuation techniques are subjective in nature and significant judgment is involved in establishing fair values. They include recent arm's length transactions between knowledgeable willing parties on similar assets if available and representative of fair value and involve various assumptions regarding the underlying price, yield curve, correlations, volatility, default rates and other factors. Unlisted equity instruments valuation is based on cross checks using different methodologies such as discounted cash flows techniques, price earning ratios multiples, adjusted net asset values, taking into account recent transactions on instruments which are substantially the same if concluded at arm's length between knowledgeable willing parties, if any. The use of valuation techniques and assumptions could produce different estimates of fair value. However, valuations are determined using generally accepted models (discounted cash flows, Black & Scholes models, etc.) based on quoted market prices for similar instruments or underlyings (index, credit spread, etc.) whenever such directly observable data are available and valuations are adjusted for liquidity and credit risk.

Valuation techniques may be used when there is little observation of transaction prices as an inherent characteristic of the market, when quotes made available by external pricing providers are too dispersed or when market conditions are so dislocated that observed data cannot be used or need significant adjustments. Internal mark to model valuations are therefore normal market practices for certain assets and liabilities inherently scarcely traded or exceptional processes implemented due to specific market conditions.

- Use of valuation techniques in dislocated markets

The dislocation of certain markets may be evidenced by various factors. For example, a very large widening of bid ask spreads may be a helpful indicator in understanding whether market participants are willing to transact. The dislocation of markets may also be suspected in cases of wide dispersion in the prices (over time or among market participants), small number of transactions, closing down of primary and/or secondary markets, forced transactions motivated by needs of liquidity or other difficult financial conditions with insufficient time to market the assets to be sold, and large bulk sales to exit such markets at all costs that may involve side arrangements (such as sellers providing finance for a sale to a buyer). In such cases, the Group uses valuation techniques including observable data whenever possible and relevant, adjusted if needed to develop the best estimate of fair value, including adequate risk premiums or develops a valuation model based on unobservable data representing estimates of assumptions that willing market participants would use when prices are not current, relevant or available without undue costs and efforts: in inactive markets, transactions may be inputs when measuring fair value, but would likely not be determinative and unobservable data may be more appropriate than observable inputs.

1.6 SEGMENT REPORTING

The segmental analysis provided in AXA's Annual Report and Consolidated Financial Statements reflects six operating business segments. These segments are determined on the basis of geographies or transversally for entities operating in various jurisdictions, and include France, Europe, Asia, AXA XL, International and Transversal & Central Holdings.

1.7 INTANGIBLE ASSETS

1.7.1 Goodwill and impairment of goodwill

Goodwill is considered to have an indefinite useful life and is therefore not amortized but subject to a regular test for impairment. Impairment tests are performed at least annually. Impairment of goodwill is not reversible.

AXA performs an impairment test of goodwill by cash generating unit, using valuation approaches that rely on parameters such as market indicators, market value of assets, market value of liabilities and future operating profits, derived on the basis of operational and economic assumptions in order to determine any significant adverse changes that might lead to the non-recoverability of the goodwill. Compliant with IAS 36, within each cash generating unit, a comparison is made between net book value and the recoverable value (equal to the higher of fair value less costs to sell and value in use). Value in use consists of the net assets and the value placed on expected future earnings from existing and new business. For Life & Savings segment, the value of future expected earnings is estimated on the basis of embedded value models or similar calculations for other activities. Fair value less costs to sell is determined in compliance with IFRS 13 fair value as described in paragraph 1.5.

An impairment loss is recognized for a cash generating unit if, and only if, the recoverable amount of the unit or group of units is less than the carrying amount of the unit or group of units.

Fair value approach is based on risk neutral valuation techniques taking into account:

- the current shareholders' net asset value plus the future profitability of the business in force:
  - the current shareholders' net asset value is adjusted to take into account any difference between the basis of cash flows projections used in the value of business in force calculations and IFRS,
  - the profitability of business in force is determined using the embedded value methodology, which is an industry-wide and specific valuation approach, consistent with the principle of discounted earnings, as the value of business in force is represented by the discounted value of future earnings from the in-force portfolios. The Group uses however both market consistent risk neutral approaches, aligned with fair-value calculations, and traditional discounted cash flows projections;
- the profitability of future new business:
  - the value of future new business is computed either on the basis of multiples of a standardized year of new business contribution (present value of projected future distributable profits generated from business written in a year) or on a projection of each of the expected annual future earnings when multiples are not appropriate. The determination of the future earnings arising from the new business relies upon the use of operational and economic assumptions, both of which are compliant with the requirements of the different regulatory frameworks.

The recoverable value of the Life & Savings segment is first assessed on a risk free basis (basic test) and then on the basis of illustrative investment assumptions suitable for a traditional embedded value approach if the recoverable value determined for the basic test is lower than the carrying amount.

The value in use approach is built upon cash flow projections based on the business plans approved by AXA management and discounted using a risk adjusted rate. Cash flows beyond that period are extrapolated using a steady growth rate and a terminal value.

1.7.2 Value of purchased Life insurance business in force (VBI)

The value of purchased insurance contracts and investment contracts with discretionary participating features recognized in a business combination (see paragraph 1.3.2) is amortized as profits emerge over the life of the contracts' portfolio. In conjunction with the liability adequacy test (see paragraph 1.14.2),VBI is subject to annual recoverability testing based on actual experience and expected changes in the main assumptions.

1.7.3 Deferred Acquisition Costs (DAC) relating to insurance contracts and investment contracts with discretionary participating features – rights to future management fees, also known as Deferred Origination Costs (DOC) relating to investment contracts with no discretionary participating features

The incremental direct costs of acquiring a portfolio of insurance contracts and investment contracts with discretionary participating features, primarily related to the selling, underwriting and initiating the insurance contracts in a portfolio, are deferred by recognizing an asset, Deferred Acquisition Costs (DAC). In Property & Casualty segment, DAC are amortized over the terms of the policies, as premium is earned. For Life & Savings segment, the asset is amortized based on the estimated gross profits emerging over the life of the contracts. This asset is tested for recoverability and any amount above future estimated gross profits is expensed. DAC are also tested through the liability adequacy test (see paragraph 1.15.2).

For investment contracts with no discretionary participating features, a similar asset is recognized, *i.e.* rights to future management fees, also known as Deferred Origination Costs (DOC) (see Note 7) but limited to incremental costs directly attributable to the provision of investment management services. This asset is amortized by taking into account projections of fees collected over the life of the contracts. The amortization of DOC is reviewed at each closing date to reflect changes in assumptions and experience. This asset is also tested for recoverability.

DAC and DOC are reported gross of unearned revenues and fees reserves. These unearned revenues and fees reserves are separately recognized as liabilities and are amortized over the contract term using the same amortization approach as the one used for DAC and DOC.

1.7.4 Unearned Revenues Reserves

Revenues received at contract inception to cover future services are deferred and recognized in the income statement using the same amortization pattern as the one used for deferred acquisition costs.

1.7.5 Other Intangible Assets

Other intangible assets include software developed for internal use for which direct costs are capitalized and amortized on a straight-line basis over the assets' estimated useful lives.

They also include customer relationships intangibles as well as distribution agreements recognized as a result of business combinations. If these assets have a finite useful life, they are amortized on a straight-line basis over their estimated life. In all cases, they are subject to impairment tests, at each closing for assets with a finite useful life and at least annually for other assets. In the event of a significant decline in value, an impairment is booked corresponding to the difference between the value on the balance sheet and the higher of value in use and fair value less costs to sell.

1.8 INVESTMENTS FROM INSURANCE, BANKING AND OTHER ACTIVITIES

Investments include investment in real estate properties and financial instruments including equity instruments, debt instruments and loans.

1.8.1 Investment in real estate properties

Investment in real estate properties (excluding investment in real estate properties totally or partially backing liabilities arising from contracts where the financial risk is borne by policyholders) is recognized at cost. The properties components are depreciated over their estimated useful lives, also considering their residual value if it may be reliably estimated.

In case of unrealized loss over 15%, an impairment is recognized for the difference between the net book value of the investment property and the fair value of the asset based on an independent valuation. Furthermore, at the level of each reporting entity, if the cumulated amount of unrealized losses under 15% (without offsetting with unrealized gains) represents more than 10% of the cumulated net cost of real estate assets, additional impairment is booked on a line-by-line approach until the 10% threshold is reached.

If, in subsequent periods, the appraisal value rises to at least 15% more than the net carrying value, previously recorded impairment is reversed to the extent of the difference between **(i)** the net carrying value and **(ii)** the lower of the appraisal value and the depreciated cost (before impairment).

Investment in real estate properties that totally or partially backs liabilities arising from contracts where the financial risk is borne by policyholders is recognized at fair value with changes in fair value through profit or loss.

1.8.2 Financial instruments classification

Depending on the intention and ability to hold the invested assets, financial instruments are classified in the following categories:

- assets held to maturity, accounted for at amortized cost;
- assets held for trading and assets designated as at fair value with change in fair value through profit or loss;
- available for sale assets accounted for at fair value with changes in fair value recognized through shareholders' equity;
- loans and receivables (including some debt instruments not quoted in an active market) accounted for at amortized cost.

At inception, the option to designate financial investments and liabilities at fair value with change in fair value recognized through income statement is mainly used by the Group for the following financial instruments:

- financial investments when electing the fair value option allows the Group to solve accounting mismatch, and in particular:
  - assets backing liabilities arising from contracts where the financial risk is borne by policyholders,
  - assets included in hedging strategies set out by the Group for economic reasons but not eligible for hedge accounting as defined by IAS 39,
  - debt held by structured bond (primarily Collateralized Debt Obligations) funds controlled and consolidated by the Group;
- portfolios of managed financial investments whose profitability is valued on a fair value basis: mainly securities held by consolidated investment funds, managed according to the Group Risk Management policy ("Satellite Investment Portfolio", see definition below).

In practice, assets held through consolidated investment funds are classified:

- either as assets of the "Core Investment Portfolios" which include assets backing liabilities arising from insurance and investment contracts, managed according to AXA's Assets and Liabilities strategy; or
- as assets of the "Satellite Investment Portfolios", reflecting the strategic asset allocation based on a dynamic asset management aimed at maximizing returns.

Underlying financial instruments held in the "Core Investment Portfolios" are classified as available for sale with change in fair value through shareholders' equity unless involved in a qualifying hedge relationship or more broadly when electing the fair value option reduces accounting mismatch. As specified above, the financial instruments held in the "Satellite Investment Portfolios" are accounted for at fair value with changes in fair value recognized through income statement.

Assets designated as available for sale, trading assets, investments designated as at fair value through profit or loss and all derivatives are measured at fair value, *i.e.* the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The Group applies the IFRS 13 fair value hierarchy.

Loans which are not designated under the fair value option are accounted at amortized cost using the effective interest rate method.

IMPAIRMENT OF FINANCIAL INSTRUMENTS

AXA assesses at each balance sheet date whether a financial asset or a group of financial investments at (amortized) cost or designated as available for sale should be impaired. A financial asset or group of financial investments should be impaired when there is objective evidence of impairment as a result of one or more events and this event has an impact on the estimated future cash flows of the assets that can be reliably estimated.

For debt instruments classified as "held to maturity" or "available for sale", an impairment based respectively on future cash flows discounted using the initial effective interest rate or on fair value is recorded through the income statement if future cash flows may not be fully recoverable due to a credit event relating to the instrument issuer. A downgrade of an entity's credit rating is not, of itself, evidence of impairment. If the credit risk is eliminated or improves, the impairment may be reversed. The amount of the reversal is also recognized in the income statement.

For equity instruments classified as available for sale, a significant or prolonged decline in the fair value below its carrying value is considered as indication for potential impairment, such as equity instruments showing unrealized losses over a 6 months period or more (prior to the closing date), or unrealized losses in excess of 20% of the net carrying value at the closing date. If such evidence exists for an available for sale financial asset, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment on that financial asset already booked in the income statement – is removed from shareholders' equity and an impairment is recognized through the income statement. Equity instruments impairment recognized in the income statement cannot be reversed through the income statement until the asset is sold or derecognized.

Impairment testing for loans available for sale is based on the present value of expected future cash flows, discounted at the loan's effective interest rate (down to the loan's observable market price), or on the fair value of the collateral.

For financial investments accounted for at amortized cost, including loans and assets classified as "held to maturity" or assets designated as "Loans and receivables", the impairment test is first performed at the asset level. A more global test is then performed on groups of assets with similar risk profile.

Methods for calculating the net book value of assets sold (average cost, first-in first-out, etc.) depend on local Assets and Liabilities Management (ALM) strategies as these strategies have been set up to take into account specific commitments to policyholders. These methods may differ within the Group provided that they are used consistently at each entity level.

1.8.3 Repurchase agreements and securities lending

The Group is party to repurchase agreements and securities lending transactions under which financial assets are sold to a counterparty, subject to a simultaneous agreement to repurchase these financial assets at a certain later date, at an agreed price. Since substantially all of the risks and rewards of the financial assets remain with the Group over the entire lifetime of the transaction, the Group does not derecognize the financial assets. The proceeds of the sale are reported separately. Interest expense from repurchase and security lending transactions is accrued over the duration of the agreements.

Additionally, the Group is party to total return swaps under which financial assets are sold to a counterparty with a corresponding agreement. Cash flows equal to those of the underlying assets will be remitted to the Group in exchange for specified payments taking into account any increase or decline in the fair value of the assets. This results in substantially all of the risks and rewards of the financial assets remaining with the Group. As such, the Group does not derecognize the financial assets.

The Group is also party to reverse repurchase agreements under which financial assets are purchased from a counterparty, subject to a simultaneous agreement to return these financial assets at a certain later date, at an agreed price. If substantially all of the risks and rewards of the securities remain with the counterparty over the entire lifetime of the agreement of the transaction, the securities concerned are not recognized as financial assets of the Group. The amounts of cash disbursed are recorded under financial investments, except for transactions arising from banking activities, which are recorded as separate assets. Interest income on reverse repurchase agreements is accrued over the duration of the agreements.

1.9 ASSETS BACKING LIABILITIES ARISING FROM CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

Assets backing liabilities arising from insurance or investment contracts where the financial risk is borne by policyholders are presented in a separate aggregate of the balance sheet so that they are shown in a symmetrical manner to the corresponding liabilities. This presentation is considered more relevant for the users and consistent with the liquidity order recommended by IAS 1 for financial institutions, since the risks are borne by policyholders, whatever the type of assets backing liabilities (investment in real estate properties, debt instruments or equity instruments, etc.). Details of these assets are provided in the Notes.

1.10 DERIVATIVE INSTRUMENTS

Derivatives are initially recognized at fair value at purchase date and are subsequently re-measured at their fair value. Unrealized gains and losses are recognized in the statement of income unless they relate to a qualifying hedge relationship as described below. The Group designates certain derivatives as either: **(i)** hedging of the fair value of recognized assets or liabilities or of a firm commitment (fair value hedge), or **(ii)** hedging of highly probable expected future transactions (cash flow hedge), or **(iii)** hedging of net investments in foreign operations.

The Group documents, at inception, the hedge relationship, as well as its Risk Management hedging objectives and strategy. The Group also documents the hedge effectiveness, both at inception and on an ongoing basis, indicating the actual or expected efficiency level of the derivatives used in hedging transactions in offsetting changes in the fair values or cash flows of hedged underlying items.

FAIR VALUE HEDGE

Changes in the fair value of derivatives designated and qualifying as fair value hedge are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability. Therefore, the gain or loss relating to any ineffective portion is directly recognized in the income statement.

CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized in shareholders' equity. The gain or loss relating to any ineffective portion is recognized in the income statement. Cumulative gain or loss in shareholders' equity is recycled in the income statement when the hedged underlying item impacts the profit or loss for the period (for example when the hedged future transaction is recognized). When a hedging instrument reaches its maturity date or is sold, or when a hedge no longer qualifies for hedge accounting, the cumulative gains or losses in shareholders' equity are released in profit or loss when the initially hedged future transaction ultimately impacts the income statement.

NET INVESTMENT HEDGE

The accounting of net investments in foreign operations hedge is similar to the accounting of cash flow hedge. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in shareholders' equity; the gain or loss relating to the ineffective portion is recognized in the income statement. Cumulative gains and losses in shareholders' equity impact the income statement only on disposal of the foreign operations.

DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING

Changes in the fair value of all other derivative instruments that do not qualify for hedge accounting are recognized in the income statement. Given IAS 39 constraints, only a few hedges are eligible to hedge accounting provisions described above. However, most of the derivatives used by the Group are purchased with a view to hedge or for example to use such instruments as an alternative to gain exposure to certain asset classes through "synthetic positions". See Note 20.

The Group holds financial investments that also include embedded derivatives. Such embedded derivatives are separately recorded and measured at fair value through profit or loss if the impact is deemed material.

For the statement of financial position, derivatives are presented alongside the underlying assets or liabilities for which they are used, regardless of whether these derivatives meet the criteria for hedge accounting.

The purpose and condition of the use of derivatives within the Group are detailed in Note 20.

IBOR REFORM

Starting from January 1, 2019, AXA applies the amendments to IAS 39 and IFRS 7 – Temporary exceptions from applying specific hedge accounting requirements, related to **Phase 1 of the IBOR reform**, issued in September 2019 and endorsed by the European Union on January 15, 2020. These amendments provide temporary reliefs from applying specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform and introduce corresponding disclosure requirements. The reliefs enable the concerned hedge relationships to continue despite the uncertainties with respect to the cash flows of both the hedged item and the hedging instrument arising from the transition from old interest rate benchmarks to new ones.

The amendments apply to the Group's hedging relationships directly impacted by the IBOR reform qualified as fair value hedges and cash flow hedges. Derivative instruments involved in aforementioned hedges are interest rate derivatives and foreign exchange derivatives like interest rate swaps, forward interest rate swaps, bond and foreign exchange forwards and cross currency swaps. Nominal amounts of derivative instruments affected by the IBOR reform and involved in an IAS 39 hedge accounting relationship are presented in Note 20.2.

The reliefs provided by the Phase 1 amendments cease when there is no longer uncertainty with respect to the cash flows of both the hedged item and the hedging instrument. Thus, the Group still apply the Phase 1 amendments as of December 31, 2022 to hedge relationships for which that uncertainty is not removed yet with the effective cessation of the old interest rate benchmarks.

Starting from January 1, 2021, AXA applies the amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16 related to **Phase 2 of the IBOR reform**, issued in August 2020 and endorsed by the European Union in January 2021. These amendments provide a practical expedient for the situations where changes are made to contractual cash flows of financial assets and liabilities or leases, as a result of the transition from an IBOR benchmark rate to alternative benchmark rates, in the context of the ongoing risk-free rate reform. This practical expedient enables entities not to derecognise or adjust the carrying amounts of those assets and liabilities that are subject to a change with recognition of a corresponding modification gain or loss in profit or loss. In addition, the amendments provide several exceptions to the hedge accounting requirements so that entities will be able to update the designation of the hedging relationship in response to the replacement of the original benchmark rate and to continue with the hedging relationships after transition to the alternative benchmark rate.

The application of the amendments has no material impact on the Group's Consolidated Financial Statements and is not expected to have any material impact in the future.

In 2019, AXA initiated a group-wide project to actively manage the transition to new benchmark rates. The scoping phase took place in 2020 during which remediation guidelines were established. The implementation phase was launched in the first half of 2021. As of December 31, 2022, nearly all of in-scope contracts referencing discontinued indices have been repapered by the largest entities in the Group in line with those remediation guidelines. AXA continues to remediate in-scope contracts referencing USD LIBOR settings that have not yet been discontinued.

1.11 ASSETS/LIABILITIES HELD FOR SALE AND ASSETS/LIABILITIES INCLUDING DISCONTINUED OPERATIONS

These comprise assets, particularly buildings or operations, intended to be sold or discontinued within twelve months. Subsidiaries held for sale remain within the scope of consolidation until the date on which the Group loses effective control. The assets and activities (assets and liabilities) concerned are measured at the lower of net carrying value and fair value net of selling costs. They are presented in separate asset and liability items on the balance sheet. The liabilities of subsidiaries (excluding shareholders' equity) held for sale are entered separately on the liability side of the consolidated balance sheet, with no netting against assets.

In the event of a discontinuation of operations representing either a business line, a main and distinct geographical region or a subsidiary acquired solely with a view to reselling, their after-tax contribution is stated on a separate line of the income statement. For comparison purposes, the same applies to the presentation of income statements relating to previous periods that are included in the financial statements. This separate line also includes the post-tax gain/loss recognized on the disposal of the discontinued operation at the date of loss of control.

1.12 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits while cash equivalents are short-term, liquid investments that are readily convertible to cash and which are subject to low volatility.

1.13 SHARE CAPITAL AND SHAREHOLDERS' EQUITY

1.13.1 Share capital

Ordinary shares are classified in shareholders' equity when there is no obligation to transfer cash or other assets to the holders.

Additional costs (net of tax) directly attributable to the issue of equity instruments are shown in shareholders' equity as a deduction to the proceeds.

1.13.2 Undated subordinated debt

Undated subordinated debt and any related interest charges are classified either in shareholders' equity (in the "other reserves" aggregate) or as liabilities depending on contract clauses without taking into consideration the prospect of redemption under economic constraints (*e.g.* step up clauses or shareholders' expectations).

1.13.3 Compound financial instruments

Any financial instrument issued by the Group with an equity component (for example certain options granted to convert the debt instrument into an equity instrument of the Company) and a liability component (a contractual obligation to deliver cash) is classified separately on the liability side of the balance sheet with the equity component reported in Group shareholders' equity (in the "other reserves" aggregate) and the liability component reported in financing debt. Gains and losses relating to redemptions or refinancing of the equity component are recognized as changes to shareholders' equity.

1.13.4 Treasury shares

Treasury shares and any directly related costs are recorded as a deduction to consolidated shareholders' equity. Where treasury shares are subsequently sold or reissued, any consideration received is included in consolidated shareholders' equity, net of any directly related costs and tax effects.

However, treasury shares held by controlled investment funds backing contracts where the financial risk is borne by policyholders are not deducted as all risks and income resulting from holding these shares are attributable to policyholders.

1.13.5 Preferred shares

Preferred shares issued by the Group are recorded as equity when there is no contractual obligation to redeem and there is no contractual obligation to deliver cash or other financial asset.

1.14 LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

1.14.1 Contracts classification

The Group issues contracts that transfer an insurance risk or a financial risk or both.

Insurance contracts, including assumed reinsurance contracts, are contracts that carry significant insurance risks. Such contracts may also transfer financial risk from the policyholders to the insurer. Investment contracts are contracts that carry financial risk with no significant insurance risk.

A number of insurance and investment contracts contain discretionary participating features. These features entitle the contract holder to receive additional benefits or bonuses on top of these standard benefits:

- they are likely to represent a significant portion of the overall contractual benefits;
- their amount or timing is contractually at the discretion of the Group; and
- they are contractually based on the performance of a group of contracts, the investment returns of a financial asset portfolio or the Company profits, a fund or another entity that issues the contract.

In some insurance or investment contracts, the financial risk is borne by policyholders. Such contracts are usually Unit-Linked contracts.

The Group classifies its insurance and investment contracts into six categories:

- liabilities arising from insurance contracts;
- liabilities arising from insurance contracts where the financial risk is borne by policyholders;
- liabilities arising from investment contracts with discretionary participating features;
- liabilities arising from investment contracts with no discretionary participating features;
- liabilities arising from investment contracts with discretionary participating features where the financial risk is borne by policyholders; these relate to Unit-Linked contracts or multi-funds contracts containing a non-Unit-Linked fund with discretionary participating features; and
- liabilities arising from investment contracts with no discretionary participating features where the financial risk is borne by policyholders.

1.14.2 Insurance contracts and investment contracts with discretionary participating features

Except where IAS 39 applies, according to IFRS 4, recognition and derecognition are based on the AXA accounting policies existing prior to IFRS and are described below, except for the elimination of equalization provisions, selective changes as permitted by IFRS 4 (see below) and the extension of shadow accounting.

The main characteristics of the accounting principles applied prior to IFRS and retained after the conversion to IFRS are as follows:

- reserves must be sufficient;
- life reserves cannot be discounted using a discount rate higher than prudently estimated expected assets yield;
- acquisition costs are deferred to the extent recoverable and amortized based on the estimated gross profits emerging over the life of the contracts;
- Property & Casualty claims reserves represent estimated ultimate costs. Post claims reserves are generally not discounted, except in limited cases (a detail of discounted reserves is shown in Note 14.10).

PRE-CLAIMS RESERVES

Unearned premiums reserves of non-life insurance contracts represent the *prorata* portion of written premiums that relates to unexpired risks at the closing date.

For traditional life insurance contracts (that is, contracts with significant mortality or morbidity risk), the future policy benefits reserves are calculated on a prospective basis according to each country's regulation provided methods used are consistent with the Group's policies and using assumptions on investment yields, morbidity/mortality and expenses.

Changes in reserves are booked if there are impacts caused by a change in the mortality table.

Future policy benefits reserves relating to investment contracts with discretionary participation features (previously called "savings contracts" in AXA's accounting principles) that carry low mortality and morbidity risk are generally calculated using a prospective approach based on discount rates usually set at inception with reserves similar to the retrospective approach (*i.e.* "account balance" methodology).

The discount rates used by AXA are less than or equal to the expected future investment yields (assessed on prudent basis).

Part of the policyholders participation reserve is included in future policy benefits reserves, according to contractual clauses. Except when these guarantees are covered by a Risk Management program using derivative instruments (see next paragraph), guaranteed minimum benefits reserves relating to contracts where the financial risk is borne by policyholders (insurance contracts because they include such guarantees or investment contracts with discretionary participating features), are built over the life of the contract based on a prospective approach: the present value of future benefit obligations to be paid to policyholders in relation to these guarantees is estimated on the basis of reasonable scenarios. These scenarios are based on assumptions including investment returns, volatility, surrender and mortality rates. This present value of future benefit obligations is reserved as fees are collected over the life of the contracts.

Some guaranteed benefits such as Guaranteed Minimum Death or Income Benefits (GMDB or GMIB), or certain guarantees on return proposed by reinsurance treaties, are covered by a Risk Management program using derivative instruments. In order to minimize the accounting mismatch between liabilities and hedging derivatives, AXA has chosen to use the option allowed under IFRS 4.24 to re-measure its provisions: this revaluation is carried out at each account closing based on guarantee level projections and considers interest rates and other market assumptions. The liabilities revaluation impact in the current period is recognized through income, symmetrically with the impact of the change in value of hedging derivatives. This change in accounting principles was adopted on the first time application of IFRS on January 1, 2004, for contract portfolios covered by the Risk Management program at that date. Any additional contract portfolios covered by the Risk Management program after this date are valued on the same terms as those that applied on the date the program was first applied.

POST CLAIMS RESERVES

Claims reserves (life and non-life contracts)

The purpose of claims reserves is to cover the ultimate cost of settling an insurance claim. Claims reserves are generally not discounted, except in cases such as disability annuities.

Claims reserves include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claims handling costs. Claims reserves are based on historical claims data, current trends, actual payment patterns for all insurance business lines as well as expected changes in inflation, regulatory environment or anything else that could impact amounts to be paid.

Shadow accounting and Deferred policyholders Participation Asset (DPA) or Liability (DPL)

In compliance with the option in IFRS 4, shadow accounting is applied to insurance and investment contracts with discretionary participating features. Shadow accounting includes adjustments to technical liabilities, policyholders participation, other obligations, deferred acquisition costs and value of business in force to take into account unrealized gains or losses on insurance liabilities or assets in the same way as it is done for a realized gain or loss of invested assets.

For example, for contracts with discretionary participating features, shadow accounting consists in recognizing policyholders participation in unrealized capital gains and losses. Thus, when an unrealized gain is recognized, a deferred participating liability (DPL) is recorded. In case of an unrealized loss, a deferred participating asset (DPA) should be recognized only in the extent that its recoverability as defined below is highly probable. Deferred participating liabilities and assets are calculated using an appropriate long-term participation rate based on a contractual, regulatory and constructive obligation to allocate a percentage of gains/losses to policyholders. Jurisdictions where participating business is significant are Switzerland (for group insurance policies), Germany and France where the minimum is set to 90%, 90% and 85% respectively, of a basis which may include not only financial income but also other components. Participating business is less prevalent in Japan.

DPL is fully recognized in the liabilities. As a consequence, there is no component recognized as an equity component and AXA does not need to ensure the liability recognized for the whole contract is not less than the amount that would result from applying IAS 39 to the guaranteed element.

When a net unrealized loss (unrealized change in fair value, impairment, expense related…) is accounted, a deferred participating asset (DPA) may be recognized only to the extent that it is highly probable that it can be charged to policyholders, by entity, in the future. This could be the case if the DPA can be offset against future participation either directly through deduction of the DPL from future capital gains or the DPL netted against value of businesses in force or indirectly through deduction of future fees on premiums or margins.

Unrealized gains and losses on assets classified as trading or designated at fair value through profit and loss, along with any other entry impacting the income statement and generating a timing difference, are accounted for through the income statement with a corresponding shadow entry adjustment also in the statement of income. The shadow accounting adjustments relating to unrealized gains and losses on assets available for sale (for which change in fair value is taken to shareholders' equity) are booked through shareholders' equity.

Recoverability tests and liability adequacy test (LAT)

Deferred participation

When a net deferred participation asset is recognized, the Group uses liquidity analyses performed by the entities to assess the capacity to hold assets showing unrealized loss position, if any, generating such debits. The Group then performs projections to compare the value of assets backing policyholders' contracts with expected payments to be made to policyholders.

Liability adequacy test

In addition, at each balance sheet date, liability adequacy tests are performed in each consolidated entity in order to ensure the adequacy of the contract liabilities net of related DAC and VBI assets and deferred policyholders' participation asset. To perform these tests, entities group contracts together according to how they have been acquired, are serviced and have their profitability measured. Entities use current best estimates of all future contractual cash flows as well as claims handling and administrative expenses, and take into account guarantees and investment yields relating to assets backing these contracts:

- such tests are based on the intention and capacity of entities to hold financial assets according to various sets of scenarios, excluding the value of new business;
- they include projections of future investments sales according to estimated surrender patterns; and
- they determine the extent to which resulting gains/losses may be allocated/charged to policyholders, *i.e.* profit sharing between policyholders and shareholders.

These tests therefore measure the capacity to charge estimated future losses to policyholders on the basis of the assessment of the holding horizon and potential realization of losses among unrealized losses existing at closing date.

Contract specific risks directly related to the contracts (insurance risk, asset return risk, inflation risk, persistency, adverse selection, etc.) are also considered.

Depending on the type of business, the future investment cash flows and discounting may be based on a deterministic best estimate rate, with corresponding participation, or in the case of Guaranteed Minimum Benefits, stochastic scenarios. Testing is performed either by a comparison of the reserve booked net of related assets (DAC, VBI, etc.) directly with discounted cash flows, or by ensuring that the discounted profit net of participation from release of the technical provisions exceeds net related assets.

Any identified deficiency is charged to the income statement, initially by respectively writing off DPA, DAC or VBI, and subsequently by establishing a LAT provision for losses arising from the liability adequacy test for any amount in excess of DPA, DAC and VBI. For non-life insurance contracts, an unexpired risk provision is recognized for contracts on which the premiums are expected to be insufficient to cover expected future claims and claims expenses.

Embedded derivatives in insurance and investment contracts with discretionary participating features

Embedded derivatives that meet the definition of an insurance contract or correspond to options to surrender insurance contracts for a set amount (or based on a fixed amount and an interest rate) are not separately measured. All other embedded derivatives are bifurcated and booked at fair value when material (with change in fair value recognized through income statement) if they are not considered as closely related to the host insurance contract and/or do not meet the definition of an insurance contract.

Embedded derivatives meeting the definition of an insurance contract are described in Note 14.10.

1.14.3 Investment contracts with no discretionary participating features

In accordance with IAS 39, these contracts are accounted for using "deposit accounting", which mainly results in not recognizing the cash flows corresponding to premiums, benefits and claims in the statement of income (see "Revenue recognition" paragraph below). These cash flows shall rather be recognized as deposits and withdrawals.

This category includes mainly Unit-Linked contracts that do not meet the definition of insurance or investment contracts with discretionary participating features. For these Unit-Linked contracts, the liabilities are valued at current unit value, *i.e.* on the basis of the fair value of the financial investments backing those contracts at the balance sheet date together with rights to future management fees, also known as Deferred Origination Costs (DOC, described in paragraph 1.7.3).

UNEARNED FEES RESERVES

Fees received at inception of an investment contract with no discretionary participating features to cover future services are recognized as liabilities and accounted in the income statement based on the same amortization pattern as the one used for deferred origination costs.

1.15 REINSURANCE

The Group assumes and cedes reinsurance in the normal course of business. Assumed reinsurance refers to the Group's acceptance of certain insurance risks that other companies have underwritten. Ceded reinsurance refers to the transfer of insurance risk, along with the related premiums, to other reinsurers who will assume the risks. Indeed, in the normal course of business, the Group seeks to reduce the potential amount of loss arising from claims events by reinsuring certain levels of risk assumed in various areas of exposure with other insurers or reinsurers.

When these contracts meet the insurance contracts classification requirements, transactions relating to reinsurance are accounted for in the balance sheet and income statement in a similar way to direct business transactions in agreement with contractual clauses. Reinsurance premiums ceded are expensed (and any commissions recorded thereon are earned) on a monthly *pro-rata* basis over the period the reinsurance coverage is provided. Ceded unearned reinsurance premiums represent the portion of premiums ceded applicable to the unexpired term of policies in force. Reinstatement premiums ceded are recognized at the time a loss event occurs where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms and are fully expensed when recognized. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy. Provisions are made for estimated unrecoverable reinsurance.

If a reinsurance asset is impaired, the Group reduces the carrying amount accordingly and recognizes that impairment loss in the income statement. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance assets, that the Group may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

If the Group determines that reinsurance contracts do not meet the insurance contracts definition and/or principally transfers financial risk, the agreement is recorded using the deposit method of accounting. Deposits received are included in payables and deposits made are included within receivables. As amounts are paid or received, consistent with the underlying contracts, the deposit assets or liabilities are adjusted as appropriate.

1.16 FINANCING DEBT

Financing debt issued to finance the solvency requirements of operational entities or to acquire a portfolio of contracts is isolated in a specific aggregate of the statement of financial position and is accounted for at amortized cost.

1.17 OTHER LIABILITIES

1.17.1 Income taxes

The current income tax expense (benefit) is recorded in the income statement on the basis of local tax regulations.

Deferred tax assets and liabilities emerge from temporary differences between the accounting and fiscal values of assets and liabilities, and when applicable from tax loss carry forwards. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset the temporary differences taking into account the existence of tax groups and any legal or regulatory requirements on the limits (in terms of amounts or timing) relating to the carry forwards of unused tax credits. The recoverability of deferred tax assets recognized in previous periods is re-assessed at each closing.

In particular, a deferred tax liability is recognized for any taxable temporary difference relating to the value of shares in a consolidated company held, unless the Group controls at what date the temporary difference will reverse and it is probable that the temporary difference will not reverse in the foreseeable future. If a Group company decides to sell its stake in another consolidated entity, the difference between the carrying value and the tax value of these shares for the company that holds them leads to the recognition of deferred tax (including as part of a business combination when the Group as the buyer intends to sell or carry out internal restructuring of the shares following the acquisition). The same approach applies to dividend payments that have been voted or deemed likely, to the extent that a tax on dividends will be due.

Deferred taxes for taxable temporary differences relating to tax deductible goodwill are recognized to the extent they do not arise from the initial recognition of goodwill. These deferred taxes are only released if the goodwill is impaired or if the corresponding consolidated shares are sold.

The measurement of deferred tax liabilities and deferred tax assets reflects the expected tax impact, at the balance sheet date. That would follow the way the Group expects to recover or settle the carrying amount of its assets and liabilities. When income taxes are calculated at a different rate if dividends are paid, deferred taxes are measured at the tax rate applicable to undistributed profits. The income tax consequences of dividends are only accounted when a liability to pay the dividend is recognized.

1.17.2 Pensions and other post-retirement benefits

Pensions and other post-retirement benefits include the benefits payable to AXA Group employees after they retire (retirement compensation, additional pension benefit, health insurance). In order to meet those obligations, some regulatory frameworks have allowed or enforced the set up of dedicated funds (plan assets).

Defined contribution plans: payments are made by the employer to a third party (*e.g.* pension trusts). These payments free the employer of any further commitment, and the obligation to pay acquired benefits to the employees is transferred. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be recorded once contributions are made.

Defined benefit plans: an actuarial assessment of the commitments based on each plan's internal rules is performed. The present value of the future benefits paid by the employer, known as the DBO (Defined Benefit Obligation), is calculated annually on the basis of long-term projections of rate of salary increase, inflation rate, mortality, staff turnover, pension indexation and remaining service lifetime. The amount recorded in the balance sheet for defined benefit plans is the difference between the present value of the Defined Benefit Obligation and the market value at the balance sheet date of the corresponding invested plan assets after adjustment for any minimum funding requirement or any asset ceiling effect. If the net result is positive, a provision is recorded under the provision for risks and charges heading. If the net result is negative, a prepaid pension asset is recorded in the balance sheet but not more than its recoverable amount (asset ceiling). Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in shareholders' equity (in Other Comprehensive Income) in full in the period in which they occur. Similarly, the actual return on assets and any change in asset ceiling, excluding the net interest income on assets, is recognized in shareholders' equity. The regular impact in the income statement mainly relates to the current service cost (annually accruing employee benefit) and the net interest on the amount recorded in the opening balance sheet (unwinding of discount applied to the net liability/asset at start of the annual period, taking into account contributions and benefits payments during the period). Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment to a defined benefit plan. It is recognized totally and immediately in the income statement when incurred. Gains and losses on the settlement of a defined benefit plan also have an impact in the income statement when the settlement occurs.

It should be noted that, all cumulative past actuarial gains and losses on all employee benefit plans were recognized in retained earnings as of January 1, 2004, AXA Group's transition date.

1.17.3 Share-based compensation plans

The Group's share-based compensation plans are predominantly settled in equities.

All equity-settled share-based compensation plans are accounted for at fair value at the date they were granted and the fair value is expensed over the vesting period.

Cash-settled share-based compensation plans are recognized at fair value, which is remeasured at each balance sheet date with any change in fair value recognized in the statement of income.

The AXA Shareplan issued under a specific French regulatory framework includes a traditional and a leveraged formula (with an application subject to specific local regulations within the Group).

1.18 PROVISIONS FOR RISKS, CHARGES AND CONTINGENT LIABILITIES

1.18.1 Restructuring costs

Restructuring provisions other than those that may be recognized on the balance sheet of an acquired company on the acquisition date are recorded when the Group has a present obligation evidenced by a binding sale agreement or a detailed formal plan whose main features are announced to those affected or to their representatives.

1.18.2 Other provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when the provision can be reliably estimated. Provisions are not recognized for future operating losses. The same applies to contingent liabilities, except if identified at the time of a business combination (see paragraph 1.3.2).

Provisions are measured at management's best estimate, at the balance sheet date, of the expenditure required to settle the obligation, discounted at the market risk-free rate of return for long term provisions.

1.19 REVENUE RECOGNITION

1.19.1 Gross written premiums

Gross written premiums correspond to the amount of premiums written by insurance and reinsurance companies on business incepted in the year with respect to both insurance contracts and investment contracts with discretionary participating features, net of cancellations and gross of reinsurance ceded. For reinsurance, premiums are recorded on the basis of declarations made by the ceding company, and may include estimates of gross written premiums. Any subsequent differences arising on such estimates are recorded in the period they are determined. For multi-year reinsurance treaties which are payable in annual installments, generally, only the initial annual installment is included as premiums written at policy inception due to the ability of the reinsured to commute or cancel coverage during the term of the policy. The remaining annual installments are included as premiums written at each successive anniversary date within the multi-year term.

Reinstatement premiums are recognized at the time a loss event occurs where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms and are fully earned when recognized.

Retroactive loss portfolio transfer contracts are evaluated to determine whether they meet the established criteria for reinsurance accounting, and, if so, at inception, written premiums are fully earned and corresponding losses and loss expense recognized. The contracts can cause significant variances in gross premiums written, net premiums written, net premiums earned, and net incurred losses in the years in which they are written.

1.19.2 Fees and revenues from investment contracts with no discretionary participating features

Amounts collected as premiums from investment contracts with no discretionary participating features are reported as deposits net of any loadings and policy fees. Revenues from these contracts consist of loadings and policy fees relating to underwriting, investment management, administration and surrender of the contracts during the period. Front-end fees collected corresponding to fees for future services are recognized over the estimated life of the contract (see "Unearned fees reserves" paragraph 1.14.3).

1.19.3 Deposit accounting

Investment contracts with no discretionary participating features fall within the scope of IAS 39. Deposit accounting applies to these contracts, which involves the following:

- the Group directly recognizes the consideration received (apart from potential fees) as a deposit financial liability rather than as revenues;
- claims paid are recognized as withdrawals with no posting in the income statement apart from potential fees.

1.19.4 Unbundling

The Group unbundles the deposit component of contracts when required by IFRS 4, *i.e.* when both the following conditions are met:

- the Group can measure separately the "deposit" component (including any embedded surrender option, *i.e.* without taking into account the "insurance" component);
- the Group accounting methods do not otherwise require the recognition of all obligations and rights arising from the "deposit" component.

No such situation currently exists within the Group. In accordance with IFRS 4, the Group continues to use the accounting principles previously applied by AXA to insurance contracts and investment contracts with discretionary participating features. According to these principles, all rights and obligations related to contracts are recognized.

1.19.5 Change in unearned premiums reserves net of unearned revenues and fees

Changes in unearned premium reserves net of unearned revenues and fees include both the change in the unearned premiums reserve reported as a liability (see "Unearned premiums reserves" in paragraph 1.14.2) and the change in unearned revenues and fees. Unearned revenues and fees correspond to upfront charges for future services recognized over the estimated life of insurance and investment contracts with discretionary participating features (see "Unearned revenues reserves" in paragraph 1.14.2) and investment contracts with no discretionary participating features (see paragraph 1.14.3 "Unearned fees reserves").

1.19.6 Net revenues from banking activities

Net revenues from banking activities comprise all revenues and expenses from banking operations, including interest expenses not related to financing, banking fees, capital gains and losses on sales of financial assets, changes in the fair value of assets under the fair value option and related derivatives.

They exclude bank operating expenses and change in bad debt provisions, doubtful receivables or loans, which are recorded in "Bank operating expenses".

1.19.7 Revenues from other activities

Revenues from other activities mainly include:

- commissions received and fees for services relating to Asset Management activities;
- insurance companies revenues from non-insurance activities, notably commissions received on the sales or distribution of financial products; and
- rental income received by real estate management companies.

Revenue is recognized when the Group satisfies a performance obligation by transferring a service to a customer. In particular, as asset management entities of the Group deliver investment management services to their clients, revenue for providing this service may theoretically occur over-time, with a time-based measure of progress, which is relevant as the service is provided continuously over the contract period. However, according to IFRS 15, revenue is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As a result, as management fees and performance fees received by the Group are generally calculated based on a percentage of assets under management (AUM), they are considered as variable considerations, which are subject to market volatility and are recognized only when uncertainty is resolved.

1.19.8 Net investment result excluding financing expenses

Net investment result includes:

- investment income from investments other than from banking activities, net of depreciation expense on real estate investments (depreciation expense relating to owner occupied properties is included in "administrative expenses"); this item includes interest received calculated using the effective interest method for debt instruments and dividends received on equity instruments;
- investment management expenses (excluding financing debt expenses);
- realized investment gains and losses net of releases of impairment following sales;
- the change in unrealized gains and losses on invested assets measured at fair value through profit or loss; and
- the change in impairment of investments (excluding releases of impairment following sales).

In respect of banking activities, interest income and expenses are included in the "Net revenue from banking activities" (see paragraph 1.19.6).

1.20 SUBSEQUENT EVENTS

Subsequent events relate to events that occur between the balance sheet date and the date when the financial statements are authorized for issue:

- such events lead to an adjustment of the Consolidated Financial Statements if they provide evidence of conditions that existed at the balance sheet date;
- such events result in additional disclosures if indicative of conditions that arose after the balance sheet date, and if relevant and material.

Note 2 Scope of consolidation

2.1 CONSOLIDATED COMPANIES

2.1.1 Main fully consolidated companies

	Change in scope	December 31, 2022 Voting rights percentage	December 31, 2022 Group share of interests	December 31, 2021 Voting rights percentage	December 31, 2021 Group share of interests
AXA SA and Other Holdings					
AXA SA		Parent company		Parent company	
CFP Management		100.00	100.00	100.00	100.00
AXA Group Operations SAS		100.00	100.00	100.00	100.00
Société Beaujon		100.00	100.00	100.00	100.00
AXA China		100.00	100.00	100.00	100.00
AXA Asia		100.00	100.00	100.00	100.00
France					
AXA France IARD		99.92	99.92	99.92	99.92
AXA France Vie		99.77	99.77	99.77	99.77
AXA Protection Juridique		98.52	98.44	98.52	98.44
Avanssur		100.00	99.81	100.00	99.81
AXA France Participations		100.00	100.00	100.00	100.00
AXA Banque		100.00	99.89	100.00	99.89
AXA Banque Financement		65.00	64.93	65.00	64.93
Europe					
Germany					
AXA Versicherung AG		100.00	100.00	100.00	100.00
AXA Lebensversicherung AG		100.00	100.00	100.00	100.00
Deutsche Ärzteversicherung		100.00	100.00	100.00	100.00
AXA Krankenversicherung AG		100.00	100.00	100.00	100.00
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	100.00	100.00
AXA Konzern AG		100.00	100.00	100.00	100.00
Roland Rechtsschutz-Versicherungs-AG		60.00	60.00	60.00	60.00
United Kingdom & Ireland					
Guardian Royal Exchange Plc		100.00	100.00	100.00	100.00
AXA UK Plc		100.00	100.00	100.00	100.00
AXA Insurance UK Plc		100.00	100.00	100.00	100.00
AXA PPP Healthcare Limited		100.00	100.00	100.00	100.00
AXA Insurance Limited		100.00	100.00	100.00	100.00
AXA Life Europe dac		100.00	100.00	100.00	100.00
Spain					
AXA Seguros Generales, S.A.		99.93	99.93	99.92	99.92
AXA Aurora Vida, S.A. de Seguros		99.86	99.86	99.84	99.84
Switzerland					
AXA Leben AG		100.00	100.00	100.00	100.00
AXA-ARAG Rechtsschutz AG		66.67	66.67	66.67	66.67
AXA Versicherungen AG		100.00	100.00	100.00	100.00

	Change in scope	December 31, 2022		December 31, 2021	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
Italy					
AXA Assicurazioni e Investimenti		100.00	100.00	100.00	100.00
AXA MPS Vita		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Danni		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Financial		100.00	50.00	100.00	50.00
Belgium					
AXA Belgium SA		100.00	100.00	100.00	100.00
AXA Holdings Belgium		100.00	100.00	100.00	100.00
Yuzzu SA		100.00	100.00	100.00	100.00
Asia					
National Mutual International Pty Ltd.		100.00	100.00	100.00	100.00
Japan					
AXA Holdings Japan		98.70	98.70	98.70	98.70
AXA Life Insurance		100.00	98.70	100.00	98.70
AXA General Insurance Co. Ltd.		100.00	98.70	100.00	98.70
AXA Direct Life Insurance Co. Ltd.		100.00	98.70	100.00	98.70
Hong Kong					
AXA China Region Limited		100.00	100.00	100.00	100.00
AXA General Insurance Hong Kong Ltd.		100.00	100.00	100.00	100.00
China					
AXA Tianping		100.00	100.00	100.00	100.00
Indonesia					
MLC Indonesia		100.00	100.00	100.00	100.00
Thailand					
AXA Insurance Public Company Limited		99.47	86.35	99.47	99.47
South Korea					
AXA General Insurance Co. Ltd.		99.71	99.71	99.71	99.71
AXA XL					
AXA XL (sub group) [(a)]		100.00	100.00	100.00	100.00
International					
AXA Mediterranean Holding SA		100.00	100.00	100.00	100.00
Colombia					
AXA Colpatria Seguros		51.00	51.00	51.00	51.00
AXA Colpatria Seguros de vida		51.00	51.00	51.00	51.00
Morocco					
AXA Assurance Maroc		100.00	100.00	100.00	100.00
AXA Al Amane Assurance		100.00	100.00	100.00	100.00
AXA Holding Maroc S.A.		100.00	100.00	100.00	100.00
Turkey					
AXA Hayat ve Emeklilik A.S.		100.00	100.00	100.00	100.00
AXA Sigorta AS		92.61	92.61	92.61	92.61
AXA Turkey Holding W.L.L		100.00	100.00	100.00	100.00

(a) AXA XL mainly operates in the United States, the United Kingdom, France, Germany, Australia, Switzerland, Netherlands, Italy, Spain, Bermuda and Canada.

	Change in scope	December 31, 2022		December 31, 2021	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
Mexico					
AXA Seguros S.A. de C.V.		100.00	100.00	100.00	100.00
AXA Salud S.A. de C.V.		80.00	80.00	80.00	80.00
Luxembourg					
AXA Assurances Luxembourg		100.00	100.00	100.00	100.00
AXA Assurances Vie Luxembourg		100.00	100.00	100.00	100.00
AXA Luxembourg SA		100.00	100.00	100.00	100.00
Singapore					
AXA Financial Services Singapore pte Ltd.		100.00	100.00	100.00	100.00
AXA Life Insurance Singapore	Disposal	-	-	100.00	100.00
AXA Insurance Singapore	Disposal	-	-	100.00	100.00
Malaysia					
AXA Affin General Insurance Berhad	Disposal	-	-	49.99	49.99
India					
AXA India Holding		100.00	100.00	100.00	100.00
Nigeria					
AXA Mansard Insurance Plc (Nigeria)	From Equity Method to Full Consolidation	76.48	76.48	76.48	76.48
Brazil					
AXA Seguros S.A.		100.00	100.00	100.00	100.00
Other					
AXA Investment Managers (sub group)		97.52	97.51	97.55	97.54
AXA Global Re	Merged with AXA SA	-	-	100.00	100.00
AXA Assistance SA (sub group)		100.00	100.00	100.00	100.00
Colisée Ré		100.00	100.00	100.00	100.00
Architas, Ltd.		100.00	100.00	100.00	100.00

Main changes in scope of consolidation are detailed in Note 5.

CONSOLIDATED INVESTMENT FUNDS AND REAL ESTATE COMPANIES

As of December 31, 2022, investment funds represented a total of €128,369 million invested assets (€143,905 million at the end of 2021), corresponding to 325 investment funds mainly in Switzerland, France, Japan and Belgium.

In most investment funds (particularly open-ended investment funds), minority interests are presented as liabilities under “Minority interests of consolidated investment funds”. As of December 31, 2022, minority interests in consolidated investment funds amounted to €5,877 million (€7,710 million as of December 31, 2021). Minority interests related to consolidated investment funds and real estate companies that are classified in shareholder’s equity amounted to €1,842 million as of December 31, 2022 (€2,323 million as of December 31, 2021).

As of December 31, 2022, 39 consolidated real estate companies corresponded to a total of €18,048 million invested assets (€20,223 million at the end of 2021) mainly in Germany, France and Japan.

MAIN SUBSIDIARY WITH MINORITY INTERESTS

As of December 31, 2022, AXA MPS is the main subsidiary (other than investment funds and real estate companies) with minority interests. Summarized financial information of AXA MPS is as follows (including AXA and external share but excluding goodwill related to AXA’s holdings and before intercompany eliminations with other companies of the Group):

(in Euro million)	December 31, 2022 AXA MPS	December 31, 2021 AXA MPS
Net consolidated income - Minority interests	88	90
Minority interests	955	1,356
Dividends paid to minority interests	(105)	(30)
Cash and cash equivalents	339	319
Total investments	26,696	32,191
Other assets	2,564	1,692
Total assets	**29,599**	**34,202**
Liabilities arising from insurance & investment contracts	27,091	30,559
Other Liabilities	599	931
Total liabilities (excluding shareholder's equity)	**27,690**	**31,490**
Revenues	2,049	2,429
Net income – 100%	**175**	**181**
Other comprehensive income – 100%	(767)	(154)
Total comprehensive income – 100%	**(592)**	**27**

Excluding minority interests related to consolidated investment funds and real estate companies that are classified in shareholders' equity, these minority interests represent 59% (€989 million) of minority interests of the Group as of December 31, 2022 (59% or €1,390 million as of December 31, 2021).

2.1.2 Main investments in companies accounted for using the equity method

Companies accounted for using the equity method listed below exclude investment funds and real estate entities:

	Change in scope	December 31, 2022 Voting rights percentage	December 31, 2022 Group share of interests	December 31, 2021 Voting rights percentage	December 31, 2021 Group share of interests
France					
Neuflize Vie		39.98	39.98	39.98	39.98
Asia					
Philippines AXA Life Insurance Corporation		45.00	45.00	45.00	45.00
Krungthai AXA Life Insurance Company Ltd. (Thailand)		50.00	50.00	50.00	50.00
ICBC-AXA Life Insurance Co., Ltd. (China)		27.50	27.50	27.50	27.50
PT AXA Mandiri Financial Services (Indonesia)		49.00	49.00	49.00	49.00
International					
Reso Garantia (Russia)		38.61	38.61	38.61	38.61
Bharti AXA Life (India)		49.00	49.00	49.00	49.00
Other					
Capza (Asset Management – France)	First consolidation	66.09	65.45	46.99	46.62
Kyobo AXA Investment Managers Company Limited (South Korea)		50.00	48.75	50.00	48.77
AXA SPDB Investment Managers Company Ltd. (China)		39.00	38.03	39.00	38.04

Main changes in scope of consolidation are detailed in Note 10.

INVESTMENT FUNDS AND REAL ESTATE ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

As of December 31, 2022, real estate companies accounted for using the equity method amounted to €1,384 million invested assets (€1,172 million at the end of 2021) and investment funds accounted for using the equity method amounted to €8,944 million invested assets (€8,360 million at the end of 2021), mainly in France, AXA XL and United Kingdom.

2.2 UNCONSOLIDATED STRUCTURED ENTITIES

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when relevant activities are directed by means of contractual arrangements. Structured entities often have a narrow and well-defined objective or restricted activities.

The Group does not hold significant interests in unconsolidated insurance/reinsurance structured entities.

Furthermore, given its insurance business, the Group holds direct investments in corporates of various sectors, such as debt instruments, equity securities and loans. These investments are not designed to be done in structured entities and the whole Group's exposure is reflected on the consolidated balance sheet.

In addition, the Group holds interests in investment funds including real estate companies. Some of these funds are fully consolidated or accounted for using the equity method (see Note 2.1.). Other funds are not consolidated because they are not controlled or under significant influence. By nature, and notably because of the power of decision usually given to the asset managers (internal or external to AXA), most of these funds are structured entities.

As investor, AXA's interests in unconsolidated funds are limited to the investments held. These ones are fully recognized in the consolidated balance sheet. Depending on the nature of its investment, AXA receives interests or dividends and can realize capital gains or losses in case of sale. These investments are subject to impairment testing as any financial asset.

The Group's asset manager companies also receive fees for the services they provide when they manage investment funds. Some unconsolidated funds managed by the Group are partially or fully held by external investors.

Information on these unconsolidated investment funds are provided in different sections of this Annual Report:

- Section 1.1 "Key figures": AXA's total assets under management including assets managed on behalf of third parties;
- Section 2.3 "Activity Report";
- Section 6.6 "Notes to the Consolidated Financial Statements":
  - Note 9 "Investments" with the breakdown of investments and detail on non-consolidated investment funds in Note 9.8,
  - Note 22 "Net investment result excluding financing expenses".

Note 3 Consolidated statement of income by segment

AXA's Chief Executive Officer (CEO), acting as chief operating decision maker, is a member of the Board of Directors. He is assisted by a Management Committee in the operational management of the Group and by a group of senior executives, the so-called Partners' Group, in developing and implementing any strategic initiatives. The financial information related to AXA's business segments and holding companies reported to the Board of Directors twice a year is consistent with the presentation provided in the consolidated financial statements.

The results of operating activities and non-operating activities are presented on the basis of six segments: France, Europe, Asia, AXA XL, International, Transversal & Central Holdings.

As of December 31, 2022, the CEOs supervising the main hubs (respectively CEO of AXA France, CEO of AXA in Europe and Latin America, CEO of AXA in Asia and Africa, CEO of AXA XL and CEO of AXA Investment Managers) are members of the Management Committee.

Key transversal entities and Central Holdings are managed alongside these hubs.

France: the French market consists of Life & Savings and Property & Casualty activities, AXA Banque France and French holdings.

Europe: the European market consists of Life & Savings and Property & Casualty activities in Switzerland, Germany, Belgium, Spain and Italy, as well as Property & Casualty activities in the United Kingdom & Ireland. The holding companies in these countries are also included.

Asia: the Asian market consists of Life & Savings and Property & Casualty activities in Japan, Hong Kong, Asia Emerging Markets (Indonesia, The Philippines, Thailand and China), as well as Property & Casualty activities in South Korea. The holding company in Japan and the Asia holdings are also included.

AXA XL: the AXA XL market mainly consists of Property & Casualty activities in AXA XL Group, operating mainly in the United States, the United Kingdom, France, Germany, Australia, Switzerland, Netherlands, Italy, Spain, Bermuda and Canada. The holding companies are also included.

International: the International market consists of Life & Savings and Property & Casualty activities in several countries within Europe, Middle East, Africa, Latin America, and in Singapore (until its disposal on February 11, 2022), Malaysia (until its disposal on August 30, 2022) and India Life & Savings. The holdings companies in these countries are also included as well as AXA Bank Belgium until its disposal on December 31, 2021.

Transversal & Central Holdings: it includes transversal entities namely AXA Investment Managers (including Architas), AXA Assistance, AXA Liabilities Managers, AXA Global Re (until June 30, 2022, when it was merged with AXA SA), AXA Life Europe, as well as AXA SA and other Central Holdings.

The intersegment eliminations include only operations between entities from different countries and operating activities. They mainly relate to reinsurance treaties, assistance guarantees recharging, asset management fees and interests on loans within the Group.

In this document, "Insurance" covers the three insurance activities: Life & Savings, Property & Casualty and Health.

	December 31, 2022								
(in Euro million)	**France**	**Europe**	**Asia**	**AXA XL**	**International**	**Transversal & Central Holdings**	**Intersegment Eliminations**	**Total**	***of which Insurance* [(a)]**
Gross written premiums	29,403	33,336	11,511	19,199	5,021	1,709	(764)	99,415	*99,415*
Fees and charges relating to investment contracts with no participating features	1	143	57	-	-	-	-	202	*202*
Revenues from insurance activities	**29,404**	**33,479**	**11,569**	**19,199**	**5,021**	**1,709**	**(764)**	**99,617**	**99,617**
Net revenues from banking activities	230	-	-	-	-	-	7	237	-
Revenues from other activities	6	326	-	82	28	2,441	(391)	2,491	*897*
Revenues	**29,641**	**33,804**	**11,569**	**19,281**	**5,049**	**4,149**	**(1,149)**	**102,345**	**100,514**
Change in unearned premiums net of unearned revenues and fees	**(105)**	**(285)**	**117**	**494**	**(319)**	**(37)**	**8**	**(128)**	**(128)**
Net investment income	4,066	4,891	1,466	1,022	516	295	(51)	12,205	*11,099*
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	959	1,144	66	(39)	(4)	(12)	-	2,114	*2,123*
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss [(b)]	(7,247)	(1,910)	(606)	(49)	49	(1,568)	1	(11,329)	*(11,265)*
of which change in fair value of assets with financial risk borne by policyholders	*(6,028)*	*(1,785)*	*(1,337)*	-	*(23)*	*(477)*	*(2)*	*(9,653)*	*(9,653)*
Change in investments impairment	(390)	(594)	(404)	(71)	(19)	(30)	-	(1,507)	*(1,467)*
Net investment result excluding financing expenses	**(2,611)**	**3,530**	**523**	**863**	**543**	**(1,315)**	**(50)**	**1,483**	**490**
Technical charges relating to insurance activities	(19,663)	(25,283)	(8,602)	(14,535)	(3,406)	36	576	(70,877)	*(70,877)*
Net result from outward reinsurance	(140)	(279)	(7)	(98)	(219)	84	104	(556)	*(556)*
Bank operating expenses	(13)	-	-	-	-	-	-	(13)	-
Acquisition costs	(2,522)	(4,348)	(1,615)	(2,834)	(848)	(630)	87	(12,710)	*(12,710)*
Amortization of the value of purchased business in force	-	(26)	(27)	-	(1)	-	-	(54)	*(54)*
Administrative expenses	(2,270)	(2,728)	(686)	(1,846)	(398)	(3,086)	649	(10,365)	*(7,822)*
Change in tangible assets impairment	-	0	-	-	-	7	-	7	*0*
Change in goodwill impairment and other intangible assets impairment	-	(41)	(33)	(51)	(9)	(1)	-	(135)	*(134)*
Other income and expenses [(c)] [(d)]	(1)	57	(2)	(4)	(0)	713	(433)	329	*121*

(a) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(b) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(c) Includes the impact related to the disposal process of a General Account portfolio in Belgium (see Note 5.3).
(d) Includes the effect of applying IAS 29 standard related to hyperinflation in Turkey for €-20 million of which €-19 million group share (see Note 1.2.1.2).

	December 31, 2022								
(in Euro million)	France	Europe	Asia	AXA XL	Interna-tional	Trans-versal & Central Holdings	Interseg-ment Eli-minations	Total	*of which Insurance* [(a)]
Other operating income and expenses	**(24,610)**	**(32,647)**	**(10,973)**	**(19,369)**	**(4,880)**	**(2,878)**	**984**	**(94,372)**	**(92,030)**
Income from operating activities before tax	**2,315**	**4,402**	**1,236**	**1,270**	**394**	**(80)**	**(208)**	**9,329**	**8,846**
Income (net of impairment) from investment accounted for using the equity method	13	-	14	-	(197)	30	-	(141)	*(171)*
Financing debt expenses	(4)	(8)	(6)	(88)	(14)	(566)	208	(477)	*(36)*
Net income from operating activities before tax	**2,324**	**4,394**	**1,244**	**1,182**	**183**	**(616)**	**(0)**	**8,710**	**8,639**
Income tax	(606)	(860)	(227)	(269)	(106)	215	-	(1,855)	*(1,280)*
Net consolidated income after tax	**1,718**	**3,533**	**1,017**	**912**	**76**	**(401)**	**(0)**	**6,856**	**7,358**
Split between:									
Net consolidated income – Group share	**1,716**	**3,422**	**1,010**	**906**	**38**	**(416)**	**(0)**	**6,675**	**7,192**
Net consolidated income – Minority interests	2	112	8	6	38	14	-	180	*167*

(a) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(b) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(c) Includes the impact related to the disposal process of a General Account portfolio in Belgium (see Note 5.3).
(d) Includes the effect of applying IAS 29 standard related to hyperinflation in Turkey for €-20 million of which €-19 million group share (see Note 1.2.1.2).

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(in Euro million)	December 31, 2021 restated								
	France [a]	**Europe**	**Asia**	**AXA XL**	**International**	**Transversal & Central Holdings [a]**	**Intersegment Eliminations**	**Total**	***of which Insurance [a] [b]***
Gross written premiums	28,383	32,352	11,311	18,742	5,319	1,431	(713)	96,825	*96,825*
Fees and charges relating to investment contracts with no participating features	1	140	37	-	31	-	-	209	*209*
Revenues from insurance activities	**28,384**	**32,491**	**11,348**	**18,742**	**5,350**	**1,431**	**(713)**	**97,034**	**97,034**
Net revenues from banking activities	199	-	-	-	355	-	(19)	535	-
Revenues from other activities	6	318	-	64	2	2,372	(400)	2,362	*820*
Revenues	**28,589**	**32,809**	**11,348**	**18,806**	**5,707**	**3,803**	**(1,132)**	**99,931**	**97,854**
Change in unearned premiums net of unearned revenues and fees	**83**	**(185)**	**69**	**(114)**	**(344)**	**(17)**	**(0)**	**(509)**	**(509)**
Net investment income	4,018	4,776	1,719	953	452	323	(76)	12,165	*10,808*
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	821	1,067	833	252	38	177	-	3,188	*3,037*
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss [c]	4,665	1,759	1,412	62	214	(140)	(7)	7,965	*7,982*
of which change in fair value of assets with financial risk borne by policyholders	*4,560*	*1,081*	*1,220*	-	*131*	*371*	*(0)*	*7,362*	*7,362*
Change in investments impairment	(132)	(176)	(143)	(19)	(9)	(89)	-	(569)	*(481)*
Net investment result excluding financing expenses	**9,372**	**7,426**	**3,821**	**1,248**	**694**	**270**	**(83)**	**22,749**	**21,346**
Technical charges relating to insurance activities	(30,560)	(29,420)	(10,604)	(12,539)	(3,624)	(728)	555	(86,920)	*(86,920)*
Net result from outward reinsurance	(90)	447	(576)	(1,108)	(223)	(83)	118	(1,514)	*(1,514)*
Bank operating expenses	(14)	-	-	-	(49)	-	-	(63)	-
Acquisition costs	(2,658)	(4,171)	(1,614)	(2,859)	(930)	(519)	85	(12,665)	*(12,665)*
Amortization of the value of purchased business in force	-	(34)	(353)	-	(1)	-	-	(388)	*(388)*
Administrative expenses	(2,226)	(2,697)	(672)	(1,757)	(615)	(3,059)	640	(10,386)	*(7,604)*
Change in tangible assets impairment	-	1	0	-	-	(7)	-	(6)	*1*
Change in goodwill impairment and other intangible assets impairment	-	(40)	(33)	(168)	(10)	(2)	-	(253)	*(251)*
Other income and expenses [d]	(121)	(146)	(42)	(6)	(235)	495	(406)	(461)	*(422)*

(a) Reclassification of Architas activities (previously reported as part of France) to Transversal & Central Holdings.
(b) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(c) Included net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(d) It included the losses related to the disposal processes of the Gulf Region operations, and the provisions related to the disposal processes of Malaysia and Singapore operations, as well as of a General Account portfolio in Belgium.

(in Euro million)	December 31, 2021 restated								
	France [(a)]	**Europe**	**Asia**	**AXA XL**	**International**	**Transversal & Central Holdings [(a)]**	**Intersegment Eliminations**	**Total**	***of which Insurance*** [(a) (b)]
Other operating income and expenses	**(35,670)**	**(36,060)**	**(13,894)**	**(18,436)**	**(5,687)**	**(3,901)**	**992**	**(112,657)**	**(109,764)**
Income from operating activities before tax	**2,374**	**3,990**	**1,344**	**1,504**	**370**	**155**	**(222)**	**9,514**	**8,927**
Income (net of impairment) from investment accounted for using the equity method	7	(0)	122	-	(6)	22	-	144	*122*
Financing debt expenses	(1)	(11)	(4)	(140)	(16)	(512)	222	(462)	*(58)*
Net income from operating activities before tax	**2,380**	**3,979**	**1,462**	**1,364**	**347**	**(336)**	**0**	**9,196**	**8,991**
Income tax	(362)	(874)	(307)	(149)	(144)	147	-	(1,689)	*(1,143)*
Net consolidated income after tax	**2,018**	**3,105**	**1,155**	**1,215**	**203**	**(188)**	**-**	**7,507**	**7,849**
Split between:									
Net consolidated income – Group share	**2,015**	**2,999**	**1,145**	**1,192**	**144**	**(202)**	**(0)**	**7,294**	**7,649**
Net consolidated income – Minority interests	3	106	10	23	58	14	0	214	*200*

(a) Reclassification of Architas activities (previously reported as part of France) to Transversal & Central Holdings.
(b) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(c) Included net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(d) It included the losses related to the disposal processes of the Gulf Region operations, and the provisions related to the disposal processes of Malaysia and Singapore operations, as well as of a General Account portfolio in Belgium.

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Note 4 Financial and insurance risk management

All of the following paragraphs form an integral part of the Group financial statements. They appear in Section 5 "Risk Factors and Risk Management" and Section 2.4 "Liquidity and capital Resources" of this Annual Report:

4.1 RISK MANAGEMENT ORGANIZATION

Please refer to pages 258 to 263 of Section 5.2 "Internal control and Risk Management" subsections "Lines of defense organization", "Financial reporting, disclosure, controls and procedures" and "Conclusion".

4.2 MARKET RISKS (INCLUDING SENSITIVITY ANALYSIS)

Please refer to pages 271 to 275 of Section 5.3 "Market risks", subsections "Interest rates & equity risks related to the operating activities of Group subsidiaries" and "Exchange-rate risk related to the operating activities of Group subsidiaries".

4.3 CREDIT RISK

Please refer to pages 276 to 279 of Section 5.4 "Credit risk" subsections "Invested assets: A central monitoring of counterparty exposure", "Credit derivatives", "Counterparty risk arising from over-the-counter (OTC) derivatives", "Receivables from reinsurers: rating processes and factors" and "Bank credit activities".

4.4 INSURANCE RISK

Please refer to pages 282 to 284 of Section 5.6 "Insurance risks", subsections "Product approval", "Exposure Analysis and risk assessment", "Ceded Reinsurance" and "Technical reserves".

4.5 LIQUIDITY AND CAPITAL RESOURCES

Please refer to pages 85 to 90 of Section 2.4 "Liquidity and capital resources" subsections "Liquidity, sources and needs for Group operating subsidiaries", "Liquidity position", "Uses of funds", "Impact of regulatory requirements" and "Subsequent event after December 31, 2022 impacting AXA's liquidity".

Note 5 Goodwill

5.1 GOODWILL

An analysis of goodwill by cash generating unit is presented in the table below:

	December 31, 2022			December 31, 2021		
(in Euro million)	Gross value	Accumulated impairment	Net value	Gross value	Accumulated impairment	Net value
France	**225**	**-**	**225**	**225**	**-**	**225**
France Life & Savings	57	-	57	57	-	57
France Property & Casualty	168	-	168	168	-	168
Europe	**5,346**	**-**	**5,346**	**5,337**	**-**	**5,337**
Germany Life & Savings	190	-	190	190	-	190
Germany Property & Casualty	992	-	992	992	-	992
Spain Life & Savings	393	-	393	393	-	393
Spain Property & Casualty	613	-	613	613	-	613
Switzerland Life & Savings	185	-	185	176	-	176
Switzerland Property & Casualty	247	-	247	236	-	236
Italy Life & Savings	424	-	424	424	-	424
Italy Property & Casualty	356	-	356	356	-	356
Belgium Life & Savings	296	-	296	296	-	296
Belgium Property & Casualty	563	-	563	563	-	563
UK & Ireland Property & Casualty	1,087	-	1,087	1,098	-	1,098
Asia	**3,352**	**(68)**	**3,284**	**3,456**	**(73)**	**3,382**
AXA Tianping	697	-	697	714	-	714
Japan Life & Savings	1,721	(68)	1,652	1,850	(73)	1,777
Japan Property & Casualty	88	-	88	95	-	95
Hong Kong Life & Savings	600	-	600	564	-	564
Hong Kong Property & Casualty	208	-	208	195	-	195
South Korea Property & Casualty	38	-	38	38	-	38
AXA XL	**7,981**	**-**	**7,981**	**7,512**	**-**	**7,512**
International	**476**	**0**	**476**	**273**	**0**	**273**
Life & Savings	33	-	33	8	-	8
Property & Casualty	443	0	443	265	0	265
Transversal & Central Holdings	**449**	**(7)**	**442**	**446**	**(7)**	**438**
AXA Investment Managers	402	-	402	399	-	399
AXA Assistance	28	(7)	21	28	(7)	21
Others	18	(0)	18	19	-	19
TOTAL	**17,829**	**(75)**	**17,754**	**17,247**	**(80)**	**17,167**

Note: Goodwill related to entities accounted for using the equity method is not presented in this table (see Note 10).

The total Goodwill Group share amounted to €17,694 million as of December 31, 2022, and €17,105 million as of December 31, 2021.

Consistent with IAS 36, each unit or group of units to which the goodwill is allocated represents the lowest level at which the goodwill is monitored for internal management purposes within the Group and is never larger than an operating segment as defined by IFRS 8 such as presented in Note 3.

5.2 CHANGE IN GOODWILL

5.2.1 Goodwill – change in gross value

(in Euro million)	Gross value January 1, 2022	Acquisitions during the period	Disposals during the period	Currency translation adjustment	Other changes	Gross value December 31, 2022
France	225	-	-	-	-	225
Europe [(a)]	5,337	38	-	(28)	-	5,346
Asia	3,456	-	-	(104)	(0)	3,352
AXA XL [(b)]	7,512	-	-	491	(22)	7,981
International [(c)]	273	-	-	(29)	233	476
Transversal & Central Holdings	446	-	-	3	(0)	449
TOTAL	**17,247**	**38**	**-**	**333**	**211**	**17,829**

(a) Related to the acquisition of Commercial lines renewal rights in United Kingdom.
(b) Related to the transfer of AXA XL activities in Brazil to International.
(c) Related to Turkey hyperinflation €+180 million, full consolidation in Nigeria for €+30 million and transfer from AXA XL activities in Brazil to International for €+22 million.

(in Euro million)	Gross value January 1, 2021	Acquisitions during the period	Disposals during the period	Currency translation adjustment	Other changes	Gross value December 31, 2021
France	225	-	-	-	-	225
Europe	5,266	-	-	71	0	5,337
Asia	3,411	-	-	45	-	3,456
AXA XL	6,983	-	-	529	-	7,512
International [(a)]	350	-	(0)	(9)	(68)	273
Transversal & Central Holdings	452	-	0	16	(23)	446
TOTAL	**16,687**	**-**	**(0)**	**652**	**(91)**	**17,247**

(a) Related to the disposal processes of Malaysia and Singapore operations.

5.2.2 Goodwill – change in impairment

(in Euro million)	Cumulative impairment January 1, 2022	Increase in Impairment during the period	Write back of impairment of goodwill sold during the period	Currency translation adjustment	Other Changes	Cumulative impairment December 31, 2022
France	-	-	-	-	-	-
Europe	-	-	-	-	-	-
Asia	73	-	-	(5)	-	68
AXA XL	-	-	-	-	-	-
International	-	-	-	-	-	-
Transversal & Central Holdings	7	-	(0)	(0)	-	7
TOTAL	**80**	**-**	**(0)**	**(5)**	**-**	**75**

(in Euro million)	Cumulative impairment January 1, 2021	Increase in Impairment during the period	Write back of impairment of goodwill sold during the period	Currency translation adjustment	Other Changes	Cumulative impairment December 31, 2021
France	-	-	-	-	-	-
Europe	-	-	-	-	-	-
Asia	76	-	-	(3)	-	73
AXA XL	-	-	-	-	-	-
International	-	-	-	-	-	-
Transversal & Central Holdings	28	0	(0)	0	(21)	7
TOTAL	**104**	**0**	**(0)**	**(3)**	**(21)**	**80**

METHODOLOGY BY UNIT

For most Life & Savings businesses Cash Generating Units (“CGUs”) recoverability of goodwill is assessed using a fair value approach. For AXA Belgium the recoverability of the goodwill is assessed using the value in use approach. Both approaches are described in the Note 1 “Accounting principles”.

For the CGUs within the Property & Casualty business segment, recoverability of goodwill is also assessed using the value in use approach, as described in the note 1. For AXA Investment Managers the recoverability of the goodwill follows a market approach with recoverable value derived from market information, such as the price to earnings ratio of peers, and the earnings expected for the year. This methodology represents the fair value of the Company to be compared with the market capitalization.

MAIN ASSUMPTIONS

For the CGUs within the Property & Casualty business segment, the value in use approach relies on the earnings of the strategic plan approved by management discounted using a risk adjusted rate. Cash flows beyond that period are extrapolated using sustainable perpetual growth rates assumed to be achievable over the long term to derive a terminal value. The earnings included in the business plan of each CGU are agreed with the management and defined locally considering best estimate operating assumptions, including expenses and loss ratios, investment income, economic capital, premium rates and taxes, all compliant with the various standards and the requirements of supervisory authorities, when applicable. The discount rates used for the valuation have been derived using the Capital Asset Pricing Model which includes assumptions for risk-free interest rates, equity risk premiums, insurance activity beta and leverage ratio that are consistent with the view of AXA’s Management for the specific markets in which the CGU operates. The main CGUs discount rates range from 3.6% to 10.1% in 2022, compared to a range of 3.6% to 8.3% in 2021, and growth rates applied beyond the strategic plan horizon, where applicable, vary from 0.6% to 7.1% in 2022, compared to a range of 0.6% to 5.3% in 2021.

For Life & Savings CGUs, recoverable amounts are calculated using a risk neutral approach, relying on European Embedded Value (EEV) techniques, that are industry specific and widely used. The EEV represents the excess of the market value of assets over the market value of liabilities. The market value of liabilities is based on best estimate liabilities which are the probability weighted average of future cash flows adjusted to allow for the time value of money, using the relevant term structure of the risk-free interest rates, as well as for deviations related to the cost of non-hedgeable, *i.e.* non-financial, risks. The calculation of best estimate liabilities involves the use of operational and economic assumptions. Operational assumptions include factors, such as mortality, morbidity and lapse/surrender rates, expenses allowance and taxes, all compliant with the requirements of supervisory authorities. Future cash flows are discounted using reference rates that are compliant with EIOPA specifications of using swap rates adjusted for credit and volatility risk. The table below shows the adjustments in basis points by currency:

Reference Yield Curve (in bps)	EUR	GBP	USD	JPY	CHF	HKD
Volatility adjustment (added)	19	24	52	2	(3)	3
Credit risk adjustment (deducted)	10	-	10	10	10	10

In the case of AXA Belgium, the recoverable value has been derived using a Traditional Embedded Value (TEV) methodology equivalent to a real world approach: In this case the risk allowance is implicit to the discount rate as the projected cash flows are not risk-adjusted. The discount rate used to determine the recoverable value of AXA Belgium was 6.0% in 2022 as opposed to 4.4% used in 2021.

ALL CASH-GENERATING UNITS (CGU)

The results of cash flow projections exceed the carrying amount of each related CGU or group of units.

The test of the recoverability of goodwill for AXA XL CGU as of December 31, 2022 evidenced a significant margin. The value in use basis reflects management projections of the cash flows, which are based on the business plan of AXA XL, reflecting strong earnings delivery in recent years driven by significant tariff increases and disciplined growth, combined with further reductions in Nat Cat exposure to reduce earnings volatility. Sensitivities were performed with regards to the main assumptions and under the plausible scenarios, the value in use still exceeded the carrying amount.

The test of the recoverability of the Goodwill for AXA Germany P&C and AXA UK & Ireland P&C CGUs as of December 31, 2022 evidenced material margins. Cash flows projections based on the 2023 business plan approved by the AXA Group management, demonstrate that AXA Germany and AXA UK & Ireland will continue to deliver resilient earnings leading to conclude that their goodwill is recoverable.

The recoverability of the goodwill of Japan Life & Savings CGU relies on European Embedded Value (EEV) and New Business Value (NBV) projections using a reasonable new business multiple, derived from market consistent assumptions. The level of profitability of products sold by AXA Japan in 2022 reached a high margin over the premiums received. The EEV and NBV projections exceeds the carrying amount of Japan Life & Savings CGU.

For all CGUs, to the extent that the valuation of securities and interest rate levels remain low for prolonged periods of time, or volatility and other market conditions stagnate or worsen, new business volumes and profitability together with the value of the inforce portfolio are likely be negatively affected. In addition, the future cash flow expectations from both the inforce and new business and other assumptions underlying management's current business plans could be negatively impacted by other risks to which the Group is exposed. For each CGU, sensitivity analyses were performed with regards to the discount rate: an increase of 0.5% in the discount rate would not lead to an impairment loss for any of the CGUs as the recoverable amount for each CGU would still exceed its carrying value.

However, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of these assets in the foreseeable future.

5.3 OTHER INFORMATION RELATING TO GOODWILL, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

5.3.1 Singapore operations disposal

On February 11, 2022, AXA completed the sale of its insurance operations in Singapore to HSBC, for a total cash consideration of €463 million.

The transaction resulted in an overall loss of €-235 million of which €-230 million were already recognized as of December 31, 2021. In 2022, the closing of the transaction resulted in a negative net income impact of €-5 million as detailed in the table below:

(in Euro million)	
Net Proceeds	463
Consolidated Book Value	468
NET LOSS RECOGNIZED IN 2022	**(5)**
of which other comprehensive income recycling	*65*

5.3.2 Malaysia operations disposal

On August 30, 2022, AXA completed the sale of its insurance operations in Malaysia to Generali, for a total net cash consideration of €158 million.

The transaction resulted in an overall group share loss of €-62 million of which €-66 million were already recognized as of December 31, 2021. In 2022, the closing of the transaction resulted in a positive net income group share impact of €+3 million as detailed in the table below:

(in Euro million)	
Net Proceeds	158
Consolidated Book Value	155
NET GAIN RECOGNIZED IN 2022	**3**
of which other comprehensive income recycling	*(5)*

5.3.3 Disposal of a general account portfolio in Belgium

On October 31, 2022, AXA sold a run-off General Account portfolio to Monument Assurance Belgium.

The transaction resulted in an overall gain of €+7 million. The 2021 consolidated book value of this run-off General Account portfolio had resulted in recognition of a provision for €-98 million as of December 31, 2021. In 2022, the closing of the transaction resulted in a positive net income group share impact of €+105 million as detailed in the table below:

(in Euro million)	
Net Proceeds	0
Consolidated Book Value	(105)
NET GAIN RECOGNIZED IN 2022	**105**
of which other comprehensive income recycling	*43*

5.3.4 Disposal of a closed life and pensions portfolio in Germany

On July 14, 2022, AXA entered into an agreement with Athora Deutschland GmbH (“Athora Germany”), a licensed insurer in Germany, to sell a closed life and pensions reserves portfolio. Under the terms of the agreement, AXA Germany will sell the portfolio to Athora Germany for a consideration of €633 million.

The completion of the transaction is expected to take place during the second half of 2023 and is subject to customary closing conditions, including the receipt of regulatory approvals.

The major classes of assets and liabilities (net of intercompany balances with other AXA entities) which have been restated in held for sale are presented in the table below:

ASSETS

(in Euro million)	**December 31, 2022**
Other intangible assets	212
Investments from insurance activities	11,733
Reinsurers’ share in insurance and investment contracts liabilities	6
Other assets	715
Cash and cash equivalents	951
TOTAL ASSETS HELD FOR SALE	**13,617**

LIABILITIES

(in Euro million)	December 31, 2022
Liabilities arising from insurance and investment contracts	12,594
Other liabilities	778
TOTAL LIABILITIES HELD FOR SALE	**13,372**

As of December 31, 2022, the other comprehensive income of invested assets in the scope of the transaction amounted to €-82 million.

As of December 31, 2022, there was no impact recognized in the consolidated statement of income for this transaction.

Note 6 Value of purchased life business in-force

The change in Value of Life Business In-force ("VBI") was as follows:

(in Euro million)	2022	2021
Gross carrying value as of January 1	6,136	6,045
Accumulated amortization and impairment	(5,091)	(4,646)
Shadow accounting on VBI	(126)	(154)
Net carrying value as of January 1	**919**	**1,245**
Capitalization	-	-
Capitalized interests	33	32
Amortization and impairment for the period	(87)	(420)
Changes in VBI amortization, capitalization and impairment	**(54)**	**(388)**
Change in shadow accounting on VBI	169	31
Currency translation and other changes	21	31
Acquisitions and disposals of subsidiaries and portfolios [a]	38	-
Net carrying value as of December 31	**1,094**	**919**
Gross carrying value as of December 31	5,989	6,136
Accumulated amortization and impairment	(4,937)	(5,091)
Shadow accounting on VBI	42	(126)

(a) Related to the acquisition of Crelan Insurance in Belgium for €+59 million partly offset by the disposal process of a closed life and pensions portfolio in Germany for €-21 million.

Note 7 Deferred acquisition costs and equivalent

7.1 BREAKDOWN OF DEFERRED ACQUISITION COSTS AND EQUIVALENT

(in Euro million)	December 31, 2022	December 31, 2021
Deferred Acquisition Costs (DAC) relating to Life & Savings [(a)]	14,871	14,245
Deferred origination costs [(b)]	408	447
Shadow accounting on DAC	268	(909)
Deferred acquisition costs and equivalent relating to Life & Savings	**15,547**	**13,784**
Deferred acquisition costs and equivalent relating to Property & Casualty	**4,184**	**4,042**
Deferred acquisition costs and equivalent	**19,731**	**17,825**

(a) Applicable to Life & Savings insurance contracts and investment contracts with discretionary participation features according to IFRS 4. Amounts are net of accumulated amortization.
(b) Applicable to investment contracts with no discretionary participation features according to IAS 39.

7.2 ROLLFORWARD OF DEFERRED ACQUISITION COSTS AND EQUIVALENT

Changes in deferred acquisition costs and equivalent were as follows:

	2022		2021	
(in Euro million)	Deferred acquisition costs [(a)]	Deferred origination costs [(b)]	Deferred acquisition costs [(a)]	Deferred origination costs [(b)]
Deferred acquisition costs and equivalent net carrying value as of January 1	**17,378**	**447**	**16,112**	**422**
Amortization and impairment for the period of Life DAC	(1,378)	(96)	(1,455)	(53)
Capitalized interests for the period of Life DAC	545	18	542	19
DAC and similar costs capitalization for the period of Life DAC	1,569	13	1,623	34
Change in Non-Life DAC	142		242	
Changes in amortization, capitalization and impairment	**879**	**(65)**	**953**	**0**
Change in shadow accounting on DAC	1,173	-	529	-
Currency translation and other changes	85	25	195	25
Disposals of subsidiaries and portfolios [(c)]	(190)	-	(410)	-
Deferred acquisition costs and equivalent net carrying value as of December 31	**19,323**	**408**	**17,378**	**447**
of which shadow accounting on DAC	268	-	(909)	-
TOTAL	**19,731**		**17,825**	

(a) Applicable to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features according to IAS 39.
(c) In 2022, included the impact linked to the disposal process of a closed life and pensions portfolio in Germany (see Note 5.3).
In 2021, included the impact linked to the disposal process of Singapore operations.

7.3 DEFERRED ACQUISITION COSTS AND EQUIVALENT, NET OF AMORTIZATION, UNEARNED REVENUE RESERVES AND UNEARNED FEE RESERVES

The value of deferred acquisition costs and equivalent for insurance business, net of amortization, unearned revenue reserves and unearned fee reserves, was as follows:

	December 31, 2022		December 31, 2021	
(in Euro million)	Deferred acquisition costs [(a)]	Deferred origination costs [(b)]	Deferred acquisition costs [(a)]	Deferred origination costs [(b)]
Deferred acquisition costs and equivalent	**19,323**	**408**	**17,378**	**447**
of which shadow DAC	268	-	(909)	-
Unearned revenues and unearned fees reserves	**2,161**	**207**	**1,889**	**228**
of which shadow unearned revenues reserves	63	-	(198)	-
DAC net of unearned revenues and unearned fees reserves	**17,163**	**200**	**15,489**	**219**
TOTAL		**17,363**		**15,708**

(a) Relating to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features according to IAS 39.

Note 8 Other intangible assets

8.1 BREAKDOWN OF OTHER INTANGIBLE ASSETS

Other intangible assets represented €4,293 million net value as of December 31, 2022, and mainly included:

	December 31, 2022				December 31, 2021
(in Euro million)	Gross value	Accumulated amortization	Accumulated impairment	Net Value	Net Value
Software capitalized	3,033	(1,973)	(13)	1,046	1,020
Intangible assets recognized in business combinations and other business operations	5,004	(1,688)	(144)	3,172	3,206
Other intangible assets	552	(476)	(1)	75	71
TOTAL	**8,589**	**(4,137)**	**(158)**	**4,293**	**4,297**

8.2 BREAKDOWN OF INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS AND OTHER BUSINESS OPERATIONS

		December 31, 2022				December 31, 2021			
(in Euro million)	Transaction Year	Gross value	Accumulated amortization	Accumulated impairment	Net carrying value	Gross value	Accumulated amortization	Accumulated impairment	Net carrying value
AXA Tianping	2019	86	(52)	-	34	88	(35)	-	53
XL Group	2018	1,756	(206)	(144)	1,406	1,671	(150)	(136)	1,385
Asia Property & Casualty	2012	174	(174)	-	-	164	(150)	-	14
AXA MPS (Italy) Life & Savings	2007 & 2008	592	-	-	592	592	-	-	592
AXA MPS (Italy) Property & Casualty	2007 & 2008	347	-	-	347	347	-	-	347
Switzerland Life & Savings	2006	207	(165)	-	41	197	(148)	-	49
Switzerland Property & Casualty	2006	688	(565)	-	123	656	(522)	-	134
Germany Property & Casualty	2006	92	(67)	-	24	92	(63)	-	28
Belgium Property & Casualty	2006	67	(44)	-	23	67	(42)	-	25
Spain Property & Casualty	2006	247	(241)	-	6	247	(239)	-	8
AXA Investment Managers	2005	206	(13)	-	193	216	(12)	-	204
Others		543	(160)	-	383	513	(146)	-	367
TOTAL		**5,004**	**(1,688)**	**(144)**	**3,172**	**4,850**	**(1,507)**	**(136)**	**3,206**

Intangible assets recognized in business combinations mainly included value of distribution agreements and customer related intangibles, including €1,816 million (net carrying value) assets with indefinite useful life.

The amortization period for intangible assets recognized in business combinations with a finite useful life ranges from 5 to 25 years.

8.3 CHANGE IN INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS AND OTHER BUSINESS OPERATIONS

(in Euro million)	2022	2021
Net value as of January 1	**3,206**	**3,346**
Acquisition during the period	26	10
Amortization allowance (a)	(130)	(246)
Disposal during the period	(6)	(3)
Currency impact	75	112
Other changes (b)	0	(13)
Closing Net value as of December 31	**3,172**	**3,206**

(a) In 2021, included a partial impairment related to transferring capacity away from Lloyd's within Reinsurance for €-122 million.
(b) In 2021, mainly related to the Singapore operations disposal process.

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CONSOLIDATED FINANCIAL STATEMENTS
6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9 Investments

9.1 BREAKDOWN OF INVESTMENTS

Each investment item is presented net of the effect of related hedging derivatives IAS 39 qualifying hedges or derivatives are also provided in Note 20.3.

	December 31, 2022								
	Investments as per Consolidated Statement of Financial Position								
	Insurance			Other activities			Total		
(in Euro million)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost (a)	38,780	26,957	5.45%	2,946	2,896	13.18%	41,726	29,853	5.78%
Investment in real estate properties designated as at fair value through profit or loss (b)	1,880	1,880	0.38%	-	-	-	1,880	1,880	0.36%
Macro-hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	**40,661**	**28,837**	**5.83%**	**2,946**	**2,896**	**13.18%**	**43,606**	**31,733**	**6.15%**
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	269,849	269,849	54.58%	3,940	3,940	17.93%	273,789	273,789	53.02%
Debt instruments designated as at fair value through profit or loss (c)	12,508	12,508	2.53%	48	48	0.22%	12,556	12,556	2.43%
Debt instruments held for trading	4	4	0.00%	-	-	-	4	4	0.00%
Debt instruments (at cost) that are not quoted in an active market (d)	14,251	16,017	3.24%	15	16	0.07%	14,266	16,033	3.10%
Debt instruments	**296,611**	**298,377**	**60.35%**	**4,003**	**4,004**	**18.22%**	**300,615**	**302,382**	**58.55%**
Equity instruments available for sale	13,248	13,248	2.68%	1,099	1,099	5.00%	14,347	14,347	2.78%
Equity instruments designated as at fair value through profit or loss (b)	14,721	14,721	2.98%	680	680	3.09%	15,400	15,400	2.98%
Equity instruments held for trading	-	-	-	-	-	-	-	-	-
Equity instruments	**27,968**	**27,968**	**5.66%**	**1,779**	**1,779**	**8.09%**	**29,747**	**29,747**	**5.76%**
Non consolidated investment funds available for sale	9,306	9,306	1.88%	76	76	0.34%	9,381	9,381	1.82%
Non consolidated investment funds designated as at fair value through profit or loss (b)	9,544	9,544	1.93%	24	24	0.11%	9,568	9,568	1.85%
Non consolidated investment funds held for trading	0	0	0.00%	-	-	-	0	0	0.00%
Non consolidated investment funds	**18,849**	**18,849**	**3.81%**	**100**	**100**	**0.45%**	**18,949**	**18,949**	**3.67%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**19,783**	**19,783**	**4.00%**	**265**	**265**	**1.21%**	**20,049**	**20,049**	**3.88%**
Macro-hedge and other derivatives	**1,343**	**1,343**	**0.27%**	**801**	**801**	**3.64%**	**2,144**	**2,144**	**0.42%**
Sub total Financial instruments (excluding Loans)	**364,556**	**366,322**	**74.09%**	**6,948**	**6,949**	**31.62%**	**371,504**	**373,271**	**72.28%**
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-	-
Loans designated as at fair value through profit or loss (b)	-	-	-	-	-	-	-	-	-
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (e)	21,676	22,807	4.61%	12,134	12,134	55.21%	33,810	34,941	6.77%
Macro-hedge and other derivatives	(0)	(0)	0.00%	-	-	-	(0)	(0)	0.00%
Loans	**21,676**	**22,807**	**4.61%**	**12,134**	**12,134**	**55.21%**	**33,810**	**34,941**	**6.77%**
Total Financial instruments	**386,231**	**389,129**	**78.70%**	**19,082**	**19,082**	**86.82%**	**405,313**	**408,211**	**79.05%**
Assets backing contracts where the financial risk is borne by policyholders	**76,467**	**76,467**	**15.47%**	**-**	**-**	**-**	**76,467**	**76,467**	**14.81%**
INVESTMENTS	**503,359**	**494,433**	**100.00%**	**22,028**	**21,979**	**100.00%**	**525,387**	**516,412**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**426,892**	**417,966**	**84.53%**						

(a) Includes infrastructure and forests investments.
(b) Assets measured at fair value under the fair value option.
(c) Includes assets measured at fair value notably under the fair value option.
(d) Eligible to the IAS 39 Loans and receivables measurement category.
(e) Mainly relates to mortgage loans and policy loans.

CONSOLIDATED FINANCIAL STATEMENTS
6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2021 restated (a)								
	Investments as per Consolidated Statement of Financial Position								
	Insurance			Other activities			Total		
(in Euro million)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost (b)	37,611	26,831	4.46%	2,693	2,664	13.50%	40,305	29,495	4.75%
Investment in real estate properties designated as at fair value through profit or loss (c)	1,523	1,523	0.25%	-	-	-	1,523	1,523	0.25%
Macro-hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	**39,135**	**28,355**	**4.72%**	**2,693**	**2,664**	**13.50%**	**41,828**	**31,019**	**5.00%**
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	365,239	365,239	60.75%	2,845	2,845	14.42%	368,084	368,084	59.28%
Debt instruments designated as at fair value through profit or loss (d)	14,624	14,624	2.43%	63	63	0.32%	14,688	14,688	2.37%
Debt instruments held for trading	1	1	0.00%	-	-	-	1	1	0.00%
Debt instruments (at cost) that are not quoted in an active market (e)	15,126	14,591	2.43%	17	17	0.09%	15,144	14,608	2.35%
Debt instruments	**394,991**	**394,455**	**65.61%**	**2,926**	**2,926**	**14.83%**	**397,917**	**397,381**	**63.99%**
Equity instruments available for sale	20,900	20,900	3.48%	1,053	1,053	5.34%	21,953	21,953	3.54%
Equity instruments designated as at fair value through profit or loss (c)	13,623	13,623	2.27%	648	648	3.29%	14,271	14,271	2.30%
Equity instruments held for trading	-	-	-	-	-	-	-	-	-
Equity instruments	**34,523**	**34,523**	**5.74%**	**1,701**	**1,701**	**8.62%**	**36,225**	**36,225**	**5.83%**
Non consolidated investment funds available for sale	9,746	9,746	1.62%	78	78	0.40%	9,824	9,824	1.58%
Non consolidated investment funds designated as at fair value through profit or loss (c)	7,633	7,633	1.27%	11	11	0.06%	7,644	7,644	1.23%
Non consolidated investment funds held for trading	0	0	0.00%	-	-	-	0	0	0.00%
Non consolidated investment funds	**17,379**	**17,379**	**2.89%**	**90**	**90**	**0.45%**	**17,468**	**17,468**	**2.81%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**18,829**	**18,829**	**3.13%**	**465**	**465**	**2.36%**	**19,294**	**19,294**	**3.11%**
Macro-hedge and other derivatives	**583**	**583**	**0.10%**	**(116)**	**(116)**	**-0.59%**	**468**	**468**	**0.08%**
Sub total Financial instruments (excluding Loans)	**466,305**	**465,770**	**77.47%**	**5,067**	**5,067**	**25.68%**	**471,372**	**470,836**	**75.82%**
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-	-
Loans designated as at fair value through profit or loss (c)	-	-	-	-	-	-	-	-	-
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (f)	21,562	20,794	3.46%	11,998	11,998	60.82%	33,561	32,793	5.28%
Macro-hedge and other derivatives	-	-	-	-	-	-	-	-	-
Loans	**21,562**	**20,794**	**3.46%**	**11,998**	**11,998**	**60.82%**	**33,561**	**32,793**	**5.28%**
Total Financial instruments	**487,867**	**486,564**	**80.93%**	**17,065**	**17,065**	**86.50%**	**504,933**	**503,629**	**81.10%**
Assets backing contracts where the financial risk is borne by policyholders	**86,315**	**86,315**	**14.36%**	**-**	**-**	**-**	**86,315**	**86,315**	**13.90%**
INVESTMENTS	**613,317**	**601,234**	**100.00%**	**19,758**	**19,729**	**100.00%**	**633,076**	**620,963**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**527,002**	**514,919**	**85.64%**						

(a) Reclassification of Architas activities from Insurance to Other activities.
(b) Includes infrastructure and forests investments.
(c) Assets measured at fair value under the fair value option.
(d) Includes assets measured at fair value notably under the fair value option.
(e) Eligible to the IAS 39 Loans and receivables measurement category.
(f) Mainly relates to mortgage loans and policy loans.

9.2 INVESTMENT IN REAL ESTATE PROPERTIES

Investment in real estate properties includes buildings owned directly and through consolidated real estate entities.

Breakdown of the carrying value and fair value of investment in real estate properties at amortized cost, including the impact of all derivatives, except derivatives related to macro-hedges which ar e shown separately, is as follows:

	December 31, 2022					December 31, 2021				
(in Euro million)	Gross value	Amortization	Impairment	Carrying value	Fair value	Gross value	Amortization	impairment	Carrying value	Fair value
Investment in real estate properties at amortized cost										
Insurance [(a)]	29,755	(1,448)	(1,320)	26,986	38,810	29,818	(1,622)	(1,214)	26,982	37,762
Other activities	2,896	-	-	2,896	2,946	2,664	-	-	2,664	2,693
All activities excluding derivatives	**32,651**	**(1,448)**	**(1,320)**	**29,883**	**41,756**	**32,482**	**(1,622)**	**(1,214)**	**29,646**	**40,456**
Impact of derivatives				(29)	(29)				(151)	(151)
TOTAL				**29,853**	**41,726**				**29,495**	**40,305**

(a) Includes infrastructure and forests investments.

Change in impairment and amortization of investment in real estate properties at amortized cost (all activities), is as follows:

	2022	2021	2022	2021
(in Euro million)	Impairment	Impairment	Amortization	Amortization
Value as of January 1	**1,214**	**1,158**	**1,622**	**1,581**
Increase for the period	206	193	112	121
Write back following sale or repayment	(25)	(37)	(238)	(52)
Write back following recovery in value	(78)	(59)	-	-
Others [(a)]	3	(42)	(47)	(28)
Value as of December 31	**1,320**	**1,214**	**1,448**	**1,622**

(a) Includes changes in the scope of consolidation and the impact of changes in exchange rates.

9.3 UNREALIZED GAINS AND LOSSES ON FINANCIAL INVESTMENTS

Including the effect of derivatives, unrealized capital gains and losses on financial investments, when not already reflected in the income statement, were allocated as follows:

INSURANCE

	December 31, 2022					December 31, 2021 restated [(a)]				
(in Euro million)	Amortized cost [(b)]	Fair value	Carrying value [(c)]	Unrealized gains	Unrealized losses	Amortized cost [(b)]	Fair value	Carrying value [(c)]	Unrealized gains	Unrealized losses
Debt instruments available for sale	299,552	269,849	269,849	15,557	45,260	323,758	365,239	365,239	47,766	6,285
Debt instruments (at cost) that are not quoted in an active market	16,014	14,251	16,017	39	1,803	14,622	15,126	14,591	908	404
Equity instruments available for sale	11,194	13,248	13,248	2,281	227	14,175	20,900	20,900	6,990	265
Non-consolidated investment funds available for sale	7,968	9,306	9,306	1,407	69	8,200	9,746	9,746	1,587	41

(a) Reclassification of Architas activities from Insurance to Other activities.
(b) Net of impairment – including premiums/discounts and related accumulated amortization.
(c) Net of impairment.

OTHER ACTIVITIES

	December 31, 2022					December 31, 2021 restated [(a)]				
(in Euro million)	Amortized cost [(b)]	Fair value	Carrying value [(c)]	Unrealized gains	Unrealized losses	Amortized cost [(b)]	Fair value	Carrying value [(c)]	Unrealized gains	Unrealized losses
Debt instruments available for sale	4,461	3,940	3,940	22	543	2,847	2,845	2,845	64	66
Debt instruments (at cost) that are not quoted in an active market	16	15	16	0	1	17	17	17	0	0
Equity instruments available for sale	934	1,099	1,099	227	61	823	1,053	1,053	238	8
Non-consolidated investment funds available for sale	71	76	76	5	0	74	78	78	5	0

(a) Reclassification of Architas activities from Insurance to Other activities.
(b) Net of impairment – including premiums/discounts and related accumulated amortization.
(c) Net of impairment.

TOTAL

(in Euro million)	December 31, 2022					December 31, 2021				
	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses
Debt instruments available for sale	304,013	273,789	273,789	15,579	45,803	326,606	368,084	368,084	47,831	6,352
Debt instruments (at cost) that are not quoted in an active market	16,030	14,266	16,033	39	1,803	14,640	15,144	14,608	908	404
Equity instruments available for sale	12,128	14,347	14,347	2,508	288	14,998	21,953	21,953	7,228	273
Non consolidated investment funds available for sale	8,039	9,381	9,381	1,412	69	8,274	9,824	9,824	1,591	41

(a) Net of impairment – including premiums/discounts and related accumulated amortization.
(b) Net of impairment.

See also Note 9.9.1 "Breakdown of financial investments subject to impairment".

9.4 DEBT INSTRUMENTS AND LOANS

9.4.1 Debt instruments by type of issuer

The table below sets out the debt instruments portfolio by issuer type, excluding macro-hedging derivatives but including the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges). Details of the effect of derivatives are also provided in Note 20.3.

(in Euro million)	December 31, 2022	December 31, 2021
	Carrying value	Carrying value
Government and government like debt instruments	158,391	220,746
Other debt instruments issued by government related	15,828	18,618
Corporate debt instruments [a]	132,203	160,383
Other debt instruments [b]	324	277
Hedging derivatives and other derivatives	(4,365)	(2,643)
TOTAL DEBT INSTRUMENTS	**302,382**	**397,381**

(a) Includes debt instruments issued by companies in which a State holds interests.
(b) Mainly includes fixed maturity investment funds.

Additional information on the credit risk associated with debt instruments is provided in Note 4 "Financial and insurance Risk Management".

9.4.2 Loans from activities other than insurance

The table below sets out the loans portfolio other than insurance activities, excluding macro-hedging derivatives but including the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges).

(in Euro million)	December 31, 2022		December 31, 2021	
	Fair value	Carrying value	Fair value	Carrying value
Mortgage loans	8,829	8,829	9,411	9,411
Other loans	2,724	2,724	2,359	2,359
Banking loans	**11,553**	**11,553**	**11,770**	**11,770**
Loans from activities other than insurance and banking	581	581	229	229
TOTAL	**12,134**	**12,134**	**11,998**	**11,998**

9.5 CONTRACTUAL MATURITIES OF DEBT INSTRUMENTS AND LOANS AND EXPOSURE TO INTEREST RATE RISK

The table below sets out the contractual maturities of debt instruments held by the Group. Effective maturities may differ from those presented, mainly because some assets include clauses allowing early redemption, with or without penalty or duration extension features. In some cases, the effect of derivatives (detailed in Note 20.3) modifies the maturity profile of assets presented below.

Debt instruments (at cost) that are not quoted in an active market and loans and debt instruments backing contracts where the financial risk is borne by policyholders are excluded from the table below. Most of the debt instruments and loans held by the Group are fixed-rate instruments (*i.e.* exposed to fair value interest rate risk).

	December 31, 2022						December 31, 2021					
	Net carrying amount by maturity						Net carrying amount by maturity					
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Carrying value exclu-ding deriva-tives	Impact of Deri-vatives	Total Carrying value inclu-ding deriva-tives	12 months or less	More than 1 year up to 5 years	More than 5 years	Carrying value exclu-ding deriva-tives	Impact of Deri-vatives	Total Carrying value inclu-ding deriva-tives
Debt instruments	16,245	72,067	202,405	290,717	(4,368)	286,349	15,475	80,463	289,446	385,385	(2,612)	382,773
Loans [(a)]	5,799	17,344	15,785	38,928	1,040	39,968	5,586	12,430	19,936	37,951	(171)	37,780
Total Financial investments exposed to interest rate risk	**22,044**	**89,411**	**218,191**	**329,645**	**(3,329)**	**326,317**	**21,062**	**92,893**	**309,382**	**423,336**	**(2,783)**	**420,553**
of which Financial investments exposed to fair value interest rate risk	*20,176*	*81,062*	*198,885*	*300,124*			*19,678*	*86,379*	*291,204*	*397,261*		

(a) Including loans within Summary Consolidated Investment funds.

9.6 EXPOSURE TO PRICE RISK

Including the effect of derivatives (also detailed in Note 20.3) and equity instruments of real estate companies, the breakdown by industry of equity instruments owned across the Group was as follows:

(in Euro million)	Finan-cial	Consu-mer goods & Services	Energy	Commu-nication	Indus-trial	Basic Mate-rials	Techno-logy	Other	Total exclu-ding deriva-tives	Effect of deriva-tives	Total inclu-ding deriva-tives
Equity instruments as of December 31, 2022	13,894	5,737	694	1,072	1,762	815	1,922	3,739	29,635	113	29,747
Equity instruments as of December 31, 2021	13,553	9,180	833	1,720	3,303	1,357	3,156	3,204	36,306	(81)	36,225

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9.7 TRANSFERS OF FINANCIAL ASSETS NOT QUALIFYING FOR DERECOGNITION

The Group is part of repurchase agreements and securities lending transactions under which financial assets are sold to a counterparty, subject to a simultaneous agreement to repurchase these financial assets at both a certain later date and agreed price. As substantially all of the risks and rewards of the financial assets remain with the Group over the entire lifetime of the transaction, the Group does not derecognize the financial assets. The proceeds of the sale are reported separately in the line item payable – Collateral debts relating to investments under lending agreements and equivalent. Interest expense from repurchase and security lending transactions is accrued over the duration of the agreements.

Additionally, the Group is party to total return swaps where financial assets are sold to a counterparty with an agreement in which the Group retains substantially all the risk and rewards of the financial instruments. Therefore, the Group doesn't derecognize the assets.

The breakdown of transferred financial assets/liabilities not qualifying for derecognition was as follows:

	December 31, 2022			December 31, 2021		
(in Euro million)	Debt instruments designated at fair value through profit or loss	Debt instruments available for sale	Debt instruments – Loans & Receivables	Debt instruments designated at fair value through profit or loss	Debt instruments available for sale	Debt instruments – Loans & Receivables
Carrying value of assets	**5**	**47,662**	**-**	**2**	**55,625**	**-**
Carrying value of associated liabilities [(a)]	**-**	**38,638**	**-**	**-**	**38,756**	**-**

(a) Amounts do not include securities received as collateral to securities lending transactions if such collateral is not recognized under the terms of the agreement because the risks and rewards have not been transferred to the Group.

9.8 NON-CONSOLIDATED INVESTMENT FUNDS

The breakdown of "non-consolidated" investment funds was as follows:

	December 31, 2022			December 31, 2021		
	Fair value [(a)]			Fair value [(a)]		
(in Euro million)	Insurance	Other activities	Total	Insurance	Other activities	Total
Non-consolidated investment funds mainly holding equity securities	1,842	-	1,842	2,521	7	2,528
Non-consolidated investment funds mainly holding debt instruments	5,692	28	5,720	5,934	30	5,964
Other non-consolidated investment funds	11,158	72	11,229	8,985	53	9,038
Non-consolidated investment at cost	-	-	-	-	-	-
Derivatives related to non-consolidated investment funds	158	-	158	(62)	-	(62)
TOTAL	**18,849**	**100**	**18,949**	**17,379**	**90**	**17,468**

(a) Amounts are presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) except derivatives related to macro-hedges which are shown separately.

9.9 FINANCIAL INVESTMENTS SUBJECT TO IMPAIRMENT

9.9.1 Breakdown of financial investments subject to impairment

Each investment item is presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges).

	December 31, 2022					December 31, 2021				
(in Euro million)	Cost before impairment and revaluation to fair value [a]	Impairment	Cost after impairment but before revaluation to fair value [b]	Revaluation to fair value [c]	Carrying value	Cost before impairment and revaluation to fair value [a]	Impairment	Cost after impairment but before revaluation to fair value [b]	Revaluation to fair value [c]	Carrying value
Debt instruments available for sale	304,065	(52)	304,013	(30,224)	273,789	326,637	(32)	326,606	41,479	368,084
Debt instruments (at cost) that are not quoted in an active market [c]	16,079	(49)	16,030	3	16,033	14,640	(0)	14,640	(31)	14,608
Debt instruments	**320,143**	**(100)**	**320,043**	**(30,221)**	**289,822**	**341,278**	**(32)**	**341,245**	**41,447**	**382,693**
Equity instruments available for sale	**14,798**	**(2,670)**	**12,128**	**2,219**	**14,347**	**17,401**	**(2,403)**	**14,998**	**6,955**	**21,953**
Non-consolidated investment funds available for sale	**8,978**	**(939)**	**8,039**	**1,343**	**9,381**	**9,202**	**(928)**	**8,274**	**1,551**	**9,824**
Loans available for sale	(0)	-	(0)	-	(0)	(0)	-	(0)	-	(0)
Loans at cost [d]	34,086	(184)	33,901	1,040	34,941	33,142	(178)	32,964	(171)	32,793
Loans	**34,086**	**(184)**	**33,901**	**1,040**	**34,941**	**33,142**	**(178)**	**32,964**	**(171)**	**32,793**
TOTAL	**378,005**	**(3,894)**	**374,110**	**(25,619)**	**348,491**	**401,022**	**(3,541)**	**397,481**	**49,782**	**447,263**

(a) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.
(b) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.
(c) Revaluation to fair value for instruments at cost related to the application of hedge accounting.
(d) Including policy loans.

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9.9.2 Change in impairment on financial investments

(in Euro million)	January 1, 2022	Increase for the period	Write back following sale or repayment	Write back following recovery in value	Other [(a)]	December 31, 2022
Impairment – Debt instruments	32	71	(4)	(0)	1	100
Impairment – Equity instruments	2,403	1,116	(836)	-	(13)	2,670
Impairment – Non-consolidated investment funds	928	169	(168)	-	11	939
Impairment – Loans	178	75	(17)	(66)	13	184
TOTAL	**3,541**	**1,431**	**(1,024)**	**(66)**	**12**	**3,894**

(a) Mainly relates to changes in the scope of consolidation and the impact of changes in exchange rates.

(in Euro million)	January 1, 2021	Increase for the period	Write back following sale or repayment	Write back following recovery in value	Other [(a)]	December 31, 2021
Impairment – Debt instruments	27	0	(4)	-	9	32
Impairment – Equity instruments	2,570	351	(658)	-	141	2,403
Impairment – Non-consolidated investment funds	884	54	(47)	-	38	928
Impairment – Loans	151	69	(1)	(54)	13	178
TOTAL	**3,631**	**474**	**(710)**	**(54)**	**200**	**3,541**

(a) Mainly relates to changes in the scope of consolidation and the impact of changes in exchange rates.

9.10 FAIR VALUE OF INVESTMENTS

9.10.1 Fair value of investments recognized at fair value

The breakdown by valuation method of investments recognized at fair value including derivatives (also detailed in Note 20.3 and Note 20.5), but excluding the assets backing contracts where the financial risk is borne by policyholders was as follows:

	December 31, 2022					December 31, 2021				
	Assets quoted in an active market excluding derivatives	Assets not quoted in an active market or no active market excluding derivatives				Assets quoted in an active market excluding derivatives	Assets not quoted in an active market or no active market excluding derivatives			
(in Euro million)	Fair value determined directly by reference to active market excluding derivatives (level 1)	Fair value mainly based on observable market data excluding derivatives (level 2)	Fair value mainly not based on observable market data excluding derivatives (level 3)	Total excluding derivatives	Total including derivatives	Fair value determined directly by reference to active market excluding derivatives (level 1)	Fair value mainly based on observable market data excluding derivatives (level 2)	Fair value mainly not based on observable market data excluding derivatives (level 3)	Total excluding derivatives	Total including derivatives
Debt instruments	202,842	74,967	363	278,172	273,789	279,484	90,968	322	370,774	368,084
Equity instruments	10,781	1,592	1,862	14,235	14,347	18,401	1,558	2,075	22,035	21,953
Non-consolidated investment funds	1,681	4,028	3,624	9,333	9,381	1,715	4,947	3,150	9,812	9,824
Loans	-	-	-	-	-	-	-	-	-	-
Financial investments and loans available for sale	**215,304**	**80,588**	**5,850**	**301,741**	**297,518**	**299,601**	**97,473**	**5,548**	**402,622**	**399,862**
Investment in real estate properties	-	1,880	-	1,880	1,880	-	1,523	-	1,523	1,523
Debt instruments	6,409	5,147	985	12,540	12,556	8,459	5,632	513	14,604	14,688
Equity instruments	3,082	1,670	10,647	15,399	15,400	3,557	1,106	9,607	14,271	14,271
Non-consolidated investment funds	248	4,924	4,285	9,458	9,568	311	4,369	3,038	7,718	7,644
Other assets held by consolidated investment funds designated as at fair value through profit or loss	1,782	7,556	10,486	19,824	20,049	2,032	9,897	7,425	19,355	19,294
Loans	-	-	-	-	-	-	-	-	-	-
Financial investments and loans designated as at fair value through profit or loss	**11,521**	**21,176**	**26,403**	**59,101**	**59,453**	**14,360**	**22,529**	**20,583**	**57,471**	**57,421**
Debt instruments	2	3	-	4	4	5	1	-	6	1
Equity instruments	-	-	-	-	-	-	-	-	-	-
Non-consolidated investment funds	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Financial investments and loans held for trading	**2**	**3**	**-**	**4**	**4**	**5**	**1**	**-**	**6**	**1**
TOTAL FINANCIAL INVESTMENTS AND LOANS ACCOUNTED FOR AT FAIR VALUE	**226,826**	**101,767**	**32,253**	**360,846**	**356,974**	**313,965**	**120,003**	**26,130**	**460,099**	**457,284**

Methods applied to determine the fair value of investments measured at fair value in the financial statements are described in Note 1.5. The Group applies the IFRS 13 fair value hierarchy.

ASSETS CLASSIFICATION

Fair values determined in whole directly by reference to an active market relate to prices which are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency which represent actual and regularly occurring market transactions on an arm's length basis, *i.e.* the market is still active. Such assets are categorized in the level 1 of the IFRS 13 fair value hierarchy.

Level 2 and 3 assets are investments which are not quoted in an active market or for which there is no active market. Fair values for level 2 and 3 assets include:

- values provided by external parties which:
  - are readily available including last transaction prices but relate to assets for which the market is not always active, or
  - are provided at the request of the Group by pricing services and which are not readily publicly available;
- assets measured on the basis of valuation techniques including a varying degree of assumptions supported by market transactions and observable data.

The common characteristic of level 2 and 3 assets is that their markets are considered as less active. Their value is generally based on mark to market basis, except when there is no market or when the market is distressed, in which case a mark to model approach is used. Assets not quoted in an active market which are marked to market mainly using observable inputs are classified in level 2. Assets not quoted in an active market for which fair value determination is not mainly based on observable inputs are classified as level 3. For all assets not quoted in an active market/no active market and for which a mark to model approach is used, the classification between level 2 and level 3 depends on the proportion of assumptions used supported by market transactions and market observable data:

- assumed to be used by pricing services or;
- used by the Group in the limited cases of application of mark to model valuations.

Fair values determined in whole directly by reference to an active market (level 1)

During 2022, the global economic turmoil has led to a significant rise in interest rates and, to a lesser extent, the widening of the bid/ask spread across the board, leading to transfers from Level 1 to Level 2.

As of December 31, 2022, the net transfer from level 2 to level 1 amounted to €-6,602 million. This amount comprised €3,675 million transferred from level 2 to level 1, and €10,277 million from level 1 to level 2, of which €7,180 million for corporate bonds and €2,368 million for government bonds.

Fair values of assets not quoted in an active market – no active markets (level 2 and level 3)

Overview of the nature of such investments

Amounts presented in level 2 and 3 represent a variety of circumstances. A financial instrument is regarded as not quoted in an active market if there is little observation of transaction prices as an inherent characteristic of the instrument, when there is a significant decline in the volume and level of trading activity, in case of significant illiquidity or if observable prices cannot be considered as representing fair value because of dislocated market conditions. Characteristics of inactive markets can therefore be very different in nature, inherent to the instrument or be indicative of a change in the conditions prevailing in certain markets.

The identification of level 3 assets among assets not quoted in an active market involves a significant level of judgment. The following are considered as observable: inputs provided by external pricing services, information observable obtained from specialized data providers, rating agencies, external surveys. The extent to which such data are external to the Group and not assessed by internal valuation teams is one of the main criteria applied in assessing whether data are observable or not. Should those data be significantly adjusted or would they be outdated because of the lack of newly available factors, such inputs would be deemed unobservable. Another area of judgment is the assessment of the significance of an input against the fair value measurement in its entirety. As a result, a different cut between observable and unobservable data and variances in the weighting of the significance of each input against the fair value measurement in its entirety could produce a different categorization.

Assets such as certain unquoted debt instruments, some instruments issued on private markets such as private equity instruments or private loans were always considered as not quoted in active markets as an inherent characteristic of these investments and were included as assets not quoted in active markets/no active markets in all periods presented. Valuations are based either on external pricing providers or internal models using techniques commonly used by market participants. Valuation teams make the maximum use of current transaction prices (if any) and observable data but some of the underlying sectors to which the investments relate may be so particular that significant adjustments are performed or unobservable data are used. Private equity funds of funds are measured on the basis of the latest net asset values of funds provided to the Group.

TRANSFER IN AND OUT OF THE LEVEL 3 CATEGORY AND OTHER MOVEMENTS

From January 1, 2022, to December 31, 2022, the amount of level 3 assets increased by €6.1 billion to €32.3 billion, representing 8.9% of the total assets at fair value (5.7% in 2021 or €26.1 billion).

Main movements related to level 3 assets to be noted were the following:

- €4.6 billion of new investments mainly in alternative assets;
- €+2.5 billion of change in unrealized gains and losses;
- €+0.7 billion of net asset transfers in and out of level 3 and foreign exchange fluctuation impact;
- €-1.7 billion of asset sales, redemptions and settlements mainly of debt instruments, equity securities and non-consolidated investment funds accounted for as available for sale, non-consolidated investment funds, other assets held by controlled investment funds and debt instruments accounted for as fair value through profit or loss.

A majority of assets classified in level 3 corresponds to private investments, in particular private equity assets.

9.10.2 Fair value of investments recognized at amortized cost

	December 31, 2022					December 31, 2021				
	Assets quoted in an active market	Assets not quoted in an active market or no active market				Assets quoted in an active market	Assets not quoted in an active market or no active market			
(in Euro million)	Fair value determined directly by reference to active market (level 1)	Fair value mainly based on observable market data (level 2)	Fair value mainly not based on observable market data (level 3)	Total excluding derivatives	Total including derivatives	Fair value determined directly by reference to active market (level 1)	Fair value mainly based on observable market data (level 2)	Fair value mainly not based on observable market data (level 3)	Total excluding derivatives	Total including derivatives
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-	-
Loans held to maturity	-	-	-	-	-	-	-	-	-	-
Financial investments and loans held to maturity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment in real estate properties at amortized cost	69	40,803	884	41,756	41,726	-	39,629	827	40,456	40,305
Debt instruments at cost (loans & receivables)	419	8,859	4,984	14,263	14,266	624	8,844	5,708	15,175	15,144
Loans at amortized cost	18	15,955	16,797	32,770	33,810	22	18,200	15,510	33,732	33,561
Financial investments and loans at amortized cost	**506**	**65,617**	**22,665**	**88,788**	**89,802**	**646**	**66,673**	**22,044**	**89,363**	**89,009**
TOTAL FAIR VALUE OF INVESTED ASSETS AT AMORTIZED COST	**506**	**65,617**	**22,665**	**88,788**	**89,802**	**646**	**66,673**	**22,044**	**89,363**	**89,009**

Note: This table excludes assets backing contracts where the financial risk is borne by policyholders with guaranteed minimum features.

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The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. Specifics to the valuation of investments are further described in Note 9.10.1 and the same principles apply to the fair value of investments at amortized cost.

Generally fair values of investments in real estate properties cannot be determined *via* reference to quotes of an active market from an exchange market or service provider and no property is therefore categorized in level 1. However, AXA's investments in real estate properties are mostly physically located within liquid markets with identical or comparable asset sales. Given the regulatory environment, some real estate properties located in markets such us France are valued by experts using very similar approaches leading to very limited dispersion in prices, with a majority of market inputs themselves homogeneous in terms of sources and values. Hence, the Group, consistently with the policy described in Note 1.5 which notably considers, for assets not quoted in an active market, the weight of observable inputs in the valuation, concludes that the fair value calculations, which are based on valuations performed by qualified property appraisers mainly based on market observable inputs, are considered as level 2 fair values. However, as described in Note 1.5 and Note 9.10.1, the assessment of the significance of an input against the fair value measurement in its entirety involves judgment and a different weighting could produce a different categorization.

The fair values of debt instruments and loans at cost are determined with consideration of market inputs to the extent possible. For level 2 instruments, the fair value is mainly derived using valuation techniques based upon observable market interest rate curves. For level 3 instruments, the fair values of debt instruments and loans at cost are determined by valuation techniques using limited observable market data.

9.11 INVESTMENTS BACKING CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

	December 31, 2022	December 31, 2021
(in Euro million)	Fair value [(a)]	Fair value [(a)]
Investment in real estate properties	4,740	4,673
Equity instruments & non-consolidated investment funds	63,632	72,629
Debt instruments	7,268	8,671
Others	826	343
TOTAL INSURANCE ACTIVITIES	**76,467**	**86,315**

(a) Fair value equals carrying value.

Financial assets included in these investments are valued at fair value through profit or loss under the fair value option.

9.12 DISCLOSURES ABOUT THE TEMPORARY EXEMPTION FROM IFRS 9

9.12.1 Solely Payment of Principal and Interest (SPPI) test

As mentioned in Note 1.2 "General accounting principles", in the context of IFRS 9 implementation, the Group has determined that it is eligible for the temporary exemption option, introduced by the amendment to IFRS 4 Insurance contracts, until the earlier of annual reporting periods beginning on or after January 1, 2023. During this deferral period, additional disclosures related to SPPI criterion and to credit risk exposure are required.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding *i.e.* cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for **(i)** the time value of money, and **(ii)** the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the result of the SPPI test for the assets not currently designated as at fair value through profit and loss, with a split between Insurance and Other activities.

Each investment item is presented gross of tax and excluding the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) and the potential impact resulting from the application of the future IFRS 17 standard on insurance contracts that will avoid accounting mismatches in particular for contracts eligible to the variable fee approach measurement model.

INSURANCE

	December 31, 2022				December 31, 2021			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
(in Euro million)	Fair value	Change in unrealized gain or loss in 2022	Fair value	Change in unrealized gain or loss in 2022	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2021
Debt instruments held to maturity	-	-	-	-	-	-	-	-
Debt instruments available for sale	420	(412)	273,821	(69,102)	1,605	(47)	366,319	(20,443)
Debt instruments (at cost) not quoted in an active market	-	-	14,247	(2,302)	-	-	15,158	(27)
Equity instruments available for sale	13,136	(4,864)	-	-	20,982	1,608	-	-
Non-consolidated investment funds available for sale	9,258	(244)	-	-	9,734	467	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-
Loans at cost	7	-	20,117	(1,790)	11	1	19,956	(464)
TOTAL	**22,821**	**(5,520)**	**308,185**	**(73,194)**	**32,331**	**2,028**	**401,433**	**(20,934)**

OTHER ACTIVITIES

(in Euro million)	December 31, 2022				December 31, 2021			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealized gain or loss in 2022	Fair value	Change in unrealized gain or loss in 2022	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2021
Debt instruments held to maturity	-	-	-	-	-	-	-	-
Debt instruments available for sale	23	(0)	3,907	(542)	-	-	2,859	(97)
Debt instruments (at cost) not quoted in an active market	-	-	15	(1)	-	-	17	(0)
Equity instruments available for sale	1,099	(65)	-	-	1,053	(60)	-	-
Non-consolidated investment funds available for sale	76	(0)	-	-	78	2	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-
Loans at cost	5	0	11,107	(0)	2	(0)	12,107	(0)
TOTAL	**1,203**	**(65)**	**15,029**	**(543)**	**1,134**	**(57)**	**14,983**	**(97)**

TOTAL

(in Euro million)	December 31, 2022				December 31, 2021			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealized gain or loss in 2022	Fair value	Change in unrealized gain or loss in 2022	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2021
Debt instruments held to maturity	-	-	-	-	-	-	-	-
Debt instruments available for sale	444	(412)	277,729	(69,644)	1,605	(47)	369,178	(20,539)
Debt instruments (at cost) not quoted in an active market	-	-	14,263	(2,302)	-	-	15,175	(27)
Equity instruments available for sale	14,235	(4,929)	-	-	22,035	1,548	-	-
Non-consolidated investment funds available for sale	9,333	(244)	-	-	9,812	469	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-
Loans at cost	12	0	31,223	(1,790)	13	0	32,063	(756)
TOTAL	**24,024**	**(5,585)**	**323,215**	**(73,737)**	**33,465**	**1,971**	**416,416**	**(21,322)**

9.12.2 Credit risk exposure

The tables below set out the gross carrying amount and the fair value (excluding the impact of derivatives) information on credit risk exposure for financial assets that pass the SPPI test:

For debt instruments, the credit risk information is available by rating grades [1].

	December 31, 2022							December 31, 2021						
	Gross Carrying amount of debt instruments that pass the SPPI test							Gross Carrying amount of debt instruments that pass the SPPI test						
(in Euro million)	AAA	AA	A	BBB	BB and lower	Other	Total	AAA	AA	A	BBB	BB and lower	Other	Total
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	65,274	102,513	76,571	57,536	2,256	383	304,534	75,377	101,653	71,671	71,083	2,932	3,583	326,299
Debt instruments (at cost) not quoted in an active market	140	6,291	1,901	5,509	2,232	7	16,079	611	3,964	991	4,704	546	3,824	14,640
TOTAL	**65,414**	**108,804**	**78,472**	**63,045**	**4,488**	**390**	**320,612**	**75,988**	**105,616**	**72,663**	**75,787**	**3,478**	**7,407**	**340,939**

	December 31, 2022							December 31, 2021						
	Fair value of debt instruments that pass the SPPI test							Fair value of debt instruments that pass the SPPI test						
(in Euro million)	AAA	AA	A	BBB	BB and lower	Other	Total	AAA	AA	A	BBB	BB and lower	Other	Total
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	56,708	93,359	72,050	53,145	2,099	369	277,729	83,007	123,694	76,774	79,051	2,920	3,733	369,178
Debt instruments (at cost) not quoted in an active market	113	5,438	1,767	4,958	1,977	6	14,260	630	4,115	1,008	4,950	555	3,917	15,175
TOTAL	**56,821**	**98,797**	**73,817**	**58,103**	**4,076**	**375**	**291,988**	**83,637**	**127,809**	**77,782**	**84,001**	**3,475**	**7,649**	**384,353**

For loans, the credit risk information is available through three categories: rating grades, range of probability of default (range of PD) and scoring which is issued by AXA banking entities and past due information.

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(1) These are external ratings corresponding to the average of the three main rating agencies, which are S&P, Fitch and Moody's.

(in Euro million)	December 31, 2022 Gross Carrying amount of loans that pass the SPPI test				December 31, 2021 Gross Carrying amount of loans that pass the SPPI test			
	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-
Loans at cost	4,297	10,622	17,614	32,532	2,810	12,005	16,760	31,575
TOTAL	**4,297**	**10,622**	**17,614**	**32,532**	**2,810**	**12,005**	**16,760**	**31,575**

(in Euro million)	December 31, 2022 Fair value of loans that pass the SPPI test				December 31, 2021 Fair value of loans that pass the SPPI test			
	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-
Loans at cost	4,182	10,556	16,485	31,223	2,747	11,929	17,387	32,063
TOTAL	**4,182**	**10,556**	**16,485**	**31,223**	**2,747**	**11,929**	**17,387**	**32,063**

Below are detailed the gross carrying value and the fair value of loans that pass the SPPI test for which the credit risk is based on:

A) RATING GRADES:

	December 31, 2022		December 31, 2021	
Loans at cost	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test
AAA	0	0	0	0
AA	553	553	479	481
A	1,456	1,444	1,255	1,260
BBB	1,488	1,465	672	654
BB and lower	732	661	130	93
Other	68	57	274	258
Total amount of loans that pass the SPPI test and for which the credit risk information is based on ratings	**4,297**	**4,182**	**2,810**	**2,747**

B) RANGES OF PROBABILITY OF DEFAULT (PD) WITHIN 12 MONTHS:

	December 31, 2022		December 31, 2021	
Loans at cost	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test
0% < PD < 0.35%	95	95	5,698	5,690
0.35 < PD < 3.78%	9,073	9,070	4,506	4,504
3.78 < PD < 10.00%	325	324	1,253	1,251
PD > 10.00%	601	605	103	102
Default	528	463	445	382
Total amount of loans that pass the SPPI test and for which credit risk information is based on scoring	**10,622**	**10,556**	**12,005**	**11,929**

C) PAST DUE INFORMATION

	December 31, 2022		December 31, 2021	
Loans at cost	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test
Current	17,582	16,461	16,712	17,347
0-30 days past due	9	9	12	13
31-60 days past due	3	3	4	4
61-89 days past due	1	1	2	2
90 days and more past due	18	12	30	20
Total amount of loans that pass the SPPI test and for which credit risk is provided on the basis of past due information	**17,614**	**16,485**	**16,760**	**17,387**

Note 10 Investments accounted for using the equity method

10.1 BREAKDOWN OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2022					
(in Euro million)	January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes [(a)]	December 31
Neuflize Vie	160	-	13	-	(27)	146
Philippine AXA Life Insurance Corporation	126	-	32	(4)	(11)	142
Krungthai AXA Life Insurance Company Ltd.	344	-	44	8	3	398
ICBC-AXA Assurance Co., Ltd.	844	-	(98)	(13)	(45)	688
PT AXA Mandiri Financial Services	114	-	37	(3)	(28)	119
Bharti AXA Life	136	-	(7)	(7)	19	142
Reso Garantia [(b)]	551	-	(192)	160	(12)	507
Kyobo AXA Investment Managers Company Ltd.	35	-	5	0	(6)	33
AXA SPDB Investments Managers Company Ltd.	160	-	19	(3)	(43)	133
AXA Mansard Insurance plc (Property & Casualties and includes Assur African Holding) [(c)]	104	-	-	-	(104)	-
AXA Mansard Insurance plc (Life & Savings) [(c)]	16	-	-	-	(16)	-
Capza (asset manager)	-	91	6	-	(1)	96
Other	10	-	(0)	11	3	24
TOTAL	**2,601**	**91**	**(142)**	**149**	**(270)**	**2,428**

(a) Includes increase in capital, dividend distributions, changes in consolidation method, and impacts of revaluation to fair value of financial investments in shareholders' equity.

(b) The contribution of Reso Garantia to net income is mainly due to the depreciation of goodwill in 2022 for €-164 million on top of the AXA's group share of the losses incurred locally (see Note 10.3).

(c) AXA Mansard has been fully consolidated starting from January 1, 2022.

	2021					
(in Euro million)	January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes [(a)]	December 31
Neuflize Vie	159	-	7	-	(6)	160
Philippine AXA Life Insurance Corporation	123	-	20	2	(18)	126
Krungthai AXA Life Insurance Company Ltd.	346	-	12	(9)	(4)	344
ICBC-AXA Assurance Co. Ltd.	714	-	54	77	(1)	844
PT AXA Mandiri Financial Services	101	-	36	6	(29)	114
Bharti AXA Life	124	-	(14)	7	19	136
Bharti AXA General Insurance Company Ltd.	-	-	9	1	(9)	-
Reso Garantia	608	-	(13)	42	(86)	551
Kyobo AXA Investment Managers Company Ltd.	33	-	6	(1)	(4)	35
AXA SPDB Investments Managers Company Ltd.	135	-	16	15	(5)	160
AXA Mansard Insurance plc (Property & Casualties and includes Assur African Holding)	90	-	11	3	1	104
AXA Mansard Insurance plc (Life & Savings)	30	-	1	0	(16)	16
Other	7	(5)	(1)	3	5	10
TOTAL	**2,471**	**(5)**	**144**	**146**	**(155)**	**2,601**

(a) Includes increase in capital, dividend distributions, changes in consolidation method, and impacts of revaluation to fair value of financial investments in shareholders' equity.

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10.2 MAIN JOINT VENTURES

Financial information for the main joint venture (Krungthai AXA Life Insurance Company Ltd.) is as follows (including AXA and external share but excluding goodwill related to AXA's investment):

(in Euro million)	December 31, 2022	December 31, 2021
Cash and cash equivalents	100	100
Total assets (including cash and cash equivalents)	**8,342**	**8,705**
Financing debts	-	-
Total liabilities (including financing debts but excluding shareholders' equity)	**7,545**	**8,016**
Net assets	**797**	**688**
Revenues	1,236	1,323
Change in unearned premiums net of unearned revenues and fees	(4)	(19)
Net investment result excluding financing expenses	(350)	(296)
Other operating income and expenses	(774)	(979)
Financing debt expenses	-	-
Income tax expense or income	(22)	(5)
Net income	**87**	**24**
Other comprehensive income	16	(19)
Total comprehensive income	**103**	**5**
Dividends received from joint ventures	**-**	**4**

As of December 31, 2022 and December 31, 2021, the Group share of interest in Krungthai AXA Life Insurance Company Ltd. was 50.0%.

A reconciliation of the summarized financial information to the Group share carrying amount of the main joint venture was as follows:

(in Euro million)	December 31, 2022	December 31, 2021
Net assets as presented above	797	688
Group share in net assets	398	344
Goodwill	-	-
Carrying value	398	344

Under IAS 39, all financial assets of Krungthai AXA Life Insurance Company Ltd. are accounted for at fair value through profit and loss. Consequently the SPPI test (Solely Payments of Principal and Interest) required as per IFRS 9 is not applicable to this investment (see Note 9.12).

10.3 MAIN ASSOCIATES

Financial information for main associates was as follows (including AXA and external share but excluding goodwill related to AXA's investment):

(in Euro million)	December 31, 2022 Reso Garantia	December 31, 2022 ICBC-AXA Assurance Co. Ltd.	December 31, 2021 Reso Garantia	December 31, 2021 ICBC-AXA Assurance Co. Ltd.
Total assets	**4,389**	**37,875**	**3,315**	**36,055**
Total liabilities (excluding shareholders' equity)	**3,076**	**35,374**	**2,286**	**32,985**
Net assets	**1,313**	**2,501**	**1,029**	**3,070**
Revenues	1,904	6,945	1,644	6,112
Net income	**(63)**	**(357)**	**(34)**	**198**
Other comprehensive income	347	(212)	79	328
Total comprehensive income	**283**	**(569)**	**45**	**525**
Dividends received from the associates	**-**	**-**	**82**	**14**

A reconciliation of the summarized financial information to the Group share carrying amount of the associates is as follows:

(in Euro million)	December 31, 2022 Reso Garantia	December 31, 2022 ICBC-AXA Assurance Co. Ltd.	December 31, 2021 Reso Garantia	December 31, 2021 ICBC-AXA Assurance Co. Ltd.
Net assets as presented above	1,313	2,501	1,029	3,070
Group share of net assets	507	688	395	844
Goodwill	-	-	156	-
Impairment of associate	-	-	-	-
Carrying value	507	688	551	844

Reso Garantia already applies IFRS 9 (see Note 9.12).

10.4 DISCLOSURES ABOUT THE TEMPORARY EXEMPTION FROM IFRS 9 FOR ICBC-AXA ASSURANCE CO. LTD.

The table below sets out the result of the SPPI test (Solely Payment of Principal and Interest) for the assets not currently designated as at fair value with change in fair value through income statement as of December 31, 2022. The amounts exclude the impact of derivatives.

	December 31, 2022				December 31, 2021			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
(in Euro million)	Fair value	Change in unrealized gain or loss	Fair value	Change in unrealized gain or loss	Fair value	Change in unrealized gain or loss	Fair value	Change in unrealized gain or loss
Debt instruments held to maturity	-	-	-	-	-	-	-	-
Debt instruments available for sale	-	-	9,610	65	-	-	9,330	438
Debt instruments (at cost) not quoted in an active market	1,642	0	2,186	0	1,885	0	1,308	0
Equity instruments available for sale	478	(201)	-	-	2,354	(182)	-	-
Non-consolidated investment funds available for sale	3	(0)	-	-	537	(80)	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-
Loans at cost	1,143	0	2,621	0	2,896	0	2,951	0
TOTAL	**3,266**	**(201)**	**14,417**	**65**	**7,672**	**(262)**	**13,589**	**438**

This Note excludes investment funds and real estate companies accounted for using the equity method, which are presented as financial investments (see Note 9).

Note 11 Receivables

(in Euro million)	December 31, 2022 Gross value	Impairment	Carrying value	Fair value	December 31, 2021 Gross value	Impairment	Carrying value	Fair value
Deposits and guarantees	3,161	-	3,161	3,161	3,176	-	3,176	3,176
Current accounts receivables from other Companies	1,790	(8)	1,782	1,782	1,542	(8)	1,534	1,534
Receivables from policyholders, brokers and general agents	16,755	(571)	16,184	16,184	16,816	(545)	16,272	16,272
Premiums earned not yet written	5,918	-	5,918	5,918	4,830	-	4,830	4,830
Receivables arising from direct insurance and inward reinsurance operations	**27,623**	**(579)**	**27,044**	**27,044**	**26,365**	**(553)**	**25,812**	**25,812**
Deposits and guarantees	(0)	-	(0)	(0)	0	-	0	0
Receivables from reinsurers	4,168	(66)	4,102	4,102	2,671	(54)	2,617	2,617
Receivables from brokers and general agents	0	(0)	(0)	(0)	(5)	(0)	(5)	(5)
Receivables arising from outward reinsurance operations	**4,168**	**(66)**	**4,102**	**4,102**	**2,666**	**(54)**	**2,612**	**2,612**
Current tax receivables	**882**	**-**	**882**	**882**	**908**	**-**	**908**	**908**
Employee benefits & related	1,806	(1)	1,805	1,805	1,594	(1)	1,593	1,593
Other deposits	2,208	(0)	2,208	2,208	1,313	-	1,313	1,313
Others	6,384	(43)	6,340	6,340	6,146	(61)	6,085	6,085
Other receivables	**10,398**	**(44)**	**10,354**	**10,354**	**9,053**	**(62)**	**8,991**	**8,991**
TOTAL RECEIVABLES	**43,071**	**(689)**	**42,382**	**42,382**	**38,992**	**(669)**	**38,323**	**38,323**

Note 12 Cash and cash equivalents

(in Euro million)	December 31, 2022 Carrying value [b]	December 31, 2021 Carrying value [a] [b]
Arising from insurance activities	19,808	16,336
Arising from banking activities	1,601	2,513
Arising from other activities	4,756	6,202
Cash and cash equivalents [c]	**26,165**	**25,051**

(a) Reclassification of Architas activities previously reported as part of Insurance activities to Other activities.
(b) Fair value is assessed as being equal to net carrying value given the nature of such assets.
(c) Including €1,519 million deposits in the central banks in 2022 and €2,397 million in 2021.

The table below reconciles assets and liabilities cash and cash equivalent balances with the statement of consolidated cash flows:

(in Euro million)	December 31, 2022	December 31, 2021
Cash and cash equivalents	26,165	25,051
Bank overdrafts [a]	(486)	(680)
Cash and cash equivalents [b]	**25,679**	**24,371**

(a) Included in "Other debt instruments issued and bank overdrafts".
(b) The "Cash and cash equivalents" item excludes cash backing contracts where the financial risk is borne by policyholders (Unit-Linked contracts).

The tables above exclude cash held by consolidated investment funds in the "Satellite Investment Portfolio", as defined in Note 1.8.2.

As of December 31, 2022, total consolidated net cash and cash equivalents amounted to €26,165 million, net of €486 million bank overdrafts classified under "Other debt instrument issued and bank overdrafts" in the consolidated statement of financial position.

Net cash and cash equivalents increased by €1,308 million compared to 2021 mainly in:

- France (€+1,566 million) mainly related to investing activities (€+1,236 million) as well as an increase in operating cash (€+330 million);
- Hong Kong (€+867 million) mainly related to an increase in operating cash (€+506 million) as well as investing activities (€+362 million);
- Belgium (€+735 million) mainly related to an increase in operating cash (€+418 million) as well as investing activities (€+317 million),

It was partly offset by:

- AXA SA (€-1,765 million) mainly related to dividends paid to the shareholders, the shares bought back, investing activities, repayment of debts and the financial charges paid, partly offset by the issuance of subordinated debts and dividends received.

Regarding the consolidated statement of cash flows presented in the primary financial statements, net cash provided by operating activities amounted to €+7,881 million in 2022, compared to €+6,526 million in 2021.

Net cash used in investing activities amounted to €+470 million in 2022, mainly reflecting:

- €+474 million of net cash used in purchases and sales of financial invested assets.

Net cash used in investing activities amounted to €-8,951 million in 2021, mainly reflecting:

- €-4,689 million of net cash used in purchases and sales of financial invested assets;
- €-2,835 million of net cash impact of assets lending/borrowing collateral receivables and payables.

Net cash relating to financing activities amounted to €-6,124 million in 2022, mainly driven by:

- repayment of equity instruments for €-3,959 million mainly related to the shares bought back and repayments of undated subordinated debts;
- dividends payments of €-3,676 million.

Partly offset by:

- net cash from financing debts of €+1,494 million mainly related to the issuances and repayments of subordinated debts.

Net cash relating to financing activities amounted to €-4,333 million in 2021, mainly driven by:

- dividends payments of €-3,489 million;
- repayment of equity instruments for €-1,299 million mainly related to the shares bought back.

Note 13 Shareholders' equity and minority interests

13.1 IMPACT OF TRANSACTIONS WITH SHAREHOLDERS

The Consolidated Statement of changes in Equity is presented as a primary financial statement.

13.1.1 Change in shareholders' Equity Group share in 2022

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During 2022, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- a capital decrease of €2,207 million corresponding to 85.9 million shares cancelled as a consequence of the share buy back programs;
- a capital increase of €296 million from the employee share offering of 14.0 million shares in December 2022;
- a capital increase of €44 million due to the exercise of stock options;
- share-based remuneration for €59 million;

TREASURY SHARES

As of December 31, 2022, the Company and its subsidiaries owned 87.2 million AXA shares, representing 3.7% of the share capital, an increase of 21.2 million shares compared to December 31, 2021.

The 1.0 million treasury shares backing contracts where financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €23 million and their market value €27 million.

The carrying value of treasury shares and related derivatives amounted to €2,150 million and there was no AXA shares held by consolidated Mutual funds other than those backing contracts where financial risk is borne by policyholders.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

Undated subordinated debt instruments are classified in shareholders' equity and valuated at their historical value or their closing value as regards exchange rates. The corresponding foreign exchange differences are cancelled out through the translation reserve.

In 2022, the following transactions pertaining to undated subordinated debt had an impact on AXA's other reserves:

- €-994 million from repayment of undated subordinated debt and €-21 million loss on partial repayment;
- €-182 million from interest expenses related to the undated subordinated debt (net of tax);
- €+2 million from foreign exchange rate fluctuations.

As of December 31, 2022, and December 31, 2021, undated subordinated debt recognized in shareholders' equity broke down as follows:

	December 31, 2022		December 31, 2021	
(in million)	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt in Euro million	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt in Euro million
October 29, 2004 - 375 M€ 6.0%	375	375	375	375
December 22, 2004 - 250 M€ 6.0%	250	250	250	250
January 25, 2005 - 250 M€ 6.0%	250	250	250	250
July 6, 2006 - 350 M£ 6.7%	350	395	350	417
December 14, 2006 - 750 MUS$ 6.4%	509	475	750	659
November 7, 2014 - 984 M€ 3.941%	984	981	984	981
November 7, 2014 - 724 M£ 5.453%	724	813	724	859
May 20, 2014 - 1,000 M€ - 3.9%	1,000	997	1,000	997
January 22, 2013 - 850 MUS$, 5.5%	-	-	850	745
Undated notes - 625 M€, variables rates	625	625	625	625
Undated notes - 27,000 MJPY, 3.3%	27,000	192	27,000	207
Undated notes - 375 MUS$, variables rates	375	352	375	331
TOTAL		**5,704**		**6,696**

Undated subordinated debt often contains the following features:

- early redemption clauses (calls) at the Group's option, giving AXA the ability to redeem on certain dates the principal amount before settlement and without penalty; and
- interest rate step-up clauses with effect at different contractual given dates.

DIVIDENDS PAID

On April 28, 2022, Shareholders' Meeting, shareholders approved a dividend distribution of €1.54 per share corresponding to €3,539 million with respect to the 2021 financial year.

13.1.2 Change in shareholders' Equity Group share in 2021

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During 2021, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- a capital increase of €292 million from the employee share offering of 13.8 million shares in December 2021;
- a capital increase of €61 million due to the exercise of stock options;
- share-based remuneration for €50 million;
- a capital decrease of €328 million corresponding to 13.9 million shares in order to eliminate the dilutive effect of employee share offering of 13.8 million shares and other share-based compensation schemes of 0.1 million shares (AXA SA's stocks options and performance shares plans).

TREASURY SHARES

As of December 31, 2021, the Company and its subsidiaries owned 66.0 million AXA shares, representing 2.7% of the share capital, an increase of 33.5 million shares compared to December 31, 2020.

The 1.1 million treasury shares backing contracts where financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €14 million and their market value €28 million.

The carrying value of treasury shares and related derivatives amounted to €1,630 million and there was no AXA shares held by consolidated Mutual funds other than those backing contracts where financial risk is borne by policyholders.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

In 2021, the following transactions pertaining to undated subordinated debt had an impact on AXA's other reserves:

- €+211 million from foreign exchange rate fluctuations;
- €-194 million from interest expenses related to the undated subordinated debt (net of tax).

DIVIDENDS PAID

On April 29, 2021, Shareholders' Meeting, shareholders approved a dividend distribution of €1.43 per share corresponding to €3,403 million with respect to the 2020 financial year.

13.2 COMPREHENSIVE INCOME FOR THE PERIOD

The Statement of Comprehensive Income, presented as primary financial statements, includes net income for the period, the reserves relating to the change in fair value of available for sale financial instruments, the translation reserve, and actuarial gains and losses on employee benefit obligations.

13.2.1 Comprehensive income for 2022

RESERVES RELATED TO CHANGES IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL INSTRUMENTS INCLUDED IN SHAREHOLDERS' EQUITY

The decrease of gross unrealized gains and losses on assets available for sale totalled €76,263 million, of which a €71,217 million decrease in unrealized capital gains on debt securities driven by the increase in interest rates.

The following table shows the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding reserve recognized in shareholders' equity:

(in Euro million)	December 31, 2022	December 31, 2021
Gross unrealized gains and losses [(a)]	**(24,262)**	**52,001**
Less unrealized gains and losses attributable to:		
Shadow accounting on policyholder participation and other obligations	12,449	(28,229)
Shadow accounting on Deferred Acquisition Costs [(b)]	205	(711)
Shadow accounting on Value of purchased Business In force	42	(126)
Unallocated unrealized gains and losses before tax	**(11,565)**	**22,936**
Deferred tax	2,549	(5,226)
Unrealized gains and losses net of tax - assets available for sale	**(9,017)**	**17,710**
Unrealized gains and losses net of tax (100%) - equity accounted companies	61	154
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% - TOTAL	**(8,955)**	**17,864**
Minority interests' share in unrealized gains and losses [(c)]	301	(223)
Translation reserves [(d)]	(308)	(150)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) [(e)]	**(8,963)**	**17,491**

(a) Unrealized gains and losses on total available for sale invested assets including loans and assets held for sale.
(b) Net of shadow accounting on unearned revenues and fees reserves and held for sale activities.
(c) Including foreign exchange impact attributable to minority interests.
(d) Group share.
(e) Including unrealized gains and losses on assets held for sale.

On December 31, 2022, most of the unrealized gains and losses on assets available for sale were related to Life & Savings activities.

In jurisdictions where participating business represents an important portion of contracts in force and where required minimum local policyholders' share in the entities' results is significant, the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding net reserve recognized in shareholders' equity was as follows as of December 31, 2022:

(in Euro million)	December 31, 2022			
	France Life & Savings	Germany Life & Savings	Switzerland Life & Savings	Belgium Life & Savings
Gross unrealized gains and losses [(a)]	**(6,164)**	**(5,049)**	**(1,433)**	**(325)**
Less unrealized gains and losses attributable to:				
Shadow accounting on policyholders' participation and other obligations	4,253	4,205	920	(172)
Shadow accounting on Deferred Acquisition Costs [(b)]	87	-	38	24
Shadow accounting on Value of purchased Business In force	-	-	49	-
Unallocated unrealized gains and losses before tax	**(1,825)**	**(844)**	**(426)**	**(472)**
Deferred tax	531	270	77	135
Unrealized gains and losses (net of tax) – assets available for sale	**(1,294)**	**(574)**	**(350)**	**(337)**
Unrealized gains and losses net of tax - equity accounted companies	(1)	-	-	-
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% – TOTAL	**(1,294)**	**(574)**	**(350)**	**(337)**
Minority interests' share in unrealized gains and losses [(c)]	2	0	-	0
Translation reserves [(d)]	0	-	(299)	(0)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) [(e)]	**(1,292)**	**(574)**	**(649)**	**(337)**

(a) Unrealized gains and losses on total available for sale invested assets including loans and assets held for sale.
(b) Net of shadow accounting on unearned revenues and fees reserves.
(c) Including foreign exchange impact attributable to minority interests.
(d) Group share.
(e) Including unrealized gains and losses on assets held for sale.

The change in reserves related to changes in fair value of available for sale financial instruments included in shareholders' equity as of December 31, 2022, and December 31, 2021, broke down as follows:

(in Euro million)	December 31, 2022	December 31, 2021
Unrealized gains and losses (net of tax) 100% - opening	**17,864**	**22,842**
Transfer in the income statement on the period [(a)]	(2,111)	(2,311)
Investments bought in the current accounting period and changes in fair value	(24,632)	(2,865)
Foreign exchange impact	97	281
Change in scope and other changes	(173)	(83)
Unrealized gains and losses (net of tax) 100% - closing	**(8,955)**	**17,864**
Minority interests' share in unrealized gains and losses [(b)]	301	(223)
Translation reserves [(c)]	(308)	(150)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) [(d)]	**(8,963)**	**17,491**

(a) Transfer induced by disposal of financial assets, impairment write-back following reevaluation, or transfer of expenses following impairment charge during the period.
(b) Including foreign exchange impact attributable to minority interests.
(c) Group share.
(d) Including unrealized gains and losses on assets held for sale operations.

CURRENCY TRANSLATION RESERVE

The total impact of foreign exchange rate movements was €+1,189 million (of which €+1,184 million from Group share and €+6 million from minority interests) as at December 31, 2022.

The change in Group share translation reserves of €+1,184 million was mainly driven by AXA XL (€+1,070 million), Switzerland (€+545 million), Hong Kong (€+406 million) partly offset by Japan (€-552 million) and the United Kingdom (€-212 million).

EMPLOYEE BENEFITS ACTUARIAL GAINS AND LOSSES

The total net impact of employee benefits actuarial gains and losses amounted to €+987 million (of which €+981 million from Group share and €+6 million from minority interests) as of December 31, 2022. This positive impact was mainly due to an overall increase in discount rate assumptions used, mitigated by an effect of asset ceiling in Switzerland.

Additional information on pension benefits is provided in Note 26.2.

13.2.2 Comprehensive income for 2021

RESERVE RELATED TO CHANGES IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL INSTRUMENTS INCLUDED IN SHAREHOLDERS' EQUITY

The decrease of gross unrealized gains and losses on assets available for sale totalled €-18,597 million, of which a €-20,611 million decrease in unrealized capital gains on debt securities driven by the increase in interest rates.

CURRENCY TRANSLATION RESERVE

The total impact of foreign exchange rate movements was €+2,030 million (of which €+2,032 million from Group share and €-2 million from minority interests) as at December 31, 2021.

The change in Group share translation reserves of €+2,030 million was mainly driven by AXA XL (€+1,156 million), Switzerland (€+496 million), Hong Kong (€+326 million), the United Kingdom (€+275 million) and China (€+138 million) partly offset by Japan (€-330 million).

EMPLOYEE BENEFITS ACTUARIAL GAINS AND LOSSES

The total net impact of employee benefits actuarial gains and losses amounted to €+619 million (of which €+615 million from Group share and €+4 million from minority interests) as of December 31, 2021. This positive impact was mainly due to an overall increase in discount rate assumptions used.

13.3 CHANGE IN MINORITY INTERESTS

Under IFRS, minority interests in most investment funds in which the Group invests consist of instruments that holders can redeem at will at fair value, and qualify as a liability rather than shareholders' equity item.

13.3.1 Change in minority interests for 2022

The €-1,069 million decrease in minority interests to €3,025 million was driven by transactions with minority interests' holders and comprehensive income:

- the comprehensive income for the period notably included the following:
  - net income attributable to minority interests for €+180 million,
  - employee benefits actuarial gains and losses for €+6 million,
  - reserves relating to changes in fair value through shareholders' equity for €-539 million,
  - foreign exchange movements for €+6 million;
- transactions with minority interests' holders mainly included:
  - minority interests in consolidated investment funds qualified as equity resulting from the decrease in the value of minority interests' holdings mainly due to market performance and divestment in the funds for €-493 million,
  - dividend payout to minority interests' holders for €-168 million,
  - the Malaysia operations disposal for €-136 million.

13.3.2 Change in minority interests for 2021

The €-471 million decrease in minority interests to €4,094 million was driven by transactions with minority interests' holders and comprehensive income:

- the comprehensive income for the period notably included the following:
  - net income attributable to minority interests for €+214 million,
  - employee benefits actuarial gains and losses for €+4 million,
  - reserves relating to changes in fair value through shareholders' equity for €-125 million,
  - foreign exchange movements for €-2 million;

- transactions with minority interests' holders mainly included:
  - the Gulf Region disposal for €-268 million,
  - minority interests in consolidated investment funds qualified as equity resulting from the decrease in the value of minority interests' holdings due to a capital decrease for €-178 million,
  - dividend payout to minority interests' holders for €-79 million.

Note 14 Liabilities arising from insurance and investment contracts

In this Note, Health is not reported separately from Life & Savings and Property & Casualty lines of business.

14.1 BREAKDOWN OF LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

14.1.1 Segment breakdown of liabilities arising from insurance and investment contracts

(in Euro million)	December 31, 2022						
	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Total Insurance
Insurance liabilities	162,017	140,162	66,526	59,306	6,612	6,314	440,938
Investment liabilities	12,055	35,124	2,003	-	2,060	-	51,243
Other liabilities [(a)]	2,676	7,433	4,223	0	133	1,058	15,523
Total insurance and investment liabilities (A)	**176,748**	**182,720**	**72,752**	**59,306**	**8,805**	**7,372**	**507,703**
Reinsurers' share in insurance and investment contracts' liabilities (B)	7,211	1,881	6,028	24,557	899	(939)	39,636
TOTAL INSURANCE AND INVESTMENT LIABILITIES NET OF REINSURER'S SHARE (C = A - B)	**169,538**	**180,839**	**66,724**	**34,749**	**7,906**	**8,312**	**468,067**

(a) Other liabilities comprised unearned revenue and unearned fee reserves, liabilities arising from policyholders' participation and other obligations, and derivatives instruments relating to insurance and investment contracts.

(in Euro million)	December 31, 2021						
	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Total Insurance
Insurance liabilities	166,490	151,923	66,776	56,245	5,701	7,675	454,810
Investment liabilities	12,630	37,960	2,160	-	2,000	-	54,750
Other liabilities [(a)]	17,354	27,848	4,580	0	313	95	50,190
Total insurance and investment liabilities (A)	**196,474**	**217,732**	**73,516**	**56,245**	**8,014**	**7,770**	**559,750**
Reinsurers' share in insurance and investment contracts' liabilities (B)	7,072	2,204	5,395	21,905	630	(237)	36,970
TOTAL INSURANCE AND INVESTMENT LIABILITIES NET OF REINSURER'S SHARE (C = A - B)	**189,402**	**215,528**	**68,121**	**34,340**	**7,383**	**8,007**	**522,780**

(a) Other liabilities comprised unearned revenue and unearned fee reserves, liabilities arising from policyholders' participation and other obligations, and derivatives instruments relating to insurance and investment contracts.

14.1.2 Breakdown of Liabilities arising from Insurance and Investment contracts

(in Euro million)	December 31, 2022			December 31, 2021		
	Life & Savings	Property & Casualty	Total Insurance	Life & Savings	Property & Casualty	Total Insurance
Liabilities arising from insurance contracts	260,073	121,036	381,109	271,492	116,335	387,827
Liabilities arising from insurance contracts where risk is borne by policyholders	59,829	-	59,829	66,983	-	66,983
Total insurance liabilities (A)	**319,902**	**121,036**	**440,938**	**338,475**	**116,335**	**454,810**
Liabilities arising from investment contracts with discretionary participating features	34,259	-	34,259	35,297	-	35,297
Liabilities arising from investment contracts with no discretionary participating features	87	-	87	76	-	76
Liabilities arising from investment contracts where the financial risk is borne by policyholders	16,896	-	16,896	19,377	-	19,377
Total investment liabilities (B)	**51,243**	**-**	**51,243**	**54,750**	**-**	**54,750**
Unearned revenue and unearned fee reserves	2,368	-	2,368	2,117	-	2,117
Liabilities arising from participation	12,330	257	12,587	48,660	276	48,936
Derivative instruments	681	(112)	569	(947)	84	(863)
Other liabilities (C)	**15,378**	**145**	**15,523**	**49,829**	**360**	**50,190**
Total insurance and investment liabilities (D = A + B + C)	**386,523**	**121,181**	**507,703**	**443,054**	**116,696**	**559,750**
Reinsurers' share in insurance contracts liabilities	12,744	26,226	38,971	13,078	23,752	36,830
Reinsurers' share in insurance contracts liabilities relating to policyholders' participation	509	24	533	1	24	25
Reinsurers' share in liabilities arising from investment contracts	133	-	133	114	-	114
Total reinsurers' share in insurance and investment contracts liabilities (E)	**13,386**	**26,250**	**39,636**	**13,193**	**23,776**	**36,970**
TOTAL INSURANCE AND INVESTMENT LIABILITIES NET OF REINSURERS' SHARE (F = D - E)	**373,137**	**94,930**	**468,067**	**429,861**	**92,919**	**522,780**

14.2 LIABILITIES ARISING FROM INSURANCE CONTRACTS

Liabilities arising from insurance contracts, including those where the financial risk is borne by policyholders, as disclosed in the total (A) of Note 14.1.2, were split by as follows:

	December 31, 2022			December 31, 2021		
(in Euro million)	Life & Savings	Property & Casualty	Total Insurance	Life & Savings	Property & Casualty	Total Insurance
Future policy benefit reserves	236,372	111	236,483	251,279	108	251,387
Unearned premiums reserves	878	21,438	22,315	949	20,860	21,808
Claims reserves [(a)]	16,062	92,986	109,047	14,521	89,014	103,535
of which IBNR	*5,220*	*39,821*	*45,041*	*4,719*	*37,182*	*41,902*
Liability adequacy test reserves	**-**	**-**	**-**	**-**	**-**	**-**
Other reserves [(b)]	6,761	6,502	13,263	4,743	6,354	11,097
Liabilities arising from insurance contracts (A)	260,073	121,036	381,109	271,492	116,335	387,827
of which measured at current assumptions [(c)]	*1,464*	-	*1,464*	*2,428*	-	*2,428*
Future policy benefit reserves	59,675	-	59,675	66,835	-	66,835
Claims reserves [(a)]	154	-	154	149	-	149
of which IBNR	*1*	-	*1*	*2*	-	*2*
Other reserves	0	-	0	0	-	0
Liabilities arising from insurance contracts where the financial risk is borne by policyholders (B)	**59,829**	**-**	**59,829**	**66,983**	**-**	**66,983**
Sub-total Liabilities arising from insurance contract (C = A + B)	**319,902**	**121,036**	**440,938**	**338,475**	**116,335**	**454,810**
Reinsurers' share in future policy benefit reserves	8,776	(13)	8,763	5,202	(10)	5,192
Reinsurers' share in unearned premiums reserves	45	4,349	4,393	66	4,146	4,212
Reinsurers' share in claims reserves (a)	3,124	21,934	25,058	3,227	19,651	22,878
of which IBNR	*23*	*13,821*	*13,845*	*25*	*11,655*	*11,680*
Reinsurers' share in other reserves	799	(43)	756	4,582	(34)	4,548
Reinsurers' share in liabilities arising from insurance contracts (D)	**12,744**	**26,226**	**38,971**	**13,078**	**23,752**	**36,830**
Reinsurers' share in liabilities arising from insurance contracts where the financial risk is borne by policyholders (E)	**0**	**-**	**0**	**0**	**-**	**0**
Sub-total Reinsurers' share in liabilities (F = D + E)	**12,744**	**26,226**	**38,971**	**13,079**	**23,752**	**36,831**
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACTS, NET OF REINSURERS' SHARE (G = C - F)	**307,158**	**94,809**	**401,967**	**325,397**	**92,583**	**417,979**

Note: Liabilities relating to unearned revenues and fees (see Note 7.3), to policyholder participation (see Note 14.8), and derivative instruments (see Note 20.4) are excluded from the table above.

Reinsurers' share in insurance contracts liabilities relating to policyholders' participation (€533 million in 2022 and €25 million in 2021), as well as derivative instruments (none in 2022 and 2021) are excluded from the table above.

(a) Includes reserves for claims handling expenses.

(b) Notably includes non-life annuities mathematical reserves.

(c) See Note 1.14.2 – Reserves measured according to the option offered by IFRS 4.24 for selective remeasurement of reserves at current market assumptions.

14.3 LIABILITIES ARISING FROM INVESTMENT CONTRACTS

The following table shows a breakdown of liabilities arising from investment contracts including those where the financial risk is borne by policyholders, as disclosed in the sub total (B) of Note 14.1.2:

(in Euro million)	December 31, 2022	December 31, 2021
Future policy benefit reserves	33,976	35,015
Unearned premiums reserves	0	0
Claims reserves [(a)]	262	271
Liability adequacy test reserves	-	-
Other reserves	21	11
Liabilities arising from investment contracts with discretionary participating features (A)	**34,259**	**35,297**
of which measured at current assumptions [(b)]	-	-
Future policy benefit reserves	74	64
Claims reserves [(a)]	13	11
Other reserves	0	0
Liabilities arising from investment contracts with no discretionary participating features (B)	**87**	**76**
Future policy benefit reserves	16,889	19,368
Claims reserves [(a)]	6	9
Other reserves	-	-
Liabilities arising from investment contracts where the financial risk is borne by policyholders (C)	**16,896**	**19,377**
Total liabilities arising from investment contract (D = A + B + C)	**51,243**	**54,750**
Reinsurers' share in liabilities arising from investment contracts with discretionary participating features (E)	**133**	**114**
Reinsurers' share in liabilities arising from investment contracts with no discretionary participating features (F)	**-**	**-**
Reinsurers' share in liabilities arising from investment contracts where the financial risk is borne by policyholders (G)	**-**	**-**
Total Reinsurers' share (H = E + F + G)	**133**	**114**
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS – NET OF REINSURERS' SHARE (I = D - H)	**51,110**	**54,636**

Note: Liabilities relating to unearned revenues and fees (see Note 7.3), to policyholders' participation (see Note 14.8), and derivative instruments (see Note 20.4), are excluded from the table above.
Reinsurance's share in investments contracts liabilities relating to policyholders' participation (none in 2022 and 2021), as well as derivatives instruments (none in 2022 and 2021) are excluded from the table above.

(a) Includes reserves for claims handling expenses.

(b) See Note 1.14.2 – Reserves measured according to the option opened by IFRS 4.24 for selective remeasurement of reserves at current market assumptions.

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14.4 CHANGE IN CLAIMS RESERVES FOR PROPERTY & CASUALTY (INSURANCE CONTRACTS)

14.4.1 Change in gross of reinsurance claims reserves

The table below gives information on change in reserves in Property & Casualty presented in Note 14.2:

(in Euro million)	2022	2021
Claims reserves as of January 1	86,844	81,749
Claims handling cost reserves as of January 1	2,170	1,997
Gross claims reserve as of January 1 [(a)]	**89,014**	**83,746**
Current year charge	36,110	34,511
Loss reserves development (prior years)	(566)	(1,445)
Total claims expenses [(b)]	**35,544**	**33,066**
Claims payments (current year)	(15,847)	(20,706)
Claims payments (prior years)	(17,777)	(8,834)
Claims payments [(c)]	**(33,624)**	**(29,541)**
Change in scope of consolidation and change in accounting method	**11**	**(489)**
Impact of foreign currency fluctuation	**2,041**	**2,231**
Claims reserves as of December 31	90,715	86,844
Claims handling cost reserves as of December 31	2,270	2,170
Gross claims reserves as of December 31 [(a)]	**92,986**	**89,014**

(a) Excluding "other policy benefits liabilities" (mainly mathematical annuity reserves), which totaled €6.5 billion in 2022 and €6.3 billion in 2021.
(b) Gross of claims paid.
(c) Excluding claims handling cost.

14.4.2 Change in reinsurers' share in claims reserves

The table below gives information on change in reinsurers' share in claims reserves in Property & Casualty presented in Note 14.2:

(in Euro million)	2022	2021
Reinsurers' share in claims reserves as of January 1	**19,651**	**15,230**
Reinsurers' share in total claims expenses	7,603	6,517
Reinsurers' share in claims payments	(6,059)	(3,753)
Change in scope of consolidation, portfolio transfers, change in accounting principles and other changes	(14)	1,089
Impact of foreign currency fluctuation	752	569
Reinsurers' share in claims reserves as of December 31	**21,934**	**19,651**

14.5 CHANGE IN LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS LIFE & SAVINGS

14.5.1 Change in liabilities arising from insurance and investment contracts – gross of reinsurance

The table below gives detailed information on change in liabilities arising from insurance and investment contracts in Life and Savings presented in Note 14.2 (C) and 14.3 (D):

	2022			2021		
(in Euro million)	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total
Technical reserves as of January 1 [(a)]	**338,475**	**54,750**	**393,225**	**332,146**	**53,466**	**385,612**
Collected premiums net of loadings on premiums (+)	35,157	3,950	39,106	34,151	6,247	40,398
Surrenders, maturities and other claims and benefits paid net of charges and penalties (-)	(35,934)	(4,973)	(40,907)	(34,758)	(5,346)	(40,104)
Unit-Linked technical reserves value adjustment (+/-)	(8,629)	(2,145)	(10,774)	6,655	1,144	7,799
Change in reserves relating to technical and actuarial items (+/-) [(b)]	2,391	(491)	1,900	4,004	(206)	3,798
Transfers following technical reserves/ contract reclassification	4	(4)	(0)	(18)	18	(0)
Change in scope of consolidation, portfolio transfers and change in accounting principles	(11,229)	59	(11,171)	(4,946)	(778)	(5,724)
Impact of foreign currency fluctuation	(331)	97	(234)	1,241	205	1,446
Technical reserves as of December 31 [(a)]	**319,902**	**51,243**	**371,145**	**338,475**	**54,750**	**393,225**

(a) Includes: future policy benefit reserves (including shadow accounting reserves), unearned premium reserves, unexpired risk reserves, claims reserves, claims expense reserves, other policy benefit reserves. Excludes: unearned revenue and unearned fee reserves, liabilities from policyholder participation.

(b) Notably includes interests credited and policyholder participation credited to reserves, fees on account balance and investment management fees and change in reserves relating to other technical and actuarial items.

In 2022, the change in scope of consolidation amounted to €-11,171 million, mainly due to the classification as held for sale of a closed life and pensions portfolio in Germany (€ -11,301 million).

In 2021, the change in scope of consolidation amounted to €-5,724 million, mainly due to the classification as held for sale of Singapore Life (€-2,766 million), a General Account portfolio in Belgium (€-2,563 million) and a remaining Group Life portfolio in Switzerland (€-351 million).

14.5.2 Change in reinsurers' share in liabilities arising from insurance and investment contracts

The table below gives detailed information on change in reinsurer's share in liabilities arising from insurance and investment contracts in Life & Savings presented in Note 14.2 (F) and Note 14.3 (H).

	2022			2021		
(in Euro million)	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total
Reinsurers' share in technical reserves as of January 1 [(a)]	**13,079**	**114**	**13,193**	**8,262**	**95**	**8,357**
Reinsurers' share in collected premiums net of loadings on premiums (+)	2,728	29	2,757	3,001	21	3,022
Reinsurers' share in surrenders, maturities and other claims and benefits paid net of charges and penalties (-)	(2,226)	(9)	(2,234)	(1,433)	(6)	(1,439)
Reinsurers' share in change in reserves relating to technical and actuarial items (+/-) [(b)]	(418)	1	(417)	3,023	2	3,025
Change in scope of consolidation and change in accounting principles	(2)	-	(2)	23	-	23
Impact of foreign currency fluctuation	(417)	(3)	(420)	203	2	204
Reinsurers' share in technical reserves as of December 31 [(a)]	**12,744**	**133**	**12,877**	**13,079**	**114**	**13,193**

(a) Includes: future policy benefit reserves (including shadow accounting reserves), unearned premium reserves, unexpired risk reserves, claims reserves, claims expense reserves, other policy benefit reserves. Excludes: unearned revenue and unearned fee reserves, liabilities from policyholder participation.

(b) Notably includes interests credited and policyholder participation credited to reserves, fees on account balance and investment management fees and change in reserves relating to other technical and actuarial items.

14.6 LIABILITIES ARISING FROM INVESTMENT CONTRACTS BY ACCOUNTING METHOD

The table below gives detailed information on liabilities arising from investment contracts presented in Note 14.3 (D):

(in Euro million)	December 31, 2022 Carrying value	December 31, 2021 Carrying value
(Non Unit-Linked) – Liabilities arising from:		
Investment contracts with Discretionary Participation Features measured according to existing accounting policies [(a)] [(d)]	34,259	35,297
Investment contracts with Discretionary Participation Features measured with current assumptions [(b)]	-	-
Investment contracts with no Discretionary Participation Features measured according to existing accounting policies	87	76
(Unit-Linked) – Liabilities arising from contracts where financial risk is borne by policyholders:		
Investment contracts with Discretionary Participation Features measured according to existing accounting policies [(a)] [(c)]	4,399	4,790
Investment contracts with no Discretionary Participation Features measured at current unit value [(d)]	12,496	14,587
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**51,243**	**54,750**

Note: This information is presented net of the impact of derivatives, which is described in Note 20.4.1.

(a) In accordance with IFRS 4 which allows, under certain conditions, to continue to use a previous accounting policy for liabilities arising from contracts with discretionary participating features.

(b) See Note 1.14.2 – Reserves measured according to IFRS 4.24 option which allows to evaluate certain portfolios with current assumptions.

(c) & (d) As Unit-Linked contracts reserves are measured on the basis of held asset units fair value ("current unit value"), only the valuation of related assets is different:

- *for Unit-Linked contracts with a discretionary participating feature (c), an asset representing the deferred acquisition costs is recognized in continuity with previous accounting policies;*
- *for Unit-Linked contracts with no discretionary participating feature (d), an asset representing the rights to future management fees is recognized in accordance with IFRS 15 (Rights to future management fees also known as Deferred Origination Costs "DOC") – see Note 1.7.3 and Note 7.*

14.7 LOSS RESERVE DEVELOPMENT TABLE

The loss reserve development table shows movements in loss reserves between 2012 and 2022, based on previously applied accounting standards. All contracts concerned are insurance contracts as defined by IFRS.

The first line labelled "Gross reserves for unpaid claims and claims expenses developed initially at the booking date" represents the loss reserves developed in the Group's balance sheet on the reporting date for the year indicated in the column heading. For example, the amount of €46,440 million appearing in the first line of the table in the 2012 column represents all loss reserves developed in all years of occurrence prior to and including 2012, recognized on the Group's balance sheet as of December 31, 2012.

The second line titled "Gross reserves for unpaid claims and claims expenses developed in 2022 adjusted for changes in exchange rates and scope of consolidation" indicates the amount that would have been developed initially at the booking date, had the exchange rates for the current year been used (for reserves recognized by AXA Group entities that do not use the Euro as their functional currency) and assuming an identical scope of consolidation to that used for the last diagonal of the table.

The first section of the table entitled "Cumulative payments" shows, for a given column N, the cumulative amount of payments related to years of occurrence prior to and including N, made since December 31 of year N-1.

The second part of the table entitled "Reserve re-estimated" shows, for a given column N, an estimate of the final cost of liabilities carried as of December 31 of year N in respect of all years of occurrence prior to and including N, at each future period end. The final cost estimate varies year on year as information relating to losses still outstanding becomes more reliable.

The surplus (shortfall) of the initial reserve with respect to the re-estimated (gross) final cost for each year represents, for a given year N, the difference between the amount shown in the second line ("Gross reserves for unpaid claims and claims expenses developed in 2022 adjusted for changes in exchange rates and scope of consolidation") and the amount shown in the final diagonal under "Reserve re-estimated".

14.7.1 Loss reserve development table: Property & Casualty

(in Euro million)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross reserves for unpaid claims and claims expenses developed initially at the booking date	**46,440**	**47,031**	**49,868**	**51,965**	**53,286**	**52,973**	**82,134**	**85,201**	**87,316**	**93,355**	**97,578**
Gross reserves for unpaid claims and claims expenses developed in 2022 adjusted for changes in exchange rates and scope of consolidation	**46,170**	**47,147**	**48,660**	**49,590**	**51,177**	**51,689**	**82,333**	**84,037**	**90,587**	**95,104**	**97,578**
Cumulative payments at:											
One year later	9,361	9,422	10,111	9,621	10,755	10,960	18,402	17,130	17,284	19,410	
Two years later	13,315	13,727	13,388	14,871	15,157	14,435	25,499	25,822	27,256		
Three years later	16,284	15,299	16,682	17,190	17,776	16,845	31,342	33,056			
Four years later	17,000	18,077	18,802	19,894	19,317	17,713	36,754				
Five years later	19,505	19,631	20,447	20,790	19,705	18,787					
Six years later	20,917	21,362	21,303	20,976	20,266						
Seven years later	22,314	21,790	21,318	21,334							
Eight years later	22,632	21,663	21,928								
Nine years later	22,408	22,094									
Ten years later	22,723										
Reserve re-estimated at:											
One year later	45,394	47,707	49,716	51,097	50,821	51,695	82,665	80,380	88,175	94,277	
Two years later	44,479	46,051	46,359	46,773	45,736	47,113	74,864	80,482	87,087		
Three years later	43,953	44,106	43,899	43,516	44,269	45,086	76,874	81,849			
Four years later	41,813	41,841	41,152	42,404	43,836	45,277	78,092				
Five years later	40,308	39,049	40,275	42,258	44,083	45,315					
Six years later	37,385	37,744	40,047	42,567	44,032						
Seven years later	36,125	38,354	40,523	42,759							
Eight years later	36,870	38,891	40,947								
Nine years later	37,330	39,491									
Ten years later	37,997										
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves [(a)]:											
Amount	8,174	7,657	7,713	6,831	7,145	6,374	4,242	2,188	3,500	826	
Percentages	17.7%	16.2%	15.9%	13.8%	14.0%	12.3%	5.2%	2.6%	3.9%	0.9%	

(a) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserves development presented in the table, as conditions and trends that have affected development of the liability in prior periods may not necessarily occur in the future periods. Redundancy or deficiency disclosed includes forex impact between one year and the next.

14.7.2 Gross and net of reinsurance loss reserve development table: AXAXL

(in Euro million)	2018 Gross	2019 Gross	2020 Gross	2021	2022 Gross	2018 Net	2019 Net	2020 Net	2021	2022 Net
Reserves for unpaid claims and claims expenses developed initially at the booking date	**34,527**	**36,136**	**39,642**	**43,957**	**47,449**	**25,613**	**26,025**	**27,244**	**26,601**	**27,622**
Reserves for unpaid claims and claims expenses developed in 2022 adjusted for changes in exchange rates and scope of consolidation	**36,069**	**37,000**	**42,995**	**45,335**	**47,449**	**26,353**	**26,300**	**29,311**	**27,430**	**27,622**
Cumulative payments at:										
One year later	9,288	8,129	8,761	10,528		6,686	5,873	6,163	6,498	
Two years later	13,948	14,428	16,366			9,683	10,098	10,519		
Three years later	18,569	19,784				12,677	13,003			
Four years later	22,538		-	-		14,731				
Reserve re-estimated at:										
One year later	35,933	34,897	41,415	45,907		25,875	24,477	27,890	27,252	
Two years later	34,210	37,626	42,719			24,285	25,964	28,418		
Three years later	36,398	38,993				25,628	26,668			
Four years later	37,402		-	-		26,480				
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves:										
Amount	(1,333)	(1,993)	277	(572)		(127)	(368)	893	178	
Percentages	(3.7%)	(5.4%)	0.6%	(1.3%)		(0.5%)	(1.4%)	3.0%	0.6%	

(a) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserves development presented in the table, as conditions and trends that have affected development of the liability in prior periods may not necessarily occur in the future periods. Redundancy or deficiency disclosed includes forex impact between one year and the next.

14.7.3 Reconciliation between developed reserves and recognized claim reserves

The table below gives a reconciliation between developed reserves and total recognized claims reserves for the claims reserves and other reserves arising from insurance contracts as disclosed in Note 14.2:

(in Euro million)	December 31, 2022 Carrying value	December 31, 2021 Carrying value
Gross claims and other reserves developed		
Property & Casualty [(a)]	97,578	93,355
of which future policy benefit annuity reserves	5,915	5,841
of which construction reserves (PSNEM)	1,741	1,662
Total gross claims and other reserves developed	**97,578**	**93,355**
Other reserves non developed [(b)]	**1,910**	**2,013**
TOTAL GROSS CLAIMS RESERVES AND OTHER RESERVES FOR PROPERTY & CASUALTY	**99,487**	**95,368**

(a) Total gross claims and other reserves developed are presented on the basis of the loss reserves development table.
(b) Includes reserves inward reinsurance (€1,355 million in 2022, €1,211 million in 2021).

14.8 LIABILITIES AND ASSETS ARISING FROM POLICYHOLDER PARTICIPATION AND OTHER OBLIGATIONS

The following table shows liabilities and assets arising from policyholder participation and other obligations as of December 31, 2022:

(in Euro million)	December 31, 2022	December 31, 2021
Policyholder participation reserves	10,244	10,919
Policyholder deferred participation liabilities and other obligations	2,343	38,017
TOTAL LIABILITIES ARISING FROM POLICYHOLDER PARTICIPATION AND OTHER OBLIGATIONS	**12,587**	**48,936**
TOTAL ASSETS ARISING FROM POLICYHOLDER PARTICIPATION	**(6,573)**	**-**

The deferred policyholder participation and other obligations liabilities and deferred policyholder participation assets include the impact of shadow accounting (see definition in Note 1.14.2) mainly in relation to unrealized gains and losses on invested financial assets available for sale as described in Note 13.2.1, but also with regard to other temporary differences not necessarily linked to financial assets. Note 13.2.1 also contains a focus on jurisdictions with significant portions of participating business and where required minimum local policyholders' share in the entities' results are significant. This Note discloses for such jurisdictions unrealized gains and losses related to available for sale investments and related shadow accounting adjustments. In 2022, as a consequence of the increase in the interest rates, assets arising from policyholder participaction were recognized for €6,573 million mainly in France (€3,476 million), Hong Kong (€1,495 million) and Italy (€1,293 million).

14.9 PAYMENT, SURRENDER PROJECTIONS, INSURANCE AND INVESTMENT CONTRACT LIABILITIES DISCOUNT RATES

In the tables presented in Note 14.9.1 and 14.9.2, liabilities arising from Life & Savings and Property & Casualty insurance contracts and investment contracts exclude contracts where the financial risk is borne by policyholders. These liabilities are not exposed to interest rate or duration risk, except Unit-Linked contracts with performance guarantees. In addition, as far as liquidity risk is concerned, entities hold Unit-Linked assets backing the corresponding liabilities arising from these contracts. Occasional mismatches result mainly from administrative timing differences in the processing of day-to-day operations.

14.9.1 Payment and surrender projections

The table below shows the breakdown of projected payments and surrenders related to insurance and investment contracts (excluding contracts where the financial risk is borne by policyholders). Actual maturities may differ significantly from the estimates set out below, mainly because some of the contracts contain a surrender option controlled by the policyholder that may reduce their duration.

The projections shown below cannot be compared with the reserves carried on the balance sheet and are higher than the published balance sheet figures because they represent expected cash flows without the impact of discounting. They are also shown net of inflows of periodical premiums payable by policyholders.

The figures shown in the first line of the table below represent estimated undiscounted cash outflows in connection to death, incapacity and disability claims, surrenders, annuities, minimum guaranteed benefits for Unit-Linked contracts, Property & Casualty and Health claims, net of premiums due from policyholders under contracts in-force. These cash flows are based on assumptions regarding mortality, incapacity and disability, surrender and settlement frequency for Property & Casualty businesses, which are consistent with past experience. They are gross of reinsurance. Given the strong use of estimates, it is likely that actual payments will differ.

(in Euro million)	2022				2021			
	12 months or less	More than 1 year up to 5 years	More than 5 years	Total	12 months or less	More than 1 year up to 5 years	More than 5 years	Total
Liabilities arising from insurance and investment contracts	**39,454**	**83,778**	**472,725**	**595,958**	**40,418**	**83,111**	**434,648**	**558,177**
of which Life & Savings liabilities relating to contracts including a surrender option with some surrender benefit before maturity	*12,726*	*45,154*	*300,739*	*358,619*	*13,981*	*46,925*	*276,860*	*337,766*

14.9.2 Insurance and investment contract liabilities – discount rates

The table hereafter and related comments exclude contracts where the financial risk is borne by policyholders (Unit-Linked contracts).

The general principles for establishing insurance liabilities are set out in Note 1 of the consolidated financial statements. Liabilities are based on estimates, and one of the key assumptions used in these estimates is the discount rate.

As shown in the table below, as at December 31, 2022, 79% of Life & Savings reserves (excluding Unit-Linked contracts) were discounted, of which 13% were subject to a revision of the discount rate and 66% retained the rate set at inception, subject to the liability adequacy test described in Note 1.

By convention, contracts with zero guaranteed rates are deemed undiscounted, except for products offering guaranteed rates updated annually and for one year: these contracts are presented in discounted reserves. Reserves for savings contracts with non-zero guaranteed rates are discounted at the technical restatements at closing and mainly consist of reserves for guarantees (Guaranteed Minimum Death Benefits, etc.).

In Property & Casualty, most reserves (94% as of December 31, 2022) are not discounted, with the exception of disability annuities and workers' compensation liabilities that are deemed structured settlements and where the discount rate is revised regularly. Undiscounted reserves are not sensitive to interest rate risks in the financial statements.

The rates presented in the table below are weighted average rates for all the portfolios under consideration. For contracts with guaranteed rates that are revised annually, rates are considered at the closing date. The risk factors associated with policyholders contracts are set out in Note 4.

Discount rates are qualified as locked-in when those used in the first recognition of the technical liabilities remain unchanged in the subsequent years and are qualified as unlocked when updated in subsequent years.

(in Euro million, except percentages)	December 31, 2022		December 31, 2021	
	Carrying value	Average discount rate	Carrying value	Average discount rate
Life & Savings – Locked-in discount rate [(a)]	195,245	1.87%	215,739	1.85%
Life & Savings – Unlocked discount rate	38,275	2.26%	37,682	2.26%
Life & Savings – Undiscounted reserves	60,900	-	53,443	-
Sub-total Life & Savings	**294,420**	**-**	**306,865**	**-**
Non Life – Locked-in discount rate [(a)]	4,897	2.76%	4,703	2.81%
Non Life – Unlocked discount rate	2,229	2.91%	2,361	2.51%
Non Life – Undiscounted reserves	113,910	-	109,271	-
Sub-total – Non Life	**121,036**	**-**	**116,336**	**-**
TOTAL INSURANCE AND INVESTMENT CONTRACTS	**415,456**	**-**	**423,201**	**-**

Amounts are presented excluding the impact of derivatives on insurance and investment contracts (presented in Note 20.4) and excluding liabilities related to unearned revenues and fees, and to policyholders' participations.

(a) Subject to liability adequacy tests.

This following table shows the reconciliation of previous table with the Consolidated Statements of financial position (Section 6.1).

(in Euro million)	December 31, 2022	December 31, 2021
Liabilities arising from insurance contracts (as per Note 14.2)	381,109	387,827
Liabilities arising from investment contracts with discretionary participating features (as per Note 14.3)	34,259	35,297
Liabilities arising from investment contracts with no discretionary participating features (as per Note 14.3)	87	76
TOTAL	**415,456**	**423,200**

In accordance with IFRS 7, the Group discloses, in Note 4 of its Consolidated Financial Statements, quantitative sensitivities of the Group "EOF" (as defined in the Section 5.3 "Market risks") to interest risk and equity price risk.

The estimated impact of the unlocking of discount rates relating to Life & Savings reserves was €87 million reserve increase in 2022 (compared to €110 million reserve increase in 2021) gross of policyholders' participation, tax impacts and other shadow accounting impacts and was included in the income statement of the period.

14.9.3 Major business areas

The tables in Note 21 set out the Group's major insurance business areas and reflect the Group's high degree of diversification.

14.10 EMBEDDED DERIVATIVES MEETING THE DEFINITION OF AN INSURANCE CONTRACT

AXA sells insurance contracts that contain a variety of options and guarantees for contract-holders. These features are described in Note 4. They are not embedded derivatives which AXA reports separately at fair value because:

- many of the features would be considered clearly and closely related to the host contract; and
- many of the features would themselves qualify as insurance contracts under IFRS 4.

The primary features can be divided into two main categories: Guaranteed Minimum Death Benefits (GMDB) or Guaranteed Minimum Income Benefits (GMIB) offered on Unit-Linked contracts and guaranteed annuity purchase rates. As of December 2022, the AXA Group exposure to these liabilities was not material.

Note 15 Liabilities arising from banking activities

15.1 BREAKDOWN OF LIABILITIES ARISING FROM BANKING ACTIVITIES

	December 31, 2022		December 31, 2021	
(in Euro million)	Carrying value	Fair value	Carrying value	Fair value
Banking liabilities issued at fair value – Retail customers	353	353	641	641
Retail customers deposits	3,105	3,105	3,726	3,726
Corporate customers deposits	3,589	3,589	5,886	5,886
Interbanking refinancing	3,038	3,038	2,325	2,325
Refinancing with central banks	2,076	2,076	2,076	2,076
Macro-hedge derivatives and other derivatives relating to liabilities arising from banking activities	782	782	(9)	(9)
TOTAL LIABILITIES ARISING FROM BANKING ACTIVITIES	**12,944**	**12,944**	**14,643**	**14,643**

The fair value option (*i.e.* fair value through profit or loss) is used to measure certain banking liabilities. As of December 31, 2022, the carrying value and fair value amount and the related contractual amount due at maturity for such liabilities were €353 million and €381 million respectively (€641 million and €581 million as of December 31, 2021), including the Euro Medium Term Notes.

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. The valuation method of liabilities arising from banking activities excluding derivatives (detailed in Note 20.5) are as follows:

- banking liabilities issued at fair value – Retail customers (€353 million as of December 31, 2022): values are based upon market prices that are available in active markets and are considered as level 1 fair values;
- retail customers deposits (€3,105 million as of December 31, 2022) and Corporate customers deposits (€3,589 million as of December 31, 2022) are not traded in active markets and quoted prices are not available. Given the short maturities of main liabilities arising from banking activities (see Note 15.2), the carrying amounts may be considered as reasonable proxies for fair values. Thus, the fair value of amounts displayed above for these instruments are considered to be level 3 fair values;
- interbanking refinancing (€3,038 million as of December 31, 2022):
  - €2,751 million as of December 31, 2022 (€2,251 million as of December 31, 2021): values are based upon market prices that are available in active markets and are considered as level 1 fair values,
  - €287 million as of December 31, 2022 (€74 million as of December 31, 2021): mainly based on non-observable market data inputs and are considered to be level 3 fair values;
- refinancing with central banks: €2,076 million as of December 31, 2022 (€2,076 million as of December 31, 2021): values are based on observable market data inputs. As such, the fair values of these liabilities were considered as level 2 instruments.

15.2 BREAKDOWN BY MATURITY

The table below sets out the contractual maturities of liabilities arising from banking activities. These contractual maturities are mostly classified under the category "12 months or less". Consequently, the difference between maturities based on contractual cash flows in comparison with the carrying values is not significant.

	December 31, 2022				December 31, 2021			
	Carrying value by contractual maturity				Carrying value by contractual maturity			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
Banking liabilities issued at fair value - Retail customers	-	347	6	353	196	356	89	641
Retail customers deposits	3,087	18	1	3,105	3,704	22	0	3,726
Corporate customers deposits	2,918	671	-	3,589	5,716	170	-	5,886
Interbanking refinancing	5	1,500	1,533	3,038	46	11	2,268	2,325
Refinancing with central banks	1,887	189	-	2,076	-	2,076	-	2,076
Macro-hedge derivatives and other derivatives related to liabilities arising from banking activities	2	217	563	782	(30)	(19)	40	(9)
TOTAL LIABILITIES ARISING FROM BANKING ACTIVITIES	**7,899**	**2,943**	**2,103**	**12,944**	**9,632**	**2,615**	**2,397**	**14,643**

Note 16 Provisions for risks and charges

16.1 BREAKDOWN OF PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges included the following items:

(in Euro million)	December 31, 2022	December 31, 2021
Employee benefits	4,567	7,481
Share-based compensation	95	93
Sub-total employee benefits and share-based compensation	**4,661**	**7,574**
Restructuring provisions	138	111
Lawsuits contingency provisions	103	108
Other provisions for risks and charges	1,104	1,149
Sub-total others	**1,346**	**1,367**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**6,007**	**8,942**

Provisions relating to employee benefits and share-based compensations are commented in Note 26 “Employees”.

As of December 31, 2022, the “Other provisions for risks and charges” amounted to €1,104 million, mainly driven by AXA Group Operations (€198 million), AXA SA (€177 million), Switzerland (€169 million), Germany (€107 million), France (€77 million), Belgium (€73 million) and United Kingdom & Ireland (€69 million).

16.2 CHANGE IN PROVISIONS FOR RISKS AND CHARGES (EXCLUDING EMPLOYEE BENEFITS AND SHARE-BASED COMPENSATION)

Changes in provisions for risks and charges (excluding employee benefits and share-based compensation) are set out below:

(in Euro million)	2022	2021
Carrying value as of January 1	**1,367**	**1,023**
Financial cost related to unwind	0	6
Impact of change in scope of consolidation and other changes	10	(18)
Increase in provisions	315	602
Write back after use	(173)	(63)
Write back after final cost review	(192)	(218)
Impact of foreign exchange fluctuations	18	21
Carrying value as of December 31	**1,346**	**1,367**

Note 17 Financing debt

17.1 FINANCING DEBT BY ISSUANCE

(in Euro million)	December 31, 2022 Carrying value	December 31, 2021 Carrying value
AXA	**11,249**	**8,979**
Subordinated green notes, 1.375%, due 2041 (€)	1,000	1,000
Subordinated notes, 5.125% due 2043 (€)	1,000	1,000
U.S. registered redeemable subordinated debt, 8.60% 2030 (US$)	933	1,284
Subordinated debt, 5.625% due 2054 (£)	846	893
Subordinated debt, 3.375% due 2047 (€)	1,500	1,500
Undated Subordinated notes, US$ 850M, 4.5%	797	750
Subordinated notes, 5.125% due 2047 (US$)	938	883
Subordinated notes, 3.25% due 2049 (€)	2,000	2,000
Subordinated Notes, 1,875% due 2042 (€)	1,250	-
Subordinated Notes, 4,25% due 2043 (€)	1,250	-
Derivatives relating to subordinated debts [(a)]	(265)	(331)
AXA XL	**476**	**1,389**
Subordinated Notes, 4.45% due March 2025 (US$)	-	439
Subordinated Notes, 5.5% due March 2045 (US$)	476	447
Subordinated Notes, 3.25% due June 2047 (€)	-	503
AXA Italy	**66**	**66**
Subordinated notes, EURIBOR 6 months + 81bps	66	66
Other subordinated debt (under €100 million)	**13**	**14**
Subordinated debt	**11,804**	**10,449**
AXA	**1,350**	**500**
Euro Medium Term Note, due 2030	850	-
Euro Medium Term Note, due 2028	500	500
AXA XL	**301**	**284**
Senior Notes, 5.25% due December 2043 (US$)	301	284
Other financing debt instruments issued (under €100 million)	**21**	**16**
Financing debt instruments issued	**1,672**	**800**
TOTAL FINANCING DEBT [(b)]	**13,476**	**11,249**

(a) Hedging instruments in accordance with IAS 39 and economic hedge derivatives not eligible for hedge accounting.
(b) Excluding accrued interest on derivatives.

Derivative instruments hedging financing debt (included in the table above) are commented in Note 20.

For the sensitivity to movements in interests rates, please refer to page 271 of the “Interest rates & Equity risk related to the operating activities of Group subsidiaries” Section 5.3 “Market risks”.

The table below sets out the reconciliation of financing debt and undated subordinated debt with the statement of cash flows (excluding the impact of derivatives):

(in Euro million)	January 1, 2022	New debt issued [(a)]	Repay-ments [(b)]	Currency translation adjustment	Others	December 31, 2022
Subordinated debt	10,780	2,500	(1,394)	182	-	12,069
Financing debt	800	860	(9)	21	-	1,672
Undated subordinated debt	6,696	-	(994)	2	-	5,704
TOTAL	**18,275**	**3,360**	**(2,396)**	**206**	**-**	**19,445**

(a) Issuance of two subordinated debt notes for €1,250 million each and a senior debt for €850 million by AXA SA.

(b) Mainly driven by the early repayment of subordinated debt for €1,018 million by AXA XL and for €375 million by AXA SA as well as the repayment of undated subordinated debts for €994 million by AXA SA.

(in Euro million)	January 1, 2021	New debt issued [(a)]	Repay-ments [(b)]	Currency translation adjustment	Others	December 31, 2021
Subordinated debt	9,486	1,000	(18)	312	-	10,780
Financing debt	1,569	25	(819)	25	-	800
Undated subordinated debt	6,484	-	-	211	-	6,696
TOTAL	**17,539**	**1,025**	**(837)**	**548**	**-**	**18,275**

(a) Issuance of €1,000 million of green subordinated debt by AXA SA.

(b) Mainly driven by the repayment of the bonds mandatorily exchangeable into Equitable Holdings Inc. shares for €703 million and the financing debt to the AXA Mutuelles for €84 million.

17.2 FAIR VALUE MEASUREMENT OF FINANCING DEBT

	December 31, 2022		December 31, 2021	
(in Euro million)	Carrying value	Fair value	Carrying value	Fair value
Subordinated debt at cost	12,069	10,907	10,780	12,331
Derivatives on subordinated debt [(a)]	(265)	(265)	(331)	(331)
Subordinated debt	**11,804**	**10,642**	**10,449**	**12,000**
Financing debt instruments issued at cost	1,672	1,594	800	913
Derivatives on financing debt instruments issued [(a)]	-	-	-	-
Financing debt instruments issued	**1,672**	**1,594**	**800**	**913**
FINANCING DEBT	**13,476**	**12,237**	**11,249**	**12,912**

(a) Hedging instruments in accordance with IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.

The Group does not hold any financing debt designated as at fair value through profit or loss (fair value option or trading instruments).

Information on the fair value figures presented in this Note is provided in addition to information on carrying values and should be used with caution. On the one hand, these estimates are based on closing date parameters such as interest rates and spreads, which fluctuate over time, and resulting in instantaneous values, and on the other hand because there are multiple possible methods to derive these estimates.

Data used when calculating the fair value of financing debt are period-end market data that reflect **(i)** interest rates by currency, **(ii)** AXA's average spread by maturity and currency, distinguishing subordinated and senior debt, and **(iii)** options included in issued contracts, such as issuer redemption options.

The fair value of financing debt as of December 31, 2022, excluding accrued interests, was €12,237 million, including related hedging derivative instruments. The fair value decreased by €675 million compared to December 31, 2021 in line with the interest rates increase throughout the year for €-2,167 million and the repayment of subordinated debt for €-1,378 million, partly offset by subordinated and financing debt issuances for €+2,870 million.

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. The fair value amounts are mainly based on observable market data inputs and are therefore considered as level 2 fair value.

17.3 EXPOSURE TO INTEREST RATE RISK AND CONTRACTUAL MATURITIES

The table below sets out the maturities based on contractual cash flows of financing debt (including the impact of derivatives detailed in Note 20.1). Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

	Contractual cash flows of financing debt by contractual maturity as of December 31			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total contractual cash flows
2022	493	2,278	26,386	29,158
2021	420	2,325	20,993	23,738

Note 18 Payables

18.1 BREAKDOWN OF PAYABLES

(in Euro million)	December 31, 2022 Carrying value	December 31, 2021 Carrying value
Minority interests of consolidated investment funds	**6,397**	**7,750**
Other debt instruments issued, notes and bank overdrafts	**10,558**	**10,518**
Debts relating to investments under total return swap agreement (“TRS”)	6,254	6,273
Other debt instruments issued, notes and bank overdrafts excluding TRS [(a)]	4,303	4,245
Payables arising from direct insurance and inward reinsurance operations	**11,250**	**10,957**
Deposits and guarantees	1,326	1,433
Current accounts payables to other insurance companies	1,214	1,107
Payables to policyholders, brokers and general agents	8,710	8,418
Payables arising from direct outward reinsurance operations	**15,706**	**15,362**
Deposits and guarantees	4,124	3,631
Current accounts payable to other companies	11,500	11,669
Other payables arising from direct outward reinsurance operations	83	62
Payable – current tax position	**1,260**	**924**
Collateral debts relating to investments under lending agreements and equivalent [(b)]	**34,245**	**35,030**
Other payables	**13,966**	**12,177**
TOTAL PAYABLES	**93,382**	**92,719**

(a) Other activities than banking operations.
(b) Excludes collateral debts relating to investments under lending agreements and equivalent in banking activities (see Note 15).

The "Minority interests of consolidated investment funds" caption is the counterparty of assets recognized on the different lines of the consolidated balance sheet for the share not held by the Group in consolidated investment funds. Movements in this caption depends on the changes in the Group's ownership as well as the changes in fair value of these funds.

The minority interests in funds under this caption amounted to €6,397 million as of December 31, 2022, a decrease of €1,353 million compared to December 31, 2021.

The Collateral debts relating to investment under lending agreements and equivalent amounted to €34,245 million as of December 31, 2022, a decrease of €785 million compared to December 31, 2021, mainly in Belgium €-824 million and Switzerland €-687 million partly offset by Japan €+940 million.

The Other Payables amounted to €13,966 million as of December 31, 2022, an increase of €1,789 million compared to December 31, 2021, mainly related to derivatives at AXA Banque France for €+852 million and margin calls in Japan €+267 million and Hong Kong €+253 million.

18.2 OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT) BY ISSUANCE

Other debt instruments issued, notes and bank overdrafts (other than financing debt) by issuance are described below:

	December 31, 2022	December 31, 2021
(in Euro million)	Carrying value	Carrying value
AXA SA	**498**	**501**
Commercial paper	498	501
Other	**62**	**47**
OTHER DEBT INSTRUMENTS ISSUED (OTHER THAN FINANCING DEBT)	**560**	**549**
Real estate investment funds	**3,147**	**2,956**
Other	**110**	**61**
OTHER DEBT (OTHER THAN FINANCING DEBT) – OWED TO CREDIT INSTITUTIONS	**3,258**	**3,016**
Bank overdrafts	**486**	**680**
OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS EXCLUDING TRS	**4,303**	**4,245**

As of December 31, 2022, other debt instruments issued and bank overdrafts excluding total return swap agreement amounted to €4,303 million, an increase of €58 million compared to December 31, 2021.

18.3 FAIR VALUE MEASUREMENT OF OTHER DEBT INSTRUMENTS ISSUED AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT)

The fair value of other debt instruments issued and bank overdrafts excluding Total Return Swap was €4,303 million as of December 31, 2022. Among the elements included in the preceding table, fair value is only calculated for other debt instruments issued. Such fair values are mainly based on observable market data input (see Note 1.5 for a description of observable data) and are therefore classified as level 2 instruments.

18.4 PAYABLES ARISING FROM DIRECT INSURANCE, INWARD REINSURANCE OPERATIONS AND DIRECT OUTWARD REINSURANCE OPERATIONS

As of December 31, 2022, payables arising from direct insurance and inward reinsurance operations as disclosed in the Note 18.1, amounted to €11,250 million, an increase of €293 million compared to December 31, 2021.

As of December 31, 2022, payables arising from direct outward reinsurance operations amounted to €15,706 million, an increase of €344 million compared to December 31, 2021.

Payables arising from direct insurance, inward reinsurance and direct outward reinsurance operations are measured at amortized cost.

18.5 EXPOSURE TO INTEREST RATE RISK AND CONTRACTUAL MATURITIES

The table below sets out the contractual maturities of other debt instruments (excluding the impact of derivatives which is detailed in Note 20.1). These maturities are mostly "12 months or less", therefore the difference between maturities based on contractual cash flows or maturities based on carrying values is not significant. Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

	December 31, 2022			
	Carrying value of other debt instrument by contractual maturity			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
Debts relating to investments under total return swap agreement ("TRS")	2,985	2,752	517	6,254
Other debt instruments issued, notes and bank overdrafts excluding TRS – Carrying value	1,134	360	2,809	4,303
Collateral debts relating to investments under a lending agreement or equivalent	27,590	6,378	277	34,245

	December 31, 2021			
	Carrying value of other debt instrument by contractual maturity			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
Debts relating to investments under total return swap agreement ("TRS")	1,060	1,060	4,154	6,273
Other debt instruments issued, notes and bank overdrafts excluding TRS – Carrying value	1,264	240	2,730	4,235
Collateral debts relating to investments under a lending agreement or equivalent	28,346	5,232	1,452	35,030

Note 19 Tax

19.1 TAX EXPENSE

19.1.1 Breakdown of tax expense between current and deferred tax

The income tax charge was split as follows:

(in Euro million)	December 31, 2022	December 31, 2021
Current income tax	1,669	1,388
Deferred income tax	186	301
TOTAL INCOME TAX	**1,855**	**1,689**

19.1.2 Tax proof

The reconciliation between the theoretical tax charge (pre-tax profit multiplied by the applicable tax rate in France for the period concerned) and the effective tax charge was as follows:

(in Euro million)	December 31, 2022	December 31, 2021
Income from operating activities, gross of tax expenses (excluding result from investments consolidated using equity method)	8,851	9,052
Notional tax rate	25.83%	28.41%
Notional tax charge	**2,286**	**2,572**
Impact of rates difference on notional tax charges	(213)	(395)
Impact of change in tax rates	(7)	(11)
Impact of differences in tax rate and impact of taxes not linked to pre-tax income	(14)	(9)
Impact of differences in tax rates and tax bases	**(233)**	**(414)**
Tax losses of prior years used in the current year without DTA recognized previously	(32)	(82)
Deferred tax assets recognized on tax losses of prior years	(41)	(145)
Deferred tax assets not recognized on tax losses of the year	21	72
Derecognition of deferred tax assets on tax losses of prior years	16	4
Tax losses impact	**(36)**	**(150)**
Impact of permanent differences	**(118)**	**(414)**
Prior years adjustments and other (excluding impact of tax losses)	**(44)**	**95**
EFFECTIVE TAX CHARGE	**1,855**	**1,689**
EFFECTIVE TAX RATE *(%)*	**20.95%**	**18.66%**

Effective tax rate stood at 20.95% in 2022 *versus* 18.66% in 2021. The change relates to:

- **impact of rate differences on notional tax charges** (€182 million) corresponding to the difference between the blended tax (expected tax calculated at each entity level with the applicable standard rate) and the tax calculated using the 25.83% French tax rate applicable to the Company. This tax rate is composed of a basic tax rate (25%) and a social contribution (0.83%). The blended standard rate was 23.43% in 2022 and 24.05% in 2021. The decrease of the blended tax rate is mainly due to positive geographical mix combined with a decrease of tax rate in France;
- **impact of permanent differences** (€296 million) mainly representing the impact in some countries of non-taxable dividends and realized capital gains on equity instruments, partly compensated by non-deductible impairment on financial assets and realized capital losses on equity instruments. In 2021, a significant impact of the financial market rebound led to higher impact of permanent differences.

19.2 DEFERRED TAX

In the table below, the net deferred tax position corresponds to the difference between Deferred Tax Assets (DTA) and Deferred Tax Liabilities (DTL) carried on the Group's consolidated statement of financial position. Note that the breakdown of DTA/DTL disclosed in these tables corresponds to the deferred tax before the netting that occurs for balance sheet presentation purposes as required by IAS 12. Net deferred tax balances are broken down as follows:

	December 31, 2022			December 31, 2021		
(in Euro million)	Deferred tax assets	Deferred tax liabilities	Net deferred tax position	Deferred tax assets	Deferred tax liabilities	Net deferred tax position
Value of Business In-force	18	253	(235)	2	213	(211)
Deferred Acquisition Costs	119	1,727	(1,608)	107	1,430	(1,323)
Other intangible assets (including Goodwill)	107	654	(547)	98	620	(522)
Real estate	390	288	102	337	293	43
Financial assets	5,516	4,343	1,173	1,824	14,339	(12,514)
Technical reserves	5,734	4,012	1,723	10,606	3,147	7,459
Provision for risks and charges	261	138	123	332	100	232
Pensions and other employees benefits	912	310	602	1,487	211	1,276
Tax losses carried forward	1,056	0	1,056	434	0	434
Other	562	202	360	416	165	250
TOTAL DEFERRED TAX BY NATURE	**14,675**	**11,926**	**2,749**	**15,642**	**20,518**	**(4,876)**
of which deferred tax through Profit and Loss	*8,302*	*8,795*	*(493)*	*7,358*	*7,761*	*(403)*
of which deferred tax through reserves relating to the change in fair value of financial instruments available for sale and financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	*5,538*	*3,024*	*2,515*	*7,339*	*12,563*	*(5,224)*
of which deferred tax through other equity reserves	*834*	*107*	*727*	*945*	*194*	*751*

As of December 31, 2022, the €14,675 million DTA were mainly related to entities located in French tax group (€5,139 million), Germany (€3,382 million), Italy (€1.336 million), AXA XL group (€1,313 million), Switzerland (€1,172 million), Japan (€799 million) and Belgium (€419 million).

The balance sheet reconciliation concerning deferred tax position is detailed as follows:

(in Euro million)	December 31, 2022	December 31, 2021
Deferred tax assets	4,154	421
Deferred tax liabilities	1,434	5,334
Net deferred tax position including Uncertain tax positions	**2,720**	**(4,913)**
Deferred tax – Uncertain Tax Positions	(28)	(37)
Net deferred tax position excluding Uncertain tax positions	**2,749**	**(4,876)**

The change from net liability position €-4,876 million in 2021 to net asset position €2,749 million in 2022 mainly came from the decrease of unrealized capital gains on fixed-income assets.

	2022	2021
(in Euro million)	Net deferred tax	Net deferred tax
January 1	**(4,876)**	**(6,086)**
Movements through profit or loss	(196)	(300)
Movements through shareholders' equity [a]	7,848	1,592
Forex impact	(8)	(15)
Change in scope and other variations	(19)	(67)
December 31	**2,749**	**(4,876)**

(a) The movements through shareholders' equity mainly concern net investment hedge in the Company, revaluation to fair value of financial investments through shareholders' equity and employee benefits actuarial gains and losses.

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Recognized Deferred Tax Assets (DTA) on tax loss carried forward by maturity and expiration date

The tables below are broken down by **(i)** in the first part, the maturity by which the Group expects to use the DTA accounted at year-end and the corresponding tax losses carried forward, **(ii)** in the second part, the "expiration date" of the DTA, *i.e.* the latest date at which the Group could use them.

The €14,675 million DTA included €1,056 million of DTA on tax losses carried forward as of December 31, 2022.

	2022									
(in Euro million)	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years	DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	Total
	Expected date of use									
DTA recognized on tax losses carried forward	**310**	**278**	**236**	**126**	**46**	**23**	**19**	**18**	**-**	**1,056**
Corresponding carry forward losses	1,320	1,149	981	547	223	92	59	54	-	4,424
	Latest date of possible use									
DTA recognized on tax losses carried forward	**-**	**0**	**5**	**13**	**7**	**-**	**11**	**26**	**993**	**1,056**
Corresponding carry forward losses	(0)	2	23	82	16	-	43	123	4,135	4,424

As of December 31, 2021, €15,642 million DTA included €434 million DTA on tax losses carried forward.

	2021									
(in Euro million)	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years	DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	Total
	Expected date of use									
DTA recognized on tax losses carried forward	**115**	**102**	**93**	**82**	**30**	**5**	**7**	**0**	**-**	**434**
Corresponding carry forward losses	537	440	387	338	124	23	33	-	-	1,881
	Latest date of possible use									
DTA recognized on tax losses carried forward	**-**	**4**	**1**	**10**	**19**	**4**	**8**	**36**	**352**	**434**
Corresponding carry forward losses	-	30	6	41	82	22	32	175	1,492	1,881

Unrecognized deferred tax assets (DTA)

The amount of potential DTA, which has not been recorded in the accounts as of December 31, 2022 as considered unrecoverable, amounted to €577 million (€609 million in 2021) of which:

- €454 million concerned unrecognized DTA on €2,046 million tax losses carried forward (€522 million DTA on €2,253 million tax losses carried forward in 2021. The major part of these losses occurred in countries where losses can be carried forward without time limit (€1,536 million in 2022 and €1,811 million in 2021);
- €123 million related to unrecognized deferred tax assets on other timing differences (€88 million in 2021).

19.3 CURRENT TAX

(in Euro million)	December 31, 2022	December 31, 2021
Receivables – Current tax	882	908
Payables – Current tax	1,260	924
Net current tax position including Uncertain Tax Positions	**(378)**	**(16)**
Current tax - Uncertain Tax Positions	(377)	(358)
Net current tax position excluding Uncertain Tax Positions	**(2)**	**342**
Group tax receivables and payables	(109)	161
Current tax position including Group tax receivables and payables	**(111)**	**502**

The rollforward of current tax position (excluding Uncertain Tax Positions) is broken down as follows:

(in Euro million)	2022	2021
January 1	**502**	**123**
Cash payment in the period	1,343	1,531
Movements through profit or loss	(1,663)	(1,405)
Movements through shareholders' equity [(a)]	(332)	223
Forex impact	(14)	9
Change in scope and other variations	52	22
December 31	**(111)**	**502**

(a) In 2022, the movements through shareholders' equity are mainly related to the cancellation of receivable with regards to the dividend withholding tax paid in 2001, 2002 and 2003 for €-353 million.
In 2021, the movements through shareholders' equity mainly concern the tax impact related to subordinated loans.

The table above includes current payables net of current receivables towards the tax administrations. It also includes some receivables and payables with non-consolidated entities members of a tax group which are classified in "other receivables" and "other payables".

19.4 UNCERTAIN TAX POSITIONS

The Uncertain Tax Positions were split as follows:

(in Euro million)	December 31, 2022	December 31, 2021
Uncertain Tax Positions – Current income tax	377	358
Uncertain Tax Positions – Deferred income tax	28	37
UNCERTAIN TAX POSITIONS – TOTAL INCOME TAX	**405**	**395**

As of December 31, 2022, the Uncertain Tax Positions were mainly driven by AXA XL (€130 million), the French tax group (€85 million), and Germany (€49 million).

Uncertain tax treatments are determined separately at individual tax entity level. For these positions considered as probably not accepted by tax authorities, the assessment of the uncertainty is determined based on the most likely amount in a range of possible outcomes.

Note 20 Derivative instruments

This Note covers all types of derivatives including derivative instruments held by consolidated investment funds in the *Satellite Investment Portfolio* (see Note 1.8.2) which are recognized at fair value in accordance with the IFRS hierarchy as described in Note 1.5, but excluding derivative instruments that meet the definition of shareholders' equity instruments (see Note 13 for details).

20.1 DERIVATIVE INSTRUMENTS: MATURITIES, NOTIONAL VALUES AND FAIR VALUES

	Maturity of notional amount as of December 31, 2022 [(a)]			Notional amount		Positive fair value		Negative fair value		Net fair value	
(in Euro million)	< 1 year	1 to 5 years	> 5 years	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Interest rates derivatives	47,254	62,530	120,991	230,775	203,639	11,295	6,459	13,291	5,485	(1,996)	974
Equity derivatives	9,256	6,181	56	15,493	12,851	408	370	194	161	214	209
Currencies derivatives	135,590	18,035	16,985	170,610	137,191	3,321	1,670	2,826	2,803	495	(1,133)
Credit derivatives	4,030	6,311	158	10,499	12,413	67	143	14	25	53	118
Other derivatives	6,333	4,677	8,438	19,449	14,030	303	222	1,857	1,965	(1,554)	(1,743)
TOTAL	**202,463**	**97,735**	**146,629**	**446,827**	**380,125**	**15,394**	**8,864**	**18,182**	**10,439**	**(2,787)**	**(1,575)**

Note: This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.
(a) By convention, notional amounts are displayed in absolute value, and exclude potential netting out.

20.2 DERIVATIVE INSTRUMENTS BY IAS 39 TYPE OF HEDGE

Derivative instruments are broken down as follows:

	December 31, 2022									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in cash flow hedging relationship		Derivative instruments used in hedges of net investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
(in Euro million)	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rates derivatives	42,639	2,487	39,127	(5,120)	-	-	149,009	637	230,775	(1,996)
Equity derivatives	1,048	(9)	-	-	-	-	14,446	224	15,493	214
Currencies derivatives	3,976	73	14,873	(837)	16,571	(138)	135,190	1,397	170,610	495
Credit derivatives	-	-	-	-	-	-	10,499	53	10,499	53
Other derivatives	287	(58)	5,012	(989)	-	-	14,150	(507)	19,449	(1,554)
TOTAL	**47,949**	**2,492**	**59,012**	**(6,946)**	**16,571**	**(138)**	**323,294**	**1,804**	**446,827**	**(2,787)**

This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.

	December 31, 2021									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in cash flow hedging relationship		Derivative instruments used in hedges of net Investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
(in Euro million)	Notional amount [(a)]	Fair value	Notional amount [(a)]	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rates derivatives	38,061	(421)	41,298	(349)	-	-	124,281	1,744	203,639	974
Equity derivatives	2,988	103	-	-	-	-	9,863	106	12,851	209
Currencies derivatives	3,171	39	13,575	(422)	12,171	(71)	108,275	(680)	137,191	(1,133)
Credit derivatives	-	-	-	-	-	-	12,413	118	12,413	118
Other derivatives	287	(38)	4,149	(1,080)	-	-	9,594	(625)	14,030	(1,743)
TOTAL	**44,507**	**(317)**	**59,021**	**(1,851)**	**12,171**	**(71)**	**264,426**	**664**	**380,125**	**(1,575)**

Note: This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.

(a) Notional amounts impacted by the IBOR reform: as mentioned in Note 1.2, the IAS 39 amendment ensures prospective assessments and highly probable requirements are maintained in the context of the transition to the new benchmark rates.

As of December 31, 2022, the notional amount of all derivative instruments totalled €446.8 billion (€380.1 billion at the end of 2021). Their net fair value amounted to €-2,787 million as of December 31, 2022 (€-1,575 million at the end of 2021), comprised of the fair value of derivatives on invested assets (€-689 million and €-2,698 million at the end of 2021 – see Note 20.3) and the fair value of derivatives on liabilities (€2,099 million and €-1,123 million at the end of 2021 – see Note 20.4).

AXA uses derivatives primarily to hedge various risks stemming from both sides of the balance sheet in the context of its Asset Liability Management (ALM) strategy in insurance companies, as well as holdings and banks. Notional amount of such hedging strategies amounted to €437.3 billion as of December 31, 2022 (€369.2 billion at the end of 2021) and were mainly used to:

- manage interest rate exposures on fixed maturity investments, long-term debt and guaranteed interest rates on insurance contracts;
- reduce foreign-currency exposures on foreign-currency denominated investments and liabilities;
- manage liquidity positions (including the ability to pay benefits and claims when due) in connection with Asset Liability Management and local regulatory requirements for insurance and banking operations;
- limit equity risk;
- limit credit risk about certain investments in corporate debt instruments.

AXA also uses derivatives as an alternative to gain exposure to certain asset classes through "synthetic positions", for example, holding cash and equity futures instead of physical equities. Another example is the combination of government bonds and credit default swaps (CDS) as a synthetic position and an alternative to the direct purchase of a corporate bond. These schemes do not add any specific risks compared with other investment assets.

The notional amount of derivatives which is used to express the volume of instruments outstanding and to provide a basis for comparison with other financial instruments most certainly overstates the level of activity and does not directly measure risk as it greatly exceeds the possible credit and market loss that could arise from such transactions. It does not represent the amounts that are effectively exchanged by the parties, and thus is not a measure of the Group's exposure to derivative instruments. For example, the Group is exposed to credit risk in respect of its counterparties to the derivative instruments but is not exposed to credit risk on the entire notional amounts. AXA actively manages counterparty risk generated by derivatives through a specific group-wide policy. This policy includes a limit framework and an exposure monitoring process. Limits are specifically set for each authorized counterparty, based on an internal scoring system. This policy also includes daily to weekly collateralization for the majority of the Group's exposure. The total net collateral given communicated for all derivative instruments including those related to derivatives held within investment funds of the "Satellite Investment Portfolio" (see Note 1.8.2) was €0.8 billion as of December 31, 2022 (€2.0 billion at the end of 2021). This net total includes amounts recognized in the Consolidated Statement of Financial Position and unrecognized commitments received or given disclosed in Note 29.

AXA is increasing or decreasing its derivative positions in accordance with AXA's governance framework for derivatives. In particular, hedging activities are one of the most important instruments to decrease the risk of the options and guarantees that are embedded in some Life & Savings and Property & Casualty products; they also lead to a reduction of the capital requirements for those business activities under Solvency II. The various policies that AXA applies with reference to the use of derivatives and hedging instruments, include a close monitoring of its hedging strategy and associated risks as part of a Systemic Risk Management Plan (SRMP), approved by the Management Committee and the Board of Directors, in the context of the policy measures that apply to Global Systemically Important Insurers (GSII).

For further detail on Asset Liability Management governance, please refer to page 255 of Section 5.2 "Internal control and Risk Management".

In 2022, the use of derivatives within the Group increased overall by €66.7 billion in terms of notional amount (see also details in Note 20.2.1.):

- the notional amount of currency derivatives increased by €33.4 billion mainly in France, Hong Kong, AXA SA, Switzerland and United Kingdom;
- the notional amount of interest rates derivatives increased by €27.1 billion mainly in France, AXA Assistance, Germany and Belgium;
- the notional amount of other derivatives increased by €5.4 billion notably in France, Germany and Hong Kong;
- the notional amount of equity derivatives increased by €2.6 billion mainly in France, AXA XL, partly offset by Hong Kong, Japan and Spain;

It was partly offset:

- the notional amount of credit derivatives decreased by €1.9 billion mainly in Japan and Germany;

In the tables above, the column "Macro-hedges and other derivative instruments" includes derivatives that do not qualify for hedge accounting under IAS 39, but whose objective is nevertheless to provide economic hedging of a risk, with the exception notably of certain credit derivatives. They also include "macro-hedging" derivatives as defined by the IASB in IAS 39.

As of December 31, 2022, the notional amount of hedging derivative instruments as defined by IAS 39 (fair value hedge, cash flow hedge and net investment hedge) of the Group was €123.5 billion *versus* €115.7 billion at the end of 2021. The net fair value recorded was €-4,592 million as of December 31, 2022, *versus* €-2,239 million at the end of 2021.

20.2.1 Interest rate derivative instruments

The AXA Group's primary interest rate exposure is related to contracts with guaranteed benefits and the risk that the value of the financial assets purchased with the consideration received from the contract holders is insufficient to fund the guaranteed benefits and expected discretionary participation payable to them. To hedge against potential adverse market conditions, derivative strategies are used to reduce the risk arising from the guarantee liability over time.

As of December 31, 2022, the notional amount of interest rate derivative instruments totalled €230.8 billion (€203.6 billion at the end of 2021). Their net fair value as of December 31, 2022 amounted to €-1,996 million (€974 million at the end of 2021). AXA mainly uses **(i)** interest rate swaps (80% of total notional amount of interest rate derivative instruments), **(ii)** interest rate options (10%), and **(iii)** futures and forwards (9%).

These instruments are mainly used to:

- manage duration gap and/or hedge convexity risk between assets and liabilities on the General Account as a part of Asset Liability Management strategies mainly in France for €97.7 billion (*versus* €79.5 billion at the end of 2021), Japan for €16 billion at the end of 2022 (*versus* €17.5 billion at the end of 2021) and Hong Kong for €15.1 billion at the end of 2022 (*versus* €10.8 billion at the end of 2021);
- hedge interest rate risk and interest volatility risk as part of the Asset Liability Management strategy associated with the guaranteed minimum benefits on Variable Annuity products, with a notional amount of €55.5 billion at the end of 2022 (€37.8 billion at the end of 2021) mainly at AXA Life Europe;
- minimize the cost of Group debt and limit volatility of financial charges, mainly in the Company, with a notional amount of €12.5 billion at the end of 2022 (*versus* €13.8 billion at the end of 2021).

20.2.2 Equity derivative instruments

As of December 31, 2022, the notional amount of equity derivative instruments amounted to €15.5 billion (€12.9 billion at the end of 2021). Their net fair value amounted to €214 million as of December 31, 2022 (€209 million at the end of 2021). AXA mainly uses **(i)** equity option contracts (74% of total notional amount of equity derivative instruments), **(ii)** equity futures and forwards (13%), and **(iii)** equity swaps (13%).

These instruments are mainly used to:

- hedge the exposure to equity risk within the General Account assets, protecting policyholders' investments and their guaranteed liability over time, mainly in France (notional amount of €8.3 billion in 2022 compared with €4.1 billion in 2021), Switzerland (notional amount of €2.6 billion in 2022 compared with €2.2 billion in 2021) and Hong Kong (notional amount of €0.8 billion in 2022 compared with €1.9 billion in 2021);
- hedge equity risk as part of the Asset Liability Management strategy associated with the guaranteed minimum benefits on Variable Annuity products, which amounted to €0.1 billion at the end of 2022 (€0.2 billion at the end of 2021).

20.2.3 Currency derivative instruments

The Group has entered into different currency instruments to reduce its exposure to foreign currency risk. Currency derivative instruments represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date.

As of December 31, 2022, the notional amount of currency derivative amounted to €170.6 billion *versus* €137.2 billion at the end of 2021. Their market value was €495 million *versus* €-1,133 million at the end of 2021. AXA mainly uses **(i)** currency future and forward contracts (57% of total notional amount of currency derivative instruments), **(ii)** currency option contracts (25%), and **(iii)** currency swaps (17%).

One of the main objectives of currency derivatives instruments used by the Company is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates in order to protect partially the value of AXA's net foreign-currency investments in its subsidiaries to the extent of the following year's foreseeable dividends and more generally the exposure of AXA SA's liquidity to forex movements. The notional amount of derivatives used by the Company to hedge the foreign currency exposure increased from €22.9 billion at the end of 2021 to €28.7 billion at the end of 2022.

Currency derivative instruments are also used to hedge foreign exchange mismatch between assets and liabilities in insurance subsidiaries of the Group. While most of the operating units' commitments are matched by assets denominated in the same currency, some entities may invest in foreign currency denominated assets to diversify their investments. This is the case mainly in **(i)** Switzerland using such contracts to hedge exchange rate risk arising from their investments in equities and debt instruments denominated in non-CHF currencies (mainly Euro and US Dollar) with a total notional amount of €22.2 billion at the end of 2022 *versus* €17.9 billion at the end of 2021, **(ii)** Japan using future and forward foreign currency contracts to hedge exchange-rate risk arising from its investments mainly in fixed-maturity debt instruments denominated in non JPY currencies with a total notional amount of €16.8 billion at the end of 2022 *versus* €16.5 billion at the end of 2021 and **(iii)** Hong Kong using forward contracts and cross currency swaps to hedge exchange rate risk with a total notional amount of €25.3 billion at the end of 2022 *versus* €19.1 billion at the end of 2021.

A description of exchange-rate risk related to the operating activities of Group subsidiaries and the Company is included in Section 5.3 "Market Risks" of this Annual Report with amounts of exposures to exchange-rate risk and corresponding hedges.

In accordance with IAS 21 and IAS 39, the translation difference relating to these debt instruments used in operational entities is recognized in profit or loss and offsets most of the change in market value of associated derivative instruments, which is also recognized in profit or loss.

20.2.4 Credit derivative instruments

The Group, as part of its investment and credit Risk Management activities, uses strategies that involve credit derivatives, which consist mainly of Credit Default Swaps (CDS). These instruments are used as an alternative to corporate bonds portfolios, when coupled with government debt instruments, but also as a protection on single names or specific portfolios.

As of December 31, 2022, the notional amount of credit derivatives held by the Group was €10.5 billion compared to €12.4 billion at the end of 2021 (including the instruments held within investment funds of the "Satellite Investment Portfolio" for €0.8 billion; see Note 1.8.2).

Credit derivative instruments are mainly used to:

- hedge credit risk involving the purchase of CDS as a protection mainly on single corporate names or specific portfolios starting from a certain level of losses through tranches instruments (notional amount of €1.0 billion at the end of 2022 *versus* €1.5 billion at the end of 2021);
- enhance the return mainly on government bonds portfolios by holding government bonds and at same time selling protection on very good quality names as an alternative to the direct purchase of a corporate bond. This type of ALM strategy is implemented to compensate for the lack of depth or liquidity in some markets by taking a synthetic credit risk (notional amount of €9.5 billion at the end of 2022 *versus* €10.9 billion at the end of 2021).

20.3 EFFECT OF HEDGING ON FINANCIAL INVESTMENTS

The impact of derivative instruments is presented in the consolidated statement of financial position within their related underlying financial assets (and liabilities see Note 20.4.). The table below sets out the impact of derivative instruments on the related underlying assets.

	December 31, 2022								
	Insurance			Other activities			Total		
(in Euro million)	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]
Investment in real estate properties	**28,867**	**(29)**	**28,837**	**2,896**	**-**	**2,896**	**31,763**	**(29)**	**31,733**
Debt instruments	302,755	(4,378)	298,377	3,992	12	4,004	306,747	(4,365)	302,382
Equity securities	27,856	113	27,968	1,779	-	1,779	29,635	113	29,747
Non-consolidated investment funds	18,691	158	18,849	100	-	100	18,791	158	18,949
Other investments [(d)]	19,558	225	19,783	265	-	265	19,823	225	20,049
Macro-hedge and other derivatives	-	1,343	1,343	-	801	801	0	2,144	2,144
TOTAL FINANCIAL INVESTMENTS	**368,860**	**(2,538)**	**366,322**	**6,136**	**813**	**6,949**	**374,996**	**(1,725)**	**373,271**
Loans	**22,764**	**43**	**22,807**	**11,137**	**997**	**12,134**	**33,901**	**1,040**	**34,941**
Assets backing contracts where the financial risk is borne by policyholders	**76,441**	**26**	**76,467**	**-**	**-**	**-**	**76,441**	**26**	**76,467**
TOTAL INVESTMENTS	**496,931**	**(2,498)**	**494,433**	**20,169**	**1,810**	**21,979**	**517,100**	**(689)**	**516,412**

(a) Carrying value, i.e. net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(b) Including macro-hedge and other derivatives.
(c) Carrying value (see (a)), including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macro-hedge and other derivatives.
(d) Other investments held through consolidated investment funds designated as at fair value through profit or loss.

	December 31, 2021								
	Insurance			Other activities			Total		
(in Euro million)	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]
Investment in real estate properties	**28,506**	**(151)**	**28,355**	**2,664**	**-**	**2,664**	**31,170**	**(151)**	**31,019**
Debt instruments	397,093	(2,631)	394,462	2,932	(12)	2,920	400,024	(2,643)	397,381
Equity securities	34,619	(81)	34,538	1,686	-	1,686	36,306	(81)	36,225
Non-consolidated investment funds	17,441	(62)	17,379	90	-	90	17,530	(62)	17,468
Other investments [(d)]	18,877	(48)	18,829	465	-	465	19,342	(48)	19,294
Macro-hedge and other derivatives	-	583	583	-	(116)	(116)	-	468	468
TOTAL FINANCIAL INVESTMENTS	**468,030**	**(2,238)**	**465,791**	**5,173**	**(128)**	**5,045**	**473,202**	**(2,366)**	**470,836**
Loans	**20,806**	**(12)**	**20,794**	**12,158**	**(160)**	**11,998**	**32,964**	**(171)**	**32,793**
Assets backing contracts where the financial risk is borne by policyholders	**86,324**	**(9)**	**86,315**	**-**	**-**	**-**	**86,324**	**(9)**	**86,315**
TOTAL INVESTMENTS	**603,666**	**(2,410)**	**601,256**	**19,995**	**(287)**	**19,707**	**623,661**	**(2,698)**	**620,963**

(a) Carrying value, i.e. net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(b) Including macro-hedge and other derivatives.
(c) Carrying value, including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macro-hedge and other derivatives.
(d) Other investments held through consolidated investment funds designated as at fair value through profit or loss.

20.4 EFFECT OF HEDGING ON LIABILITIES

The impact of derivative instruments is presented in the balance sheet within their related underlying financial liabilities (and assets see Note 20.3). The tables below set out the impact of derivative instruments on the related underlying liabilities:

	December 31, 2022			December 31, 2021		
(in Euro million)	Carrying value excluding effect of hedging value	Impact of derivative instruments	Carrying value including effects of derivatives	Carrying value excluding effect of hedging value	Impact of derivative instruments	Carrying value including effects of derivatives
Liabilities arising from insurance contracts	381,109	623	381,732	387,827	(869)	386,958
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	59,829	-	59,829	66,983	-	66,983
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACTS	**440,938**	**623**	**441,561**	**454,810**	**(869)**	**453,941**
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**51,243**	**35**	**51,278**	**54,750**	**(71)**	**54,679**
Macro-hedge and other derivative instruments on insurance and investment contracts (liabilities)	**-**	**(90)**	**(90)**	**-**	**77**	**77**
Subordinated debt	12,069	(265)	11,804	10,780	(331)	10,449
Financing debt instruments issued	1,672	-	1,672	800	-	800
Financing debt owed to credit institutions	-	-	-	-	-	-
FINANCING DEBT [(a)]	**13,741**	**(265)**	**13,476**	**11,580**	**(331)**	**11,249**
Liabilities arising from banking activities	**12,161**	**782**	**12,944**	**14,653**	**(9)**	**14,643**
PAYABLES	**92,371**	**1,012**	**93,382**	**92,638**	**81**	**92,719**
TOTAL DERIVATIVES		**2,099**			**(1,123)**	

(a) Financing debts are disclosed in the balance sheet net of the impact of derivatives. As a result, the amount showing in the column "value including effect of derivatives" is their carrying value.

As of December 31, 2022, derivatives related to banking liabilities shown in Note 15 are used to hedge interest rate risk exposures in the context of ordinary banking activities, in order to achieve an appropriate interest rate spread between its interest earning assets and interest bearing liabilities. Related hedged assets are disclosed in Note 9.4.2 and liabilities in Note 15.

20.5 BREAKDOWN OF DERIVATIVE INSTRUMENTS BY VALUATION METHOD

	December 31, 2022				December 31, 2021			
	Instruments quoted in an active market	Instruments not quoted in an active market - No active market			Instruments quoted in an active market	Instruments not quoted in an active market - No active market		
(in Euro million)	Fair value determined directly by reference to an active market (Level 1)	Fair value mainly based on observable market data (Level 2)	Fair value mainly not based on observable market data (Level 3)	Total	Fair value determined directly by reference to an active market (Level 1)	Fair value mainly based on observable market data (Level 2)	Fair value mainly not based on observable market data (Level 3)	Total
Net value of derivative instruments - assets (A)	**2,881**	**(3,569)**	**0**	**(689)**	**276**	**(2,974)**	**(0)**	**(2,698)**
Derivative instruments relating to insurance and investment contracts	1	567	-	569	3	(867)	-	(863)
Derivative instruments relating to financing debt, operating debt and other financial liabilities	-	(265)	-	(265)	-	(331)	-	(331)
Derivatives on liabilities arising from banking activities and payables	85	1,709	-	1,794	7	65	-	71
Net value of derivative instruments – liabilities (B)	**87**	**2,012**	**-**	**2,099**	**10**	**(1,133)**	**-**	**(1,123)**
Net fair value (C= A - B)				**(2,787)**				**(1,575)**

Principles applied by the Group in order to proceed with the classification of financial instruments into the IFRS 13 fair value hierarchy categories and the fair value hierarchy applicable to such instruments are described in Note 1.5. Same principles apply as far as derivatives instruments are concerned.

The Group mitigates counterparty credit risk of derivative instruments by contractually requiring collateral for most derivative contracts. As of December 31, 2022, the adjustment to the fair value of derivatives for non-performance risk was not material.

Note 21 Information by segment

For more information about the Group's segments identification, please refer to page 331 to 335 of Note 3 "Consolidated statement of income by segment".

21.1 TOTAL REVENUES

21.1.1 Revenues by segment

(in Euro million)	December 31, 2022	December 31, 2021
France	29,338	28,349
Europe	33,570	32,562
Asia	11,559	11,329
AXA XL	19,232	18,763
International	5,033	5,668
Transversal & Central Holdings	3,613	3,259
TOTAL [(a)]	**102,345**	**99,931**
of which direct premiums	*87,097*	*85,163*
of which reinsurance assumed	*12,318*	*11,663*
of which fees and charges on investment contracts with no participation features	*202*	*209*
of which revenues from other activities (including revenues from banking activities)	*2,728*	*2,897*

(a) Net of intercompany eliminations.

Given the Group's scale and diversity, none of its clients accounts for more than 10% of its business.

21.1.2 Revenues from non-insurance contracts

Revenues from non-insurance contracts amount to €2,737 million and include revenues from other activities (€2,491 million), fees & charges relating to investment contracts with no participating features (€202 million), and commissions from banking activities (€44 million). These revenues from non-insurance contracts correspond to the following types of services:

	December 31, 2022					
(in Euro million)	Investment management services	Distribution of financial product	Administration services	Assistance	Other	Total
France	5	1	-	-	44	51
Europe	193	46	58	48	120	464
Asia	57	-	-	-	-	57
AXA XL	82	-	-	-	-	82
International	1	-	0	-	26	28
Transversal & Central Holdings	1,508	(0)	68	433	45	2,054
TOTAL	**1,847**	**47**	**126**	**481**	**236**	**2,737**
of which recognized over time	*1,330*	*1*	*123*	*283*	*139*	*1,876*
of which recognized at a point in time	*517*	*46*	*3*	*198*	*97*	*860*

	December 31, 2021					
(in Euro million)	Investment management services	Distribution of financial product	Administration services	Assistance	Other	Total
France	6	1	-	-	54	60
Europe	189	47	67	38	114	454
Asia	37	-	-	-	-	37
AXA XL	64	-	-	-	-	64
International	32	12	1	-	53	98
Transversal & Central Holdings	1,521	1	3	391	60	1,975
TOTAL	**1,849**	**61**	**70**	**429**	**281**	**2,689**
of which recognized over time	*1,605*	*13*	*67*	*264*	*113*	*2,063*
of which recognized at a point in time	*244*	*48*	*3*	*165*	*167*	*626*

21.2 TOTAL ASSETS

(in Euro million)	December 31, 2022	December 31, 2021 restated [a]
France	232,560	261,333
Europe	228,061	269,794
Asia	89,237	93,845
AXA XL	71,950	71,860
International	11,019	13,558
Transversal & Central Holdings	63,869	65,101
TOTAL [b] [c]	**696,697**	**775,491**

(a) Reclassification of Architas activities (previously reported as part of France) to Transversal & Central Holdings.
(b) Net of intercompany eliminations and after deduction of the value related to the shares eliminated in consolidation.
(c) Including assets held for sale.

21.3 OTHER INFORMATION BY LINE OF BUSINESS

21.3.1 Life & Savings (including Health)

	December 31, 2022			December 31, 2021		
(In Euro million)	Gross revenues	Liabilities arising from insurance contracts	Liabilities arising from investment contracts	Gross revenues	Liabilities arising from insurance contracts	Liabilities arising from investment contracts
Protection	15,551	127,798	1,108	15,059	140,484	1,057
G/A Savings	9,053	124,435	33,528	10,418	147,966	34,559
Unit-Linked	6,190	55,571	4,399	7,055	61,193	5,458
Health	12,782	34,986	0	10,971	36,581	-
Funds & Others	260	4,708	0	293	4,040	-
Insurance contracts and investment contracts with discretionary participation features	**43,836**	**347,498**	**39,035**	**43,795**	**390,264**	**41,074**
Investment contracts without discretionary participating features [a]	261		12,584	269		14,663
Fees, commissions and other revenues	202			212		
TOTAL	**44,300**	**347,498**	**51,618**	**44,277**	**390,264**	**55,736**

(a) Relates to liabilities arising from investment contracts without discretionary participation features including contracts where the financial risk is borne by policyholders.

21.3.2 Property & Casualty (including Health)

(In Euro million)	Gross revenues		Liabilities arising from insurance contracts	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Personal lines	**19,282**	**18,611**	**28,736**	**28,318**
Motor	10,325	10,147	17,779	17,628
Property Damage	4,205	4,040	4,037	3,821
Liability	411	408	830	865
Health	2,273	2,026	1,408	1,363
Other Personal lines	2,068	1,990	4,683	4,640
Commercial lines	**36,864**	**34,908**	**92,482**	**88,373**
Motor	3,712	3,646	5,952	5,861
Property Damage	7,004	5,923	9,200	8,757
Liability	2,081	1,846	7,518	7,628
Health	2,363	2,225	1,055	985
Specialty	3,059	2,873	6,767	5,827
Reinsurance	3,213	4,634	11,311	12,358
Other Commercial lines	15,434	13,761	50,678	46,956
Other	**71**	**72**	**-35**	**5**
TOTAL	**56,217**	**53,590**	**121,183**	**116,696**
of which fees, commissions and other revenues	*637*	*561*	-	-

21.4 NET REVENUES FROM BANKING ACTIVITIES

(in Euro million)	December 31, 2022	December 31, 2021
Net interests revenues	248	472
Net commissions	(11)	64
NET REVENUES FROM BANKING ACTIVITIES	**237**	**535**

Net Revenues from banking activities decreased due to the disposal of AXA Bank Belgium on December 31, 2021.

Note 22 Net investment result excluding financing expenses

Net investment result (excluding financing expenses) from the financial assets of insurance companies and companies in other business segments (excluding revenues from the financial assets of banks included in net revenues from banking activities) was as follows:

	December 31, 2022				
(in Euro million)	Net investment income [(a)]	Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	Net realized gains and losses and change in fair value of other investments at fair value through profit or loss	Change in investment impairments	Net investment result
Investment in real estate properties at amortized cost	960	595	(1)	(128)	1,427
Investment in real estate properties as at fair value through profit or loss	15	-	21	-	36
Investment in real estate properties	**975**	**595**	**20**	**(128)**	**1,463**
Debt instruments held to maturity	-	-	-	-	-
Debt instruments available for sale	8,972	(806)	(1,939)	(22)	6,204
Debt instruments designated as at fair value through profit or loss [(b)]	291	-	(1,346)	-	(1,055)
Debt instruments held for trading	0	-	(0)	-	(0)
Non-quoted debt instruments (amortized cost)	354	(1)	-	(48)	305
Debt instruments	**9,617**	**(807)**	**(3,285)**	**(71)**	**5,454**
Equity instruments available for sale	401	2,290	(47)	(1,116)	1,528
Equity instruments designated as at fair value through profit or loss [(c)]	851	-	123	-	974
Equity instruments held for trading	-	-	(0)	-	(0)
Equity instruments	**1,252**	**2,290**	**76**	**(1,116)**	**2,502**
Non-consolidated investment funds available for sale	459	37	12	(169)	340
Non-consolidated investment funds designated as at fair value through profit or loss	308	-	(17)	-	290
Non-consolidated investment funds held for trading	-	-	0	-	0
Non consolidated investment funds	**767**	**37**	**(6)**	**(169)**	**630**
Other assets held by consolidated investment funds designated as at fair value through profit or loss	**93**	**-**	**(4)**	**-**	**89**
Loans held to maturity	-	-	-	-	-
Loans available for sale	4	0	-	0	4
Loans designated as at fair value through profit or loss	0	-	-	-	0
Loans held for trading	58	-	-	-	58
Loans at cost	379	5	-	(24)	360
Loans	**441**	**5**	**-**	**(24)**	**422**
Assets backing contracts where the financial risk is borne by policyholders	**-**	**-**	**(9,653)**	**-**	**(9,653)**
Derivative instruments	**(470)**	**-**	**(66)**	**-**	**(536)**
Investment management expenses	**(537)**	**-**	**-**	**-**	**(537)**
Other	**67**	**(7)**	**1,587**	**1**	**1,648**
NET INVESTMENT RESULT	**12,205**	**2,114**	**(11,329)**	**(1,507)**	**1,483**

(a) Includes gain/losses from derivatives hedging variable annuities.
(b) Includes debt instruments held by consolidated investment funds, designated as at fair value through profit or loss.
(c) Includes equity instruments held by consolidated investment funds, designated as at fair value through profit or loss.

(in Euro million)	December 31, 2021				
	Net investment income [(a)]	**Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity**	**Net realized gains and losses and change in fair value of other investments at fair value through profit or loss**	**Change in investment impairments**	**Net investment result**
Investment in real estate properties at amortized cost	1,065	398	-	(134)	1,328
Investment in real estate properties as at fair value through profit or loss	50	-	(13)	-	36
Investment in real estate properties	**1,115**	**398**	**(14)**	**(134)**	**1,364**
Debt instruments held to maturity	-	-	-	-	-
Debt instruments available for sale	9,140	277	(303)	(0)	9,114
Debt instruments designated as at fair value through profit or loss [(b)]	412	-	(309)	-	103
Debt instruments held for trading	0	-	(0)	-	(0)
Non quoted debt instruments (amortized cost)	305	13	-	-	319
Debt instruments	**9,858**	**291**	**(612)**	**(0)**	**9,536**
Equity instruments available for sale	444	2,136	(32)	(351)	2,197
Equity instruments designated as at fair value through profit or loss [(c)]	417	-	1,980	-	2,397
Equity instruments held for trading	-	-	0	-	0
Equity instruments	**861**	**2,136**	**1,948**	**(351)**	**4,594**
Non consolidated investment funds available for sale	466	115	29	(54)	557
Non consolidated investment funds designated as at fair value through profit or loss	343	-	295	-	638
Non consolidated investment funds held for trading	0	-	(7)	-	(7)
Non consolidated investment funds	**809**	**115**	**318**	**(54)**	**1,188**
Other assets held *by* consolidated investment funds designated as at fair value through profit or loss	**85**	**-**	**26**	**-**	**111**
Loans held to maturity	(0)	-	-	(0)	(0)
Loans available for sale	4	0	-	-	4
Loans designated as at fair value through profit or loss	-	-	-	-	-
Loans held for trading	-	-	-	-	-
Loans at cost	411	11	-	(29)	392
Loans	**414**	**11**	**-**	**(29)**	**396**
Assets backing contracts where the financial risk is borne by policyholders	**-**	**-**	**7,362**	**-**	**7,362**
Derivative instruments	**(646)**	**-**	**(2,542)**	**-**	**(3,188)**
Investment management expenses	**(597)**	**-**	**-**	**-**	**(597)**
Other	**266**	**237**	**1,480**	**0**	**1,984**
NET INVESTMENT RESULT	**12,165**	**3,188**	**7,965**	**(569)**	**22,749**

(a) Includes gain/losses from derivatives hedging variable annuities.
(b) Includes debt instruments held by consolidated investment funds, designated as at fair value through profit or loss.
(c) Includes equity instruments held by consolidated investment funds, designated as at fair value through profit or loss.

Net investment income is presented net of impairment charges on directly-owned investment properties, and net of amortization of debt instruments premiums/discounts. All investment management fees are also included in the aggregate figure.

Net realized gains and losses relating to investment at cost and at fair value through shareholders' equity include write back of impairment following investment sales.

Net realized gains and losses and change in fair value of investments designated as at fair value through profit or loss consist mainly of:

- adjustments relating to investments backing contracts where the financial risk is borne by policyholders which are offset by an adjustment of related policyholder reserves, as there is a full pass through of the performance of held assets to the individual contract holder;
- changes in the fair value of investments designated as at fair value through profit or loss held by funds of the "Satellite Investment Portfolios" as defined in Note 1.8.2;
- changes in fair value of underlying hedged items in fair value hedges (as designated by IAS 39) or "natural hedges" (*i.e.* underlying assets designated as at fair value through profit or loss part of an economic hedge not eligible for hedge accounting as defined by IAS 39).

The changes in investment impairments for available for sale assets include impairment charges on investments, and release of impairments only following revaluation of the recoverable amount. Write back of impairments following investment sales are included in the net realized capital gains or losses on investments aggregate.

Note 23 Net result of reinsurance ceded

Net result of reinsurance ceded was as follows:

	December 31, 2022							
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Inter-segment eliminations	Total
Premiums ceded and unearned premiums ceded	(2,567)	(1,014)	(1,182)	(8,373)	(735)	(119)	723	(13,267)
Claims ceded (including change in claims reserves)	2,137	595	950	6,569	378	91	(508)	10,212
Commissions received from/paid to reinsurers	290	140	225	1,705	138	112	(110)	2,500
NET RESULT OF REINSURANCE CEDED	**(140)**	**(279)**	**(7)**	**(98)**	**(219)**	**84**	**104**	**(556)**

	December 31, 2021							
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Inter-segment eliminations	Total
Premiums ceded and unearned premiums ceded	(2,678)	(998)	(1,233)	(7,353)	(669)	(95)	679	(12,347)
Claims ceded (including change in claims reserves)	2,244	1,324	891	4,878	337	(65)	(479)	9,131
Commissions received from/paid to reinsurers	343	122	(234)	1,367	109	77	(82)	1,702
NET RESULT OF REINSURANCE CEDED	**(90)**	**447**	**(576)**	**(1,108)**	**(223)**	**(83)**	**118**	**(1,514)**

Note 24 Financing debt expenses

As of December 31, 2022, financing debt expenses, which include income and expenses relating to hedging derivative instruments on financing debt, amounted to €477 million (€462 million as of December 31, 2021) mainly in the Company for €399 million (€337 million as of December 31, 2021).

Note 25 Expenses by type

25.1 ACQUISITION EXPENSES

(in Euro million)	December 31, 2022 Insurance	December 31, 2022 Intersegment eliminations	December 31, 2022 Total	December 31, 2021 Total
Acquisition expenses – gross [(a)]	13,499	(87)	13,411	13,472
Change in deferred acquisition expenses and equivalents [(b)]	(702)	-	(702)	(807)
NET ACQUISITION EXPENSES	**12,797**	**(87)**	**12,710**	**12,665**

(a) Includes all acquisition expenses relating to insurance and investment contracts before capitalization/amortization of deferred acquisition expenses and equivalents.
(b) Change (capitalization and amortization) in deferred acquisition expenses relating to insurance and investment contracts with discretionary participation features and changes in net rights to future management fees relating to investment contracts with no discretionary participation features.

25.2 EXPENSES BY TYPE

(in Euro million)	December 31, 2022 Insurance	December 31, 2022 Other activities	December 31, 2022 Intersegment eliminations	December 31, 2022 Total	December 31, 2021 Total
Acquisition expenses – gross	13,499	-	(87)	13,411	13,472
Claims handling expenses	2,570	-	(26)	2,544	2,473
Investment management expenses	481	14	(20)	474	314
Administrative expenses	8,106	2,908	(649)	10,365	10,386
Banking expenses	-	13	-	13	63
Increase/(write back) of tangible assets amortization	(0)	(7)	-	(7)	6
Other income/expenses [(a)]	(80)	(682)	433	(329)	461
TOTAL EXPENSES BY DESTINATION	**24,576**	**2,245**	**(350)**	**26,470**	**27,175**
Breakdown of expenses by type					
Staff expenses	6,318	1,140	(34)	7,424	7,091
Outsourcing and professional services	686	288	(11)	962	953
IT expenses	1,263	152	275	1,690	1,684
Charges relating to owner occupied properties	514	89	(0)	603	524
Commissions paid	13,358	376	(314)	13,420	13,323
Other expenses [(a)]	2,436	199	(264)	2,371	3,601

(a) In 2021, it includes losses related to the disposal processes of Malaysia, Singapore, and an additional provision for the Gulf Region, as well as the loss related to the disposal of a General Account Savings portfolio in Belgium.

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Expenses decreased by €705 million compared to December 31, 2021. On a constant exchange rate basis, expenses decreased by €1,347 million mainly from:

- AXA XL (€-627 million) mainly due lower acquisition costs in line with exposure reduction on reinsurance business;
- International (€-585 million) mainly driven by the disposals of Singapore (€-413 million), AXA Bank Belgium (€-227 million), and the Gulf Region (€-121 million), partly offset by Turkey (€+152 million) notably in the context of hyperinflation in 2022;
- Europe (€-93 million) mainly driven by the impact of the disposal of a General Account portfolio in Belgium.

Note 26 Employees

26.1 BREAKDOWN OF STAFF EXPENSES

(in Euro million)	December 31, 2022	December 31, 2021
Wages and benefits	5,290	4,963
Social contributions	808	823
Employee benefits expenses	626	629
Share based compensation	180	192
Other staff expenses and employees' profit sharing [a]	520	483
TOTAL STAFF EXPENSES	**7,424**	**7,091**

(a) Including redundancies and early retirement expenses (the triggering event being the set up of the plan), and profit sharing with employees in France.

26.2 EMPLOYEE BENEFITS

26.2.1 Defined contribution plans

The cost of the contributions paid was recognized as an expense in the income statement, and amounted to €265 million in 2022 (€248 million in 2021).

26.2.2 Defined benefit plans

AXA operates various defined post-employment benefit plans mainly in the United Kingdom, Germany, Switzerland, France and Belgium.

The defined benefit pension plans within AXA are mostly final salary pension plans or plans based on a cash balance formula, which provide benefits in the form of a guaranteed level of lump-sum payable at retirement age or pension payable for life. The level of benefits is generally based on members' length of service and their salary in the final years leading up to retirement.

In Switzerland, the benefit plan is a Swiss contribution-based plan classified as a defined benefit plan under IAS 19 because of guarantees, risks related to the mortality and disability coverage.

In the United Kingdom and Germany, pensions in payment are generally updated in line with the retail price index or inflation, as opposed to other countries where pensions do not necessarily receive inflationary increases once in payment.

Most of the defined benefit pension plans are funded through long-term employee benefit funds or covered by insurance policies or Mutual funds.

Benefit payments in the United Kingdom and Switzerland are from trustee-administered funds and plan assets held in trusts are governed by local regulations and practices. The Board of trustees, generally composed of representatives of the Company and plan participants in accordance with the respective plan's regulations is responsible for the governance of the plans including investment decisions and contribution schedules in order to meet the existing minimum funding requirement or funding regime objective.

In France and Belgium, benefit payments are managed by insurance companies or Mutual funds.

In the United Kingdom, the main defined benefit plan was closed to new members on August 31, 2013, and members who were part of defined benefit sections had the option to participate in defined contributions sections.

AXA XL sponsors different defined benefits: pension plans mainly in the United Kingdom, the United States, and Germany, as well as deferred cash awards for executive officers.

26.2.3 Significant actuarial assumptions

The assumptions used to value defined benefit plans are consistent with the economic and financial conditions in the countries where they are located. The weighted-average financial assumptions used by AXA for pension plans in the main regions and countries were as follows:

DECEMBER 2022 ASSUMPTIONS

	Europe	Switzerland	United Kingdom	United States	Japan	Other
Pension benefit obligation - assumptions as of December 31, 2022						
Discount rate	3.8%	2.1%	5.0%	5.2%	1.8%	8.6%
Salary increase for future years	2.6%	1.9%	N/A	N/A	2.4%	4.0%
Inflation rate	2.1%	1.3%	2.3%	2.5%	N/A	3.8%

DECEMBER 2021 ASSUMPTIONS

	Europe	Switzerland	United Kingdom	United States	Japan	Other
Pension benefit obligation - assumptions as of December 31, 2021						
Discount rate	0.9%	0.2%	1.9%	2.8%	0.8%	6.5%
Salary increase for future years	2.4%	1.5%	N/A	N/A	2.6%	3.5%
Inflation rate	1.8%	0.9%	2.3%	2.5%	N/A	3.6%

For any given plan, the discount rate is determined at the closing date by using market yields for the corresponding currency on high quality corporate bonds with consideration of AA-rated bonds and depending on the plan's duration and the maturity profile of the defined benefit obligation.

Significant demographic assumptions used by AXA are mortality tables in the measurement of the Group's obligations under its defined benefit schemes. These assumptions are often set based on actuarial advice in accordance with published statistics and experience in each country. Translated into average remaining life expectancy at retirement age (between 60 and 65 in average), the mortality assumptions would give:

- 23.10 years for male and 25.87 years for female retiring at end of December 2022;
- 23.89 years for male and 26.54 years for female retiring at end of December 2032 (*i.e.* 10 years after the reporting date).

26.2.4 Statement of financial position/balance sheet information

The table below presents the change in benefit obligation and the change in plan assets associated with pension plans and other benefit plans sponsored by AXA, together with the separate assets and the balance sheet position.

	Pension benefits		Other benefits		Total	
(in Euro million)	2022	2021	2022	2021	2022	2021
Change in benefit obligation						
Defined Benefit Obligation at the beginning of the year	19,599	19,913	180	217	19,779	20,131
Current service cost	253	275	69	63	321	338
Interest cost	161	95	1	0	162	95
Employee contributions	77	74	-	-	77	74
Plan amendments and curtailments [(a)]	(3)	2	-	-	(3)	2
Experience (gains) and losses	548	257	1	(1)	548	256
Actuarial (gains) and losses arising from changes in demographic assumptions [(b)]	35	(86)	(0)	(0)	35	(87)
Actuarial (gains) and losses arising from changes in financial assumptions [(c)]	(5,591)	(617)	(21)	(3)	(5,611)	(620)
Benefits paid by plan assets and by separate assets	(694)	(557)	(1)	(1)	(695)	(558)
Benefits directly paid by the employer	(160)	(278)	(92)	(100)	(252)	(377)
Settlements	-	(1)	-	-	-	(1)
Net transfer In/(Out) (including acquisitions, disposals and reclassifications) [(d)]	6	(175)	-	(6)	6	(181)
Other	11	11	-	-	11	11
Foreign exchange impact	(12)	686	8	10	(4)	696
Defined Benefit Obligation at the end of the year (A)	**14,231**	**19,599**	**144**	**180**	**14,375**	**19,779**
Change in plan assets						
Fair value of plan assets at the beginning of the year	12,919	11,867	-	-	12,919	11,867
Interest income on plan assets	133	77	-	-	133	77
Actual return on plan assets, excluding interest income	(2,330)	438	-	-	(2,330)	438
Employer contributions [(e)]	1,539	262	-	-	1,539	262
Employee contributions	70	63	-	-	70	63
Net transfer In/(Out) (including acquisitions, disposals and reclassifications) [(d)]	1	-	-	-	1	-
Benefits paid by plan assets	(571)	(432)	-	-	(571)	(432)
Amounts paid in respect of settlements and curtailments	-	(1)	-	-	-	(1)
Other	(1)	(1)	-	-	(1)	(1)
Foreign exchange impact	(1)	646	-	-	(1)	646
Fair value of plan assets at the end of the year (B)	**11,759**	**12,919**	**-**	**-**	**11,759**	**12,919**
Change in separate assets						
Fair value of separate assets at the beginning of the year	1,199	1,303	-	-	1,199	1,303
Interest income on separate assets	5	2	-	-	5	2
Actual return on separate assets, excluding interest income	(138)	22	-	-	(138)	22
Employer contributions	86	97	1	1	87	97
Employee contributions	7	10	-	-	7	10
Net transfer In/(Out) (including acquisitions, disposals and reclassifications) [(d)]	0	(111)	-	-	0	(111)
Benefits paid by separate assets	(123)	(125)	(1)	(1)	(124)	(125)
Other	-	-	-	-	-	-
Fair value of separate assets at the end of the year	**1,036**	**1,199**	**-**	**-**	**1,036**	**1,199**
Change in the cumulative effect of asset ceiling						
Cumulative effect of asset ceiling at the beginning of the year	27	29	-	-	27	29
Interest cost on asset ceiling	0	0	-	-	0	0
Changes in the asset ceiling, excluding the interest cost [(f)]	1,031	(4)	-	-	1,031	(4)
Foreign exchange impact	17	2	-	-	17	2
Cumulative effect of asset ceiling at the end of the year	**1,075**	**27**	**-**	**-**	**1,075**	**27**
Funded status						
Funded status (B) - (A)	(2,472)	(6,680)	(144)	(180)	(2,616)	(6,860)
Cumulative impact of asset ceiling	(1,075)	(27)	-	-	(1,075)	(27)
Liability and asset recognized in the statement of financial position (excluding separate assets)						
Net position (excluding separate assets)	(3,548)	(6,707)	(144)	(180)	(3,691)	(6,887)
Fair value of separate assets at the end of the year	1,036	1,199	-	-	1,036	1,199
Net balance sheet position (including separate assets)	**(2,512)**	**(5,509)**	**(144)**	**(180)**	**(2,656)**	**(5,688)**

(a) In 2022, plan amendment effects in Germany, in Japan and curtailment due to a voluntary social plan in France. In 2021, the amount mainly reflected a plan amendment effect in Germany and a curtailment in France.

(b) In 2022, actuarial losses pertaining to the update of the CMI mortality projections model in the United Kingdom. In 2021, the actuarial gains were mainly due to changes in demographic assumptions resulted from the latest update of the BVG demographic tables in Switzerland.

(c) In 2022, actuarial gains pertaining to the sharp rise of discount rate assumptions used to value liabilities. In 2021, actuarial gains also resulted from the increase in discount rate assumptions.

(d) In 2022, transfer in of retirement allowances for financial advisors in Japan. In 2021, the transfer out related to the sale of AXA Bank Belgium and the sale of AXA Greece.

(e) This includes mainly employer contributions to plan assets in Switzerland, following the termination of the collective insurance contract covering the retirees' obligation and the transfer of the allocated assets to the pension fund. In 2021, regular employer contributions were from the United Kingdom, Switzerland, and Ireland.

(f) Assets not recognized mostly in Switzerland due to the asset ceiling under IAS 19 and IFRIC 14 as of December 31, 2022.

Benefits classified in "Other benefits" include post-retirement benefits other than pensions, principally health care benefits for retirees and deferred cash awards.

A surplus (including minimum funding requirement effect) is recognized to the extent that it is recoverable, either through future contribution reductions or a refund to which AXA has an unconditional right, including the ability to use the surplus to generate future benefits.

26.2.5 Pension and other benefits expense

The annual expense for employee pension and other benefits recorded in the income statement (included in Note 26.1.), for the years ended December 31, 2022 and 2021 is presented below:

	Pension benefits		Other benefits		Total	
(in Euro million)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Pension and other benefits expense						
Current service cost	253	275	69	63	321	338
Plan amendments and curtailments	(3)	2	-	-	(3)	2
Settlement gains or losses	-	-	-	-	-	-
Other	(4)	12	-	-	(4)	12
Total service cost	**245**	**289**	**69**	**63**	**314**	**352**
Interest cost on the defined benefit obligation	161	95	1	0	162	95
Interest income on plan assets	(133)	(77)	-	-	(133)	(77)
Interest income on separate assets	(5)	(2)	-	-	(5)	(2)
Interest cost on asset ceiling	0	0	-	-	0	0
Net interest cost/income	**24**	**16**	**1**	**0**	**25**	**17**
DEFINED PENSION AND OTHER BENEFITS EXPENSE (SERVICE COST + NET INTEREST COST/ INCOME)	**270**	**305**	**69**	**63**	**339**	**369**

The calculation of the periodic pension cost is based on a "spot rate approach" or "full yield approach" that involves the use of separate discount rates of the yield curve, to determine the related service cost, interest cost and interest income on assets associated to each discounted cash flow or segregated subsets of the plan's obligation.

26.2.6 Change in the liability (net of plan assets and cumulative impact of asset ceiling) excluding Separate Assets recognized in the statement of financial position

Consistently with IAS 19, the statement of financial position liability reflects the funded status (liabilities net of plan assets and cumulative impact of asset ceiling) but excludes Separate Assets that are backing employee benefits.

DESCRIPTION OF THE RELATIONSHIP BETWEEN SEPARATE ASSETS (OR REIMBURSEMENT RIGHT) AND RELATED OBLIGATIONS

Separate Assets amounted to €1,036 million as of December 31, 2022 (€1,199 million as of December 31, 2021) mainly in France and Belgium. This represents the fair value of assets backing Defined Benefit Obligations covered by both **(i)** insurance policies written within the Group that provide direct rights to the employees and, **(ii)** insurance policies with related parties that are outside the scope of consolidation. Under these circumstances, these assets are not considered as Plan Assets that would be deducted from the pensions' Defined Benefit Obligation (DBO), but represent reimbursement rights accounted for as Separate Assets under IAS 19. Insurance assets or liabilities (within the Group) and pension obligations remain on the balance sheet.

Furthermore, in Spain, there are insurance policies issued by AXA entities, backing the pensions' DBO. The allocated assets

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are part of the insurance General Accounts of the entities. They are disclosed as "Other Assets" covering the employer's obligations economically but not under IAS 19 accounting. Indeed, unqualified as Plan Assets, they cannot be deducted from the pensions' DBO. Unqualified as reimbursement rights, they cannot be accounted for as Separate Assets either, under IAS 19.

Consistently with IAS 19 requirements, the roll-forward of the statement of financial position liability from January 1, 2022, to December 31, 2022, shown below only captures the evolution of the liability recorded in the Group's statement of financial position net of plan assets and cumulative impact of asset ceiling but does not comprise Separate Assets nor Other Assets in Spain. The table below shows the detailed roll-forward of the statement of financial position liability, with Separate Assets added at each year end for an economical perspective.

	Pension benefits		Other benefits		Total	
(in Euro million)	2022	2021	2022	2021	2022	2021
Change in the liability recognized in the statement of financial position						
Statement of financial position liability at the beginning of the year	(6,707)	(8,076)	(180)	(217)	(6,887)	(8,293)
Pension and other benefits expense	(270)	(305)	(69)	(63)	(339)	(369)
Adjustment due to separate assets	127	(35)	-	-	127	(35)
Employer contributions	1,539	262	-	-	1,539	262
Benefits directly paid by the employer	160	278	92	100	252	377
Benefits paid by separate assets	123	125	1	1	124	125
Net transfer (In)/Out (including acquisitions, disposals and reclassifications)	(6)	175	-	6	(6)	181
Actuarial gains and (losses) recognized in OCI	1,493	912	20	4	1,513	916
Other	-	-	-	-	-	-
Foreign exchange impact	(6)	(42)	(8)	(10)	(13)	(52)
Statement of financial position liability at the end of the year	**(3,548)**	**(6,707)**	**(144)**	**(180)**	**(3,691)**	**(6,887)**
Fair value of separate assets at the end of the year	1,036	1,199	-	-	1,036	1,199
Net balance sheet position at the end of the year	**(2,512)**	**(5,509)**	**(144)**	**(180)**	**(2,656)**	**(5,688)**

26.2.7 Sensitivity analysis of the Defined Benefit Obligation (DBO): Gross of all assets

A description of the risk that pension schemes are exposed to is presented in Note 26.2.10. The sensitivity analysis for significant actuarial assumptions showing how the Defined Benefit Obligation (totalling €14,375 million as of December 31, 2022 and €19,779 million as of December 31, 2021) would have been affected by changes in the relevant actuarial assumption that is reasonably possible for year ended as of December 31, 2022, and 2021 is presented below:

	2022		2021	
	Effect of 0.50% increase	Effect of 0.50% decrease	Effect of 0.50% increase	Effect of 0.50% decrease
Discount rate	-5.5%	6.1%	-6.8%	7.8%
Salary growth rate	0.6%	-0.5%	0.8%	-0.7%
Inflation rate	2.6%	-2.3%	3.3%	-3.1%

One year increase in the life expectancy (derived from adjusted mortality rates) would result in an increase of 3.1% of the Defined Benefit Obligation.

The sensibility analysis for a change in an assumption is measured while all other assumptions remain constant (no correlation between assumptions used).

26.2.8 Near-term cash flows (benefits paid and employer contributions)

FUNDING POLICY AND FUNDING ARRANGEMENTS THAT AFFECT FUTURE CONTRIBUTIONS

In the United Kingdom, the Pensions Act 1995 is one of the main pieces of legislation which governs the operation of occupational pension schemes and the Pensions Act 2004 is the legislation which sets out the scope of the scheme funding provisions and under which regulations were made relating to the funding of occupational defined benefit pension schemes. Central to the scheme funding regime are: the Statutory Funding Objective (SFO), which is a requirement that the Scheme has sufficient and appropriate assets to meet its technical provisions (*i.e*. the amount required, on an actuarial calculation, to make provision for the scheme's liabilities); and the Statement of Funding Principles (SFP), which is a document prepared by the trustees which sets out its policy for ensuring that the SFO is met.

As part of the triennial funding valuation process, acting in accordance with the scheme funding legislation and the trust deed and rules of the AXA UK Group Pension Scheme, the Trustee determines an appropriate level of employer contributions to be paid to the AXA UK Group Pension Scheme, having consulted with the Scheme Actuary and discussed this with AXA UK plc. The resulting schedule of contributions is prepared by the Trustee and the Scheme Actuary sets out what contributions are payable and by when. This is then agreed by AXA UK plc. Where there is a deficit on a technical provision funding basis, the Trustee will also need to agree and put in place a Recovery Plan, which sets out the period over which the SFO will be met. There is no prescribed period for a recovery plan, but the Pension Regulator would generally be concerned about long recovery plans. The Trustee is required to prepare the schedule of contributions following valuations but may revisit (and potentially amend) the schedule of contributions in between actuarial valuations, for example if significant events occur during the period. Note that the 2022 normal employer contribution to the Scheme was reduced to nil as the actual deficit was lower than expected. Indeed, the Scheme finalized the March 31, 2021 triennial funding valuation in February 2022. As part of this actuarial valuation, the appropriate level of future contributions to be paid were determined *per annum* until December 31, 2030. However, contributions from 2022 are subject to adjustments depending on the deficit calculated at each March 31 from 2022.

In Switzerland and Belgium, entities used to fund the cost of the entitlements expected to be earned on at least a yearly basis where contributions are determined as a percentage of pensionable salaries depending on the age-class of the beneficiaries.

In Switzerland, AXA Life Switzerland and AXA pension fund have commonly decided in 2021 to terminate a collective insurance contract covering a large part of the retirees' obligation. The allocated assets were transferred to the pension fund with an effective transfer date as of January 1, 2022. They have been aggregated in the Plan Assets backing the global pensions' DBO in Switzerland. As a result, the pension plan in Switzerland became fully funded under IAS 19 after the transaction, then over-funded at the end of 2022 due to financial and economical conditions at year end. As the Plan Assets in Switzerland are restricted to employee benefits payments and cannot be returned to AXA, the net asset surplus was recognized up to the asset ceiling measured according to IAS 19 and IFRIC 14 as at December 31, 2022. The cumulative effect of asset ceiling is presented in the pension financial position in Note 26.2.4.

In France, voluntary regular employer annual contributions are made to Separate Assets, with an objective of the coverage ratio remaining within a targeted range of the total defined benefit obligation after consideration of the yearly predetermined service cost.

In Germany, there is no requirement to fund employee defined benefit obligation.

In summary, considering Other Assets in Spain and Separate Assets *i.e*. all Assets other than Plan Assets backing the current liabilities, the net economic situation of the funding for defined benefit plans is the following:

	Pension benefits		Other benefits		Total	
(in Euro million)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Statement of financial position liability [(a)]	(3,548)	(6,707)	(144)	(180)	(3,691)	(6,887)
Assets other than plan assets [(b)]	1,056	2,565	-	-	1,056	2,565
Net economic position	**(2,492)**	**(4,142)**	**(144)**	**(180)**	**(2,636)**	**(4,322)**

(a) Amounts representing the defined benefit obligation less plan assets adjusted for assets not recoverable by asset ceiling impact.
(b) Amounts including separate assets or right to reimbursements and other assets managed within the Group but not taken into consideration in the pension disclosures as described in Note 26.2.6.

ESTIMATED EMPLOYER CONTRIBUTIONS TO THE PLAN FOR THE NEXT ANNUAL REPORTING PERIOD

The estimated amount of 2023 employer contributions for pension benefits is €211 million (€216 million estimated in 2021 for 2022).

ESTIMATED FUTURE BENEFITS TO BE PAID

(in Euro million)	Pension benefits	Other benefits
2023	915	68
2024	837	46
2025	839	28
2026	868	4
2027	881	4
Five years thereafter	4,525	17
From year N+11 until the last benefit payments is paid	20,073	61

These estimated future contributions and benefits expected to be paid are subject to uncertainty as they will be notably driven by economics of future years.

26.2.9 Asset mix of plan assets

As pension liabilities have a long-term nature, a mix of equity instruments, debt instruments, investment funds and real estate investments is used in Plan Assets.

The following tables disclose the fair values of Plan Assets and their level within the fair value hierarchy for the defined benefit plans of AXA Group as at December 31, 2022, and 2021, respectively (fair value hierarchy principles as described by the Group are described in Note 1.5):

	Total Group			United Kingdom			Switzerland			Other		
December 31, 2022	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total
Equity instruments	11.2%	0.0%	11.2%	0.1%	0.1%	0.2%	18.8%	0.0%	18.8%	3.0%	0.0%	3.0%
Debt instruments [(a)]	37.1%	0.0%	37.1%	60.0%	0.0%	60.0%	21.8%	0.0%	21.8%	51.4%	0.0%	51.4%
Other [(b)]	7.0%	44.6%	51.6%	2.0%	37.9%	39.9%	8.6%	50.8%	59.4%	19.9%	25.7%	45.6%
TOTAL	**55.4%**	**44.6%**	**100.0%**	**62.1%**	**37.9%**	**100.0%**	**49.2%**	**50.8%**	**100.0%**	**74.3%**	**25.7%**	**100.0%**
TOTAL *(in Euro million)*	**6,512**	**5,247**	**11,759**	**2,565**	**1,568**	**4,133**	**3,376**	**3,482**	**6,857**	**571**	**198**	**769**

(a) Including the impact of derivative instruments.
(b) The other category of plan assets mainly includes investment funds.

	Total Group			United Kingdom			Switzerland			Other		
December 31, 2021	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total
Equity instruments	8.9%	0.0%	8.9%	0.1%	0.1%	0.2%	22.4%	0.0%	22.4%	3.9%	0.0%	3.9%
Debt instruments	45.2%	0.0%	45.2%	65.2%	0.0%	65.2%	15.3%	0.0%	15.3%	53.3%	0.0%	53.3%
Other	11.5%	34.4%	45.9%	4.6%	30.1%	34.7%	18.7%	43.6%	62.3%	23.0%	19.7%	42.8%
TOTAL	**65.6%**	**34.4%**	**100.0%**	**69.8%**	**30.2%**	**100.0%**	**56.4%**	**43.6%**	**100.0%**	**80.3%**	**19.7%**	**100.0%**
TOTAL *(in Euro million)*	**8,472**	**4,446**	**12,919**	**4,847**	**2,094**	**6,941**	**2,766**	**2,141**	**4,908**	**858**	**211**	**1,069**

26.2.10 Management of risks specific to the Group arising from defined benefit plans

Local operating entities and trustees have the primary responsibility for managing the risks that plans are exposed to through a defined benefit plan, in accordance with local legislation if any and the risk framework defined at local level.

Defined benefit plans expose AXA mainly to market investment risk, interest rate risk, inflationary risk and longevity risk:

- a decline in asset market value (equity, real estate, alternatives etc.) will immediately increase the balance sheet liability and the near-term cash flows for countries where there is minimum funding requirements;
- a decrease in corporate bond yields will result in an increase in plan liabilities even if this effect will be partially offset by an increase in the value of the plans' bonds; and
- an increase in inflation rate or an increase in life expectancy will result in higher plan liabilities thus, an increase in future employer contributions in countries where there is minimum funding requirements.

INVESTMENT POLICIES AND STRATEGIES USED BY ENTITIES/TRUSTEES TO MANAGE RISKS

In most countries, Trustees or Investment Committees set the general investment policies and guidelines regarding the allocation of plan assets in accordance with the long term horizon of the benefit plans. The investment strategy is reviewed regularly, following actuarial valuations of the funded benefit plans.

The investment positions are managed within an Asset Liability Management (ALM) framework defining an optimal strategic allocation with respect to the liabilities structure. The management of the assets notably includes liquidity management, diversification of each asset type so that the failure of any specific investment does not present a material risk to the plans, and implementation of hedging programs.

In the United Kingdom, the pension scheme entered into several longevity swap transactions for economically hedging longevity risk inherent within the pensioner population:

- in 2015, for covering pensioner members that retired prior to April 1, 2015;
- in 2019, for covering pensioner members that retired prior to April 1, 2019;
- in 2020 and most recently in 2021, for covering longevity risk (subject to a level of retention) of the remaining unhedged members.

Furthermore, a hedging strategy has been put in place to protect the scheme funding level from movements in inflation and interest rate. The strategy is reviewed on a regular basis by AXA UK, Trustees and investment advisors.

Additionally, caps on inflationary increases were in place in the United Kingdom & Ireland to protect the scheme against extreme inflation.

26.2.11 Statement of financial position/balance sheet reconciliation

(in Euro million)	December 31, 2022	December 31, 2021
Net position (excluding separate assets) [(a)]	(3,691)	(6,887)
- (assets)/liabilities held for sale [(b)]	50	-
Other liabilities	(273)	(363)
TOTAL [(c)]	**(3,914)**	**(7,250)**

(a) Net position (excluding separate assets) for pension benefits and other benefits as reported in Note 26.2.6.

(b) As of December 31, 2022, the amount comprises liabilities relating to DBVL, part of the AXA Germany business for which the sale process was not yet finalized.

(c) It corresponds to a liability of €4,567 million as of December 31, 2022 (€7,481 million as of December 31, 2021) included in the statement of financial position under the caption "provision for risks and charges", and an asset of €653 million (€232 million as of December 31, 2021) included in the statement of financial position under the caption "other receivables".

26.3 SHARE-BASED COMPENSATION

All figures are gross of tax.

(in Euro million)	2022	2021
Cost by plan		
AXA SA Stock options	**0.5**	**1.2**
■ 2016 grants	-	0.1
■ 2017 grants	0.1	0.4
■ 2018 grants	0.3	0.6
AXA Group Shareplan	**7.3**	**6.9**
■ Classic Plan	5.5	1.4
■ Leverage Plan	1.8	5.5
AXA Performance & Restricted Shares (in France)	**71.7**	**67.8**
■ 2018 grants	-	3.9
■ 2019 grants	9.1	25.5
■ 2020 grants	22.1	21.4
■ 2021 grants	22.4	17.0
■ 2022 grants	18.1	-
AXA International Performance & Restricted Shares	**85.7**	**84.3**
■ 2017 grants	-	9.2
■ 2018 grants	5.7	11.6
■ 2019 grants	8.2	20.8
■ 2020 grants	20.5	19.9
■ 2021 grants	28.9	22.9
■ 2022 grants	22.5	-
AXA Retirement Performance Shares	**18.1**	**18.9**
AXA Investment Managers Performance Shares	**5.7**	**10.9**
TOTAL EMPLOYEE SHARE-BASED COMPENSATION COST	**189.0**	**190.1**

The cost includes the expenses from share-based compensation instruments issued by the Group as well as by AXA subsidiaries.

The share-based compensation instruments listed above are mostly composed of instruments settled in equity. The unit cost of the equity settled instruments does not vary for a given plan while the cash settled instruments unit cost is updated at each closing.

The total charge is amortized over the vesting period and adjusted at each future closing date for the difference between actual and expected lapse to take into account actual service conditions and actual non-market performance conditions.

A detail of each of the major plans and the associated cost is presented in Note 26.3.1 and Note 26.3.2.

26.3.1 Share-based compensation instruments issued by the Group

AXA SA STOCK OPTIONS

In 2019, after having progressively reduced the number of stock options beneficiaries over the past, AXA's Board of Directors, upon recommendation from its Compensation, Governance & Sustainability Committee, in order to simplify AXA's compensation policy and in line with market practice, decided to cease awarding stock options to corporate officers and AXA key employees. These options were either subscription options involving newly issued AXA ordinary shares or purchase options involving AXA treasury shares. While the precise terms and conditions of each option grant may vary, options were **(i)** granted at a price not less than the average closing price of the ordinary share on the Paris Stock Exchange during the 20 trading days preceding the date of grant, **(ii)** valid for a maximum term of ten years, and **(iii)** vest in instalments of 33.33% per year on each of the third, fourth and fifth anniversaries of the grant date.

From 2013, for all beneficiaries, the vesting of the final instalment has been subject to the fulfilment of the market performance conditions regarding the performance of the AXA shares compared to the STOXX Insurance Index (“SXIP”).

All options granted to the members of the Management Committee have been subject to the fulfilment of this market-based performance condition.

The following table shows AXA SA stock options status:

	Options *(in million)*		Weighted exercise price *(in Euro)*	
	2022	**2021**	**2022**	**2021**
Options AXA				
Outstanding on January 1	**10.0**	**13.6**	**21.82**	**21.05**
Granted	-	-	-	-
Exercised	(2.1)	(3.2)	20.75	18.98
Cancelled and expired	(0.1)	(0.3)	19.90	18.15
Outstanding as of December 31	**7.7**	**10.0**	**22.15**	**21.82**

Including the last grant in 2018, valid for a maximum term of 10 years, the number of outstanding options and the number of exercisable options among the outstanding options are shown below by maturity date.

	Outstanding options		Exercisable options (taking into account the market-based performance condition)	
Expiry year of options *(in million)*	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
2022	-	0.1	-	0.1
2023	0.1	0.2	0.1	0.2
2024	0.6	1.0	0.6	1.0
2025	1.7	2.0	1.7	2.0
2026	1.3	1.8	1.3	1.8
2027	2.0	2.4	2.0	1.6
2028	2.1	2.5	1.3	0.7
TOTAL AXA	**7.7**	**10.0**	**6.9**	**7.5**

	Outstanding options		Exercisable options (taking into account the market-based performance condition)	
Options AXA	**Number** *(in million)*	**Exercise price** *(in Euro)*	**Number** *(in million)*	**Exercise price** *(in Euro)*
Price range				
€12.97 – €19.44	0.7	17.94	0.7	17.94
€19.45 – €25.92	7.0	22.55	6.2	22.69
€12.97 – €25.92	**7.7**	**22.15**	**6.9**	**22.22**

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The fair value of AXA SA stock options was calculated using the Black & Scholes option pricing model. The effect of expected early exercise was taken into account through the use of an expected life assumption based on historical data. AXA SA share price volatility was estimated on the basis of implied volatility, which was checked against an analysis of historical volatility to ensure consistency. The expected AXA SA dividend yield was based on the market consensus. The risk-free interest rate was based on the Euro Swap Rate curve for the appropriate term.

The option pricing assumptions and fair value at grant date for plans issued for the last time in 2018 are shown below:

	2018	2017	2016
Assumptions			
Dividend yield	5.79%	6.50%	6.60%
Volatility	20.72%	25.05%	26.60%
Risk-free interest rate	0.72%	0.55%	0.36%
Expected life *(in years)*	8.6	8.5	8.5
Weighted average fair value per option at grant date *(in Euro)*	1.21	1.81	1.80

The total cost has been amortized over the vesting period and a nil estimated pre-vesting lapse rate was applied over the remaining vesting period. On that basis, the expense recognized in profit or loss for the year ended December 31, 2022 was €0.5 million (€1.2 million for the year ended December 31, 2021).

AXA GROUP SHAREPLAN

AXA offers its employees the opportunity to become shareholders through a special employee share offering. In countries that meet the legal and fiscal requirements, two investment options are available: the Classic plan and the leveraged Guarantee Plus plan.

The Classic plan allows employees to purchase, through a personal investment, AXA shares either through Mutual funds (FCPE) or through direct share ownership, depending on the country, with a discount of 20%. The shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately five years (except specific early exit cases allowed by applicable laws). Employees receive dividends distributed by AXA during the holding period and at the end, benefits are subject to the share price evolution, up or down, as compared to the subscription price.

The Guarantee Plus plan allows employees to purchase AXA shares with a discount through a personal investment and a bank contribution equal to 9 times the personal investment. The shares are purchased either through Mutual funds (FCPE) or through direct share ownership, depending on the country. The shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately five years (except specific early exit cases allowed by applicable laws). Employees' personal investment is guaranteed by a bank, and employees also benefit from either **(i)** a guaranteed minimum return of 3% per year on their personal investment, **(ii)** or, if more favourable than the guaranteed minimum return: a multiple of 4 times the protected average increase of the AXA share price over the holding period. The calculation of the protected average increase is based on the reference price which is the average over the twenty trading days ending on the date preceding the Chief Executive Officer's decision setting the definitive terms of the operation.

At the end of the five years holding period, the employees can, depending on their residence country, receive the cash value of their investment, or transfer their investment in dedicated Mutual funds.

In 2022, both Classic and Guarantee Plus plans were offered to AXA employees. The subscription price for the Classic plan amounted to €19.15 per share (discount of 20% to the reference price of €23.93). The subscription price for the Guarantee Plus plan amounted to €22.16 per share (discount of 7.40% to the reference price of €23.93).

A total of 13.9 million new shares were issued, increasing the share capital by €296.5 million. The 2022 offering represented a total cost of €7.3 million (€6.9 million for the year ended December 31, 2021).

OTHER SHARE-BASED COMPENSATION

AXA Performance & Restricted Shares

Performance & Restricted Shares can be granted to executive officers and other key employees in France. These plans are equity-settled award plans, subjected to a three-year vesting period and performance conditions. The performance conditions of Restricted Shares plans are solely linked to the Group Sustainability performance. Whereas, the performance conditions of Performance Shares plans are based on the Group's financial targets and strategic orientations. In addition, for some identified beneficiaries, a compulsory two-year holding period can be applicable after the vesting period.

In 2022, the valuation was based on a market price of €25.11 per share at grant date and an estimate 5% pre-vesting lapse rate per year. The grant date fair value of Performance & Restricted Shares granted in 2022 was €17.31 (€15.57 for 2021 grants).

The total cost of the Performance & Restricted Shares recorded as of December 31, 2022, was €71.7 million in profit or loss (€67.8 million as of December 31, 2021).

AXA International Performance & Restricted Shares

International Performance & Restricted Shares can be granted to executive officers and other key employees outside of France.

Beneficiaries have the right to receive at the settlement date, a certain number of AXA shares based on the achievement of performance conditions (see above). The performance period is currently three years. The vesting period is between three and five years. For some identified beneficiaries, a compulsory two-year holding period can be applicable after the vesting period.

The settlement is made in shares rather than in cash (except where the settlement in shares is impossible for legal or other reasons).

The total cost of the International Performance & Restricted Shares recorded as of December 31, 2022, was €85.7 million in profit or loss (€84.3 million as of December 31, 2021).

AXA Retirement Performance Shares

As voted by the Shareholders' Meeting of April 24, 2019, AXA's Board of Directors is authorized to grant retirement performance shares to designated senior executives in France. Under this plan, beneficiaries of Performance Shares have the right to receive at the settlement date, a certain number of AXA shares based on the achievement of a performance condition related to the average AXA Group Solvency II ratio calculated during the performance period of three years.

The total cost of the Performance Shares Retirement recorded as of December 31, 2022, was €18.1 million in profit or loss (€18.9 million as of December 31, 2021).

26.3.2 Share-based compensation instruments issued by AXA subsidiaries

AXA INVESTMENT MANAGERS SHARE-BASED COMPENSATION PLANS

AXA Investment Managers granted Performance Shares to certain key employees as part of its deferred remuneration policy that also includes DIP (Deferred Incentive Plan). The Investment Managers Performance Shares incentive plan is a long-term award plan in which participants are allocated rights to acquire AXA Investment Managers shares upon completion of a specified vesting period depending on applicable local regulations, and subject to fulfilment of certain performance conditions. The performance condition is based on the achievement of Actual AXA Investment Managers Underlying Earnings Group share *versus* budgeted and/or investment performance conditions.

In 2021, following the change in the deferred remuneration fully in DIP, AXA Investment Managers decided to cease issuing the Investment Managers Performance Shares incentive plan. As a result, the last plan was the one granted in March 2020.

The total cost of AXA Investment Managers Performance Shares recorded as of December 31, 2022, was €5.7 million in profit or loss (€10.9 million as of December 31, 2021).

26.4 COMPENSATION OF MANAGEMENT AND OFFICERS

Compensation costs/expenses:

- short-term benefits: the compensation paid to the Management Committee members in 2022 amounted to €25.8 million (€19.2 million in 2021), including fixed salary, bonuses, directors' fees, benefits in kind and other short-term benefits;
- share-based compensations: the expense recognized in 2022 in respect of share-based compensations granted to the Management Committee members was €15.5 million (€11.7 million in 2021);
- post-retirement benefits: the estimated cost of providing defined benefit pensions and other post-retirement benefits to the Management Committee members for the current year of service, measured in accordance with IAS 19, amounted to €4.0 million in 2022 (€3.9 million in 2021).

26.5 SALARIED WORKFORCE

At December 31, 2022, the Group employed 90,443 salaried people on a full-time equivalent basis (compared to 92,556 at December 31, 2021).

The decrease in salaried employees by 2,113 in 2022 was mainly driven by **(i)** the reporting change at AXA Group Operations considering employees from consolidated scope only (-1,968), **(ii)** the sale of our operations in Malaysia and in Singapore (-1,530), and **(iii)** the efficiency programs notably in Germany and Spain, partly offset by recruitments to support business growth across several entities and the full consolidation of Nigeria.

Note 27 Net income per ordinary share

The Group calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- the calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of outstanding ordinary shares during the period;
- the calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average stock price of the AXA share over the period.

Net income per ordinary share takes into account interest payments related to undated subordinated debt classified in shareholders' equity.

(in Euro million) [(a)]		December 31, 2022	December 31, 2021
Net income Group share		**6,675**	**7,294**
Undated subordinated debt financial charge		(182)	(194)
Net income including impact of undated subordinated debt	**A**	**6,493**	**7,100**
Weighted average number of ordinary shares (net of treasury shares) - opening		2,356	2,386
Increase in capital (excluding stock options exercised) [(b)]		1	1
Stock options exercised [(b)]		1	1
Treasury shares [(b)]		14	(4)
Capital increase/decrease		(82)	(3)
Weighted average number of ordinary shares	**B**	**2,290**	**2,380**
Basic net income per ordinary share	**C = A / B**	**2.84**	**2.98**
Potentially dilutive instruments:			
Stock options		1	1
Other		7	7
Fully diluted - weighted average number of shares [(c)]	**D**	**2,298**	**2,388**
FULLY DILUTED NET INCOME PER ORDINARY SHARE	**E = A / D**	**2.83**	**2.97**

(a) Except for number of shares (million of units) and earnings per share (Euro).
(b) Weighted average.
(c) Taking into account the impact of potentially dilutive instruments.

In 2022, net income per ordinary share attributable to continuing operations stood at €2.84 on a basic calculation and at €2.83 on a fully diluted calculation.

In 2021, net income per ordinary share attributable to continuing operations stood at €2.98 on a basic calculation and at €2.97 on a fully diluted calculation.

Note 28 Related-party transactions

In 2022, the Company was party to the following transactions with related parties which may be deemed to have been material to AXA or the related party in question or unusual in their nature or conditions.

28.1 RELATIONSHIPS WITH THE MUTUELLES AXA

The Mutuelles AXA (AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle, hereafter the "Mutuelles AXA") are two mutual insurance companies engaged respectively in the Property & Casualty insurance business and Life & Savings insurance business in France. On December 31, 2022, the Mutuelles AXA collectively owned 15.37% of the Company's outstanding ordinary shares representing 25.67% of the voting rights.

Each Mutuelle AXA is supervised by a board of directors elected by delegates representing policyholders. Certain members of the Company's Management Committee and Board of Directors serve as directors of the Mutuelles AXA.

The Mutuelles AXA and two of the Company's French insurance subsidiaries engaged in the Property & Casualty insurance business and Life & Savings insurance business, AXA France IARD and AXA France Vie respectively (the "Subsidiaries"), are parties to an agreement pursuant to which they provide a full range of management services to manage the insurance operations and portfolios of the Mutuelles AXA. The agreement includes provisions designed to ensure the legal independence and protection of the respective client portfolios of the Mutuelles AXA and these Subsidiaries. Certain costs and charges (excluding commissions) are allocated between the Subsidiaries and the Mutuelles AXA through an economic interest grouping *(groupement d'intérêt économique)* or "GIE".

The Property & Casualty insurance business generated in France by insurance brokers was mainly underwritten through co-insurance and reinsurance arrangements between AXA Assurances IARD Mutuelle and AXA France IARD. Aggregate written premiums under these agreements amounted to €2,365 million in 2022 (of which €2,266 million was attributed to AXA France IARD).

28.2 *GROUPEMENT D'INTÉRÊT ÉCONOMIQUE* (GIE)

From time to time the Company enters into GIEs with certain of its subsidiaries. GIEs are intercompany partnerships, governed by French law, created to perform various common services for their members and to allocate associated costs and expenses among their members. The allocation of costs and expenses invoiced to GIE members is based on various agreed criteria including particular activity drivers. The GIEs of which the Company was a member during 2022 covered a variety of common services including services performed by the Group's central functions (GIE AXA) for the benefit of AXA Group companies (*e.g.* finance, accounting and reporting, tax, legal, internal audit, human resources, information systems, risk management, cash management). Expenses invoiced by these GIEs to the Company and its subsidiaries are generally invoiced at cost and are included in the consolidated expenses reflected in Note 25 "Expenses by type" to the Group's Consolidated Financial Statements. Expenses invoiced by the GIE AXA to its members in 2022 and 2021 amounted to respectively €261 million and €251 million.

28.3 LOANS/GUARANTEES/CAPITAL CONTRIBUTIONS, ETC.

The Company has given numerous commitments, including financing commitments, guarantees given to financial institutions and customers, pledged assets, collateralized commitments and letters of credit. For a description of these commitments and guarantees, see Note 29 "Contingent assets and liabilities and unrecognized contractual commitments" to the Group's Consolidated Financial Statements.

Certain of these guarantees are given by the Company for the benefit of its subsidiaries and affiliates for various business purposes including to promote development of their business (*e.g.* to facilitate acquisitions, integration of acquired businesses, distribution arrangements, off-shoring arrangements, internal restructuring, sales or other disposals of assets or businesses, sales or renewals of products or services or similar transactions), to support their credit ratings, and/or to promote efficient use of the Group's capital resources. In this context, the Company may guarantee repayment of loans or other obligations of its subsidiaries to third parties, or provide other types of guarantees to support its subsidiaries' obligations. The beneficiaries of these guarantees are generally required to compensate the Company at a negotiated rate based on prevailing market rates for guarantees with similar conditions. In addition, from time to time, the Company may provide comfort letters or similar letters to rating agencies and/or regulators in support of its subsidiaries and affiliates for various business purposes, including facilitating specific transactions, achieving target rating levels and, more generally, helping to develop the business of these subsidiaries.

Commitments granted by the Company to its subsidiaries are disclosed in Appendix III of this Annual Report "AXA parent Company financial statements: Subsidiaries and participating interests".

The Company may enter into various types of transactions with its subsidiaries and affiliates from time to time for various business purposes including **(i)** in connection with liquidity, solvency and capital management initiatives designed to promote efficient use and fungibility of the Group's capital resources or **(ii)** to finance their business operations and/or to promote the development of their business (*e.g.* to facilitate acquisitions, integration of acquired businesses, distribution arrangements, internal restructuring, or similar transactions). These transactions may involve loans or other types of credit arrangements, capital contributions, acquisitions or sales of assets, securities or other financial instruments (including swaps or other types of derivatives), securitization transactions, and/or other types of arrangements or transactions to which the Company may be a direct party and/or guarantor. The Company may also from time to time borrow from its subsidiaries for various business purposes. These transactions are generally carried out on arms-length terms and conditions with loans bearing interest at floating rates that generally reflect prevailing market rates at the respective dates such loans were originated.

28.4 KEY MANAGEMENT AND DIRECTORS

To the best of the Company's knowledge, based on information reported to it:

- on December 31, 2022, **(i)** there were no outstanding loan from the Group to the Company's two corporate officers and **(ii)** there were outstanding loans from the Group to some members of the Company's Board of Directors, the terms and conditions of which are substantially similar to the ones generally available to the public or to AXA employees;
- various members of the Company's Board of Directors as well as various other executive officers and directors of other AXA Group companies may, from time to time, purchase insurance, wealth management or other products or services offered by AXA in the ordinary course of its business. The terms and conditions of these transactions are substantially similar to the terms and conditions generally available to the public or to AXA employees in general. In addition, certain members of the Board of Directors are corporate officers, directors or have interests, directly or indirectly, in companies that may have agreements or enter into transactions from time to time with AXA Group entities including extensions of credit, loans, purchases of securities (for their own account or for third parties), underwriting of securities and/or furnishing of other types of services or goods. These agreements or deals are generally fully negotiated and performed on arm's length terms and conditions.

Note 29 Contingent assets and liabilities and unrecognized contractual commitments

29.1 BREAKDOWN OF COMMITMENTS RECEIVED

(in Euro million)	December 31, 2022	December 31, 2021
Financing commitments	**10,060**	**10,548**
Customers	-	-
Credit institutions	10,060	10,548
Guarantee commitments	**23,237**	**29,546**
Customers	16,246	20,128
Credit institutions	6,991	9,418
Other	**14,787**	**14,962**
Pledged securities and collaterized commitments	11,291	11,592
Letters of credit	407	246
Other commitments	3,089	3,124
TOTAL	**48,084**	**55,057**

Commitments received by AXA totaled €48,084 million at the end of 2022, a decrease by €6,973 million compared to the end of 2021, mainly related to guarantee commitments received for €6,310 million driven by **(i)** €2,428 million guarantees related to loans at AXA Banque, and **(ii)** €3,696 million other guarantees received from customers at AXA Banque.

These commitments can be broken down as follows:

Financing commitments received totaled to €10,060 million at the end of 2022, and mainly consisted of:

- unused credit lines received by holdings for €8,077 million mainly at AXA SA (€7,868 million);
- commitment lines for €1,983 million granted to AXA XL (€1,546 million) and Japan (€437 million) as part of their operations.

Guarantee commitments received totaled to €23,237 million at the end of 2022, mainly from **(i)** guarantees from costumers related to mortgage loans €12,957 million received mainly in Switzerland (€10,132 million), at AXA Banque (€2,347 million) and Belgium (€478 million), **(ii)** €6,756 million guarantees related to loans mainly at AXA Banque (€6,670 million), and **(iii)** € 3,288 million other guarantees received from customers at AXA Banque.

Pledged securities and collateralized commitments received totaled to €11,291 million at the end of 2022:

- collaterals for reinsurance operations totaled to €8,000 million mainly in Hong Kong (€3,609 million), in France (€3,122 million), in AXA XL (€607 million) and at AXA SA (€470 million);
- collateral for derivatives totaled to €3,291 million mainly in France (€1,244 million), in Hong Kong (€676 million) in Japan (€512 million), in Germany (€232 million) and in Belgium (€232 million).

Letters of credit received totaled to €407 million at the end of 2022 mainly at AXA SA (€227 million), and France (€137 million) due to letter of credits related to reinsurance transactions.

Other commitments received totaled to €3,089 million at the end of 2022, mainly related to mortgages received as guarantees for debt instrument in Germany (€671 million), Japan (€546 million), Italy (€497 million), Belgium (€423 million), and France (€388 million).

29.2 BREAKDOWN OF COMMITMENTS GIVEN

	December 31, 2022					December 31, 2021
	Expiring date					
(in Euro million)	12 months or less	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years	Total	Total
Financing commitments	**437**	**70**	**28**	**155**	**690**	**807**
Customers	437	70	28	145	680	807
Credit institutions	-	-	-	10	10	-
Guarantee commitments	**4,840**	**33**	**1,696**	**1,262**	**7,832**	**7,141**
Customers	4,390	28	3	744	5,165	5,268
Credit institutions	450	5	1,693	518	2,667	1,873
Other	**13,347**	**8,212**	**2,537**	**12,251**	**36,347**	**36,951**
Pledged securities and collaterized commitments	7,058	555	477	4,908	12,998	13,006
Letters of credit	2,515	-	609	35	3,158	2,428
Other commitments	3,774	7,657	1,452	7,308	20,191	21,518
TOTAL	**18,624**	**8,315**	**4,261**	**13,669**	**44,869**	**44,899**

Commitments given totaled to €44,869 million at the end of 2022, a decreased by €30 million compared to the end of 2021.

These commitments can be broken down as follows:

Financing commitments given totaled to €690 million at the end of 2022 and consisted of financing loans commitments to customers granted mainly at AXA Banque (€431 million) and Germany (€231 million).

Guarantee commitments given totaled to €7,832 million at the end of 2022 mainly from **(i)** other guarantees given to customers for €5,165 million, mainly in Germany (€4,393 million) and France (€687 million), as well as **(ii)** guarantee commitments given to credit institutions related to loans for €2,489 million mainly at AXA SA (€2,068 million).

Pledged securities and collateralized commitments given totaled to €12,998 million at the end of 2022:

- pledged assets and collaterals for derivatives instruments totaled to €9,310 million mainly from France (€3,685 million), Hong Kong (€1,464 million), Germany (€1,440 million), and Japan (€840 million);
- other pledged assets/collaterals totaled to €2,928 million mainly at AXA Banque (€2,283 million) and Hong Kong (€639 million);
- pledged assets and collaterals for reinsurance operations totaled to €759 million mainly in France (€690 million).

Letters of credit given totaled to €3,158 million at the end of 2022 and were mainly at AXA XL (€3,103 million).

Other commitments given totaled to €20,191 million at the end of 2022 and mainly consisted of:

- €7,163 million commitments to private equity funds mainly in Germany (€2,852 million), Japan (€1,601 million) France (€1,273 million), AXA XL (€491 million) and Hong Kong (€484 million);
- €6,560 million commitments to invested assets other than Real Estate funds or private equity funds mainly in France (€2,877 million), Germany (€1,917 million), AXA XL (€563 million), Japan (€562 million), in United Kingdom (€404 million) and Belgium (€81 million);
- €3,151 million commitments to Real Estate funds mainly in Germany (€1,355 million), France (€1,267 million) and Japan (€340 million);
- €1,162 million commitments related to group insurance contracts mainly at AXA SA (€920 million) and France (€242 million);
- €541 million commitments related to acquisition/disposals of companies mainly at AXA SA (€511 million);
- €482 million commitments related to insurance regulatory commitments/Insurance protection funds mainly in Germany (€463 million).

29.3 REPURCHASE AND REVERSE REPURCHASE AGREEMENTS AND SIMILAR OPERATIONS

As of December 31, 2022, pledged securities and collateralized commitments received related to reverse repurchase agreements and similar operations amounted to €9,658 million (€14,701 million as of December 31, 2021).

As of December 31, 2022, pledged securities and collateralized commitments given related to repurchase agreements and similar operations amounted to €45,436 million (€49,487 million as of December 31, 2021) (see Note 9.7).

29.4 OTHER AGREEMENTS

29.4.1 Partial disposal of UK Life & Savings operations

AXA has guaranteed the liabilities and obligations of AXA UK in connection with the sale, in 2010, of part of its Life & Savings insurance business to Resolution Ltd. This includes the potential liability of AXA UK under customary warranties and indemnities given by AXA UK to Resolution Ltd. in connection with this transaction.

29.4.2 Employee and director Indemnification Obligations

In addition to other employment-related obligations, various AXA subsidiaries are required to indemnify their employees and directors against certain liabilities and costs that they may incur from time to time in performing activities within the scope of their duties. These activities may include, for example, service as a director, officer, agent, general partner, or in a similar capacity for **(i)** an AXA Group company other than the employee's principal employer or **(ii)** a company outside the AXA Group where service is at the request of (or for the benefit of) the Group (*e.g.* joint ventures, partnerships, or special-purpose investment Companies or funds). The potential amount of compensation relating to commitments covered by these obligations cannot be evaluated with any certainty.

29.4.3 Supports provided without having a contractual or constructive obligation to do so

The Group did not provide any material support without having a contractual or constructive obligation to do so to structured entities during the period.

29.5 OTHER ITEMS: RESTRICTION ON DIVIDEND PAYMENTS TO SHAREHOLDERS

Certain AXA subsidiaries and joint ventures, principally insurance companies, are subject to restrictions on the amount of funds they may transfer in the form of cash dividends or otherwise.

In most cases, the amounts available for distribution from AXA's insurance subsidiaries and joint ventures are limited to net income for the year and retained earnings calculated in accordance with the statutory accounting policies used by the subsidiaries to prepare their local financial statements. Further restrictions may be imposed by the local insurance regulators in countries where AXA operates. In some cases, amounts available for distribution are also subject to regulatory capital adequacy tests or the approval of an independent actuary or subject to individual provisions contained in a company's by laws.

In accordance with European Union directives, insurance companies with their registered office in a European Union member country are required to maintain minimum solvency ratios which must be supported by eligible elements. AXA's insurance operations in countries outside the European Union are also subject to local capital adequacy and solvency margin regulations.

AXA SA is exposed to foreign currency fluctuations notably stemming from its Non-Euro participations. The aim of the hedging programs of the Company is to protect partially the value of AXA's net foreign-currency investments in its subsidiaries to the extent of the following year's foreseeable dividends and more generally the exposure of AXA SA's liquidity to foreign exchange movements.

Note 30 Fees paid to Statutory Auditors

30.1 STATUTORY AUDITORS

Incumbent Auditors

PRICEWATERHOUSECOOPERS AUDIT

63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex, represented by Mrs. Bénédicte Vignon and Mr. Grégory Saugner, first appointed on February 28, 1989. The current appointment is for a term of 6 years, until the General Shareholders' Meeting called to approve the financial statements for the fiscal year 2023.

MEMBERSHIP IN A PROFESSIONAL BODY

PricewaterhouseCoopers Audit is registered as an independent auditor with the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

ERNST & YOUNG AUDIT

Tour First, TSA 14444, 92037 Paris-La Défense, represented by Messrs. Olivier Durand and Patrick Menard, first appointed on April 28, 2022. The current appointment is for a term of 6 years, until the General Shareholders' Meeting called to approve the financial statements for the fiscal year 2027.

MEMBERSHIP IN A PROFESSIONAL BODY

ERNST & YOUNG Audit is registered as an independent auditor with the Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre.

Alternate auditors

Mr. Patrice Morot: 63, rue de Villiers – 92208 Neuilly-sur-Seine, first appointed on April 25, 2018. The current appointment is for a period of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2023.

Picarle et Associés: Tour First, TSA 14444, 92037 Paris-La Défense, first appointed on April 28, 2022. The current appointment is for a period of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2028.

30.2 FEES PAID TO STATUTORY AUDITORS

The table below distinguishes the fee amounts paid by AXA to each of the Statutory Auditors in charge of auditing the Group's financial statements between the fees for the legal mission of Statutory Auditors of the statements and for other services.

	2022							
	PwC (PricewaterhouseCoopers)				EY (Ernst & Young)			
	Amount (before VAT)				Amount (before VAT)			
(in Euro million, except percentages)	France	Rest of the world	Total	%	France	Rest of the world	Total	%
Statutory audit and certification of local and consolidated financial statements	**9**	**12**	**21**	**75%**	**6**	**13**	**19**	**77%**
AXA SA	6	-	6	23%	4	-	4	15%
Integrated subsidiaries globally	2	12	15	52%	2	13	15	62%
Other [(a)]	**3**	**4**	**7**	**25%**	**2**	**4**	**5**	**23%**
AXA SA	2	-	2	8%	1	-	1	6%
Integrated subsidiaries globally	1	4	5	17%	1	4	4	17%
TOTAL	**12**	**16**	**28**	**100%**	**8**	**17**	**24**	**100%**

*(a) Fees for other services paid to Statutory Auditors mainly relate to **(i)** other insurance assignments - agreed upon procedures on financial information, insurance services over regulatory information, comfort letters, SSAE16/ISAE3402 reports, insurance reports on EOF and SFCR, and due diligences, **(ii)** tax services - out of France such as tax compliance services, and **(iii)** other permitted advisory services.*

	2021							
	PwC (PricewaterhouseCoopers)				Mazars			
	Amount (before VAT)				Amount (before VAT)			
(in Euro million, except percentages)	France	Rest of the world	Total	%	France	Rest of the world	Total	%
Statutory audit and certification of local and consolidated financial statements	**5**	**25**	**30**	**74%**	**3**	**6**	**9**	**74%**
AXA SA	3	-	3	7%	1	-	1	6%
Integrated subsidiaries globally	2	25	27	67%	2	6	9	68%
Other [(a)]	**4**	**7**	**10**	**26%**	**1**	**2**	**3**	**26%**
AXA SA	3	-	3	8%	1	-	1	6%
Integrated subsidiaries globally	0	7	7	17%	0	2	3	20%
TOTAL	**8**	**31**	**40**	**100%**	**4**	**9**	**13**	**100%**

*(a) Fees for other services paid to Statutory Auditors mainly relate to **(i)** other insurance assignments - agreed upon procedures on financial information, insurance services over regulatory information, comfort letters, SSAE16/ISAE3402 reports, insurance reports on EOF and SFCR, and due diligences, **(ii)** tax services - out of France such as tax compliance services, and **(iii)** other permitted advisory services.*

External audit fees are also paid by certain Affiliates and Mutual funds which are not required to be included in the table above.

Note 31 Litigations

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable, and the amount of the loss can be reasonably estimated, we establish a reserve and record an estimated loss for the expected outcome of the litigation. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, the litigation is in its early stages, or when the litigation is highly complex or broad in scope.

31.1 MATTERS CONCERNING AXA SA AND ITS SUBSIDIARIES

AXA and its subsidiaries are involved in various legal actions and proceedings of a character normally incidental to their business including claims litigation arising in connection with the Group's insurance business and litigation arising from the Group's Asset Management business.

In addition, several AXA subsidiaries are involved in lawsuits (both class action and individual), investigations, and other actions arising in the various jurisdictions where they do business, including the United States.

A number of lawsuits have been filed against insurers in the United States and elsewhere involving the scope and interpretation of policies, insurers' sales practices, alleged misconduct or misrepresentation, alleged failure to properly supervise agents, compensation of intermediaries, product features, fees or performance, alleged bad-faith denials of coverage as well as numerous other matters. Some of these actions have resulted in the award of substantial judgments against insurers (including material amounts of punitive damages) or in substantial settlements. In certain jurisdictions, juries have broad discretion in awarding punitive damages. AXA's subsidiaries are involved in these types of litigations as well as regulatory inquiries, investigations or actions with respect to these and a wide variety of other matters related to the ownership or management of real estate, asset or investment activities, corporate transactions, employee benefit disputes, alleged discrimination in employment practices, as well as other matters.

A number of AXA subsidiaries are involved in ongoing litigations relating to COVID-19 exposure under business interruption policies and non-damage business interruption extensions to business interruption policies.

Some of the litigations described in this section have been brought on behalf of various alleged classes of claimants, and certain of the claimants in these actions seek significant or unspecified amounts of damages, including punitive damages.

31.1.1 AXA XL Division

US OPIOID LITIGATION

Lawsuits have been filed throughout the United States against various manufacturers, distributors and retailers of opioid medications, some of whom are insured by entities in the AXA XL Division and several of whom have entered into multi-billion dollar settlements. The AXA XL Division is party to coverage actions brought by manufacturers (including Purdue Pharma), distributors and retailers against insurers. Most of these are in the early stages and it is expected that the coverage litigation (including appeals) and possible arbitrations will take several years to reach final resolution.

AVIATION LITIGATION FOLLOWING THE RUSSIAN INVASION OF UKRAINE

Since the Russian invasion of Ukraine, lawsuits have been filed against the AXA XL Division in the UK, Ireland and the United States relating to alleged aircraft losses in Russia. The AXA XL Division provides coverage to aircraft lessors for their aircraft, engines and spares under various types of aviation policies (including lessor war and lessor all risk) as well as other insured under separate policies (for example, aircraft operators under operator war and operator all risk). The lawsuits are at an early stage, and we do not expect substantive rulings until 2024.

31.2 OTHER LITIGATION

In addition to the various matters noted above, AXA and certain of its subsidiaries are involved in numerous legal actions and proceedings arising out of transactions involving the acquisition or sale of businesses or assets, mergers or other business combination transactions, the establishment or dissolution of joint ventures or other partnerships, public exchange or tender offers, buy-outs of minority interests or similar types of transactions (“M&A Transactions”). In connection with M&A Transactions, AXA and its subsidiaries from time to time:

- are involved in legal actions or other claims brought by purchasers, joint venture partners, shareholders or other transaction parties asserting claims for damages on various theories (including misrepresentation, failure to disclose material information, failure to perform contractual duties, breach of fiduciary duties), seeking contractual indemnification, or otherwise seeking to impose liability on AXA and/or its subsidiaries; and/or
- benefit from contractual rights to indemnification from third party sellers or other transaction counterparties that are designed to protect the Group against existing or potential future litigation exposures or other types of contingent liabilities of the acquired businesses or assets. These indemnities generally constitute unsecured obligations of the indemnifying party and, consequently, their value may be substantially impaired or rendered worthless in the event of the bankruptcy or insolvency of the indemnifying party.

AXA and certain of its subsidiaries are also involved in tax assessment negotiations and/or active litigation with tax authorities over contested assessments or other matters in a number of jurisdictions including in France. These actions or assessments arise in a variety of circumstances including matters in connection with M&A, restructuring or financing transactions as well as in the ordinary course of business.

Over the past several years a number of jurisdictions, including France and Belgium, have enacted legislation that permits corporate entities to be charged with criminal offences. The standard for attributing criminal conduct by corporate officers and employees to corporate entities is not clearly defined in many of these jurisdictions and government prosecutors and judges have broad discretion in this area. In recent years, complaints against or indictments of corporate entities for alleged criminal offences have become increasingly common and certain AXA Group companies have been the subject of penal complaints and/or indictments from time to time including in Belgium, France, and Switzerland. While a criminal complaint against or indictment of a corporate entity may not pose material financial risk, it has broad potential implications for a regulated financial institution like AXA both from a reputation point of view and from a regulatory perspective because a criminal conviction can have potentially far reaching negative implications for AXA Group companies engaged in regulated businesses around the world (including for their ability to obtain or maintain licenses to engage in certain types of regulated business activities such as asset management, insurance and banking).

Beyond litigation risks of the type described above, AXA and its subsidiaries are subject to comprehensive regulation in the various jurisdictions where they do business. In this context, AXA and its subsidiaries are subject, from time to time, to examinations, investigations, enforcement proceedings and other actions by regulatory and law enforcement authorities (involving civil and/or penal matters) as well as to proposed changes in law and/or regulation that may significantly impact their business and results of operations. For additional information on these matters as well as other risks and contingent liabilities affecting the Group and its business, please see Section 5.1 “Risk Factors” and Section 7.3 “General Information” and Note 29 “Contingent assets and liabilities and unrecognized contractual commitments” in Part 6 “Consolidated Financial Statements” of this Annual Report.

Although the outcome of any lawsuit cannot be predicted with certainty, particularly in the early stages of an action, Management believes that the ultimate resolutions of the matters described above are not likely to have a material adverse effect on the consolidated financial position of the Group, taken as a whole. In addition, as of December 31, 2022, to the Company’s knowledge, there were no other governmental, judicial or arbitration proceedings, either pending or threatened, that may have, or have had a significant impact on the financial situation or profitability of the Company or the Group over the past 12 months. However, due to the nature of such lawsuits and investigations and the frequency of large damage awards and regulatory sanctions in certain jurisdictions (particularly the United States) that bear little or no relation to actual economic damages incurred by plaintiffs or the underlying regulatory violations, Management cannot make an estimate of loss, if any, or predict whether these matters, individually or in the aggregate, will have a material adverse effect on the Group's consolidated results of operations in any particular period.

Note 32 Subsequent events

AXA announced the successful placement of €750 million senior notes due 2033

On January 4, 2023, AXA announced the successful placement of €750 million of Reg S senior unsecured notes due 2033 with institutional investors. The notes will be used for general corporate purposes, including the refinancing of part of the Group's outstanding debt.

The notes have a fixed annual coupon of 3.625%. Investor demand was strong with a book subscribed close to 3 times.

The notes are rated A+/Stable by Standard & Poor's and A1/Stable by Moody's.

The settlement of the notes took place on January 10, 2023.

Execution of a share repurchase agreement in relation to AXA's share buy-back program of up to €1.1 billion as announced on February 23, 2023

On February 24, 2023, AXA has executed a share repurchase agreement with an investment services provider, whereby AXA will buy back its own shares for a maximum amount of €1.1 billion, as communicated on February 23, 2023. The share repurchase agreement will be executed in accordance with the terms of the applicable Shareholders' Annual General Meeting authorization (1).

Under the share repurchase agreement (2) announced on February 23, 2023, shares will be bought back commencing on February 27, 2023, and ending at the latest on May 16, 2023. On each day during the purchase period, the price per share to be paid by AXA (3) is determined on the basis of the volume-weighted average share price.

AXA intends to cancel all shares repurchased pursuant to this share buy-back program.

Information regarding share buy-back programs is disclosed on the AXA Group (4) website.

(1) The Shareholders' Annual General Meeting authorization granted on April 28, 2022, or the authorization expected to be granted by the Shareholders' Annual General Meeting on April 27, 2023, as applicable.

(2) The up-to €1.1 billion share buy-back program will be executed in addition to any other potential share buy-back transactions that may be launched by AXA, including the previously announced share buy-back to be executed following the closing of the sale of the closed Life & Pensions portfolio by AXA Germany.

(3) The purchase price will not exceed the maximum purchase price approved at the applicable Shareholders' Annual General Meeting.

(4) https://www.axa.com/en/investor/share-buyback-programs#tab=share-buy-back-program-total

6.7 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Régnault
92400 Courbevoie

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of AXA S.A.,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of AXA S.A. for the year ended December 31,2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 end and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of Life & Savings technical reserves
(including deferred acquisition costs and deferred policyholders' participation assets)
(See Notes 1.7.3, 1.14.2, 4.4, 7.1 and 14 to the consolidated financial statements)

Risk identified	Our response
As at December 31, 2022, the Group recorded Life & Savings liabilities arising from insurance contracts (€260,073 million) and liabilities arising from investment contracts with discretionary participation features (€34,259 million), where risks are born by the Group, deferred acquisition costs (€15,547 million), as well as deferred policyholders' participation assets (€ 6,573 million), as described in Notes 7.1, 14.2, 14.3 and 14.8 to the consolidated financial statements. As described in Notes 1.14.2 and 4.4 to the consolidated financial statements, measurements of Life & Savings technical reserves are as follows: ■ For life and protection insurance contracts, the mathematical reserves are measured in a prospective manner based on assumptions on investment yield, mortality, longevity, lapses, incapacity/invalidity and expenses; ■ Some of these technical reserves, in particular relating to Protection and Health, include contracts with surrender hedging and, in some cases a guaranteed long-term rate or long-term guarantees; ■ For investment contracts with discretionary participation features, future policy benefits reserves are generally calculated using a prospective approach based on discount rate assumptions usually set at inception; ■ For contracts with discretionary participation features, shadow accounting applies and consists in recognizing policyholders' participation in unrealized capital gains and losses. Thus, when an unrealized gain is recognized, a deferred participating liability (DPL) is recorded. In case of an unrealized loss, a deferred participating asset (DPA) should be recognized only in the extent that its recoverability is highly probable. Assumptions used are generally locked-in at inception, and for some Life & Savings reserves, are based on revised discount rates as stated in Note 14.9.2 to the consolidated financial statements. At each closing, Liability Adequacy Tests are performed to determine that technical reserves are sufficient, and that deferred acquisition costs are recoverable. The Liability Adequacy Test is based on current best estimates of all future cash flows that are valued using complex actuarial models and involve a significant level of judgment. In addition, in case a net deferred participation asset is recognized, the Group evaluates its recoverability using liquidity analyses in order to assess the capacity of the Group to hold financial assets showing unrealized loss position. Certain changes in these assumptions could result in material impact to the valuation of these liabilities and assets. Accordingly, we deemed the Measurement of Life & Savings technical reserves (including deferred acquisition costs and deferred policyholders' participation assets) to be a key audit matter.	In order to cover the risk relating to the valuation of these liabilities and assets in the Life & Savings and investment contracts with discretionary participation, our audit approach is as follow: ■ We updated our knowledge of the methodologies for measuring technical reserves covering these contracts as well as the models used to calculate the reserves and evaluated their appropriateness; ■ We assessed the compliance of the methodology with current accounting standards and its implementation; ■ We assessed the IT systems used to process the technical data and integration into the accounting system; ■ We assessed the design and tested the operating effectiveness of the controls we deemed key to our audit; ■ We tested, on a sample basis and according to our risk assessment, the calculation models applied to estimate the future cash flows used to determine the future policy benefit reserves or the liability adequacy tests and to assess the recoverability of deferred acquisition costs and deferred policyholders' participation assets; ■ We applied procedures to test the reliability of the underlying data used in estimates; ■ We examined the information underlying the main assumptions used by Management and the sensitivity of the models to the assumptions; ■ We applied analytical procedures with a view to identifying and analyzing any material unusual and/or unexpected changes. Finally, we assessed the adequacy of the disclosures in the Notes to the consolidated financial statements.

Measurement of claims reserves in the Property & Casualty line of business notably for long-tail claims *(See Notes 1.14.2, 4.4 and 14 to the consolidated financial statements)*	
Risk identified	**Our response**
As at December 31, 2022, the Group recorded claims reserves of €92,986 million, as described in Note 14.2 to the consolidated financial statements. As stated in Note 1.14.2 to the consolidated financial statements, these reserves correspond to the total estimated ultimate cost of settling an insurance claim. They include claims reported, claims incurred but not reported (IBNR) as well as claims handling costs. These reserves are calculated using statistical and actuarial methods, on the basis of historical data, and use assumptions to estimate ultimate claims cost. For some insurance contracts, these estimates require a high degree of judgment, and the assumptions selected may have a significant impact on the ultimate claims cost at the end of the reporting period as the inherent uncertainty is higher. This is especially the case for the long-tail Property & Casualty line of business such as general and professional liability, worker's compensation, and other specialty lines. In addition, estimates of gross and net loss from natural catastrophe events and large man-made losses, including business written or reinsured through AXA XL, are more difficult to project as they are less frequent but can be of higher severity. Due to these inherent uncertainties to calculate the estimates, we deemed the measurement of claim reserves in the Property & Casualty line of business notably for long-tail claims to be a key audit matter.	Our audit approach to the risk relating to the measurement of claims reserves in the Property & Casualty notably for long-tail claims is as follows: ■ We assessed the compliance of the methodology applied by the Group with current accounting standards and its application; ■ We evaluated the design and tested the operating effectiveness of the controls we deemed key to our audit and relating to: - the management of claims and, in particular, the measurement of reserves on a case-by-case basis; - the calculation of the ultimate cost (assumptions, judgments, data, methodologies, compliance with the applicable accounting standards), including second opinions supplied by the Risk Management teams with respect to technical reserves; - the IT systems used to process the technical data and integration into the accounting system. ■ We tested the reliability of the underlying data; ■ We applied analytical procedures (including monitoring the change in loss ratios) to analyze the significant changes that took place over the reporting period; ■ We have evaluated, notably on branches where the estimation of claims reserves has a higher risk of uncertainty and judgment, the outcome of the accounting estimates made the previous years in order to assess the reliability of the process used by Management to calculate these estimates; ■ Our work also consisted in assessing the relevance of the statistical methods and actuarial inputs applied, as well as of the assumptions used, with respect to the applicable regulations, market practices, ongoing litigations and the economic and financial context of the AXA S.A. Group; ■ We have, with the help of our actuarial specialists, undertook an independent evaluation of the reserves for some insurance risk categories. Finally, we assessed the adequacy of the disclosures in the notes to the consolidated financial statements.

Measurement of the recoverable amount of goodwill
(See Notes 1.3.2, 1.7.1 and 5 to the consolidated financial statements)

Risk identified	Our response
As at December 31, 2022, the Group's statement of financial position showed goodwill with a net carrying amount of €17,754 million (including €7,981 million related to the AXA XL cash generating unit (CGU)). As stated in Note 1.3.2 to the consolidated financial statements, goodwill corresponds to the excess of the consideration of the business combination over the net identifiable assets acquired and liabilities assumed on the acquisition date. Goodwill is allocated to the CGUs of the activities into which that business was incorporated. An impairment test of goodwill, as stated in Note 1.7.1 to the consolidated financial statements, is performed at least once a year to ensure that the net carrying amount does not exceed the recoverable amount and that there is no impairment risk. The recoverable amount corresponds to the higher of fair value less costs to sell and value in use. As stated in Note 5 to the consolidated financial statements, value in use is mainly based on the following key assumptions: ■ cash flow projections based on business plan, ■ discount rates, and ■ growth rates requiring significant judgment from Management. This is especially the case for the AXA XL CGU. Accordingly, we deemed the measurement of the recoverable amount of goodwill to be a key audit matter.	Our audit approach to the risk relating to recoverability of goodwill, notably for AXA XL CGU, was as follows: ■ We assessed the compliance of the methodology applied by the Group with current accounting standards and its implementation; ■ We evaluated the design and tested the operating effectiveness of the controls related to goodwill impairment test process we deemed key to our audit; ■ We also performed procedures regarding the main assumptions used by Management to test: - the consistency of the projected future cash flows with Management's most recent estimates, as established during the business plan; - the reasonableness of the assumptions made with respect to projected future cash flows in terms of the economic and financial context of the CGU and, the reliability of the process by which the estimates were calculated, by assessing the reasons for differences between projected and actual performances; - the reasonableness of the discount rate and long term growth rate and their consistency with the projected cash flows to which they apply; ■ We also performed a sensitivity analysis of the main assumptions to ascertain that selected adverse changes to main assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount. We assessed the adequacy of the disclosures in the notes to the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements, it being specified that it is not our responsibility to conclude on the fair presentation and consistency with the financial statements of the solvency related information extracted from the report required by Article L. 356-23 of the French Insurance Code (*Code des assurances*).

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of preparation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under responsibility of the Chief Executive Officer, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of AXA S.A. by your Annual General Meetings held on February 28, 1989 for PricewaterhouseCoopers Audit and on April 28, 2022 ERNST & YOUNG Audit.

As at December 31, 2022, PricewaterhouseCoopers Audit and ERNST & YOUNG Audit were in the thirty-fourth and in the first year of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (C*ode de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2023

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG Audit	
Bénédicte Vignon	Grégory Saugner	Olivier Durand	Patrick Menard

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SHARES, SHARE CAPITAL AND GENERAL INFORMATION

7

7.1 AXA SHARES

The principal trading market for AXA ordinary shares is Euronext Paris (Compartment A). Since the delisting of AXA ADRs (American Depositary Receipts representing American Depositary Shares ("ADS"), each representing one AXA ordinary share) from the New York Stock Exchange on March 26, 2010, AXA ADRs have traded on the U.S. over-the-counter ("OTC") market and are listed on the OTC QX platform under the symbol AXAHY.

Trading on Euronext Paris

In France, AXA ordinary shares are included in the principal index published by Euronext Paris, the CAC 40 Index, which comprises the 40 most capitalized and actively traded shares on Euronext Paris. AXA ordinary shares are also included in Euronext 100, the index representing Euronext's blue chip companies based on market capitalization and liquidity and in EURO STOXX 50, the blue chip index comprised of the 50 most highly capitalized and most actively traded equities of the main industry sectors of the Eurozone. In addition, AXA ordinary shares are also included in STOXX® Europe 600 Insurance, the insurance sector index for European companies and in the EURO STOXX Sustainability 40, the index representing the largest sustainability leaders in the eurozone in terms of long-term environmental, social and governance criteria.

The table below sets forth, for the periods indicated, the reported high and low prices (intraday) in Euro for AXA ordinary shares on Euronext Paris:

Calendar period	Intraday High *(in Euro)*	Intraday Low *(in Euro)*
2021		
Third quarter	24.4	20.8
Fourth quarter	26.6	23.3
2022		
First quarter	29.1	21.0
Second quarter	27.4	21.3
Third quarter	25.8	20.3
Fourth quarter	27.7	21.8
Annual	29.1	20.3
2022 and 2023		
August 2022	24.9	22.1
September 2022	25.8	22.2
October 2022	25.1	21.8
November 2022	27.6	24.9
December 2022	27.7	25.9
January 2023	28.8	26.1
February 2023	30.2	27.6

7.2 SHARE CAPITAL

Capital ownership

On December 31, 2022, AXA's fully paid up and issued share capital amounted to €5,385,555,464.05 divided into 2,351,770,945 ordinary shares, each with a par value of €2.29 and eligible for dividends as of January 1, 2022.

To the best of the Company's knowledge, the table below summarizes the ownership of its issued outstanding ordinary shares and related voting rights on December 31, 2022:

	Number of shares	% of capital ownership	% of voting rights [(a)]
Mutuelles AXA [(b)]	361,507,687	15.37%	25.67%
Employees and agents	98,878,614	4.20%	6.00%
Treasury shares held directly by the Company	87,231,920	3.71%	[3.09%] [(c)]
Treasury shares held by Company subsidiaries [(d)]	7,148	0.00%	[0.00%] [(c)]
General public	1,804,145,576	76.72%	65.24%
TOTAL	**2,351,770,945** [(e)]	**100%**	**100%**

(a) In this table, voting rights' percentages are calculated on the basis that all outstanding ordinary shares are entitled to voting rights, notwithstanding the fact that certain of these shares may be deprived of voting rights by law or otherwise (for example, treasury shares are deprived of voting rights under French law).
(b) AXA Assurances IARD Mutuelle (12.40% of capital ownership and 20.71% of voting rights) and AXA Assurances Vie Mutuelle (2.97% of capital ownership and 4.95% of voting rights).
(c) These shares will be entitled to vote when they cease to be treasury shares (e.g. upon their sale or other transfer to an unaffiliated third party).
(d) Treasury shares as indicated in Note 13 "Shareholders' equity and minority interests" in Part 6 - "Consolidated Financial Statements" of this Annual Report.
(e) Source: Euronext Notice of January 4, 2023.

AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle (the "Mutuelles AXA") are parties to agreements pursuant to which they have stated their intention to collectively vote their shares in AXA. As part of these agreements, the Mutuelles AXA have established a Strategy Committee (*Comité de Coordination Stratégique*) composed of certain directors from their respective boards. The Strategy Committee has elected amongst its members Mr. Philippe Guérand as Chairman. It is generally consulted on all significant matters relating to the Mutuelles AXA including their collective shareholding in AXA and overall relationship with the Company and the AXA Group.

To the best of the Company's knowledge and except as indicated in the table above, on the date of publication of the present Annual Report, only one shareholder, BlackRock Inc., acting on behalf of the clients and funds it manages, holds more than 5% of the Company's share capital and voting rights.

Certain of the Company's shares are entitled to double voting rights as described in Section 7.3 "General information – Voting rights" of this Annual Report. Of the Company's 2,351,770,945 outstanding ordinary shares on December 31, 2022, 465,131,947 shares entitled their holders to double voting rights as of that date.

SIGNIFICANT CHANGES IN CAPITAL OWNERSHIP

Significant changes in the Company's share capital ownership between December 31, 2020, and December 31, 2022 are set forth in the table below:

	On December 31, 2022 [a]				On December 31, 2021 [a]				On December 31, 2020 [a]			
	Number of shares	Capital ownership (in %)	Number of voting rights	Voting rights (in %)	Number of shares	Capital ownership (in %)	Number of voting rights	Voting rights (in %)	Number of shares	Capital ownership (in %)	Number of voting rights	Voting rights (in %)
Mutuelles AXA [b]	361,507,687	15.37%	722,970,870	25.67%	361,466,657	14.93%	710,908,613	24.73%	361,466,657	14.95%	710,459,194	24.75%
Employees and agents	98,878,614	4.20%	169,051,398	6.00%	99,176,003	4.10%	171,997,892	5.98%	103,366,466	4.27%	177,771,805	6.19%
Treasury shares held directly by the Company	87,231,920	3.71%	[87,231,920] [c]	[3.09%] [c]	65,818,351	2.72%	[65,818,351] [c]	[2.29%] [c]	32,296,045	1.34%	[32,296,045] [c]	[1.12%] [c]
Treasury shares held by Company subsidiaries [d]	7,148	0.00%	[14,296] [c]	[0.00%] [c]	223,814	0.01%	[230,962] [c]	[0.01%] [c]	240,064	0.01%	[247,342] [c]	[0.01%] [c]
General public	1,804,145,576	76.72%	1,837,634,408	65.24%	1,894,883,871	78.25%	1,926,155,315	66.99%	1,921,020,176	79.43%	1,950,105,021	67.93%
TOTAL	**2,351,770,945 [e]**	**100%**	**2,816,902,892**	**100%**	**2,421,568,696**	**100%**	**2,875,111,133**	**100%**	**2,418,389,408**	**100%**	**2,870,879,407**	**100%**

(a) In this table, voting rights' percentages are calculated on the basis that all outstanding ordinary shares are entitled to voting rights, notwithstanding the fact that certain of these shares may be deprived of voting rights by law or otherwise (for example, treasury shares are deprived of voting rights under French law).
(b) AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle.
(c) These shares will be entitled to vote when they cease to be treasury shares (e.g. upon their sale or other transfer to an unaffiliated third party).
(d) Treasury shares as indicated in Note 13 "Shareholders' equity and minority interests" in Part 6 - "Consolidated Financial Statements" of this Annual Report.
(e) Source: Euronext Notice of January 4, 2023.

On December 31, 2022, to the best of the Company's knowledge based on the information available to it, the Company had 13,897 total registered holders of its ordinary shares (*i.e.,* shareholders holding in nominative form).

TRANSACTIONS COMPLETED IN 2022 BY AXA INVOLVING ITS OWN SHARES

In connection with the share repurchase programs approved by AXA's shareholders during their Shareholders' Meetings held on April 29, 2021, (resolution 15) and April 28, 2022, (resolution 20) and pursuant to Article L.22-10-62 of the French Commercial Code (*Code de commerce*), **(i)** 117,153,770 AXA shares [1] were repurchased (for the purposes of (a) hedging free grants of shares to employees of the Group or (b) cancelling them) for an average weighted gross unit price per share of €24.90, and **(ii)** no AXA shares were sold between January 1 and December 31, 2022.

On December 31, 2022, the total number of AXA treasury shares, all allocated for hedging or cancellation purposes, was 87,231,920 or 3.71% of AXA's share capital at that date). The booking value of these 87,231,920 treasury shares on December 31, 2022 was €2,024,029,111.82. These shares were acquired for an aggregate purchase price of €2,917,357,426.59 (with a par value of €2.29 per share).

Furthermore, for information purposes, it should be noted that on December 31, 2022, the total number of treasury shares held by Company subsidiaries was 7,148 (or 0.00% of AXA's share capital at that date). The booking value of these 7,148 treasury shares on December 31, 2022 was €129,128.

EMPLOYEE SHAREHOLDERS

Shareplan

Since 1993, the AXA Group has promoted employee shareholding by offering each year to its employees an opportunity to become shareholders through a share capital increase reserved exclusively to them ("Shareplan").

By virtue of the authorization granted by the Shareholders' Meeting of April 28, 2022, the Board of Directors increased the Company's share capital through the issue of shares reserved to the Group employees under the Shareplan 2022 program. The shareholders waived their preferential subscription rights so that this offering could be made exclusively to Group employees ("Shareplan 2022").

In countries that met the legal, regulatory and tax requirements to participate in Shareplan, two investment options were offered to the Group employees in 2022:

- the classic offer, proposed in 36 countries,
- the guarantee plus offer, proposed in 32 countries.

The classic offer allowed employees to subscribe through a personal investment to AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on their country) with a 20% discount. The shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable law). Employees are subject

(1) Including 41,502,350 AXA shares purchased in the context of the share buy-back program announced on August 3, 2022.

to the share price evolution, up or down, as compared to the subscription price.

The guarantee plus offer in 2022 allowed employees to subscribe, through a personal investment and a bank contribution equal to 9 times their personal investment, in AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on their country of residence) with a 7.40% discount. These shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable law). Employees' personal investment is guaranteed by a bank, and employees also benefit from the greater of **(i)** an annual return of 3% capitalized on the amount of their personal investment, or **(ii)** a multiple of the average protected increase of the AXA's share price calculated over the holding period and on the basis of the non-discounted reference price.

At the end of the 5 year holding period, the employees can, depending on their country of residence, do any one of the following: **(i)** receive the cash value of their investment; or **(ii)** transfer their assets invested in the dedicated Mutual funds (FCPE).

Mutual funds (FCPE) have been created since 2005 to allow beneficiaries, in most cases, to directly exercise their voting rights during the Company's Shareholders' Meetings.

The Shareplan 2022 program was carried out through a capital increase that took place in November 2022. Approximately 21,000 employees took part in the Shareplan 2022 program, representing approximately 19% of eligible employees:

- the total amount invested was approximately €297 million;
- a total of approximately 14 million new shares were issued, each with a par value of €2.29. These shares began earning dividends on January 1, 2022.

On December 31, 2022, AXA employees and agents held 4.20% of the share capital and 6.00% of the voting rights. These shares are owned through Mutual funds (FCPE) or directly either in the form of ordinary shares or ADS.

Transactions involving AXA's share capital

On December 31, 2022, AXA's share capital was comprised of 2,351,770,945 ordinary shares, each with a par value of €2.29. All these shares were fully paid up and non-assessable and began earning dividends on January 1, 2022.

The following table sets forth changes in the number of shares from January 1, 2020, to December 31, 2022:

Date	Transaction	Number of shares issued or cancelled	Issue or merger premium *(in Euro)*	Number of shares after the transaction	Amount of share capital after the transaction *(in Euro)*
2020	Share capital reduction by cancellation of shares	(399,756)	(8,640,255)	2,417,295,367	5,535,606,390
	Exercise of stock options	403,907	5,272,316	2,417,699,274	5,536,531,337
	New equity issue reserved for employees of AXA (Shareplan 2020)	6,407,730	73,496,663	2,424,107,004	5,551,205,039
	Share capital reduction by cancellation of shares	(6,407,730)	(95,486,643)	2,417,699,274	5,536,531,337
	Exercise of stock options	690,134	8,494,702	2,418,389,408	5,538,111,744
2021	Share capital reduction by cancellation of shares	(64,393)	(1,451,933)	2,418,325,015	5,537,964,284
	Exercise of stock options	831,610	10,861,541	2,419,156,625	5,539,868,671
	New equity issue reserved for employees of AXA (Shareplan 2021)	13,828,756	261,120,509	2,432,985,381	5,571,536,522
	Share capital reduction by cancellation of shares	(13,828,756)	(294,951,226)	2,419,156,625	5,539,868,671
	Exercise of stock options	2,412,071	43,263,893	2,421,568,696	5,545,392,314
2022	Share capital reduction by cancellation of shares	(64,280,304)	(1,558,266,636)	2,357,288,392	5,398,190,418
	Share capital reduction by cancellation of shares	(21,619,916)	(452,060,384)	2,335,668,476	5,348,680,810
	Exercise of stock options	629,174	11,194,931	2,336,297,650	5,350,121,619
	New equity issue reserved for employees of AXA (Shareplan 2022)	13,956,801	264,543,156	2,350,254,451	5,382,082,693
31/12/2022	Exercise of stock options	1,516,494	28,405,004	2,351,770,945	5,385,555,464

Fully diluted capital on December 31, 2022

The following table indicates the Company's fully diluted share capital, assuming that the maximum number of new shares is issued following the exercise of all outstanding stock options.

	Fully diluted capital
Ordinary shares issued on December 31, 2022 [(a)]	2,351,770,945
Stock options	7,724,596
Maximum total number of shares	2,359,495,541

(a) Source: Euronext Notice of January 4, 2023.

Financial authorizations

FINANCIAL AUTHORIZATIONS VALID AS OF DECEMBER 31, 2022

AXA's authorizations to issue shares or other types of securities that were valid as of December 31, 2022, are summarized in the tables below:

Issues with preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro)*	Term	Expiration date
Capitalization of reserves, earnings or premiums	–	1 billion [(a)]	26 months	June 29, 2023
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(b)]	6 billion [(c)]	2 billion [(d)]	26 months	June 29, 2023

(a) Independent ceiling.
(b) Including the issue of ordinary shares as result of securities issued by subsidiaries of AXA.
(c) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion.
(d) The aggregate nominal value of the capital increase with or without preferential subscription rights may not exceed €2 billion in nominal value.

Issues without preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro or in percentage of the share capital)*	Term	Expiration date
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(a)]	6 billion [(b)]	550 million	26 months	June 29, 2023
Ordinary shares or securities giving access to the capital, reserved for employees	–	135 million [(c)]	18 months	October 28, 2023
Ordinary shares reserved for a specific category of beneficiaries in connection with offerings for employees	–	135 million [(c)]	18 months	October 28, 2023
Performance shares (actions de performance) [(d)]	–	1% [(e)]	38 months	June 28, 2025
Performance shares (actions de performance) [(d)] [(f)]	–	0.40% [(e)]	38 months	June 28, 2025

*(a) Including the issue of ordinary shares or securities **(i)** in the event of public offers (including those mentioned in paragraph 1 of article L. 411-2 of the French Monetary and Financial Code), **(ii)** in the event of public exchange offers initiated by the Company, **(iii)** in consideration for contributions-in-kind for up to 10% of the Company's share capital, or **(iv)** as result of securities issued by subsidiaries of AXA.*

(b) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion.

(c) Common and independent ceiling.

(d) Existing shares and/or newly issued shares.

(e) At the date on which performance shares are granted by the Board of Directors.

(f) Dedicated to retirement.

NEW FINANCIAL AUTHORIZATIONS

The following authorizations to issue shares or securities giving a claim to ordinary shares of the Company and will be submitted to the Shareholders' Meeting on April 27, 2023:

Issues with preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro)*	Term	Expiration date
Capitalization of reserves, earnings or premiums	–	1 billion [(a)]	26 months	June 27, 2025
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(b)]	6 billion [(c)]	2 billion [(d)]	26 months	June 27, 2025

(a) Independent ceiling.

(b) Including the issue of ordinary shares as result of securities issued by subsidiaries of AXA.

(c) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion.

(d) The aggregate nominal value of the capital increase with or without preferential subscription rights may not exceed €2 billion in nominal value.

Issues without preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro)*	Term	Expiration date
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(a)]	6 billion [(b)]	500 million	26 months	June 27, 2025
Ordinary shares or securities giving access to the capital, reserved for employees	–	135 million [(c)]	18 months	October 27, 2024
Ordinary shares reserved for a specific category of beneficiaries in connection with offerings for employees	–	135 million [(c)]	18 months	October 27, 2024

(a) Including the issue of ordinary shares or securities ***(i)*** *in the event of public offers (including those mentioned in paragraph 1 of article L.411-2 of the French Monetary and Financial Code),* ***(ii)*** *in the event of public exchange offers initiated by the Company,* ***(iii)*** *in consideration for contributions-in-kind for up to 10% of the Company's share capital, or* ***(iv)*** *as result of securities issued by subsidiaries of AXA.*

(b) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion.

(c) Common and independent ceiling.

USE OF THE FINANCIAL AUTHORIZATIONS IN 2022

Equity issue reserved for employees

Please see paragraph "Employee shareholders" of the present Section 7.2 of this Annual Report.

Performance shares

In 2022, by virtue of the authorizations granted by the shareholders at the Shareholders' Meetings of April 24, 2019 (resolution 23) and April 28, 2022 (resolution 24) respectively 3,125,411 performance shares/restricted shares and 635,282 performance shares dedicated to retirement were granted by the AXA Board of Directors.

7.3 GENERAL INFORMATION

AXA is a *société anonyme* (a public limited company) organized under the laws of France, and is the publicly traded parent company of the AXA Group. The Company's registered office is located at 25, avenue Matignon, 75008 Paris, France and its telephone number is +33 (0) 1 40 75 57 00. AXA SA was incorporated in 1957 but the origin of its activities dates to 1852. The Company's corporate existence will continue, subject to dissolution or prolongation, until December 31, 2059. The Company is registered with the Paris Trade and Companies Register (*Registre du commerce et des sociétés*) under number 572 093 920. AXA's legal entity identifier (LEI) is F5WCUMTUM4RKZ1MAIE39.

The following documents may be consulted at the AXA Group Legal Department (Tour Majunga – 6, place de la Pyramide – 92908 Paris La Défense, France) until the filing of AXA's next Universal Registration Document with the *Autorité des marchés financiers* (the "AMF"): **(i)** the Bylaws of the Company, **(ii)** the reports or other documents prepared by any expert at the Company's request which are (in whole or in part) included or referred to in this Universal Registration Document, and **(iii)** AXA SA's financial statements and Consolidated Financial Statements for each of the three financial years preceding the publication of this Universal Registration Document. These documents are also available on AXA's website and, more specifically, at the following links for the Bylaws of the Company (https://www.axa.com/en/about-us/governance-overview) and the documents referred to in **(ii)** and **(iii)** (https://www.axa.com/en/investor/annual-and-interim-reports).

Regulation and Supervision

AXA is engaged in regulated business activities on a global scale through numerous operating subsidiaries. The Group's principal business activities of insurance, reinsurance and asset management are subject to comprehensive regulation and supervision in each of the various jurisdictions where the Group operates. AXA SA, the ultimate parent holding company of the AXA Group, is also subject to extensive regulation as a reinsurer and as a result of its listing on Euronext Paris and its direct and indirect shareholding in numerous regulated insurance and asset management subsidiaries. Given that the AXA Group is headquartered in Paris, France, this supervision is based to a significant extent on European Union directives and regulations and on the French regulatory system. AXA's principal regulators and supervisory authorities in France are the AMF, which is the financial markets regulator, and the *Autorité de contrôle prudentiel et de résolution* (the "ACPR"), which is the insurance, reinsurance and financial services supervisor.

As a global company operating in numerous jurisdictions, the AXA Group is subject to various laws and regulations. This section does not purport to describe all of the regulations to which AXA Group is subject nor to provide all of the information in connection with the AXA Group's supervision in every jurisdiction in which the AXA Group is present.

This section presents what the AXA Group considers to be the most significant regulations and supervision mechanisms to which the AXA Group is subject as of the filing date of this Annual Report with the AMF.

After having received its reinsurance license from the ACPR in May 2022 and merging with AXA Global Re on June 30, 2022, AXA SA has completed its previously announced transformation into the Group's internal reinsurer. As a licensed reinsurance company, AXA SA is subject to the applicable ACPR regulations governing reinsurance entities and activities, and enters into reinsurance treaties with certain of AXA's European Property & Casualty carriers, in addition to carrying out additional internal reinsurance and interacting with external reinsurance market parties.

INSURANCE AND REINSURANCE OPERATIONS

While the extent and nature of regulation varies from country to country, most jurisdictions in which AXA's insurance and reinsurance entities operate have laws and regulations governing distribution practices, standards of solvency, levels of capital and reserves, permitted types and concentrations of investments, and business conduct to be maintained by insurance and reinsurance companies, as well as agent licensing, approval of policy forms and, for certain lines of insurance, approval or filing of rates. In certain jurisdictions, regulations limit sales commissions, fees and certain other marketing expenses that may be incurred by the insurer and impose product suitability and disclosure requirements. In general, insurers and reinsurers are required to file detailed annual financial statements with their supervisory agencies in each of the jurisdictions in which they do business. Such agencies may conduct regular or unexpected examinations of the insurers' and reinsurers' operations and accounts and request additional information from the insurer and reinsurer. Certain jurisdictions also require registration and periodic reporting by holding companies that control a licensed insurer or reinsurer. This holding company legislation typically requires periodic disclosure, reporting concerning the corporation that controls the licensed insurer or reinsurer and other affiliated companies, including prior approval (or notice) of transactions between the insurer or reinsurer and other affiliates such as intra-group transfers of assets and payment of dividends by the controlled insurer or reinsurer. In addition, such legislation generally provides that any direct or indirect acquisition of "control" of our insurance or reinsurance entities domiciled in a given jurisdiction will be subject to the prior approval of the insurance and reinsurance regulatory authorities in such jurisdiction; the definition of "control" for such purposes generally includes any direct or indirect acquisition of shares or other instruments representing more than a 9.9% voting interest, and would include the acquisition of shares of AXA SA as an insurance holding company. In general, these regulatory schemes are designed to protect the interests of policyholders rather than shareholders. For additional information, see the paragraph "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions, and emerging legal, regulatory, and reputational risks in the various jurisdictions in which we operate" in Section 5.1 "Risk Factors" of this Annual Report.

REGULATORY CAPITAL AND SOLVENCY REQUIREMENTS

The Group and its insurance and reinsurance entities are subject to regulatory capital requirements in the jurisdictions where they do business, which are designed to monitor capital adequacy and to protect policyholders. While the specific regulatory capital requirements (including the definition of admitted assets and methods of calculation) vary between jurisdictions, an insurer's or reinsurer's required regulatory capital can be impacted by a wide variety of factors, including, but not limited to, business mix, product design, sales volume, invested assets, liabilities, reserves and movements in the capital markets, including interest rates and financial markets. Regulatory capital requirements may increase, possibly significantly, during periods of declining financial markets and/or lower interest rates.

Solvency II

The European Union has implemented a regulatory regime for European insurers which became effective on January 1, 2016, following the adoption of Directive 2009/138/EC dated November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance, as amended (the "Solvency II Directive") and the regulations promulgated thereunder (together with the Solvency II Directive, "Solvency II"). Solvency II was implemented into French law beginning in 2015. In June 2019, amendments to the delegated regulations enacted under the Solvency II Directive were issued in connection with the 2018 interim review of Solvency II.

Solvency II is designed to implement solvency requirements that reflect the risks that insurance and reinsurance companies face and build a supervisory system that is consistent across all EU Member States. Solvency II is based on three pillars, applicable both at the individual insurer or reinsurer and group levels: (1) Pillar 1 consists of the quantitative requirements around own funds, valuation rules for assets and liabilities and solvency capital requirements; (2) Pillar 2 sets out qualitative requirements for the governance and Risk Management of insurers, as well as for the effective supervision of insurers, including the requirement for insurers to submit an Own Risk and Solvency Assessment ("ORSA"); and (3) Pillar 3 introduces an enhanced reporting and disclosure regime, pursuant to which subject insurance undertakings headquartered in the European Union are required to prepare a Regular Supervisory Report ("RSR"), to be submitted by the undertaking to the competent national supervisory authority on a regular basis as determined by the regulation, and a Solvency and Financial Condition Report ("SFCR"), to be made publicly available on an annual basis. Solvency II covers, among other matters, the valuation of assets and liabilities, the treatment of insurance and reinsurance groups, the definition of capital and the overall level of required capital. A key aspect of Solvency II is that assessment of the Group's risks and capital requirements is aligned closely with economic capital methodologies and allows the use of either a standard model or an insurer's or reinsurer's own internal economic capital model (to permit a better understanding of the actual risks and Risk Management of the insurer or reinsurer) to calculate the Solvency Capital Requirement ("SCR"), subject in the latter case to the approval of the insurer's lead supervisor.

Solvency II provides for two separate levels of solvency capital requirements: **(i)** the Minimum Capital Requirement ("MCR"), which is the amount of own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk should the insurance or reinsurance companies be allowed to continue their operations, and **(ii)** the SCR, which corresponds to a level of eligible own funds that enables insurance or reinsurance companies to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made.

The ACPR has approved the use by AXA of its internal model (the "Internal Model") to calculate its SCR under Solvency II. The Solvency II ratio of the Group as of December 31, 2022, published on February 23, 2023, was estimated at 215% [1], compared to 217% as of December 31, 2021. The Group maintained eligible own funds in excess of its SCR at all times during 2022.

AXA continues to regularly review the scope, underlying methodologies and assumptions of the Internal Model, and will adjust its SCR accordingly. In addition, AXA's Internal Model has been and may be revised from time to time in accordance with applicable regulations. However, any significant change to the Internal Model would be subject to the prior approval of the ACPR, which may require adjustments to the level of SCR.

For more information on the Internal Model, please refer to Section 5.2 "Internal control and Risk Management - Internal Model" of this Annual Report. For further information on AXA's SCR, Internal Model and other Solvency II disclosures, please refer to the AXA Group's SFCR for the year ended December 31, 2021, available on AXA's website (www.axa.com). AXA Group's SFCR for the year ended December 31, 2022 is expected to be published by the end of May 2023 on the same website.

Solvency II review

The Solvency II framework is currently under review by the European Commission, the European Parliament and the Council of the European Union. Following the opinion submitted by EIOPA to the European Commission on December 17, 2020 as part of the review of the Solvency II framework (the "Solvency II Opinion"), the European Commission published on September 22, 2021 its proposed directive amending the Solvency II Directive and explained its overall intentions on the most important aspects of the forthcoming level 2 amendments (in particular with respect to risk margin). On June 17, 2022, the Council of the European Union agreed on its position and published a compromise text, with proposed amendments to the Solvency II framework including, among others, **(i)** the extrapolation method and changes to the volatility adjustment, including the introduction of principles for the modelling of the dynamic volatility adjustment; **(ii)** new reporting requirements such as (a) the assessment of the impact of long-term climate change scenarios on our business in the ORSA, (b) structural changes to the Solvency and Financial Condition Report (SFCR) that would require undertakings to split their content into a part addressed to policyholders and a part addressed to other market participants, and (c) the requirement for internal model users to calculate and report their solvency and financial condition using the standard formula; **(iii)** the introduction of macro-prudential tools, including the integration of macroeconomic considerations in the ORSA and granting supervisory authorities extended powers with respect to macro prudential concerns, allowing them to impose additional measures to reinforce insurance groups and companies' financial condition, such as restricting or suspending dividend or other payments to shareholders (including share buy-backs) and other implementing measures aimed at mitigating liquidity risk-related concerns; and **(iv)** amending the Group supervision regime (including the required amount of eligible own funds ("EOF") requirements and the MCR for groups). The Council of the European Union must now agree on a final version with the European Parliament. The European Parliament has not finalized its position yet.

Recovery and resolution regimes for insurers and reinsurers

If the solvency, liquidity or the interests of clients of an insurer or reinsurer are threatened, insurance supervisors generally have broad authority to exercise various administrative powers at an early stage, including limiting or prohibiting certain activities or operations (such as the acceptance of premiums), prohibiting or on the contrary ordering asset or portfolio disposals, restricting payment of dividends or other shareholder distributions, suspending managers, and/or putting a company under special oversight.

In addition, under the French recovery and resolution framework for the insurance sector, set forth in Order No. 2017-1608 of November 27, 2017, and its various implementing measures (the "French Resolution Framework"), the ACPR is empowered to use resolution tools in order to maintain continuity of critical functions of insurance holding companies, and insurance or reinsurance companies that are failing or likely to fail. These tools include portfolio transfers, the establishment of a bridge institution or the establishment of a liability management structure, as well as associated resolution actions such as temporary stays on certain payments. Under the French Resolution Framework, major French insurance groups, such as the AXA Group, are required to prepare and file with the ACPR a pre-emptive recovery plan (*plan préventif de rétablissement*) covering insurance holding companies, insurance and reinsurance subsidiaries thereof, and any other entity of such groups, providing key services (*services indispensables*) thereto, and to ensure that such recovery plan remains up-to-date thereafter.

On September 22, 2021, the European Commission published its proposed directive establishing a framework for the recovery and resolution of insurance and reinsurance companies with a view towards harmonizing national laws on recovery and resolution of insurers and reinsurers, ensuring that EU Member States have the same tools and procedures to address failures of insurers and reinsurers, safeguarding the interests of policyholders, preserving the real economy and facilitating cooperation between national supervisory authorities when dealing with the failure of cross-border insurance and reinsurance groups. Under the proposed

(1) *The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. For additional information, please refer to Section 5.2.3 "Internal Model" of this Annual Report. The Solvency II ratio will be finalized prior to the publication of the AXA Group's SFCR currently expected to occur by the end of May 2023. The Solvency II ratio published on February 23, 2023 gave effect to the completion of the full €1.1 billion share buy-back announced on the same date and is subject to update.*

directive, among other things, **(i)** insurers and reinsurers would be subject to new recovery and resolution planning obligations, **(ii)** national supervisors would have new preventive powers, **(iii)** objectives and triggers for the resolution of failing entities would be harmonized at the EU level, **(iv)** a common set of tools *(e.g.*, solvent run-off, sale, bridge institution, asset separation, write-down and conversion) would apply, **(v)** safeguards would be available to shareholders and creditors, and **(vi)** insurers and reinsurers would be required to include certain resolution stay recognition clauses in their contracts. EU Member States may also introduce additional measures and powers at the national level, as long as these are compatible with the objectives and principles set out at the EU level. On December 20, 2022, the Council of the European Union published its agreed-upon position regarding the proposed directive and must now agree on a final version with the European Parliament.

EU-US Covered Agreement

In connection with Solvency II, on September 22, 2017, the European Union and the United States signed the "Bilateral Agreement between the European Union and the United States of America on Prudential Measures Regarding Insurance and Reinsurance" (the "Covered Agreement") which sets out principles governing the imposition of Group capital and supervisory standards for insurance groups headquartered in a EU Member State or the United States with operations in both. Following approval by the European Parliament on March 1, 2018, and the Council of the European Union on March 20, 2018, the Covered Agreement entered into force on April 4, 2018, and will be fully implemented within five years from its signing date. Pursuant to the Covered Agreement, the AXA Group will remain subject to group supervisory and capital requirements, as currently provided under Solvency II, with AXA's US insurance and reinsurance subsidiaries remaining subject to local requirements. The Covered Agreement also addresses various regulatory information-sharing and reporting matters, as well as EU/US reinsurance market issues.

LLOYD'S

Following the acquisition of XL group in 2018, we have been managing, through AXA XL Underwriting Agencies Limited, Syndicate 2003, a large underwriting syndicate at Lloyd's and, as a result of which, are exposed to a variety of Lloyd's-related regulatory risks. For instance, the Council of Lloyd's has wide discretionary powers to regulate members of Lloyd's, and may vary the method by which the capital solvency ratio is calculated, or impose additional or special levies on members.

For further information on the risks related to regulatory capital requirements, see the paragraph "The Group's or its insurance or reinsurance entities' failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition" in Section 5.1 "Risk Factors" of this Annual Report.

IAIS AND INTERNATIONALLY ACTIVE INSURANCE GROUP ("IAIG") STATUS

The IAIS has developed several sets of supervisory requirements and actions applicable to the insurance industry: **(i)** ICPs, which are intended to apply to the supervision of all insurers and insurance groups, regardless of size or importance; **(ii)** the Common Framework ("ComFrame"), which builds and expands on the standards and guidance set forth in the ICPs to establish supervisory standards and guidance focusing on the effective group-wide supervision of IAIGs, as well as a globally comparable risk-based measure of capital adequacy of IAIGs, the Insurance Capital Standard (the "ICS"); and **(iii)** policy measures for global systemically important insurers ("GSIIs") and an assessment methodology for designating GSIIs. From 2013 to 2016, the FSB, in consultation with the IAIS and national authorities, annually published a list of GSIIs, which included AXA in each of such years. The ACPR, as AXA's group-wide supervisor, has designated AXA as an IAIG.

On November 14, 2019, the IAIS adopted the ComFrame, which includes the version 2.0 of the ICS. As part of the IAIS implementation schedule, ICS 2.0 is first subject to a five-year monitoring period, starting in January 2020, during which IAIGs can be asked by their supervisors to compute an ICS, on a voluntary basis, for confidential reporting and discussion in supervisory colleges. The end objective for the IAIS is to have the ICS implemented in all jurisdictions as a group-wide prescribed capital requirement for IAIGs after the monitoring period.

On November 14, 2019, the IAIS also adopted a holistic framework for the assessment and mitigation of systemic risk in the insurance sector (the "Holistic Framework"), in lieu of the previous individual GSII designation mechanism.

The Holistic Framework comprises a set of enhanced supervisory measures and powers of intervention (*e.g.*, ongoing supervisory requirements applied to insurers, enhanced macro-prudential surveillance, crisis management and recovery planning), which are embedded within certain ICPs and ComFrame materials, an annual global monitoring exercise by the IAIS (at individual insurer and sector-wide levels), as well as implementation assessment activities aimed at assessing and mitigating the potential build-up of systemic risk in the global insurance sector. The Holistic Framework moves away from the previous binary approach, in which a set of pre-determined policy measures applied to only a small group of identified GSIIs, to an approach promoting a proportionate application of an enhanced set of supervisory policy measures and powers of intervention for macro-prudential purposes to a broader portion of the insurance sector.

The IAIS will however continue to use risk factors similar to those used in the past to identify GSIIs, to assess potential systemic risk at individual insurers as part of its global monitoring exercise and systemic risk assessment. In addition, many of the enhanced supervisory measures reflected in the Holistic Framework are similar to and derived from the enhanced policy measures the IAIS had formerly adopted for application to GSIIs only. In light of the development and adoption of the Holistic Framework by the IAIS, the FSB has decided to continue suspending the annual identification of GSIIs as from the beginning of 2020. On December 9, 2022, the FSB announced that it will discontinue the annual identification of GSIIs and that, going forward, it will utilize assessments available through the Holistic Framework to inform its considerations of systemic risk in the insurance sector.

AXA will continue to monitor the development of the Holistic Framework, ICPs and ComFrame and expects the regulatory landscape with respect to insurance, reinsurance and financial markets to continue to evolve in 2023 and beyond with further legislative and regulatory initiatives.

ASSET MANAGEMENT & BANKING ACTIVITIES

AXA Investment Managers and other AXA asset management entities are subject to extensive regulations in the various jurisdictions in which they operate. These include, in Europe, Directive 2011/61/EU dated June 8, 2011 on Alternative Investment Fund Managers (as amended, "AIFMD"), and Directive 2009/65/EC dated July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), and their various implementing regulations and transposition measures. On November 25, 2021, the European Commission published legislative proposals regarding the AIFMD and the rules applicable to UCITS. On June 17, 2022, the Council of the European Union published its agreed-upon position and must now agree on a final version with the European Parliament. The European Parliament has not finalized its position yet. In addition, AXA's investment management operations in the United States are subject to regulation by the SEC.

These regulations are generally designed to safeguard client assets and ensure the adequacy of disclosures concerning investment returns, the risk characteristics of invested assets in various funds, the suitability of investments for client investment objectives and risk tolerance, as well as the identity, regulatory approvals and qualifications of the investment manager. These regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment company, censures and/or fines.

In addition, certain AXA entities must comply with revised obligations on capital resources for banks and certain investment firms, including Directive 2013/36/EU dated June 26, 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (as amended "CRD"), and Regulation (EU) No. 575/2013 dated June 26, 2013, on prudential requirements for credit institutions and investment firms, as amended, which set forth specific capital, governance and remuneration requirements (as amended "CRR"). On June 27, 2019, Directive (EU) 2019/878 dated May 20, 2019 ("CRD II") and Regulation (EU) 2019/876 dated May 20, 2019 ("CRR II"), which respectively amend CRD and CRR, entered into force. CRD II and CRR II further implement the Basel III framework by amending various CRD and CRR provisions regarding, *e.g.*, holding company rules, leverage ratios, large exposures, liquidity, market risk and counterparty credit risk, as well as reporting and disclosure requirements (including on remuneration). Most provisions of CRD II had to be transposed into national law by EU Member states by December 28, 2020, and were transposed in France by Order No. 2020-1635 dated December 21, 2020, while most CRR II requirements became applicable as of June 28, 2021.

Moreover, certain AXA entities are subject to Directive 2014/65/EU dated May 15, 2014, on markets in financial instruments (as amended, "MiFID II") and Regulation (EU) No. 600/2014 on markets in financial instruments, as amended ("MiFIR" and, together with MiFID II, and the various regulations promulgated thereunder, the "MiFID II Package") which entered into force in 2018. The MiFID II Package, which was designed to better integrate the European Union's financial markets and increase cross-border investments, market transparency and investor protection, imposes a wide variety of new requirements including with respect to trading/clearing of certain derivatives on organized platforms, regular reporting with respect to derivatives positions and certain other types of financial instruments, enhanced governance and investor protection standards, restrictions and/or prohibitions on certain types of compensation arrangements or other monetary inducements to firms providing independent investment advice and greater regulation of structured products and other complex financial instruments.

The reforms introduced by the MiFID II Package significantly impacted EU securities and derivatives markets. The European Commission conducted a public consultation on the review of the MiFID II Package, which expired in May 2020, and consequently revised the MiFID II Package in successive Commission delegated regulations published on March 26, 2021, July 14, 2021 and August 2, 2021. These regulations require investment firms that manufacture and distribute financial instruments to, among other things, **(i)** clarify that their processes and internal control systems appropriately reflect sustainability risks, **(ii)** confirm that they have the knowledge and technical capacities to analyze those risks, and **(iii)** confirm that, for each financial instrument that is intended to be distributed to clients seeking to invest in financial instruments with a sustainability-related profile, sustainability factors are considered in (a) the product approval process and (b) other product governance and oversight arrangements.

In addition, the European Securities and Markets Authority ("ESMA") simultaneously conducted a public consultation on several issues arising out of the MiFiD II Package and published its MiFIR review report on March 23, 2021, specifically on the obligations to report transactions and reference data, with a view towards simplifying the current reporting regimes whilst ensuring the quality and usability of the reported data.

A legislative review of certain aspects of the MiFID II Package, related to market structure topics, was proposed by the European Commission on November 25, 2021. On March 9, 2022, ESMA published its assessment of, and recommendations on, the European Commission's proposal. The Council of the European Union and the European Parliament are currently examining the proposal.

Some AXA entities are directly or indirectly subject to Regulation (EU) No. 1286/2014 dated November 26, 2014, on key information documents for packaged retail and insurance-based investment products (as amended, the "PRIIPs Regulation") which entered into force in 2018, the objective of which is to enhance retail investor protection by standardizing the information through predefined key information documents. While the PRIIPs Regulation has already impacted insurance undertakings, banks and asset managers, its technical regulatory standards are under review by the European Commission, and review of the PRIIPS Regulations under consideration by the European Union in order to reach better convergence with other EU regulations.

The European Union (Regulation (EU) 648/2012 dated July 4, 2012, also referred to as the European Market Infrastructure Regulation – "EMIR") and similar US regulations (principally under the Dodd-Frank Wall Street Reform and Consumer Protection Act), as amended from time to time, establish various requirements and prescriptive guidelines which impact operations, liquidity and credit Risk Management for derivatives. AXA's asset managers and banks, which manage derivatives on behalf of various AXA Group affiliates (including on behalf of AXA), operate in conformity with these rules, in line with the Group's overall financial risk framework.

For additional information, see the paragraph "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions, and emerging legal, regulatory, and reputational risks in the various jurisdictions in which we operate" in Section 5.1 "Risk Factors" of this Annual Report.

OTHER SIGNIFICANT LEGISLATIVE AND REGULATORY FRAMEWORKS

EU Data Protection Reform

The EU Data Protection Reform, which was adopted in 2016 and entered into force in 2018, establishes a comprehensive framework governing the protection and processing of personal data in the private and public sectors, which includes the GDPR.

The main principles of the GDPR include **(i)** the strengthening of citizens' fundamental rights, giving them more control over their personal data and making it easier for them to access it, **(ii)** an increased harmonization of the applicable law across the European Union and a "one-stop-shop" that will streamline cooperation between the data protection authorities on issues with implications for all the European Union, and **(iii)** a stronger enforcement regime, under which competent data protection authorities are able to fine companies that do not comply with EU rules up to 4% of their global annual turnover. The GDPR applies to both EU and non-EU companies, if the latter are offering goods and services or monitoring the behaviour of individuals in the European Union. As insurance and reinsurance companies need a EU license for providing insurance services in the European Union, the GDPR applies primarily, in the insurance and reinsurance sector, to companies operating in the European Union.

In France, the EU Data Protection Reform has been transposed by Law No. 2018-493 regarding personal data protection, which entered into force on May 25, 2018, and various implementing measures, including Decree No. 2018-687 dated August 1, 2018.

For further information concerning data protection, please see the paragraph "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business" in Section 5.1 "Risk Factors" of this Annual Report.

Personal data transfers to non-EU jurisdictions (without an adequacy decision adopted by the European Commission)

Following invalidation in 2015 of the European Commission's Safe Harbor Decision by the European Union Court of Justice (the "2015 ECJ Decision"), which had allowed, under certain conditions, for the transfer of personal information for commercial purposes from companies in the European Union to companies in the United States which had signed up to the US Department of Commerce "Safe Harbor Privacy Principles," transatlantic data flows between companies continued using other mechanisms, such as standard contractual clauses with US companies and binding corporate rules for transfers within a multinational corporate group. Following the 2015 ECJ Decision, a new data transfer mechanism, referred to as the "EU-US Privacy Shield," was created in July 2016 but invalidated by the European Union Court of Justice in July 2020 (the "2020 ECJ Decision"), which also required that supplementary measures be considered for other mechanisms for data transfers to any non-EU jurisdiction (without an adequacy decision adopted by the European Commission). As banks, insurance and reinsurance companies were generally not eligible to register and participate in the EU-US Privacy Shield, the AXA Group has continued to rely on standard contractual clauses when transferring data to non-AXA non-EU companies, and binding corporate rules when transferring personal data between companies within the AXA Group. We currently believe that we can continue using such mechanisms to transfer data to the US and to other non-EU jurisdictions and add supplementary measures as required. In December 2022, the European Commission announced a draft adequacy decision for the EU-US Data Privacy Framework (the "EU-US DPF"), a data transfer mechanism that would replace the invalidated EU-US Privacy Shield. As with the EU-US Privacy Shield, the EU-US DPF is limited to entities subject to the investigatory and enforcement powers of the US Federal Trade Commission or Department of Transportation, though other US statutory bodies recognized by the EU may be included in future annexes of the EU-US DPF. Because of this, the AXA Group believes that it may continue to rely on standard contractual clauses and binding corporate rules as data transfer mechanisms to transfer data from the EU to the United States and other non-EU jurisdictions, but the EU-US DPF is in development and there is no guarantee that it will be approved in its current form. For further information concerning transatlantic data transfers, please see the paragraph "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business" in Section 5.1 "Risk Factors" of this Annual Report.

Information and Communication Technology (ICT)

In February 2020, EIOPA finalized its "Guidelines on outsourcing to cloud service providers", which national supervisors have been enforcing since January 2021. In addition, on October 8, 2020, EIOPA issued an additional set of guidelines, the "Guidelines on information and communication technology security and governance", aimed at promoting the operational resilience of the digital operations of insurance and reinsurance undertakings. Both sets of guidelines provide guidance to national competent authorities and insurance and reinsurance undertakings on the information and communication technology ("ICT") security and governance requirements envisaged under Solvency II, and have applied since July 1, 2021. AXA Group has tracked the progress of both sets of guidelines, provided feedback to EIOPA and confirmed the alignment of its practices or strategy with the guidelines.

These guidelines set out the principles developed for the financial sector under the European Commission's Digital Operational Resilience Act ("DORA"). DORA was adopted by the European Parliament on November 10, 2022 and by the Council of the European Union on November 28, 2022, and will come into effect in 2025. DORA is designed to establish a comprehensive framework on digital operational resilience for EU financial institutions, including insurance and reinsurance undertakings and intermediaries, credit institutions, investment firms, alternative investment fund managers and UCITS management companies. This framework is aimed at enhancing the ICT Risk Management conducted by financial institutions, establishing a thorough testing of ICT systems, increasing supervisors' awareness of cyber risks and ICT-related incidents faced by financial institutions, as well as introducing powers for competent supervisory authorities to oversee risks stemming from financial institutions' dependency on ICT third-party service providers. DORA also creates a consistent incident reporting mechanism in order to strengthen supervisory effectiveness.

Executive compensation

Solvency II sets out the remuneration policy principles and governance requirements to be implemented by European insurers and specifies that the companies subject to Solvency II must adopt a written remuneration policy compliant with a number of principles set out in Delegated Regulation (EU) 2015/35 dated October 10, 2014 (as amended, the "Solvency II Regulation") which promotes sound and effective Risk Management and does not encourage risk-taking that exceeds the risk tolerance limits of the Company. In this context, AXA has reviewed and formalized its existing Group remuneration policy, identified the individuals responsible for managing and having an impact on the Group's overall risk profile, and defined a consistent approach to manage remuneration of individuals in charge of control functions. AXA's Compensation, Governance & Sustainability Committee is in charge of overseeing the design of the remuneration policy and remuneration practices, their implementation and operation.

Since 2008, there have been a variety of proposals with respect to executive compensation practices at financial institutions including from the FSB and other regulatory bodies. Certain of these proposals have been embodied in regulation or legislation, while others remain best practice recommendations.

In 2009, the FSB published the "Principles for Sound Compensation Practices", together with implementation standards. Among the matters covered in these standards and principles are a variety of mechanisms (including minimum recommended deferrals of cash bonuses, greater use of long-term equity grants rather than cash as a form of compensation, minimum vesting/deferral periods, and performance criteria for vesting of long-term awards) that are designed to ensure an appropriate alignment of interests between **(i)** Executive Management and certain employees (such as traders) who can have a potentially significant impact on the nature and duration of risks incurred, **(ii)** the Company and **(iii)** shareholders. The FSB's principles were supplemented by additional guidance published by the FSB in 2018, which has been developed in the form of recommendations regarding improvements in compensation practices and tools that could be used to reduce misconduct risk and address misconduct incidents.

In addition, on April 7, 2020, EIOPA published an opinion on the supervision of remuneration principles in the insurance sector. This opinion is based on EIOPA's views that the remuneration principles defined in the Solvency II Regulation are high-level and leave considerable discretion to undertakings and supervisory authorities, and aims at ensuring that consistent practices be applied in the application of the remuneration principles included in the Solvency II framework. As a result, EIOPA's opinion sets out guidance to national supervisory authorities on how to challenge the application of certain remuneration principles, and focuses on employees identified as potential higher profile risk-takers including, subject to certain variable compensation thresholds, **(i)** members of the administrative, management or supervisory body of the undertaking, **(ii)** Executive Directors who effectively run the undertaking, **(iii)** key function holders within the meaning of the Solvency II regulations (*i.e.*, Risk Management, compliance, internal audit and actuarial), and **(iv)** employees whose professional activities have a material impact on the undertakings' risk profile. EIOPA has indicated that it will begin monitoring the application of this opinion by national supervisory authorities two years after its publication (*i.e.*, after April 7, 2022).

These principles and standards are reflected in a variety of regulations and legislative initiatives that have been enacted over the past few years in various jurisdictions where the Group does business. While these restrictions do not apply uniformly to the Group across the various jurisdictions where it does business, the Group has largely aligned its global executive compensation practices with these standards and principles, and conducts regular reviews of its compensation practices and policies in light of these standards as well as applicable legal and regulatory requirements. The application of these principles and standards may vary among the different actors in the financial sector (such as banks, insurers, asset managers, private equity funds and hedge funds) and across the various jurisdictions where the Group does business, which may give rise to certain competitive issues for the Group, including by affecting the Group's ability to attract and retain top-rate talents.

Evolution of accounting standards

Policyholders' liabilities through year-end 2022 (and for purposes of this Annual Report) were accounted for according to IFRS 4, which generally allows the use of a wide variety of accounting practices for insurance contracts, reflecting different national accounting requirements, and the continuation of accounting policies applied prior to conversion to IFRS. On May 18, 2017, the International Accounting Standards Board ("IASB") issued the IFRS 17 - Insurance Contracts, which replaced IFRS 4, finalizing a long-standing project of the IASB to develop a single and consistent approach to the accounting for insurance contracts. In particular, IFRS 17 requires insurance obligations to be accounted for using current values, instead of historical costs. Following amendments by the IASB on June 25, 2020, the updated IFRS 17 became effective for annual periods beginning on or after January 1, 2023. The amended version of IFRS 17 was adopted by the European Union on November 19, 2021. The Group has begun applying IFRS 17 as from January 1, 2023.

In parallel with IFRS 17, the Group is applying (from January 1, 2023 onward) IFRS 9 - Financial Instruments. The published effective date of IFRS 9 was January 1, 2018. However, given the interaction between financial assets and insurance liabilities, the IASB issued amendments to IFRS 4 allowing, under certain conditions, entities issuing insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until the effective date of IFRS 17, but no later than January 1, 2023, so that qualifying insurers could apply both standards for the first time simultaneously. The Group was eligible for this temporary exemption and decided to apply it.

In May 2023, the Group expects to report key 2022 financial information and activity indicators for the first quarter of 2023 under IFRS 17 and IFRS 9. All future financial performance will also be reported under IFRS 17 and IFRS 9.

Climate and sustainable finance-related regulatory initiatives SNFP

There are various initiatives at the French, EU and international levels with respect to climate change and sustainable finance, which generally aim at proposing reforms to and potential changes affecting investment activities, disclosure requirements and requirements relating to the inclusion of **(i)** environmental, social and governance ("ESG") considerations in insurance and Asset Management products and advice and **(ii)** climate change in stress testing.

Disclosure requirements with respect to climate change and sustainable finance

In France, the national framework for non-financial reporting requirements for companies (including financial institutions) has been successively strengthened by **(i)** article 173-VI of Law No. 2015-992 dated August 17, 2015, on the energy transition for green growth ("article 173") and **(ii)** article 29 of Law No. 2019-1147 dated November 8, 2019, on energy and climate ("article 29") and the decree implementing article 29 published on May 27, 2021.

Article 173 imposes increased transparency obligations on investors (including institutional investors), requiring them to disclose how they incorporate ESG objectives, including the specific consideration of climate risk, into their investment strategies and the measures implemented to support the energy and ecological transition.

Article 29 maintains the current disclosure framework under article 173 and strengthens certain of its provisions, particularly with respect to the publication of risks related to climate change and biodiversity erosion. The decree implementing article 29 published on May 27, 2021, provides a framework for extra-financial reporting by market participants, which will include certain entities of the AXA Group, and defines how ESG qualitative information and the means implemented to support the energy and ecological transition are to be presented.

At the European Union level, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") was adopted on November 27, 2019. The SFDR sets out harmonized rules for financial market participants, which includes certain AXA Group entities, on transparency with respect to the integration of sustainability risks, the consideration of adverse sustainability impacts of market participants' processes and the provision of sustainability-related information of certain financial products. On April 6, 2022, the European Commission adopted a delegated regulation supplementing the SFDR with respect to regulatory technical standards ("RTS") for the content and presentation of disclosure requirements under the SFDR, which has been published in the Official Journal of the European Union as the Commission Delegated Regulation (EU) 2022/1288 on July 25, 2022. The Joint Committee of the European Supervisory Authorities has published a set of questions and answers regarding the RTS on November 17, 2022. The RTS became applicable as of January 1, 2023. On October 31, 2022, following a final report by the Joint Committee of the European Supervisory Authorities, the European Commission adopted amendments to the RTS to require financial market participants to disclose the extent to which their portfolios are exposed to gas and nuclear-related activities. These amendments are currently subject to scrutiny by the Council of the European Union and by the European Parliament.

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") was adopted on June 18, 2020. The Taxonomy Regulation applies, in particular, to undertakings (such as the Company) that are required to publish a non-financial statement. The Taxonomy Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable. Commission Delegated Regulation (EU) 2021/2139 dated June 4, 2021 and Commission Delegated Regulation (EU) 2021/2178 dated July 6, 2021 (both Commission Delegated Regulations as further amended by Commission Delegated Regulation (EU) 2022/1214 dated March 9, 2022, amending Delegated Regulation (EU) 2021/2139 regarding economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 regarding specific public disclosures for those economic activities) supplement the Taxonomy Regulation by, among other things, specifying the content and presentation of the information to be disclosed in a non-financial statement.

Regulation (EU) 2019/2089 amending the EU Benchmark Regulation in connection with the EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for the benchmarks was adopted on November 27, 2019, and seeks to, among other things, ensure the integrity of low-carbon benchmarks. Directive 2014/95/EU (also known as the Non-Financial reporting Directive, or "NFRD") is an amendment to Directive 2013/34/EU (the "Accounting Directive") that requires certain large companies, such as AXA SA, to publish annually a non-financial statement.

On April 21, 2021, the European Commission published the Corporate Sustainability Reporting Directive (the "CSRD") which, with respect to corporate sustainability reporting, amends the Accounting Directive, Directive 2004/109/EC (the Transparency Directive, as amended), Directive 2006/43/EC and Regulation (EU) No. 537/2014. The CSRD was published in the Official Journal of the European Union on December 16, 2022 and entered into force on January 5, 2023. The CSRD introduced, among other things, new sustainability-related reporting requirements for companies, including **(i)** the principal risks the issuer faces with respect to sustainability matters and how the issuer manages those risks, **(ii)** the resilience of the issuer's business model and strategy in light of risks related to sustainability matters, **(iii)** the opportunities which sustainability matters may present for the issuer, **(iv)** the issuer's plan(s) to ensure that its business model and strategy are compatible with the transition to a sustainable economy and with the global warming limit of 1.5°C set by the Paris Agreement, an international climate change agreement that entered into force on November 4, 2016, **(v)** a description of the targets set by the issuer related to sustainability matters and the progress the issuer has made towards achieving those targets, **(vi)** the role of the administrative, management and supervisory bodies with regards to sustainability matters, and **(vii)** the due diligence process(es) implemented by the issuer with respect to sustainability matters.

On February 23, 2022, the European Commission published its proposal for a directive on corporate sustainability due diligence (the "CSDD Directive"). The CSDD Directive aims at, among other things, improving corporate governance practices to better integrate Risk Management and mitigation processes of human rights and environmental risks and impacts into corporate strategies, and improve access to remedies for those affected by adverse human rights and environmental impacts of corporate behavior. In this connection, the CSDD Directive will introduce, among other things, obligations for certain companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value-chain operations carried out by entities with whom the Company has an established business relationship. The proposal will be presented to the European Parliament and the Council of the European Union for approval. Once adopted, EU Member States will have two years to transpose the CSDD Directive into national law and communicate the relevant texts to the European Commission.

Finally, the Group supports and implements the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and publishes voluntary information in line with these recommendations, which include, among others, recommendations with respect to disclosure of actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, disclosure of the organization's governance around climate-related risks and opportunities and disclosure of metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Requirements relating to the inclusion of environmental, social and governance considerations in insurance and Asset Management products and advice

On April 30, 2019, EIOPA issued a technical opinion to the European Commission with respect to the integration of sustainability risks and factors in the delegated acts under the Solvency II Directive and Directive (EU) 2016/97 dated January 20, 2016, on insurance distribution (as amended, "IDD"). On September 30, 2019, EIOPA issued its opinion on sustainability under Solvency II framework.

Based on the public consultation conducted by the European Commission between June 2020 and July 2020, the European Commission adopted on April 21, 2021, Delegated Regulation (EU) 2021/1257 amending the regime for the integration of sustainability factors, risks and preferences into the product oversight and governance requirements for insurance undertakings and insurance distributors and into the rules on conduct of business and investment advice for insurance-based investment products. Delegated Regulation (EU) 2021/1257 became applicable on August 2, 2022.

At the international level, the IAIS completed in January 2021 a public consultation on a draft Application Paper on the supervision of climate-related risks in the insurance sector, developed to support insurance supervisory authorities in their efforts to integrate climate-related risks into their respective supervisory frameworks.

Requirements in connection with climate change in stress testing

The ACPR conducted an initial climate pilot exercise that incorporated certain climate change scenarios and assumptions into stress testing, the first results of which were published in May 2021. Pursuant to these first results, the exposure of French financial institutions to the sectors that are most impacted by the risks related to the ecological transition (as identified in the climate pilot exercise) is relatively limited. In February 2022, the ACPR published a report analyzing the evolution of measures taken by the industry in addressing climate risks. Further, the ACPR and the AMF published joint reports monitoring French financial institutions' climate commitments in November 2021 and November 2022, noting that the implementation of those commitments remains insufficient.

For further information on climate change, please refer to Section 4.3 "Climate change and biodiversity" of this Annual Report.

Reform and potential changes to reference rates and indices (benchmarks)

Reforms to interest rate, equity, foreign exchange rate and other types of indices (also known as "benchmarks") have been recently enacted, and regulatory authorities have also proposed further reforms to and potential changes affecting benchmarks. In particular, Regulation (EU) 2016/1011 dated June 8, 2016 (as amended, the "EU Benchmark Regulation"), which entered into force on January 1, 2018, as well as the EU Benchmark Regulation as incorporated into UK law as from January 1, 2021 (the "UK Benchmark Regulation" and, together with the EU Benchmark Regulation, the "Benchmark Regulation") imposed additional requirements on the provision of financial market-related benchmarks, the contribution of input data to a benchmark and the use of benchmarks within the EU and the UK.

Several interbank market benchmarks have since been designated as critical benchmarks under the Benchmark Regulation, including LIBOR, EURIBOR and EONIA, and their related benchmark methodologies made subject to review. Certain critical benchmarks have been discontinued, including EONIA, which ceased to be published on January 3, 2022, and LIBOR (publication of most LIBOR settings ceased on December 31, 2021, and publication of certain USD LIBOR settings is expected to cease on June 30, 2023). In this context, Regulation (EU) 2021/168 amending the EU Benchmark Regulation was published on February 10, 2021, and allows the European Commission to impose a statutory replacement for certain critical benchmarks, whose cessation might result in significant disruption to the operation of financial markets in the EU. This new statutory benchmark would replace other benchmarks used in contracts and financial instruments, which **(i)** have not been renegotiated before the date of cessation of the benchmark, and **(ii)** contain either no contractual replacement (or so-called "fallback provision"), or a fallback provision which is deemed unsuitable be supervisors. The European Commission has designated statutory replacements for EONIA and CHF LIBOR. The FCA has also exercised certain powers under the UK Benchmark Regulation to compel the publication of the 1-, 3- and 6-month GBP and JPY LIBOR settings on the basis of a changed or "synthetic" methodology until December 31, 2022.

Because these reforms are affecting the whole financial services sector, the transition to new benchmarks creates industry-wide risks, to which AXA is therefore exposed. AXA is conducting a Group-wide project to manage this transition and manage the impacts of future benchmark changes, which could have implications for our capital models, Risk Management efforts, investment strategies and product design, among others.

Evolution of the regulatory and litigation environment

The Group's insurance, reinsurance, asset management and banking operations are subject to an increasing number of legislative and regulatory initiatives designed to increase consumer protection in the sector of financial services. In the European Union, initiatives related to the financial sector include in particular the IDD, MiFID II and the PRIIPs Regulation. Similar initiatives are under review (or in the course of implementation) in other jurisdictions where the Group operates, and these initiatives are likely to continue to expand, resulting in increased operational compliance costs to meet regulatory expectations.

The IDD superseded the Insurance Mediation Directive and is designed to improve consumer protection by ensuring that all distributors of insurance products operate on a level playing field. The main provisions of the IDD relate to enhanced professional requirements (*e.g.*, continuing training and development for distributors), conduct of business rules, conflicts of interest (relating to fees, commissions and bonuses), increased disclosure and transparency and extensive product governance requirements. It also includes additional requirements for the sale of insurance products with investment elements in order to ensure that policyholders receive a similar level of protection as buyers of retail investment products regulated under MiFID II (*e.g.*, when providing advice, distributors have to assess whether the insurance-based investment product is suitable for the customer).

The IDD entered into force on October 1, 2018, while MiFID II and the PRIIPs Regulation entered into force at the beginning of January 2018.

Financial crime compliance programs of financial institutions (anti-money laundering, anti-corruption and international sanctions compliance) continue to be a major focus for regulatory and law enforcement authorities, with increasingly significant penalties imposed for compliance failures. In particular, French Law No. 2016-1691 dated December 9, 2016 on transparency, the fight against corruption and modernization of the economy, known as "Sapin II", which was introduced in June 2017, included new requirements for all large French companies to establish internal procedures to prevent and detect acts of corruption and influence peddling committed in France and abroad. Sapin II also established a new French anti-corruption agency (*Agence française anticorruption*), which was given strengthened supervisory and enforcement powers.

Furthermore, Orders No. 2020-1342 of November 4, 2020 and No. 2020-115 of February 12, 2020, enhanced the requirements for French financial institutions, including the reinforcement of internal procedures to implement asset-freezing measures and prevent and detect acts of corruption committed in France and abroad, while strengthening the supervisory and enforcement powers of supervisory authorities. In addition, French Law No. 2022-401 dated March 21, 2022 amended certain provisions of Sapin II to improve the protection of whistleblowers and became effective on September 1, 2022.

In light of this and other initiatives in respect of compliance requirements, Management believes that the complexity and risks for international financial institutions like AXA in this area will likely continue to increase, and that compliance costs will also increase accordingly.

The litigation environment in which the Group operates also continues to evolve. In continental Europe, the introduction of class actions, including in France in 2014, has, and is likely to continue to, increase litigation risks and costs for insurers, asset managers and other financial institutions. Most recently, the adoption of Directive (EU) 2020/1828 dated November 25, 2020, on representative actions for the protection of the collective interests of consumers at the EU level aims at enabling qualified entities to seek remedy through representative actions against infringements of provisions of EU law in a variety of areas (including data protection and financial services), in order to provide an effective and efficient way of protecting the collective interests of consumers. This Directive was required to be transposed by EU Member States by December 25, 2022, for a scheduled application date of June 25, 2023. A bill to transpose this Directive has not yet been submitted to the French National Assembly.

In addition, the litigation environment has been evolving in the context of the COVID-19 pandemic, with holders of property and casualty insurance policies increasingly seeking coverage for losses caused by the governmental actions and measures implemented to contain the spread of COVID-19, such as lockdown measures. A number of lawsuits have been and may be introduced against insurers, such as AXA, in multiple jurisdictions.

For additional information, please see "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions, and emerging legal, regulatory, and reputational risks in the various jurisdictions in which we operate" and "We have been and may become in the future subject to lawsuits, regulatory investigations and/or other proceedings which may affect our business, brand, reputation, relations with regulators and/or results of operations" in Section 5.1 "Risk Factors" and Section 5.8 "Other material risks – Regulatory risks" of this Annual Report.

AXA Group Tax Policy

Both as a multinational company and as a provider of investments and savings products, the AXA Group follows a responsible and transparent approach on tax issues.

The taxes AXA pays are an important part of its wider economic and social impact and play a key role in the development of countries where it operates [1]. AXA regards it as a critical element of its commitment to grow in a sustainable, responsible and socially inclusive way.

AXA also squares its responsibilities as a co-operative, compliant taxpayer in each and every country in which it operates, with the need to support competitive business growth – serving all its stakeholders including investors, suppliers and employees.

TAX ASPECTS IN RELATION TO AXA AS A MULTINATIONAL COMPANY

The AXA Group's approach to tax issues

In the countries where it operates, AXA is both a taxpayer and a tax collector, given that many specific taxes are levied on insurance and reinsurance policies and collected from our customers as part of the insurance, reinsurance and Asset Management revenues while others are remitted to the various state and federal administrations around the world.

The tax function is organized within the Group to ensure full compliance with all tax legislation in the countries where AXA operates. In addition to the Group Tax Department based in France, all key operational entities/countries/geographic zones have a tax team in charge of ensuring that tax regulations are well understood and fully satisfied by the entities.

As a part of the global internal risk assessment, a specific tax internal control program is implemented. These controls must be reported and documented by each team in scope to ensure full compliance.

A Tax Code of Ethics, agreed between Group Tax Department and local tax teams, highlights the key principles guiding the actions of the various tax teams:

- to remain up to date with respect to applicable laws and regulations;
- to comply with tax laws and regulations;
- to maintain a good relationship with the local tax authorities; and
- not to engage in aggressive tax driven transactions that could compromise the good reputation of the Group.

The satisfaction of this Code of Ethics is a prerequisite of the activities performed by all AXA tax teams and gives rise to an annual certification by each head of tax, which is provided to the Group tax team. In addition, a bi-annual tax review process of each key entity or business line is performed by the Group Tax Department in connection with each local team. During these reviews, specific attention is given to tax audits and associated tax risks as well as market positions on tax matters that may impact AXA. These reviews offer a global framework for the tax teams to identify, analyze, control, and report tax risks.

Lastly, an International Tax Committee composed of various senior tax executives within AXA tax teams meets every quarter to ensure consistency in approach on some technical topics, as well as agreements on guidelines, when necessary, connected to specific items.

As an international group operating in several countries, the AXA Group is subject to various tax regimes and regulations and takes into account any changes in tax law. AXA is specifically vigilant about the changes that could result in higher tax expenses and payments, higher compliance costs or that may affect the AXA Group's tax liability, return on investments and business operations. In particular, please see the paragraph "Changes in tax laws, regulations or interpretations or uncertainties in the interpretation of certain tax laws may result in adverse consequences to our business and our results of operations" in Section 5.1 "Risk Factors" of this Annual Report.

When considering how AXA entities structure commercial arrangements, tax implications are analyzed in parallel with other consequences such as capital efficiency and legal and regulatory aspects when deciding between potential alternative arrangements.

(1) The list of the Group's main subsidiaries and participating interests is available in Appendix III "AXA parent company financial statements" of this Annual Report. The legal organizational chart of the Group is also published on the Company's website (www.axa.com).

AXA has no licensed insurance or operating business activities in the countries specifically identified as non-cooperative jurisdictions [(1)] under French and European rules, except in Panama. The presence in this jurisdiction is purely driven by operational purposes.

AXA still holds two non-consolidated operating companies in Panama (one providing assistance services to local customers, and the other delivering health claim services) employing circa 40 people at the end of 2022.

More globally, AXA does not use non-cooperative jurisdictions to avoid taxes on operational activities performed elsewhere.

Any presence in countries in which AXA operates with tax rates lower than France are driven by business operations. With the acquisition of the XL Group in September 2018, AXA now has a material presence and substance in Bermuda with nearly 200 employees working for AXA XL there. Despite the fact that Bermuda is a low-tax jurisdiction, it is a center of expertise and one of the key locations of the worldwide reinsurance market. It is not considered as a non-cooperative jurisdiction according to the French and European Union laws. This presence is mainly driven by local capital management regulation enabling flexibility on the required capital for reinsurance activities and AXA supports the Economic Substance legislation enacted in this country. This situation will in no way change how the AXA Group is managed on the tax side. AXA will continue to tax its operations in the various countries where operational profits are made.

Disclosure on tax matters and information on taxes connected with the Group's activities in each country

The consolidated financial statements are prepared in compliance with IFRS standards (as disclosed in Section 6.6 - Note 1 "Accounting principles" of this Annual Report). Accounting for income taxes recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of the entity's assets and liabilities, as required by IAS 12 (see Section 6.6 - Note 1.17.1 "Income taxes" of this Annual Report).

The Consolidated Financial Statements present the reconciliation between the theoretical tax charge and the effective tax charge under IFRS. All differences are fully explained (see Section 6.6 - Note 19 "Tax" of this Annual Report). It should be noted that in many jurisdictions where AXA operates, the income and capital gains on savings products benefit from a favorable tax treatment, also when such products are included in life insurance products. This leads to a lower effective tax rate for life insurance companies.

In addition to the details reported around the Group effective tax rate, AXA reports substantial information on the impacts of any change in local tax regulations on its business, as well as details of the tax burden per line of business and per country. AXA's income tax expenses/benefits are extensively disclosed in the Annual Report and are broken down by business segment and country. For each, a dedicated paragraph provides a comment about the line related to Tax Income (see Section 2.3 "Activity Report" of this Annual Report).

Since 2019, AXA has been annually reporting a Tax Transparency report where it discloses a lot of information around its tax footprint in its key geographies, as well as key principles of its tax policy. This report is available on the AXA website (www.axa.com) at the end of the AXA Group Tax Policy page. AXA updates this report annually and the most recent version was issued in June 2022.

TAX ASPECTS OF ACTIVITIES AND PRODUCTS OFFERED BY THE GROUP

Activities of the Group

The Group's activities are subject to strict regulations and rigorous control in each territory in which AXA operates. In addition to these regulations, AXA has developed a set of detailed internal standards that applies to all Group entities that are managed or controlled by AXA, regardless of the activities undertaken by the entity or its ownership structure.

According to these internal standards, Chief Executive Officers must ensure that staff are fully conversant, and comply with applicable laws, mandatory Codes of Conduct, rules and regulations (including applicable tax laws and regulations) relevant to their area of operations.

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(1) The French list of Non-Cooperative States which is, in principle, updated each year, has been updated on March 16, 2022 (Ministerial Order dated March 2, 2022 published on March 16, 2022. and amending ministerial order dated February 12, 2010) and more recently on February 5, 2023 (Ministerial Order dated February 3, 2023 published on February 5, 2023 and amending ministerial order dated February 12, 2010). It applies to such States and jurisdictions as from the first day of the third month following the publication of the order (arrêté) including such States and jurisdictions on the list of Non-Cooperative States. It includes the United States Virgin Islands, the American Samoa, Anguilla, the British Virgin Islands, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago and Vanuatu. As from May 1, 2023 it will also include in addition to the territories listed Turks and Caicos Islands and the Bahamas.

This means that local senior management must appreciate the tax implications of the activities in their entity. The main considerations are:

- compliance with the taxation of employees in the territory in which they are employed;
- compliance with the taxation of business undertaken in the territory (including levies and sales taxes); and
- cross-border tax issues.

A specific focus on transfer pricing is made in application of these standards, to ensure that the pricing of our intra-group activities is consistent with the OECD "arm's length" principle as well as with local transfer pricing rules to pay adequate tax on profits where the value is created.

In particular, Chief Financial Officers must ensure that insurance and reinsurance policies entered into represent a true transfer of risk and that their status as insurance or reinsurance contracts could not be subject to challenge. Business between Group companies must be transacted at market prices where a market price exists, or in the absence of market prices, must be supported by formally documented justification for the charge made.

Products offered by the Group

AXA products are not designed to allow or encourage tax evasion. The Group has set up a validation framework to ensure that new products undergo a thorough approval process before they go to market.

The local decision to launch a new product must result from a documented approval process that complies with the AXA Group's standards in terms of product features, pricing, asset-liability management and aspects related to legal, compliance, regulatory, accounting and reputation.

Moreover, AXA has established strict policies regarding its cross-border activities and knowledge of its customers, in order to ensure that our products and services are not misused for money laundering or tax evasion purposes and are governed by specific rules according to which cross-border life insurance proposals must be presented to the Group Tax and Compliance Departments for validation.

While all Group entities must in any case comply with local regulations, the Group Tax Department can veto a product if this product is not compliant with internal rules.

Pursuant to Directive (EU) 2018/822, AXA may, as a provider of investments and savings products, have tax reporting obligations with respect to certain cross-border products it designs or implements. In particular, certain investments and savings products with no particular tax motive may be reportable under the above-mentioned Directive.

Bylaws

Certain material provisions of applicable French law, in force at the filing date of this Annual Report, and of the Company's Bylaws are summarized below. Copies of AXA SA's Bylaws are available at the Paris Trade and Companies Register (*Registre du commerce et des sociétés du Tribunal de commerce de Paris*) and on the Company's website (www.axa.com).

CORPORATE PURPOSE

Pursuant to article 3 of its Bylaws, AXA SA's corporate purpose is generally to:

- acquire all types of ownership interests in any French or foreign company or business, including insurance companies;
- all reinsurance operations of any kind, the transfer and retrocession of risks of all kinds, or the takeover in any form of reinsurance contracts or commitments;
- all financial operations as well as operations on personal or real estate properties, contributions to companies;
- acquire, manage and sell all listed or unlisted shares and securities, or any other financial instruments as well as any personal or real estate properties, or rights, shares or securities, whether listed or unlisted, that are related to such properties; and
- perform all industrial, commercial, financial, personal or real estate property transactions, directly or indirectly, related to any of the foregoing or to any similar or related purpose.

MEMBERS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS

In addition to French law provisions, AXA SA's Bylaws and the terms of reference of the Board of Directors include a number of specific provisions concerning members of the Board of Directors and corporate officers, including the following:

Compensation

The corporate officers of the Company receive compensation in the amount and on conditions set by the Board of Directors, upon proposal of the Compensation, Governance & Sustainability Committee.

Members of the Board of Directors receive a fixed annual directors' fee, the maximum overall amount of which is determined by the Shareholders' Meeting and apportioned by the Board of Directors among its members, pursuant to the rules set forth in the terms of reference of the Board of Directors. Notwithstanding the above, the terms of reference of the Board of Directors provide that no directors' fee shall be paid to corporate officers.

For further information, please see Part 3 "Corporate governance" of this Annual Report.

Age limit

Notwithstanding the term of office for which the Chairman of the Board of Directors is appointed, his/her functions shall terminate, at the latest, at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the preceding fiscal year and held during the year the Chairman reaches the age of 70.

Notwithstanding the term of office for which the Chief Executive Officer is appointed, his/her functions shall terminate at the latest at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the preceding fiscal year and held during the year the Chief Executive Officer reaches the age of 65. The same rule applies for the Deputy Chief Executive Officers.

An individual aged 70 or older may be appointed or reappointed to the Board of Directors exclusively for a two-year term of office. His/her term of office can be renewed only once.

When the number of Board members aged 70 or older exceeds one-third of the directors in office, the oldest director is deemed to have resigned automatically unless any member of the Board of Directors aged 70 or older voluntarily resigns within three months.

When the permanent representative of a legal entity member of the Board of Directors reaches 70 years old, the legal entity is deemed to have resigned automatically unless it designates a new representative within three months.

Shareholding

In accordance with the Afep-Medef Code and regardless of any statutory obligation of holding shares, the directors, with the exception of directors representing employees, shall personally be shareholders of the Company and own a significant number of shares in the Company; if they do not own such shares at the time they are first appointed, they shall use their directors' fees to acquire AXA shares. Accordingly, the Board of Directors has set for each Board member, whether an individual or a permanent representative of a legal entity to whom directors' fees were paid, the objective of holding, within two years after first being appointed, a number of shares in the Company, the value of which, on the basis of the closing price of the AXA share on December 31 of the preceding fiscal year, shall correspond to an amount at least equivalent to the gross director's fees earned in respect of the previous fiscal year. The shares purchased for the purpose of this holding objective will be held in registered form.

For additional information regarding the Board of Directors and corporate officers of the Company, please see Part 3 "Corporate governance" of this Annual Report.

RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO THE SHARES

Voting rights

Each AXA share entitles its holder to one vote at every AXA SA's Shareholders' Meeting, subject to the provisions regarding double voting rights described below. On May 26, 1977, the Shareholders' Meeting decided that each ordinary share fully paid up and held in registered form by the same person for at least two full fiscal years entitled its holder to double voting rights with respect to such share.

In the event of a capital increase by capitalization of existing reserves, profits or premiums, shares granted for free to any shareholder holding shares entitled to double voting rights will also carry double voting rights.

The rights of the holders of double voting rights may only be modified or cancelled upon the decision of an Extraordinary Shareholders' Meeting and after authorization by a special meeting of the holders of these rights.

With the exception of double voting rights, there is currently only one class of shares with equal rights for all shareholders.

Dividends

Upon proposal by the Board of Directors of AXA SA, the shareholders of AXA SA may decide to allocate all or part of distributable profits to special or general reserves, to carry them forward to the next fiscal year as retained earnings, or to allocate them to the shareholders as dividends. If AXA SA has earned a distributable profit since the end of the previous fiscal year, as reflected in an interim balance sheet certified by its Statutory Auditors, the Board of Directors may distribute interim dividends to the extent of the distributable profit without prior approval of the shareholders. AXA SA's Bylaws require AXA SA to distribute any dividends between its shareholders in proportion to their share in the capital.

Under the provisions of AXA SA's Bylaws, the actual dividend payment date is decided by the Board of Directors.

AXA SA's Bylaws provide that the Shareholders' Meeting may grant each shareholder the choice to receive dividends in either cash or additional ordinary shares.

Pre-emptive rights

Under French law, shareholders have preferential subscription rights to subscribe, on a *pro rata* basis, additional ordinary shares (and/or convertible, exchangeable or other securities giving a claim, directly or indirectly, to AXA SA ordinary shares). This subscription right is transferable and normally trades separately during the subscription period for a capital increase. Issuing additional shares without preferential subscription rights requires the approval of two-thirds of the shareholders attending or represented at an Extraordinary Shareholders' Meeting.

Liquidation rights

If AXA SA is liquidated, the assets remaining after it pays its debts, liquidation expenses and all prior claims will be used to repay AXA SA's shareholders up to the amount of the liquidation balance and the par value of the shares held by each shareholder. Any surplus will be divided among all shareholders, subject to rights arising, if any, from different classes of shares, in proportion to the rights they own in the Company's share capital.

MODIFICATION OF SHAREHOLDERS' RIGHTS

Under French law, shareholders of a French public company (*société anonyme*) have the power to amend AXA SA's Bylaws. Such an amendment generally requires the approval of two-thirds of the shareholders attending or represented at an Extraordinary Shareholders' Meeting. However, no such Extraordinary Shareholders' Meetings may decide **(i)** to increase the liability of the shareholders in respect of the Company or a third party; or **(ii)** to reduce the individual rights vested in each shareholder (such as voting rights, right to distributable profits of the Company, right to sell one's shares and right to sue the Company).

SHAREHOLDERS' MEETINGS

Shareholders are convened, meet and deliberate in accordance with applicable French laws and AXA SA's Bylaws.

A notice of meeting must be published in the *Bulletin des annonces légales obligatoires* ("BALO"), at least 35 days before any Shareholders' Meeting (or 15 days in certain specific cases), and must indicate, in particular, the agenda and the proposed resolutions.

At least 15 days (or six days in certain cases) prior to the date set for the meeting on first call, and at least 10 days (or four days in certain cases) before any second call, the Company shall send a final notice containing all the information requested by law by mail to all registered shareholders who have held shares for more than one month prior to the date of this final notice and publish a final notice in a bulletin of legal notices, as well as the BALO.

All shareholders are entitled to attend these meetings, either in person or by proxy, provided that they show valid proof of ID and share ownership as specified under French law. This ownership is justified by a book entry showing the number of shares in the name of the shareholder (or the intermediary for the account), on the second business day preceding the meeting at 0:00 am, Paris time (France), either in the registered share accounts kept by the Company or in the bearer share accounts kept by a qualified intermediary.

In accordance with the provisions of article L.22.10-10 5° of the French Commercial Code, the conditions for the participation to Shareholders' Meetings are detailed in article 23 of AXA SA's Bylaws, which is expressly incorporated by reference herein.

In addition, the information referred to in article L.22-10-11 of the French Commercial Code is made public in the corporate governance report approved by AXA SA's Board of Directors' and attached to the Board of Directors' report of AXA SA included in this Annual Report. For further information, please refer to Appendix VII "Corporate governance report – Cross Reference Table" to this Annual Report.

ANTI-TAKEOVER PROVISIONS

There are no French anti-takeover statutes similar to the anti-takeover statutes enacted by certain states in the United States and other jurisdictions. However, a number of French law provisions, in particular those resulting from Law No. 2014-384 dated March 29, 2014 (*visant à reconquérir l'économie réelle*), from Law No. 2019-486 dated May 22, 2019 (*relative à la croissance et la transformation des entreprises*), known as "PACTE", or from certain provisions of Directive 2004/25/EC dated April 21, 2004 on takeover bids (which was implemented in France in 2006), may have certain anti-takeover effects. In the case of AXA, the relevant provisions include, among other things, the existence of AXA shares with double voting rights, which are described above, and specific notification requirements applicable when holdings exceed specified thresholds, as described below.

French law generally requires mergers and certain consolidations to be approved by two-thirds of the shareholders attending or represented at the Extraordinary Shareholders' Meeting convened to decide on such matters.

NOTIFICATION REQUIREMENTS WHEN HOLDINGS EXCEED SPECIFIED THRESHOLDS

Pursuant to article 7 of AXA SA's Bylaws, any person, acting alone or jointly, who comes to hold, directly or indirectly, through companies it controls within the meaning of article L.233-3 of the French Commercial Code, a number of shares representing 0.5% of the Company's share capital or voting rights, shall notify the Company by registered letter with acknowledgment of receipt within five days from the threshold crossing. This notification shall detail the total number of shares and voting rights held as well as the total number of securities giving a differed claim to the share capital and the potential voting rights attached thereto.

The notification shall be repeated in the conditions stated above each time an additional fraction of 0.5% of the share capital or voting rights is crossed upward or downward.

In the event of failure to comply with the notification requirements described above, shares exceeding the fraction that should have been notified will be deprived of voting rights at the Shareholders' Meetings if, at such meetings, the notification failure has been recorded and if one or more shareholders jointly holding at least 5% of the share capital so request. Loss of voting rights shall be applicable in all Shareholders' Meetings that would be held up until two years following proper notification.

CHANGES IN CAPITAL

The Company's share capital may be modified only under the conditions stipulated by the legal and regulatory provisions in force. The provisions of the Bylaws or the terms of reference of the Board of Directors of AXA SA shall not prevail over changes in the law governing the Company's share capital.

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APPENDICES

APPENDIX I MANAGEMENT'S ANNUAL EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The AXA Group's Internal Control Over Financial Reporting (ICOFR) is a process designed under the supervision of the Group Chief Financial Officer (CFO) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements.

Since its delisting from the New York Stock Exchange (NYSE) in March 2010 and its deregistration with the United States Securities and Exchange Commission (SEC) in June 2010, the Group has maintained an annual Internal Financial Control (IFC) program designed to evaluate the effectiveness of AXA Group's ICOFR. AXA's Statutory Auditors provide a reasonable assurance report on AXA Group's ICOFR each year.

The IFC program is based on the Group Internal Control Standard and the Group Internal Control Policy, which include additional specific requirements for the IFC framework.

(a) IFC framework

The IFC framework is based on the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It is designed to define the IFC scope, governance, and principles in order to ensure consistency and quality in AXA Group's financial reporting.

(A.1) IFC SCOPE

The IFC program includes primarily the entities which are individually significant to consolidated financial position or results of operations, as well as the entities which provide significant services to AXA and/or its consolidated subsidiaries (the "Group").

(A.2) IFC GOVERNANCE

Management, including the Group Chief Executive Officer (CEO), is responsible for establishing and maintaining adequate ICOFR.

The IFC program is steered by the Group IFC Committee chaired by the Group CFO and involves the Planning Budgets Results Central (PBRC) Department, other relevant AXA departments, and representatives from each in-scope entity. The IFC program and the conclusion of management as to the effectiveness of AXA Group's ICOFR are also reviewed by AXA's Audit Committee.

(A.3) IFC PRINCIPLES

AXA Group's ICOFR includes policies and procedures that provide reasonable assurance that:

- the maintenance of records accurately and fairly reflect the transactions and dispositions of Group assets;
- the transactions are recorded as necessary to permit the preparation of financial statements in accordance with the applicable generally accepted accounting principles;
- the receipts and expenditures are being made only in accordance with the authorization of management and directors of the Group; and
- unauthorized acquisition, use or disposition of Group assets that could have a material effect on the Group's financial statements would be prevented or detected in a timely manner.

In order to assess the effectiveness of ICOFR, financial reporting risks are initially identified at Group level with a focus on identifying those risks that may result in a material misstatement of Consolidated Financial Statements not being prevented or detected in a timely manner. This top-down and risk-based approach enables to identify in-scope entities and processes.

In line with the COSO framework, AXA Group's ICOFR is organized around the following key process categories: Entity-Level Controls (ELC), IT ELC, Financial Statement Closing Process, Business Processes, and IT General Controls.

For every key process category, the in-scope entities **(i)** document the significant processes and/or controls, as well as the rationale of how the associated risk of material misstatement due to error or fraud can be reduced to an acceptable level, **(ii)** test the design and operational effectiveness of key controls based on the test plans elaborated with insight into risks, and **(iii)** remediate identified control deficiencies.

Outstanding control deficiencies are consolidated at Group level to evaluate their impact on Consolidated Financial Statements, compensating controls and other qualitative factors. This evaluation process is designed to identify any control deficiencies that may rise to the level of a material weakness. A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on time.

(A.4) IFC CERTIFICATION

At each year-end, the in-scope entities are required to perform an evaluation of their ICOFR as part of an internal certification process. This process involves formal sign-off by the entity's process owners and culminates with a formal management report from the entity's CFO or another senior executive officer stating their conclusion as to the effectiveness of the entity's ICOFR.

This internal certification process across all in-scope entities is designed to assist AXA's management in its evaluation of AXA Group's ICOFR and to support its conclusion as to the effectiveness of AXA Group's ICOFR.

(b) Management's annual evaluation on ICOFR based on the IFC framework

Management conducted an evaluation of the effectiveness of AXA Group's ICOFR in accordance with the IFC framework as described above. Based on this evaluation, management concluded that AXA Group's ICOFR was effective as of December 31, 2022.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or if the degree of compliance with the policies or procedures deteriorates.

(c) Report of the Statutory Auditors on ICOFR

PricewaterhouseCoopers Audit and Ernst & Young Audit have performed audit procedures in order to be able to obtain reasonable assurance as to whether management's conclusion as to the effectiveness of AXA Group's ICOFR based on the IFC framework is fairly stated.

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Tour First, TSA 14444
92037 Paris-La Défense

Report of the Statutory Auditors on internal control over financial reporting

To the Board of Directors of AXA,

In our capacity as statutory auditors of AXA and in accordance with your request, we hereby present to you our report on internal control over financial reporting of AXA and its subsidiaries as at December 31, 2022, the objective of which is to express a reasonable assurance opinion as to whether the statement of AXA's Management on the effectiveness of internal control over financial reporting, as included in the annual assessment report on internal control over financial reporting, was prepared, in all material respects, in accordance with the criteria set out in the IFC (Internal Financial Control) framework, as described in the annual assessment report on internal control over financial reporting set forth on pages 476 and 477 of the Universal Registration Document (the "IFC Framework").

Axa's Management is responsible for ensuring effective internal control over financial reporting and for preparing a statement on the results of its assessment of the effectiveness of internal control over financial reporting as at December 31, 2022.

For companies, internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements disclosed in accordance with IFRS accounting principles. The assessment of the effectiveness of internal control over financial reporting is based on criteria set out in the IFC Framework.

Our role, in response to AXA's request, is to express a reasonable assurance opinion as to whether the statement of AXA's Management on the effectiveness of internal control over financial reporting, was prepared, in all material respects, in accordance with the criteria set out in the IFC Framework.

We conducted our work in accordance with professional standards and ISAE 3000 (revised). These standards require that we design and perform procedures which enable us to obtain reasonable assurance that the statement of AXA's Management on the effectiveness of internal control over financial reporting, is fairly presented in all material respects. Our work consisted in obtaining an understanding of the internal control procedures over financial reporting, assessing the risk regarding the existence of any material weakness, testing and assessing the design and operational effectiveness of internal control on a risk by risk basis, and where relevant performing any other procedures that we considered necessary. We believe that the evidence we have obtained is sufficient and appropriate to express a reasonable assurance opinion.

Due to the limitations inherent to internal control over financial reporting, the procedures related thereto may not always prevent or detect misstatements. Furthermore, the assessment of their effectiveness in respect of any future periods, is subject to the risk that the controls may become inadequate as a result of changes in conditions or in the event that the degree of compliance with the principles or procedures were to deteriorate.

In our opinion, Management's statement on the effectiveness of internal control over financial reporting as at December 31, 2022 was prepared, in all material respects, in accordance with the criteria set out in the IFC framework.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit		ERNST & YOUNG Audit	
Bénédicte Vignon	Grégory Saugner	Olivier Durand	Patrick Menard

APPENDIX II STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I, the undersigned, hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no material omission likely to render it misleading or inaccurate.

I confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and fairly present the assets and liabilities, the financial position and the profit or loss of the Company and its consolidated subsidiaries, and that the Board of Directors' report presented in page 524 fairly presents the evolution of the business, results and financial position of the Company and its consolidated subsidiaries, and describes the principal risks and contingencies facing the Group.

Paris, March 21, 2023

Thomas Buberl

Chief Executive Officer of AXA

APPENDIX III AXA PARENT COMPANY FINANCIAL STATEMENTS

BOARD OF DIRECTORS' REPORT

On July 1, 2022, AXA SA, the holding company of the AXA Group, became the Group's internal reinsurer, following its merger on June 30, 2022, with AXA Global Re. This transformation follows AXA SA's approval as a reinsurance company by the *Autorité de contrôle prudentiel et de résolution* (ACPR). This merger is retroactive from January 1, 2022.

This transformation involves a change in the accounting framework, which is now the ANC Regulation No. 2015-11 of November 26, 2015, on the annual financial statements of insurance companies.

Impacts on the balance sheet on January 1, 2022, following the adoption of this regulation are as follows:

- shareholders' equity was increased by €116 million corresponding to **(i)** the recognition of unrealized gains by €284 million on debts which do not respect the definition of structural element **(ii)** unrealized losses by €123 million on forward financial instruments not eligible for a yield strategy or an investment or divestment strategy, and **(iii)** the reclassification to other non-technical provisions of €45 million of tax driven provisions;
- accrued interest is now recognized in accrued income by €1 million and in liabilities by €359 million, and is therefore no longer attached to the loans or debts concerned;
- debt on financial assets (€75 million) is now recognized as a deduction from the asset concerned.

The income statement now presents a technical income statement relating to non-life reinsurance operations on the one hand and life on the other hand, and a non-technical income statement which mainly includes operations relating to holding company activity.

General expenses relating to the reinsurance business are broken down into acquisition, administration, claims settlement and investment management costs.

Expenses related to the holding activity are individualized and allocated in full and unequivocally to non-technical expenses without the application of an allocation key.

Net investment income relating to the portfolio of assets covering reinsurance and holding operations is broken down between non-life and life technical income statements, according to the weighting of the net technical reserves and the shareholders' equity.

Net Income

AXA SA's corporate income after tax for the financial year ended December 31, 2022, was a profit of €2,809 million, of which €2,528 million for the holding activity and €281 million [(1)] for the reinsurance business after the reallocation of €185 million net investment income according to the weighting of the net technical reserves and the shareholders'equity. This reallocated amount exceeds by €101 million the financial result specific to the reinsurance business. To provide a more economical view, the financial result is kept specific to each activity in the following analysis. Income at December 31, 2021, amounted to €2,819 million. This included only the holding activity.

Net income from the holding activity

Net investment income amounted to €2,941 million, increasing by €363 million, of which:

- €850 million in dividends received from subsidiaries, amounting to €4,345 million compared to €3,495 million in 2021;
- partly offset by additional allowances for impairment on investments in subsidiaries by €507 million.

Non-technical income and expenses show a deficit of €606 million compared to €419 million in 2021, of which:

- €123 million of provision on unrealized losses on foreign exchange options as part of the protection of the Company cash flows;
- €40 million increase due to continued investments in the IT transformation.

Corporate income tax amounted to €336 million, of which €448 million of tax receivables on members of the tax consolidation group partially offset by a provision of €54 million for the possible repayment of tax savings on subsidiaries belonging to the tax consolidation group. The tax expense relating to the reinsurance business is now reported under the holding activity.

(1) Including €357 million of non-life technical income, (€84) million of life technical income and €8 million of non-technical income.

NET INCOME FROM REINSURANCE ACTIVITIES

The table below provides a summary of the life and non-life technical results, and non-technical result of the reinsurance business before and after reallocation of net investment income as described in the notes to the statutory accounts, in paragraph 3.3 describing investment income and expenses.

(in Euro million)	Year 2022	Year 2021
Reinsurance result	73	197
Service result	58	58
Financial result	85	45
Reserve for Claims Management Expenses	(2)	(2)
Overhead costs	(43)	(45)
Exceptional income	9	0
Income before tax	**180**	**253**
Reallocation of net investment income	101	
Corporate tax		(71)
NET INCOME	**281**	**182**

Reinsurance income for the 2022 financial year was down by €124 million, mainly due to the recognition of a provision of €92 million following the deviation of claims recorded in a life insurance treaty.

Service income, representing the compensation received by the Company for treaties placement and management, remained stable at €58 million.

Investment results of €85 million increased by €40 million due to capital gains of €34 million on the sale of investment securities.

BALANCE SHEET

The total balance sheet at December 31, 2022, amounted to €89,257 million compared to €77,621 million at December 31, 2021, according to the presentation under the French Insurance Chart of Accounts.

Assets

Intangible assets amounted to €319 million. This mainly includes the AXA brand, valued at €308 million.

Investments amounted to €71,812 million compared to €67,398 million at December 31, 2021, the increase is mainly due to:

- **investments in subsidiaries** amounted to €66,428 million compared to €67,029 million at year-end 2021, representing a decrease of €601 million, reflecting:
  - the cancellation of the securities held in AXA Global Re following the merger, representing €860 million,
  - €590 million of net allowance for impairments,
  - partly offset by capital increases up to €726 million;
- **other investments** amounted to €3,427 million compared to €369 million taking into account the creation of a portfolio of investments in government and corporate bonds for €1,695 million within the holding activity, and assets held by the reinsurance business for €1,344 million;
- **receivables for cash deposited with ceding companies** as collateral for technical provisions ceded to AXA SA amounted to €1,852 million, an increase of €647 million compared to 2021, of which, €848 million of the new property and casualty quota-share reinsurance treaties implemented in 2022.
- **land and buildings** corresponding to investments in real estate funds covering the reinsurance business, amounted to €105 million.

Share of assignees and retroceding companies in technical reserves amounted to €5,576 million, of which €5,103 million for non-life technical reserves retroceded to reinsurers outside or inside the AXA Group.

Receivables amounted to €2,343 million and mainly include receivables from reinsurers for €1,885 million, up €893 million.

Cash amounted to €3,030 million, down €1,319 million following the implementation of the investment portfolio described above.

Marketable securities of €2,024 million represented 87.2 million of AXA shares, in which 41.5 million under the share buyback program for €1,003 million and 45.7 million in the amount of €1,021 million to meet its obligations to deliver shares and to eliminate the dilutive effect of certain share-based compensation schemes.

Prepayments and accrued income amounted to €4,152 million of which €3,411 million related to the deferred recognition of net foreign exchange losses in line with statutory hedge accounting principles more than offset by unrealized gains on equity investments in subsidiaries.

Liabilities

Shareholders' equity before net income for the period and after the payment of the dividends relating to the prior fiscal year, decreased by €1,866 million, of which €2,207 million due to capital decreases related to the share buy-back program, partly offset by €296 million in respect of the capital increase reserved for employees and €45 million following the exercise of stock options.

Subordinated debts amounted to €17,126 million compared to €15,853 million in 2021, up to €1,273 million due to the subordinated debts issues for €2,500 million, partly offset by €1,294 million in repayments made during the period.

Gross technical reserves amounted to €8,230 million and included non-life claims reserves of €7,524 million, an increase of €1,078 million due especially to the technical reserves accepted for the new property and casualty reinsurance quota share treaties by €1,225 million.

Other non-technical provisions were €1,054 million compared to €936 million in 2021, mainly including €266 million of provisions for the possible repayment of tax savings to subsidiaries belonging to the French tax consolidation group, €179 million provision for unrealized losses on options, as well as €161 million for unrealized capital losses on interest rate derivatives not eligible for hedge accounting.

Debts for cash deposits received from retroceding companies amounted to €1,683 million up €647 million.

Other liabilities amounted to €18,795 million compared to €16,493 million at December 31, 2021, and mainly include:

- **financial liabilities** to Group subsidiaries for €12,045 million;
- **bonds** related to Group entities for €3,440 million;
- **senior debts** for €1,350 million **as well as €500 million of commercial papers**;
- **debts arising from reinsurance operations** for €937 million.

Accruals and liabilities amounted €1,477 million compared to €849 million at December 31, 2021, reflecting unrealized foreign exchange gains for €304 million, €407 million in accrued interests, and €301 million relating to premiums on options received.

Other information

In accordance with article L.225-102 of the French Commercial Code (*Code de commerce*), disclosures related to the Company's executive compensation appear in Part 3, Section 3.2. "Executive compensation and share ownership" of this Annual Report.

Payment terms

In accordance with the provisions in force under article L.441-6-1 and D.441-6 of the French Commercial Code, companies disclose their settlement periods.

Pursuant to the circular of the French Insurance Federation of May 29, 2017, the information in the tables below does not include transactions related to reinsurance contracts.

	Payment delay group					
Invoices issued during the period and not paid at the closing date	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 91 days**	**Total (1 day and more)**
Number of invoices concerned	78	5		3	184	192
Total Amount VAT included of invoices concerned *(in Euro)*	16,895,895	3,193,934		5,653,149	6,268,388	15,115,471
Percentage of revenue VAT included of the period	0.37%	0.07%	0.00%	0.12%	0.14%	0.33%

	Payment delay group					
Invoices received and not paid at the closing date	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 91 days**	**Total (1 day and more)**
Number of invoices concerned	6	4	8	0	3	15
Total Amount VAT included of invoices concerned *(in Euro)*	1,067,638	26,234	5,057	-	48,355	79,646
Percentage of the total amount VAT included period purchases *(in Euro)*	0.16%	0.00%	0.00%	0.00%	0.01%	0.01%

Payment delay used for these calculation is French legal delay (30 days after the invoice issuing day)

Acquisition of equity interests

In 2022, the Company did not acquire any significant equity interests within the meaning of article L.233-6 of the French Commercial Code.

FINANCIAL RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
1 - Closing balance sheet summary					
a) Capital – Ordinary shares *(in Euro million)*	5,553	5,536	5,538	5,545	5,386
b) Ordinary shares *(numbers in million)*	2,425	2,418	2,418	2,422	2,352
c) Bonds convertible into ordinary shares *(numbers in million)*	-	-	-	-	-
2 - Income statement summary *(in Euro million)*					
a) Gross revenues before sales tax [(a)]	4,161	6,011	4,089	3,672	5,934
b) Pre-tax income from continuing operations, before depreciation, amortization and releases	2,610	4,492	2,359	2,239	3,311
c) Income tax expense/benefit	762	909	582	665	336
d) Net after-tax income after depreciation, amortization and releases	307	4,301	4,236	2,819	2,809
e) Net dividend distribution [(b)]	3,249	1,740	3,458	3,729	3,998
3 - Per share data *(in Euro)*					
a) After tax income, before depreciation, amortization and releases	0.90	1.57	1.50	0.94	1.56
b) After tax income, after depreciation, amortization and releases	0.13	1.78	1.75	1.16	1.19
c) Net dividend per share [(b)]	1.34	0.73	1.43	1.54	1.70

(a) Before 2022, gross revenues only concern holding activity (dividends mainly).
From 2022, gross revenues correspond to the gross of reinsurance written premiums, dividends are from now on recorded in investments income.
(b) Dividend proposed at year end 2022 is submitted to the Shareholders' Meeting of April 27, 2023 and based on 2,351,770,945 outstanding ordinary shares.

A

BALANCE SHEET

Assets

(in Euro million)	December 31, 2022	December 31, 2021 Restated
Capital subscribed and not called or liaison account with the head office	**-**	**-**
Intangible assets	**319**	**322**
Land and Buildings	105	-
Investments in affiliated undertakings and in undertakings with which a participating interest exists	66,428	67,029
Other Investments	3,427	369
Receivables for cash deposited with ceding companies	1,852	-
Investments	**71,812**	**67,398**
Investments representing the technical provisions for Unit-Linked policies	**-**	**-**
Unearned premium reserves (non-life)	142	-
Life insurance reserves	-	-
Claims reserves (life)	157	-
Claims reserves (non-life)	5,103	-
Profit-sharing and rebates reserves (life)	-	-
Profit-sharing and rebates reserves (non-life)	-	-
Equalization reserves	-	-
Other technical reserves (life)	188	-
Other technical reserves (non-life)	(14)	-
Technical reserves for Unit-Linked policies	-	-
Share of assignees and retroceding companies in technical reserves	**5,576**	**-**
Receivables on reinsurance transactions	1,885	-
Sundry receivables	458	337
Called unpaid capital	-	-
Receivables	**2,343**	**337**
Tangible operating assets	1	1
Bank current accounts and cash	3,030	4,349
Treasury shares	2,024	1,527
Other assets	**5,055**	**5,877**
Accrued not due interest and rental income	82	68
Deferred acquisition costs	-	-
Other prepayments and accrued income	4,070	3,618
Accruals – assets	**4,152**	**3,686**
TOTAL ASSETS	**89,257**	**77,621**

Liabilities

(in Euro million)	December 31, 2022	December 31, 2021 Restated
Share capital or liaison account with the head office	5,386	5,545
Capital premiums	19,122	20,829
Revaluation reserve	-	
Other reserves	6,051	6,211
Retained earnings	7,526	8,085
Net year income	2,809	2,819
Equity	**40,893**	**43,490**
Subordinated liabilities	**17,126**	**15,853**
Unearned premium reserves (non-life)	170	
Life insurance reserves		
Claims reserves (life)	251	
Claims reserves (non-life)	7,524	
Profit-sharing and rebates reserves (non-life)	-	
Other technical reserves (life)	285	
Other technical reserves (non-life)		
Gross technical reserves	**8,230**	
Technical reserves for Unit-Linked policies	**-**	
Other non technical provisions	**1,054**	**936**
Liabilities relating to cash deposits from retroceding companies	**1,683**	
Receivables arising from reinsurance transactions	937	
Bond issues	3,440	3,686
Amounts due to credit institutions	-	
Other liabilities	14,417	12,807
Other liabilities	**18,795**	**16,493**
Accruals – liabilities	**1,477**	**849**
TOTAL LIABILITIES	**89,257**	**77,621**

INCOME STATEMENT

Technical account non-life insurance

(in Euro million)	Gross transactions	Assignments and retrocessions	Net transactions 12/31/2022	Net transactions 12/31/2021 restated
Premiums	5,841	(1,434)	4,407	-
Change in unearned premiums and outstanding risks	-	11	12	-
Earned premiums	**5,841**	**(1,422)**	**4,418**	**-**
Allocated investment income	**171**	**-**	**171**	**-**
Other technical income	**-**	**-**	**-**	**-**
Benefits and costs paid	(2,940)	1,180	(1,760)	-
Claims provision expenses	(1,035)	(56)	(1,091)	-
Claims expenses	**(3,974)**	**1,124**	**(2,851)**	**-**
Income (expenses) from other technical reserves	**-**	**-**	**-**	**-**
Profit-sharing	**(7)**	**7**	**-**	**-**
Acquisition costs	(1,518)	-	(1,518)	-
Administration costs	(12)	-	(12)	-
Commissions received from reinsurance	-	158	158	-
Acquisition and administration costs	**(1,530)**	**158**	**(1,372)**	**-**
Other technical expenses	**(11)**	**-**	**(11)**	**-**
Change in the equalization provision	**-**	**-**	**-**	**-**
NON-LIFE INSURANCE TECHNICAL INCOME	**491**	**(134)**	**357**	**-**

Technical account life insurance

(in Euro million)	Gross transactions	Assignments and retrocessions	Net transactions 12/31/2022	Net transactions 12/31/2021 restated
Premiums	**93**	**(62)**	**31**	**-**
Investment income	21	-	21	-
Other investment income	-	-	-	-
Profits from investments	6	-	6	-
Investment income	**28**	**-**	**28**	**-**
Allocated investment income	**-**	**-**	**-**	**-**
Adjustments on Unit-Linked policies (capital gains)	**-**	**-**	**-**	**-**
Other technical income	**-**	**-**	**-**	**-**
Benefits and costs paid	(59)	41	(18)	-
Claims reserves expenses	(31)	18	(13)	-
Claims expenses	**(90)**	**59**	**(31)**	**-**
Income (expenses) on other technical reserves	**(277)**	**185**	**(92)**	**-**
Profit-sharing	**(6)**	**4**	**(1)**	**-**
Acquisition costs	(4)	-	(4)	-
Administration costs	(2)	-	(2)	-
Commissions received from reinsurance	-	2	2	-
Acquisition and administration costs	**(6)**	**2**	**(3)**	**-**
Internal and external investment management and financial costs	(5)	-	(5)	-
Other investment expenses	(3)	-	(3)	-
Losses on investments	(7)	-	(7)	-
Investment expenses	**(14)**	**-**	**(14)**	**-**
Adjustments on Unit-Linked policies (capital losses)	**-**	**-**	**-**	**-**
Other technical expenses	**(1)**	**-**	**(1)**	**-**
Investment income transferred	**-**	**-**	**-**	**-**
LIFE INSURANCE TECHNICAL RESULT	**(272)**	**188**	**(84)**	**-**

Non-technical account

(in Euro million)	Net transactions 12/31/2022	Net transactions 12/31/2021 restated
Net technical income from non-life insurance	**357**	**-**
Net technical income from life insurance	**(84)**	**-**
Investment income	4,750	3,672
Other investment income	57	771
Gains on disposal of investments	1,462	2,354
Investment income	**6,268**	**6,798**
Allocated income from investments	**-**	**-**
Internal and external investment management costs and interests	(1,054)	(936)
Other investment expenses	(689)	(270)
Losses on disposal of investments	(1,504)	(3,013)
Investment expenses	**(3,247)**	**(4,219)**
Investment income transferred	**(171)**	**-**
Financial income transferred	**-**	**-**
Other non-technical income	**78**	**73**
Other non-technical expenses	**(684)**	**(492)**
Exceptional income	45	49
Exceptional expenses	(89)	(54)
Net exceptional income	**(44)**	**(5)**
Employee profit-sharing	**-**	**-**
Income taxes	**336**	**665**
NET PROFIT FOR THE YEAR	**2,809**	**2,819**

OFF-BALANCE SHEET COMMITMENTS

Commitments received and given *(in Euro million)*	12/31/2022 Affiliated companies	12/31/2022 Other	12/31/2022 Total	12/31/2021 restated
Commitments received				
Letters of credit		227	227	
Credit facilities (authorized but not drawn)		7,868	7,868	8,489
Commitments to buy back shares and bonds from Group entities		35	35	31
Securities pledged by reinsurers to AXA SA	16	470	485	
Commitments given				
Credit facilities (authorized but not drawn)	553	10	563	943
Endorsements, securities and credit guarantees given	5,209	5,206	10,416	10,438
Securities pledged as collateral by AXA SA to cedants entites	56	17	73	
Commitments given on uncalled financial assets		94	94	
Outstanding forward and option contracts (notional)	**1,307**	**41,710**	**43,016**	**38,056**
Swaps	**1,307**	**23,235**	**24,542**	**23,024**
Interest rate asset swap (notional)		15	15	
Credit Default Swap (CDS)		192	192	
Interest rate swaps		12,548	12,548	12,780
Cross Currency swaps (long term)	1,307	5,694	7,001	7,331
Foreign Exchange swaps (short term)		4,498	4,498	2,914
Options		**18,414**	**18,414**	**14,839**
Foreign Exchange Options		18,414	18,414	13,839
Equity options				
Index options				
Swaption				1,000
Foreign exchange Forward		**60**	**60**	**193**

REMINDER: BALANCE SHEET AXA SA STATED AT DECEMBER 31, 2021

Asset

(in Euro million)		December 31, 2021 Gross carrying value	Amortizations and provisions	Net carrying value
Fixed assets				
Intangible assets		**376**	**54**	**322**
Tangible assets				
Land		-	-	-
Buildings and other fixed assets		1	-	1
Financial assets				
Investments in subsidiaries		67,272	1,244	66,028
Receivables from subsidiaries		939	1	938
Other financial assets		466	97	369
Loans		138	-	138
	I	**69,192**	**1,396**	**67,796**
Current assets				
Operating receivables				
Tax receivables		102	-	102
Receivables and subsidiaries' current accounts		285	-	285
Marketable securities		1,527	-	1,527
Cash instruments		-	-	-
Cash and cash equivalents		4,349	-	4,349
Prepaid expenses		8	-	8
	II	**6,271**	**-**	**6,271**
Prepayments and accrued income				
Deferred charges		328	309	19
Bond redemption premiums		30	-	30
Unrealized foreign exchange losses		3,579	-	3,579
TOTAL ASSETS		**79,400**	**1,705**	**77,695**

Liabilities

(in Euro million)		December 31, 2021
Shareholders' equity		
Capital		
Ordinary shares		5,545
Capital in excess of nominal value		
Issue premiums		18,753
Merger and contribution premiums		2,076
Reserves		
Legal reserve		555
Specific reserves for long term capital gains		2,316
Other reserves		3,180
Retained earnings		8,085
Tax driven provision		45
Net income for the financial year		2,819
	I	**43,374**
Other shareholders' equity		
Undated subordinated notes		3,867
	II	**3,867**
Provisions for risks and charges	**III**	**768**
Liabilities		
Subordinated debt		**12,264**
Financial debt		**16,367**
Operating payables		
Tax payables		7
Social payables		-
Other payables		
Debt on fixed assets		75
Other		201
Cash instruments		86
Deferred income		-
	IV	**29,000**
Prepayments and accrued expense		
Unrealized foreign exchange gains		686
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**77,695**

Reminder: Income statement stated at December 31, 2021

(in Euro million)		2021
I. Result on ordinary activities		
Financial & operating revenues		
Dividends received from subsidiaries		3,495
Revenues on short-term investments		177
Other revenues		73
	I	**3,745**
Operating expenses		
External expenses and other expenses		(482)
Tax expenses		(1)
Payroll and compensation		(15)
Interest expenses		(960)
Allowances for depreciation of buildings and deferred charges		(9)
	II	**(1,467)**
Operating profit	**(III = I + II)**	**2,278**
Contribution on common operations	**IV**	**-**
Financial operations on securities		
Reversals to provisions for marketable securities		-
Net income on sale of short-term securities		(53)
Allowances to provisions for marketable securities		-
Investment result on securities	**V**	**(53)**
Profit on ordinary activities before tax	**(VI = III + IV + V)**	**2,225**
II. Result on capital operations		
Proceeds from the sale of fixed assets		1,795
Releases of provisions for risks and charges		80
Releases of equity securities provisions		771
Foreign exchange result		(94)
Net book value on the sale of fixed assets		(2,301)
Allowances to provisions for risks and charges		(71)
Allowances to equity shares provisions		(246)
Exceptional result		(5)
	VII	**(71)**
Income tax benefit/(expense)	**VIII**	**665**
III. NET INCOME FOR THE FINANCIAL YEAR	**VI + VII +VIII**	**2,819**

Notes to the financial statements as at December 31, 2022

Net income

AXA SA's corporate income after tax for the financial year ended December 31, 2022, was a profit of €2,809 million, of which €2,528 million for the holding activity and €281 million for the reinsurance business. Income at December 31, 2021, amounted to €2,819 million. This included only the holding activity.

1. SIGNIFICANT EVENTS

On July 1, 2022, AXA SA, "the Company" and the holding company of the AXA Group, became the Group's internal reinsurer, following its merger on June 30, 2022 with AXA Global Re. This transformation follows AXA SA's approval as a reinsurance company by the *Autorité de contrôle prudentiel et de résolution* (ACPR) on May 6, 2022.

The merger of AXA Global Re into AXA SA is carried out in accordance with the provisions of articles L.236-1 *et seq*. of the French Commercial Code, and in particular article L.236-11 relating to simplified mergers.

This merger is retroactive for accounting purposes to January 1, 2022.

All the assets and liabilities of the absorbed company are transferred to the absorbing company at their net book values.

A merger bonus of 117 million was recognized in the books of AXA SA as financial income.

This transformation implies a change in accounting standards and the ANC regulation n° 2015-11 of November 26, 2015 and the CRC 2009-02 regulation on Forward Financial Instruments relating to the annual accounts of insurance companies must now be applied.

The 2021 accounts as displayed in the "2021 restated" column are the accounts of the holding activity exclusively but presented in the format of the insurance chart of accounts. The accounting changes brought about by this standard are explained in the paragraphs below.

2. CHANGE IN METHOD AND PRESENTATION

Impacts on the balance sheet at January 1, 2022 are as follows:

- shareholders' equity was increased by €116 million in recognition of **(i)** unrealized gains of €284 million on debts that do not meet the definition of structural items, **(ii)** unrealized losses of €123 million on forward financial instruments that may not be eligible for a yield strategy, an investment strategy or divestment strategy and **(iii)** the reclassification of exceptional amortization to other non-technical provisions in the amount of €45 million;
- accrued interests are now recognized in accrued income in the amount of €1 million and in liabilities in the amount of €359 million and is therefore no longer attached to the loan or borrowing items concerned;
- debts on financial assets, €75 million, are now recognized as a deduction from the asset concerned.

The total balance sheet at December 31, 2022 amounted to €89,257 million compared to €77,621 million at December 31, 2021, according to the presentation under the French Insurance Chart of Accounts.

The difference compared to the total balance sheet according to the French General Chart of Accounts for the 2021 fiscal year of €77,695 million is explained by the restatement of debts on financial assets as mentioned above.

3. ACCOUNTING PRINCIPLES, RULES AND METHODS

3.1 General principles

AXA SA's 2022 annual financial statements were prepared following the merger of AXA Global Re with AXA SA, in accordance with the accounting provisions set out in Title IV of Book III of the French Insurance Code and the regulation of the French Accounting Standards Authority (*Autorité des normes comptables* – ANC) No. 2015-11 of November 26, 2015 modified.

3.2 Reinsurance activity within AXA SA

The Company is the AXA Group's reinsurance captive and reinsures exclusively the Group's insurance entities ("cedants"), both property and casualty and life.

Accepted operations concern transactions whereby AXA SA, the reinsurer, agrees to assume a portion of the risks underwritten by AXA's entities.

The retrocessions correspond to the transfer of risks by AXA SA to other market players, whether internal or external to the AXA Group.

Assumed reinsurance is recognized by the Company upon receipt of the accounts transmitted by the ceding company. In accordance with the provisions of article 152-1 of ANC Regulation No. 2015-11 of November 26, 2015, accounts not received from the ceding company at the end of the financial fiscal are estimated. When the Company becomes aware of a foreseeable loss, it is provisioned.

Retroceded reinsurance premiums are recognized in proportion to the period in which the reinsurance coverage is provided.

Reserves for unearned premiums recognise the portion, calculated on a pro-rata basis, of gross written premiums and commissions still to be written relating to the period between the inventory date and the treaty's next due date or, by default, its term.

Estimates of commissions receivable or payable are recognized in the income statement with a counterpart entry in accruals assets or liabilities.

Where the treaties so provide, the Company must make deposits with the assignees so that they can have a guarantee on their ceded technical reserves. These amounts are recorded under "Receivables for cash deposited with ceding companies".

Cash deposits received from "retrocessionaires" are recognized on the liabilities side of the balance sheet under "Payables for cash deposits received from "retrocessionaires"

The reinsurance premium paid by the ceding company to the reinsurer only constitutes a basic premium intended to cover the reinsurance capacity. As claims occur, the ceding company must pay an additional premium called "reinstatement premium" which corresponds to the renewal of the portion of the capacity absorbed by the claim and up to the limit of the annual guarantee.

Amounts recoverable from "retrocessionaires" are estimated in accordance with the claim liabilities associated with the treaty.

If a reinsurance asset is impaired, the Company reduces the carrying value accordingly and recognises this impairment loss in the income statement. A reinsurance asset is impaired if there is tangible evidence, following an event occurring after the initial recognition of the reinsurance assets, that the Company may not receive all amounts due to it under the terms of the treaty, and the impact of this event on the amounts to be received from "retrocessionaires" by the Company can be reliably estimated.

LOSS RESERVES

Claims reserves are established on the basis of data provided by ceding companies and supplemented by actuarial estimates.

The main items related to reinsurance business are presented as follows:

Balance Sheet *(in Euro million)*	**12/31/2022**	**01/01/2022**
Cessionaires and retrocessionaires share in technical provisions	**5,576**	**5,377**
Claims provisions (life)	157	134
Claims provisions (non life)	5,103	5,120
Provisions for unearned premiums (non life)	142	132
Other technical provisions (life)	187	2
Other technical provisions (non life)	(13)	(11)
Receivable arising from cash deposits given to cedents	**1,852**	**1,205**
Receivables on reinsurance transactions	**1,885**	**992**
TOTAL ASSETS	**9,313**	**7,574**
Gross technical provisions	**8,230**	**6,838**
Claims provisions (life)	251	213
Claims provisions (non life)	7,524	6,446
Provisions for unearned premiums (non life)	170	171
Other technical provisions (life)	285	8
Liabilities on cash deposits from retrocessionaires	**1,682**	**878**
TOTAL LIABILITIES	**9,912**	**7,716**

01/01/2022 figures are those published by AXA Global Re, the year before the merger with AXA SA.

3.3 Principles of presentation of the financial statements

NON-LIFE AND LIFE INCOME STATEMENTS

Pursuant to article 410-1 of ANC Regulation No. 2015-11 of November 26, non-life activities in the non-life income statement include the reinsurance of bodily injury related to accidents and illness.

ALLOCATION OF EXPENSES BY TYPE

The general expenses of the reinsurance activity, after having been previously recognized by type in class 9 financial statements, are cleared for allocation to expense accounts by type and in life/non-life technical income statements.

Two scenarios are provided for:

- either the expense can be allocated directly to a type;
- or the expense cannot be allocated directly and distribution keys are used.

General expenses allocation keys are updated every year to reflect the categories defined by the Insurance Accounting Plan: acquisition costs, claims settlement costs, administration expenses, investment management costs and other technical expenses.

Expenses relating to the holding company's activity are individualized and allocated in full and unequivocally to non-technical expenses without the application of a distribution key.

INVESTMENT INCOME AND EXPENSES

Net investment income relating to the portfolio of assets covering the holding company and reinsurance operations is recorded in the non-technical income statement and then broken down between the non-life and life technical income statements on the one hand and the non-technical income statement on the other hand, based on net technical reserves and shareholders' equity in accordance with the terms set out in article L.337-11 of ANC Regulation 2015-11.

The reallocated amount is €185 million in excess of €101 million compared to the investment result specific to the reinsurance activity.

FOREIGN CURRENCY TRANSACTION PROCESSING

In accordance with the provisions of article R.341-7 of the French Insurance Code, foreign currency transactions carried out by the Company are recognized in their original currency. These transactions are converted into euros at the prices known on the inventory date.

The Company applies the rules relating to the accounting treatment of foreign currency transactions of companies governed by the French Insurance Code in accordance with ANC Regulation 2015-11.

Exchange rate balance sheet position applicable to receivables and payables denominated in foreign currencies

At the end of each fiscal year, foreign currency items shown in the balance sheet must be translated into euros by breaking down transactions as follows:

- transactions involving assets or liabilities generating a so-called structural foreign exchange position, mainly investments in subsidiaries and the financing of these in foreign currencies;
- transactions generating an operational foreign exchange position concerning other transactions in foreign currencies.

Translation differences are valued as the difference between the exchange rate of the currency concerned on the day of the transaction (historical rate) and the closing rate. Translation differences in structural foreign exchange positions are recognized in the balance sheet while translation differences in operational foreign exchange positions are recognized in foreign exchange income.

Foreign exchange off-balance sheet positions applicable to forward financial instruments (FFIs)

Differences between the off-balance sheet foreign exchange positions of Forward Financial Instruments (FFIs) and the corresponding exchange value accounts represent unrealized foreign exchange gains or losses. They are recorded on the balance sheet in a "translation adjustments" account as opposed to the "Accruals related to financial instruments account", according to the underlying strategy.

The treatment of the "translation adjustment" account aims to respect the symmetry of treatment with that of exchange differences on the underlying items:

- when the FFIs is linked to a structural element, the "translation adjustments" account is maintained in the balance sheet until the date on which the structural element is realized;
- when the FFIs is part of an investment strategy, the "translation adjustments" account is maintained on the balance sheet until the date of the investment;
- when the FFIs is linked to an operating item, as part of a divestment or yield strategy, or when the FFIs is linked to a non-structural financial debt, the "translation adjustments" account is recorded in income.

Differences in interest on forward foreign exchange transactions, or carry-forwards, are recognized on a staggered basis over the effective term of the hedged transaction.

4. PRESENTATION OF THE ACCOUNTS

BALANCE SHEET – ASSETS

4.1 Intangible assets

Intangible assets totaled €319 million. This mainly includes the AXA brand, valued at €308 million.

4.2 Investments

Investments include land and buildings, investments in affiliated companies and in companies in which there is a shareholding link, and other investments as well as receivables for cash deposited with ceding companies that are related to the reinsurance business.

LAND AND BUILDINGS

These include shares in Sociétés Civiles Immobilières (SCI), amounted to €105 million.

INVESTMENTS IN AFFILIATED COMPANIES AND IN COMPANIES WITH WHICH THERE IS A SHAREHOLDING LINK

- A **company is considered affiliated** with another when it is likely to be fully consolidated in the same consolidated entity.
- Companies with which the Company has a **shareholding link** are companies other than affiliated companies in which the Company directly or indirectly holds a stake. Are presumed to be investments in subsidiaries representing at least 10% of the capital.

Financial assets are measured at acquisition cost or transfer cost. At the balance sheet date, the acquisition cost is compared to the fair value, and the lower of these two values is then recognized in the balance sheet.

The fair value of these investments corresponds to their value in use and is determined by management either on the basis of stock market prices, shareholders' equity (including unrealized gains) or the subsidiary's outlook. Estimating value in use of these securities requires the management judgement in choosing valuation approaches, depending on the investments involved, and in determining the data and assumptions used to estimate expected earnings when these are considered into the valuation. For the "Life, Savings and Retirement" activities, the value of future profits is estimated on the basis of the calculations of the European Embedded Value published by the Group. For "Property and Casualty" activities, the value in use approach relies on the earnings of the strategic plan approved by management discounted using a risk adjusted rate. Cash flows are extrapolated using sustainable perpetual growth rates assumed to be achievable over the long term to derive a terminal value.

Pursuant to article 242-2 of Regulation ANC No. 2015-11, transactions involving structural investments in subsidiaries in foreign currencies are considered as transactions in euros and are frozen in euros at the historical exchange rate, and no translation differences are recognized subsequently.

OTHER INVESTMENTS

Bonds and other fixed-income securities

Bonds and other fixed-income securities are recorded at the acquisition value, excluding accrued interest. The difference between the purchase price and the redemption value, premium or discount, is amortized in income over the remaining period until the redemption date, according to the effective interest rate method, pursuant to the provisions of article 122-1 of ANC Regulation No. 2015-11 of November 26, 2015.

Unrealized losses arising from the difference between the carrying value (taking into account the premium/discount) and the realizable value of the corresponding securities are not subject to a reserve. Nevertheless, when there is a reason to consider that the debtor will not be able to meet its commitments, either for the payment of interest or for the repayment of the principal, an impairment must be recognized in the inventory.

Shares and other variable-income securities

Shares and other variable-income securities are recorded at their acquisition cost, excluding fees. The realized value at the end of the fiscal year is determined in accordance with ANC Regulation No. 2015-11 of November 26, 2015 and corresponds, for listed securities, to the stock market price on the day of the inventory and, for unlisted securities, at the market value determined on the basis of the net position.

When the realizable value is more than 20% lower than the acquisition cost for more than six consecutive months, it is proceeded by an analysis of the permanent nature of the impairment. A reserve for impairment is recognized line by line for securities subject to long-term impairment. The reserve is measured as the difference between the net book value and the realizable value corresponding to the market value at the closing date.

RECEIVABLES FOR CASH DEPOSITED WITH CEDING COMPANIES

This item amounting to €1,852 million at December 31, 2022 and covers the deposits that the Company must make with the ceding companies when the treaties so provide, so that they can benefit from a guarantee on their ceded technical reserves.

4.3 Share of assignees and retroceding companies in technical reserves

UNEARNED PREMIUM RESERVES

These reserves amounted to €142 million for the 2022 fiscal year and correspond to the share of gross written and unearned premiums retroceded as liabilities on the balance sheet.

CLAIMS RESERVES

Non-life and life claims reserves amounted to €5,103 million and €157 million respectively for the 2022 fiscal year.

OTHER NON-LIFE TECHNICAL RESERVES

These reserves amounted to €14 million for the 2022 financial year and cover the reserve for counterparty risk, which is deducted from the reinsurers' share in the technical reserves. This reserve takes into account the default risk of reinsurers according to their rating.

OTHER LIFE INSURANCE TECHNICAL RESERVES

These reserves amounted to €188 million for the 2022 fiscal year and represent the retroceded share of a reserve related to the claims experience deviation recorded on a life insurance treaty.

4.4 Receivables

RECEIVABLES ON REINSURANCE TRANSACTIONS

These receivables amounted to €1,885 million at December 31, 2022 and mainly include €727 million of premiums to be written and €925 million of receivables consisting of debit balances from reinsurers and group's ceding insurance companies.

SUNDRY RECEIVABLES

These receivables amounted to €458 million at December 31, 2022 and mainly include a corporate income tax receivable of €350 million.

4.5 Other assets

TANGIBLE OPERATING ASSETS

Tangible assets are recognized at their acquisition cost or at their contribution value. Buildings are amortized on a straight-line basis over 50 years and development work is depreciated on a straight-line basis over five or ten years as appropriate.

TREASURY SHARES

These total €2,024 million and equating to 87.2 million AXA securities, of which 41.5 million for €1,003 million related to the share repurchase programme and 45.7 million for €1,021 million were held to honor its delivery obligations and eliminate the dilutive effect of certain share-based compensation schemes. Securities are recorded in the accounts at their acquisition cost according to their destination.

The application of regulations (ANC No. 2014-03 chapter "titre VI, chapitre II, Section 4 "*Plans d'options d'achat ou de souscription d'actions et plans d'attribution d'actions gratuites aux salaries*") relating to the accounting treatment of stock options, subscription or purchase, and performance shares/units (free shares granted to employees) leads the Company to record a provision.

4.6 Accrual assets

INTEREST AND RENT NOT YET DUE

This item includes accrued interests on investments and financial hedges amounting to €82 million, including €67 million for accrued interests not yet due on swaps.

OTHER ACCRUED INCOMES

It amounted to €4,070 million and mainly includes:

- €3,411 million in respect of foreign exchange losses realized through Forward Financial Instruments relating to hedging transactions on equity securities subject to the definition of structural assets and deferred until the disposal of the securities;
- €202 million in respect of currency fluctuations – assets on perpetual debts from structural equity investments;
- €187 million in option premiums paid.

BALANCE SHEET – LIABILITIES

4.7 Shareholder's equity

Shareholders' equity before net income for the period and after distribution of net income for the previous fiscal year decreased by €1,866 million, of which €2,207 million due to capital reductions related to the share repurchase scheme, partly offset by €296 million in respect of the capital increase reserved for employees and €45 million following the exercise of stock options.

4.8 Subordinated liabilities

Subordinated debts of €17,126 million compared to €15,853 million in 2021, which represent an increase of €1,273 million taking into account the issuing of subordinated debt in the amount of €2,500 million, which was partly offset by €1,294 million in repayments made during the period.

This item includes Undated Subordinated and Super Subordinated Notes, for which there is no contractual obligation to deliver cash or any other financial asset.

The issue costs of the various loans are amortized over the term of the loans. Interest on financial debts is recognized in financial charges, and the share of accrued interest not yet due in accruals and liabilities.

4.9 Gross technical reserves

Gross technical reserves amounted to €8,230 million at the end of the 2022 fiscal year and includes non-life claims reserves of €7,524 million, which represent an increase of €1,078 million due in particular to the reserves accepted for new Property & Casualty Treaties, as a proportionate share implemented in 2022 and totaling €1,225 million.

This item includes all provisions at the end of the fiscal year calculated at a level that makes it possible to cover the estimated amount of its own commitments for declared and undeclared claims.

- **Claims reserves** are defined in accordance with article R.343-7 of the French Insurance Code as the "estimated value of the principal expenses and costs, both internal and external, necessary for the settlement of all incurred and unpaid losses, including capital constituting annuities not yet payable by the Company".

Article R.347-7 of the French Insurance Code specifies that policy benefits reserves correspond to the "present value of the Company's commitments with regard to the capital constituting annuities charged to it". Gross policy benefits reserves are provided by the entities. In the same way as for the other reserves, the conditions of reinsurance treaties are applied to obtain the retroceded and net policy benefits reserves.

Claims reserves also include the reserve for claims handling costs of €12 million, which is intended to cover the future handling costs incurred by the Company to manage and settle outstanding claims.

- **Unearned premium reserves** of €170 million at December 31, 2022 recognized for all current contracts, the portion – calculated on the gross written premiums and estimated on the remaining premiums to be written – which relates to the period between the inventory date and the next premium due date or, by default, the term of the contract.
- **Other technical reserves** amounted to €285 million at December 31, 2022 and mainly include a reserve for increasing risks in the life business.

4.10 Other non-technical provisions

These amounted to €1,054 million compared to €936 million in 2021 and mainly include €266 million in reserves for the Company's subsidiaries for the risk of tax savings under the French tax consolidation scheme, €179 million in reserves for unrealized losses on options and €161 million for unrealized losses on interest rate derivatives not eligible for hedge accounting.

The Company is the head of a tax consolidation group; in this respect, the tax consolidation agreement provides that tax savings are recognized directly in the Company's financial statements. However, a provision for the risk of reimbursement of tax savings is recognized when there is a high probability that these subsidiaries will become profitable again, expected future taxable incomes resulting from the Group's strategic plan process.

4.11 Liabilities relating to cash deposits from retroceding companies

Cash deposits amounted to €1,683 million, including €1,319 million in deposits received through retroceding companies up 805 million.

4.12 Other liabilities

Other liabilities amounted to €18,795 million compared to €16,493 million at December 31, 2021 and mainly include:

- **financial liabilities** to Group subsidiaries for €12,045 million;
- **bonds** related to Group entities for €3,440 million **as well as €500 million of commercial papers**;
- **senior debts** for €1,350 million;
- **debts arising from reinsurance operations** for €937 million.

4.13 Accruals liabilities

Accruals liabilities amounted to €1,477 million compared to €849 million at December 31, 2021 and mainly include translation adjustments on liabilities for €304 million, €407 million in accrued interests not yet due and €301 million relating to options premium received.

PENSION COMMITMENTS

As part of the update to social commitments, an assessment was made of the additional reserves to be established to cover commitments under defined-benefit pension plans, in accordance with ANC Recommendation No. 2013-02. Method 1 defined by this recommendation has been applied: the cost of past services is spread out in the income statement over the vesting period of the rights, and the expected return on the assets is retained as part of the expense for the period. This assessment led to no reserve being recorded at December 31, 2022. The option retained by the Company is to not record any provisions in the balance sheet.

OFF BALANCE SHEET COMMITMENTS

Pledged securities and letters of credit to cover reinsurance operations

The off-balance sheet commitments relating to the reinsurance business are intended to cover claims reserves to be paid in accordance with the terms provided in the treaties. These are deposits made either in the form of pledged securities received from reinsurers on behalf of the Company and its ceding companies, or letters of credit issued by banks to reinsurers for the benefit of the Company.

Securities pledged by reinsurers as collateral for their commitments are valued at market value at the closing date and are recorded in off-balance sheet. The Company ensures that the value of these pledged securities is in line with accepted risks and that additional payments are made in the event of a decrease in the value of the securities or an increase in claims.

Guarantees and sureties given as part of the holding company's activity

- Commitments given consisted mainly of financial guarantees granted to Group entities.
- The credit facilities (authorized but not drawn) represent the liquidity capacity that the holding company can mobilize from bank counterparties and its commitment to benefit the Group's companies.

Forward financial instruments are financial transactions whose main purpose is to protect financial items against market movements, mainly *via* swaps.

Commitments on financial instruments received and given

Forward financial instruments (FFIs) are accounted for as commitments given or received for their notional amount in separate accounts depending on the nature of the transaction to which the strategy belongs.

Premiums relating to option contracts or similar contracts shall be recorded in the balance sheet, in an asset or liability account depending if the amount is paid or received.

- In the case of FFIs used as part of yield strategies, income and expenses relating to FFIs, whether received or settled or unrealized, are recognized in the income statement on a straight-line basis over the expected life of the strategy and calculated as accrued interests.
- For other strategies, all flows recorded on these transactions are recorded in accruals and deferred income;
- In the case of foreign currency FFIs, they are recorded in accordance with point 3.3.

At each cut-off date, the unrealized losses on each FFIs, resulting from the comparison of the market value of the FFIs and the overall book value of the FFIs including all the items recorded in the balance sheet of the Company and relating to this FFIs, give rise to the constitution of an other non-technical provision. Unrealized gains are not recognized in the income statement.

The presentation of the appendix does not omit the existence of a significant commitment or one that may become so in the future.

APPENDICES
APPENDIX III AXA PARENT COMPANY FINANCIAL STATEMENTS

5. NOTES TO THE BALANCE SHEET

BALANCE SHEET – ASSETS

5.1 Movements in assets

Table 1: Movements in intangible assets, land and buildings, ownership interests in affiliated companies and companies with which there is a shareholding link, bonds, debentures and receivables with these companies

		Transfers and movements of the financial year					Depreciation and amortization							Net amount recorded in the balance sheet	Net amount recorded in the balance sheet
										Transfers and movements of the financial year					
(in Euro million)	Gross amount at the start of the year	Entries	Contributions	Exits	Transfers	Gross amount at year end	At the start of the year	For the financial year	Provisions reversals	Contributions	Exits	Transfers	Accumulated amount at year end	12/31/2022	12/31/2021
I/ Intangible assets	**376**					**376**	**54**	**3**					**57**	**319**	**322**
Land and buildings (including "under construction")		39	66			105			1	1				105	
Ownership interests in affiliated companies (account 250)	65,372	574	1,355	1,297		66,005	1,002		3	281			1,280	64,725	64,370
Ownership interests in companies with which the company has a participating interest (account 260 and 261)	1,102					1,102	242		41	353			554	548	860
Bonds, debentures and claims of all kinds on the same companies (accounts 25 and 26 except 250, 260 and 261) [a]		428	1,406			1,835								1,835	
Loans	938	730		1,288		380								380	938
II/ Assets	**67,412**	**1,771**	**2,827**	**2,585**		**69,427**	**1,244**		**45**	**635**			**1,834**	**67,593**	**66,168**
III/ Total of others investments (table 2)														**4,219**	**1,229**
TOTAL INVESTMENTS														**71,812**	**67,397**

(a) Note: for redeemable bonds, this table does not take into account the amortization of discounts and premiums.

Table 2: Movements in intangible assets, land and buildings, ownership interests in affiliated companies and companies with which there is no shareholding link, bonds, debentures and receivables with these companies:

(in Euro million)	Gross amount recorded in the balance sheet at year end	Movements of the financial year		Movements of the financial year		Dep. And provisions at year end	Net amount recorded in the balance sheet at year end
		Impairment	Provisions	Allocations	Reversals		
Financial investments (account 23)							
Equities and other UCITS	534		97	8		105	429
Bonds	2,584						2,584
Loans	55						55
Deposits	359						359
Securities with no shareholding link	792						792
TOTAL	**4,324**		**97**	**8**		**105**	**4,219**
Investments representing technical reserves for Unit-Linked policies (account 24)							
Variable income securities other than UCITS							
Bonds							
Units of UCITS holding exclusively fixed income securities							
Units of other UCITS							
Units and shares of unlisted real estate companies							
TOTAL							
Total other investments	**4,324**		**97**	**8**	**0**	**105**	**4,219**
Bonds, debentures and claims of all kinds on affiliated undertakings or undertakings with which a participating interest exists (see table I)							67,593
TOTAL INVESTMENTS RECORDED IN ASSETS							**71,812**

5.2 Investments

5.2.1 SUMMARY STATEMENT OF INVESTMENTS

Table 3: Summary

	12/31/2022		
	Value		
(in Euro million)	Gross	Net	Fair
1/ Real estate investments and current real estate investments	105	105	113
2/ Shares and other variable income securities other than UCITS units	68,266	66,327	76,009
3/ UCITS units other than those referred to in 4	168	168	182
4/ UCITS units holding exclusively fixed-income securities			
5/ Bonds and other fixed-income securities	2,584	2,577	2,456
6/ Mortgage loans			
7/ Other loans and similar	435	435	435
8/ Deposits with ceding companies	2,131	2,132	2,120
9/ Deposits other than those referred to in 8 and cash guarantees and other investments	62	62	62
10/ Assets representing Unit-Linked policies			
11/ FFIs			
FFI Performance strategies	45	45	(105)
FFI other transactions	172	172	535
FFI Exchange strategies	(146	(146)	(353)
TOTAL (LINES 1 TO 11)	**73,821**	**71,876**	**81,454**
o/w TOTAL FFIs	71	71	78
o/w TOTAL Investments	73,751	71,805	81,376
o/w			
Estimated values according to article R343-9	4,650	4,644	4,511
Estimated values according to article R343-10	69,100	67,161	76,855
Estimated values according to article R343-13			
Estimated values according to article R343-11			
Other forward and option contracts	71	71	78
o/w			
Values attributable to the representation of technical reserves other than those referred to below	4,919	4,912	4,806
Securities securing liabilities to pension funds or covering managed investment funds			
Securities deposited with cedants (o/w securities deposited with cedants for which the Company has given a joint and several guarantee)	78	78	73
Values allocated to special technical reserves for other business in France			
Other allocations or no allocation	68,824	66,886	76,575

Note: Fair value of investments in subsidiaries corresponds to the fair value retained for the Solvency II balance sheet valuation.

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5.2.2 DERIVATIVES INSTRUMENTS

Table 4: Off balance sheet commitments – derivative instruments

(In Euro million)	Notional	Contracts by maturity date	Contracts by strategy	Contracts by market	Contracts by market risks	Contracts by type of instruments
Currency forward purchase (notional)	219	From 0 to 1 year	Yield	OTC transaction	Foreign exchange risk Currency forward purchase against Euros to be delivered	Swaps
Currency forward sale (notional)	68	From 0 to 1 year	Yield	OTC transaction	Foreign exchange risk Currency forward sale against Euros to be received	Swaps
CDS	22	From 0 to 1 year	Yield	OTC transaction	Interest rate risk	Swaps
CDS	170	From 1 to 5 years	Yield	OTC transaction	Interest rate risk	Swaps
Interest rate asset swap (notional)	15	More than 5 years	Yield	OTC transaction	Interest rate risk	Swaps
Foreign exchange Forward Swaps	60	From 0 to 1 year	Yield	OTC transaction	Foreign exchange risk Currency forward purchase/ sale against Euros	Forward
Interest rate swaps	10	From 0 to 1 year	Yield	OTC transaction	Interest rate risk	Interest rate guarantee agreements
Interest rate swaps	625	From 1 to 5 years	Yield	OTC transaction	Interest rate risk	Interest rate guarantee agreements
Interest rate swaps	875	More than 5 years	Yield	OTC transaction	Interest rate risk	Interest rate guarantee agreements
Interest rate swaps	2,686	From 0 to 1 year	Other operation	OTC transaction	Interest rate risk	Interest rate guarantee agreements
Interest rate swaps	1,448	From 1 to 5 years	Other operation	OTC transaction	Interest rate risk	Interest rate guarantee agreements
Interest rate swaps	6,904	More than 5 years	Other operation	OTC transaction	Interest rate risk	Interest rate guarantee agreements
Cross Currency swaps (long term)	315	From 0 to 1 year	Exchange	OTC transaction	Currency and interest rate risk	swap
Cross Currency swaps (long term)	1,132	From 1 to 5 years	Exchange	OTC transaction	Currency and interest rate risk	swap
Cross Currency swaps (long term)	3,105	More than 5 years	Exchange	OTC transaction	Currency and interest rate risk	swap
Cross Currency swaps (long term)	17	From 0 to 1 year	Exchange	OTC transaction	Currency and interest rate risk	swap
Cross Currency swaps (long term)	970	From 1 to 5 years	Exchange	OTC transaction	Currency and interest rate risk	swap
Cross Currency swaps (long term)	1,462	More than 5 years	Exchange	OTC transaction	Currency and interest rate risk	swap
Foreign Exchange swaps (short term)	704	From 0 to 1 year	Exchange	OTC transaction	Exchange risk	swap
Foreign Exchange swaps (short term)	3,794	From 0 to 1 year	Exchange	OTC transaction	Exchange risk	swap
Options						
Foreign Exchange Options	18,415	From 0 to 1 year	Exchange	OTC transaction	Foreign exchange risk Purchases/Forward sales currencies against euros	Options
TOTAL OUTSTANDING	**43,016**					

Table 5: Correspondence between assets and the summary statement of investments

(in Euro million)	
Investments	73,751
Investments in UCITS	0
Total investments	**73,751**
To be deducted:	
Amortization of redemption price differences	22
Reserves Equities and other UCITS	105
Provisions in affliated companies and companies with a shareholding link	1,834
To be added:	
Differences in the redemption prices to be collected	15
Cash on deposit buildings	
TOTAL SUMMARY STATEMENT OF INVESTMENTS	**71,805**

Table 6: Additional information

The balance not yet amortized or written back, corresponding to the difference in the redemption price of securities valued in accordance with article R.332-19 of the French Insurance Code, is as follows:

(in Euro million)	12/31/2022
Redemption value	2,856
Net value	2,791
Unamortized balance	**65**

Table 7: Analysis of property rights (including assets representing variable capital contracts)

	12/31/2022		
(in Euro million)	Gross value	Net value	Fair value
Operating buildings			
Real rights			
Shares in unlisted real estate or property companies			
Other capital assets			
Shares in unlisted real estate or property companies *	105	105	113
TOTAL	**105**	**105**	**113**

* *Including assets representing variable capital contracts.*

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Table 8: Subsidiaries and participating interests

(in Euro thousand)	Share capital	Other shareholders' equity	Percentage of capital *held*	Gross Book Value of securities held	Net Book Value of securities held	Loans and cash advances given by the Company still outstanding	Guarantees and commitments given by the Company under commitments made by subsidiary/ participation	Last closing revenues available [(a)]	Last closing result available	Dividends received	Closing date and other observations
A. DETAILED INFORMATION CONCERNING SUBSIDIARIES AND INVESTMENTS ACCOUNTING FOR IN EXCESS OF 1% OF AXA'S SHAREHOLDERS' EQUITY											
1) Subsidiaries (at least 50%-owned)											
AXA ASIA	8,401,354	307,090	100.00%	8,413,436	8,413,436	-	-	140,693	198,428	-	31 décembre 2022
21, avenue Matignon – 75008 Paris											
ARCHITAS LIMITED	7	51,184	100.00%	76,851	76,851	-	-	21,945	16,950	27,146	31 décembre 2022
5 Old Broad Street – EC2N 1AD – London – Royaume-Uni											
AXA PARTNERS HOLDINGS SA	494,952	13,025	100.00%	595,138	595,138	69,000	-	2098,066	(51,406)	-	31 décembre 2022
6, rue André Gide – 92320 Chatillon – France											
AXA CHINA	461,655	(667)	51.00%	235,448	235,448	-	-	-	(17)	-	31 décembre 2022
23, avenue Matignon – 75008 Paris – France											
AXA France VIE	487,725	6,565,640	98.34%	2,525,109	2,525,109	-	320,000	20942,669	568,919	691,143	31 décembre 2022
313,Terrasses de l'Arche – 92727 Nanterre – France											
AXA France IARD	214,799	2,581,466	99.92%	1,801,832	1,801,832	-	-	7889,858	1091,021	579,066	31 décembre 2022
313,Terrasses de l'Arche – 92727 Nanterre – France											
AXA FRANCE PARTICIPATIONS	746,755	17,997	100.00%	746,755	746,755	-	-	8,784	8,503	-	31 décembre 2022
313,Terrasses de l'Arche – 92727 Nanterre – France											
XL GROUP	0	18,129,821	100.00%	18,253,297	18,253,297	-	2,068,001	-	905,641	113,971	31 décembre 2022
O'Hara House, One Bermudiana Road – Hamilton Bermuda HM 08 – Bermudes											
AXA GENERAL INSURANCE	185,883	75,736	99.71%	293,728	293,728	-	-	637,441	32,995	-	31 décembre 2022
395-70, Shindaebang-dong, Dongjak-gu – Seoul – Corée du Sud											
AXA HOLDINGS BELGIUM	453,101	882,048	100.00%	4,493,243	4,493,243	-	-	245,544	244,702	313,600	31 décembre 2022
1, place du Trône – 1170 BRUXELLES – Belgique											
AXA INVESTMENT MANAGERS	52,843	1,278,182	75.65%	1,616,301	1,616,301	-	116,167	403,100	333,168	142,695	31 décembre 2022
Tour Majunga, La Défense 9 – 92800 Puteaux – France											
AXA HOLDING JAPAN	603,615	2,370,546	78.55%	2,261,181	2,261,181	-	-	4974,584	508,469	280,496	31 décembre 2022
NBF Platinium Tower 1-17-3 Shirokane – Minato-ku											
108 – 8020 Tokyo – Japon											
AXA LIFE EUROPE	99,960	1,193,526	100.00%	869,424	869,424	-	-	229,764	43,210	30,000	31 décembre 2022
Wolfe Tone House, Wolfe Tone street – D01 HP90 – Dublin – Irlande											
ARCHITAS SOLUTIONS	106,211	(104,752)	100.00%	120,000	14,448	-	-	-	5	-	31 décembre 2022
Wolfe Tone House, Wolfe Tone street – D01 HP90 – Dublin – Irlande											
AXA MEDITERRANEAN HOLDING	211,477	3,555,247	100.00%	4,485,474	4,485,474	276,000	181,274	526,228	584,944	153,300	31 décembre 2022
Calle monseñor Palmer numéro 1 – Palma de Mallorca – Iles Baléares											
AXA GROUP OPERATIONS SAS	298,893	(75,375)	99.98%	496,406	151,842	35,000	-	-	(71,668)	-	31 décembre 2022
81 Rue Mistislav Rostropovitch – 75017 Paris – France											
AXA UK PLC [(b)]	914,722	5,181,946	100.00%	5,689,934	5,689,934	-	1,352,982	-	--	349,304	31 décembre 2022
20 Gracechurch Street – Londres EC2N 1AD – Royaume-Uni											
AXA VERSICHERUNGEN AG	162,819	3,828,332	100.00%	5,171,327	5,171,327	-	-	3636,692	1296,109	863,677	31 décembre 2022
General Guisan-str,40 – CH-8401 Winterthur – Suisse						-	-				
CFP MANAGEMENT	1,300	12,171	100.00%	139,808	15,931	-	-	-	2,400	11,890	31 décembre 2022
21, avenue Matignon – 75008 Paris – France						-	-				
COLISEE RE	95,436	98,037	100.00%	619,892	169,730	-	-	2,302	(4,830)	53,000	31 décembre 2022
61 Rue Mistislav Rostropovitch – 75017 Paris – France											

(a) For Insurance companies: gross written premiums. For real estate companies: rental revenues. For holding companies: dividends. For financial services companies: gross banking revenues.
(b) Consolidated data.

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(in Euro thousand)	Share capital	Other shareholders' equity	Percentage of capital *held*	Gross Book Value of securities held	Net Book Value of securities held	Loans and cash advances given by the Company still outstanding	Guarantees and commitments given by the Company under commitments made by subsidiary/ participation	Last closing revenues available [(a)]	Last closing result available	Dividends received	Closing date and other observations
AXA NEXT	60,451	12,994	100.00%	110,720	35,957	-	-	236	(11,025)	-	31 décembre 2022
21, avenue Matignon – 75008 Paris – France											
SOCIÉTÉ BEAUJON	9,738	161,464	99.95%	254,897	155,965	-	1,108,640	14,382	(15,320)	273,183	31 décembre 2022
21, avenue Matignon – 75008 Paris – France											
AXA KONZERN AG	79,840	2,301,648	74.37%	3,606,082	3,606,082	-	-	534,174	596,589	332,170	31 décembre 2022
Colonia Allee, 10-20 – 51067 Koln – Allemagne											
KOLNISCHE VERWALTUNGS	13,498	(61,454)	76.98%	1,122,697	1,122,697	-	-	114,418	112,919	87,555	31 décembre 2022
Marie-Curie Strasse 8 51377 Leverkusen – Allemagne											
LOR PATRIMOINE	59,035	2,023	100.00%	59,043	59,043	-	-	111	(5)	-	31 décembre 2022
21, avenue Matignon – 75008 Paris – France											
AXA CLIMATE	44,848	(10,542)	100.00%	63,900	63,900	-	-	18	(22)	-	31 décembre 2022
61 Rue Mistislav Rostropovitch – 75017 Paris – France											
2) Participations (10 à 50% du capital détenu)											
AXA HOLDING AS	62,741	3,731	16.76%	112,497	112,497	-	-	-	18,417	2,738	31 décembre 2022
Meclisi Mebusan cadn° 15 – Salipazari 34433 ISTANBUL – Turquie											
LOR MATIGNON	8,538	183,302	27.78%	56,695	56,695	-	-	29	(3,638)	-	31 décembre 2022
Tour Majunga, La Défense 9 – 92800 Puteaux – France											
RESO GARANTIA	69,962	(339,479)	38.61%	700,000	347,674	-	-	-	(24,420)	-	31 décembre 2022
6 Nagorny Proezd – bld 9, 3rd Floor, Office 1 – 117152 Moscow – Russie											
DHP	10,200	20,676	36.87%	163,015	3,676	-	-	-	853	-	31 décembre 2022
21, avenue Matignon – 75008 Paris – France											
Subtotal A	**14,412,359**	**23,673,222**		**65,154,131**	**63,444,617**	**380,000**	**5,147,063**	**42,421,037**	**6,381,891**	**4,304,934**	
B. GENERAL INFORMATION ABOUT OTHER UNITS AND PARTICIPATING INTERESTS											
a) French subsidiaries (total)				64,495	13,753	-	217	-	-	16,738	
b) Foreign subsidiaries (total)				104,583	72,254	-	-	-	-	1,855	
2) Participating interests not shown in Section A											
a) in French companies (total)				-	-	-	-	-	-	-	
b) in foreign companies (total)				69,875	27,802	-	-	-	-	9,179	
TOTAL (A+B)				**65,393,084**	**63,558,426**	**380,000**	**5,147,280**	**42,421,037**	**6,381,891**	**4,332,706**	

(a) For Insurance companies: gross written premiums. For real estate companies: rental revenues. For holding companies: dividends. For financial services companies: gross banking revenues.
(b) Consolidated data.

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Table 9: Transactions with affiliated companies and companies with which the Company has a participating interest

	Affiliated companies			Companies with which there is a participating interest		
(in Euro million)	Gross value	Provision	Net value	Gross value	Provision	Net value
Investments:	-	-	-	-	-	-
Units, shares	66,005	1,280	64,725	1,102	554	548
Warrants, bonds	-	-	-	-	-	-
Other securities or deposits	1,835	-	1,835	-	-	-
Loans	380	-	380	-	-	-

5.3 Receivables

Table 10: Table of breakdowns of receivables by residual valu

	2022				2021
(in Euro million)	Up to 1 year	From 1 year to 5 years	More than 5 years	Total	Total
RECEIVABLES					
Receivables arising from direct insurance transactions					
Premiums to be issued					
Other receivables arising from direct insurance operations					
Receivables arising from reinsurance operations (excluding provision for doubtful debts)	**1,888**			**1,888**	
Provision for receivables arising from doubtful reinsurance operations	(3)			(3)	
Other receivables					
Personnel	1			1	
Government, social security bodies and local authorities	353			353	102
Sundry debtors	60	45		105	235
TOTAL	**2,299**	**45**		**2,344**	**337**

Table 11: Table of transactions with affiliated companies and companies with which the Company has a participating interes

	Affiliated companies			Companies with which there is a participating interest		
(in Euro million)	Gross value	Provision	w	Gross value	Provision	Net value
RECEIVABLES	**-**	**-**	**-**	**-**	**-**	**-**
Receivables arising from direct insurance operations:	**-**	**-**	**-**	**-**	**-**	**-**
Premiums to be issued:	**-**	**-**	**-**	**-**	**-**	**-**
■ on policyholder	-	-	-	-	-	-
■ on intermediaries and co-insurers	-	-	-	-	-	-
Other receivables:	**-**	**-**	**-**	**-**	**-**	**-**
■ on policyholder	-	-	-	-	-	-
■ on intermediaries and co-insurers	-	-	-	-	-	-
Receivables arising from reinsurance operations	**1,110**	**-**	**1,110**	**-**	**-**	**-**
Other receivables	**27**	**-**	**27**	**-**	**-**	**-**
TOTAL	**1,137**	**-**	**1,137**	**-**	**-**	**-**

5.4 Accrued income and Accruals – assets

Table 12: accrued income and accruals

(in Euro million)	12/31/2022	12/31/2021 restated
ACCRUED INCOME		
Earned premiums not yet written (from cedants)	**727**	
Personnel	**1**	
Social security organizations		
State	**353**	**102**
Miscellaneous- accrued income	**92**	**235**
TOTAL ACCRUED INCOME	**1,173**	**337**
ACCRUALS – ASSETS		
Accrued not due interest and rental income	**82**	**68**
Deferred acquisition costs:		
Life		
Non-life		
Other prepayments and accrued income (assets):		
Deferred acquisition costs of buildings		
Other deferred expenses		
Difference on redemption prices receivable (assets)	62	30
Reinsurance technical assessments (assets)	94	
Other accruals – derivatives	86	
Other accruals- Assets	3,422	3,302
Unrealized foreign exchange losses	202	278
Option premiums paid	187	
Prepaid expenses	17	8
TOTAL ACCRUALS – ASSETS	**4,152**	**3,686**

BALANCE SHEET – LIABILITIES

5.5 Share capital

The Company's share capital is represented by 2,421,568,696 shares with a par value of €2.29, giving a total value of €5,545,392,314 as at December 31, 2021. These shares were all entirely subscribed and paid with rights from January 1, 2021.

Table 13: Composition of the share capital

Movements of securities *(in Euro)*	Number	Nominal value	Share capital
Securities at the start of the year	2,421,568,696	2.29	5,545,392,314
Securities issued	16,102,469	2.29	36,874,654
Securities redeemed or cancelled	85,900,220	2.29	196,711,504
Securities at year end	2,351,770,945	2.29	5,385,555,464

Table 14: Composition of the treasury shares

(in Euro)	12/31/2021	Increase	Decrease	12/31/2022
Number of treasury shares	65,818,351	117,153,770	95,740,201	87,231,920
Average purchase cost	23.19	24.90	25.28	23.20
Nominal Value	2.29	2.29	2.29	2.29
Amount of negotiation fees				

5.6 Movement in shareholders' equity

Table 15: Statement of change in shareholder's equity

(in Euro million)	Year ending December 31, 2021	Year ending December 31, 2022
Net income	2,819	2,809
Per share	1.16	1.19
Movement in shareholders' equity compared to opening balance	(559)	(2,597)
Per share	(0.23)	(1.10)
Proposed dividend [(a)]	3,729	3,998
Per share	1.54	1.70

(a) Proposed dividend at year-end 2022 is submitted to Shareholders' Meeting of April 27, 2023.

(in Euro million)	
EQUITY AT DECEMBER 31, 2021 STATED	**43,374**
Retainings earnings: Difference on regulatory change	116
EQUITY AT JANUARY 1, 2022 RESTATED	**43,490**
Capital increase for employees	296
Exercise of equity instruments	45
Shares buyback/cancellation	(2,207)
Dividends paid out	(3,539)
Net income for the period	2,809
Tax driven provision and others	-
EQUITY AT DECEMBER 31, 2022	**40,893**

5.7 Subordinated liabilities

Table 16: Breakdown of subordinated debts by residual value

(in Euro million)	Value at December 31, 2022	Less than one year	1 to 5 years	More than 5 years
Undated subordinated debts	3,739	-	-	3,739
Undated subordinated Euro Medium Term Notes	1,976	-	-	1,976
Subordinated bonds 5,125% due 2043	1,000	-	-	1,000
Subordinated bonds 4.5% due 2046 ($)	846	-	-	846
Subordinated bonds 3.375% due 2047	1,500	-	-	1,500
Subordinated bonds 5.625% due 2054 (£)	797	-	-	797
Subordinated bonds 5.125% due 2047 ($)	937	-	-	937
Subordinated bonds 3.337% due 2049	2,000	-	-	2,000
Subordinated bonds 1.495% – 2041	1,000	-	-	1,000
Subordinated bonds 1.875% due 2042	1,250			1,250
Subordinated bonds 4.25% due 2043	1,250			1,250
Redeemable subordinated bonds 8.60% due 2030 ($)	821	-	-	821
Subordinated EMTN	10	10	-	-
TOTAL	**17,126**	**10**		**17,116**
Accrued interests [(a)]	303	303	-	-
TOTAL	**17,429**	**313**	**-**	**17,116**

(a) Accrued interests are recorded in accruals – liabilities.

The perpetual subordinated notes are undated bonds. The Company has the option of deferring payment of the coupons under certain conditions. Nonetheless, the coupons must be paid when these conditions cease to be met or on redemption of the instruments. When payment is deferred for an extended period, the coupons remain payable by law. Similarly, in the absence of dividends being paid, unpaid coupons accumulated over the years will be recognized as payable upon liquidation, if any.

5.8 Contingent liabilities

Table 17: Variation of other non-technical provisions

(in Euro million)	12/31/2021	Allocation for the year	Reversal for the year (reserve used)	Reversal for the year (reserve not used)	12/31/2022
Regulated reserves	45	-	-	-	45
Reserves for exchange losses	57	128	5	-	180
Provisions for taxes	12	1	12	-	1
Provisions for deferred taxes	243	203	4	-	442
Other non technical reserves	579	54	247	-	386
TOTAL	**936**	**386**	**268**	**-**	**1,054**

5.9 Other liabilities

Table 18: Breakdown of liabilities by residual value

	2022				2021
(in Euro million)	Up to 1 year	From 1 year to 5 years	More than 5 years	Total	Total
LIABILITIES	**-**	**-**	**-**	**-**	**-**
Liabilities for cash deposits received from ceding companies	1,683	-	-	1,683	-
Liabilities arising from direct insurance operations	-	-	-	-	-
Liabilities arising from reinsurance operations	937	-	-	937	-
Bonds	920	1,585	935	3,440	3,686
Liabilities towards credit institutions	-	-	-	-	-
Other liabilities	2,317	2,619	9,480	14,417	12,807
TOTAL	**5,857**	**4,204**	**10,416**	**20,477**	**16,493**

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Table 19: Table of transactions with affiliated companies and companies with which the Company has a participating interest

	Affiliated companies			Gross value		
(in Euro million)	Gross value	Provision	Net value	Gross value	Provision	Net value
Liabilities						
Liabilities for cash deposits received from ceding companies:	1,280	-	1,280	-	-	-
Liabilities arising from direct insurance operations:						
■ on policyholder						
■ on intermediaries and co-insurers						
Liabilities arising from reinsurance operations	347	-	347	-	-	-
Bonds (including convertible bonds)						
Liabilities towards credit institutions	3,440	-	3,440	-	-	-
Other liabilities	8,611	-	8,611			
TOTAL	**13,679**	**-**	**13,679**	**-**	**-**	**-**

5.10 Accrued expenses and Accruals – liabilities

Table 20: Accrued expenses and accruals

(in Euro million)	12/31/2022	12/31/2021
ACCRUED EXPENSES		
Earned premiums to retrocede (to reinsurers)	**674**	**-**
Personnel	**-**	**-**
Accrued liabilities for paid leave	-	-
Accrued liabilities for employee profit-sharing	-	-
Other accrued expenses	1	-
Social security organizations	**-**	**-**
Social security charges on paid leave	-	-
Other accrued expenses	-	-
State	**-**	**-**
Tax charges on paid leave	-	-
Other accrued expenses	-	7
Shareholders, dividends to be distributed	-	-
Miscellaneous – accrued expenses	362	199
TOTAL ACCRUED EXPENSES	**1,037**	**206**
ACCRUALS – LIABILITIES		
Accrued not due interest on debts	**407**	**361**
Estimated commission and brokerage	**-**	**-**
Other prepayments and accrued expense (liabilities)	**-**	**-**
Income to be deferred over several financial years	-	-
Amortization of differences in redemption prices (liabilities)	23	-
Reinsurance technical assessments (liabilities)	88	-
Other accruals – derivatives	309	-
Other accruals- Liabilities	45	-
Unrealized foreign exchange gains	304	402
Option premiums received	301	86
TOTAL ACCRUALS - LIABILITIES	**1,477**	**849**

6. NOTES TO THE STATEMENT OF INCOME

6.1 Income and expenses from technical operations

Table 21: Breakdown by category

(in Euro million)	A – Categories 1 to 19 12/31/2022	(Life activity) 12/31/2021
Item		
1 Earned premiums	93	
2 Benefit expenses	(90)	
3 Expenses for life insurance reserves and other technical reserves	(277)	
4 Adjustments on Unit-Linked policies		
A - Subscription balance	**(274)**	
5 Acquisition costs	(4)	
6 Other net management expenses	(2)	
B - Net acquisition and management expenses	**(6)**	
7 Net investment income	14	
8 Profit sharing	(6)	
C - Financial balance	**8**	
9 Premiums given in substitution		
10 Substitute guarantors' share of benefit expenses		
11 Substitute guarantors' share of life insurance and other technical provisions		
12 Substitute guarantors' share of profit sharing		
13 Commissions received from substitute guarantors		
D - Substitution balance		
14 Premiums ceded	(62)	
15 Reinsurers' share of benefit expenses	59	
16 Reinsurers' share of life insurance and other technical provisions	185	
17 Reinsurers' share of profit sharing	4	
18 Commissions received from reinsurers	2	
E - Reinsurance balance	**188**	
Technical result (A+B+C+D+E)	**(84)**	
Off account [(a)]		
19 Amount of redemptions		
20 Gross technical interest for the year		
21 Gross technical reserves at year end	537	
22 Gross technical reserves at the start of the year		

A

(in Euro million)	B - Categories 20 to 39 12/31/2022	(Non-life activity) 12/31/2021
Item		
1 Earned premiums	5,841	
1a - Premiums	5,841	
1b - Change in unearned premiums		
2 Benefit expenses	(3,974)	
2a - Benefits and expenses paid	(2,940)	
2b - Change in reserves for benefits and miscellaneous	(1,035)	
A - Subscription balance	**1,886**	
5 Acquisition costs	(1,518)	
6 Other net management expenses	(22)	
B - Net acquisition and management expenses	**(1,540)**	
7 Net investment income	171	
8 Profit sharing	(7)	
C - Financial balance	**165**	
9 Reinsurers' share of earned premiums	(1,422)	
10 Reinsurers' share of benefits paid	1,180	
11 Reinsurers' share of benefit expenses	(56)	
12 Reinsurers' share of profit sharing	7	
13 Commissions received from reinsurers	158	
D - Reinsurance balance	**(134)**	
Technical result (A+B+C+D)	**357**	
Off account [(a)]		
14 Reserves for unearned premiums at year end	170	
15 Reserves for unearned premiums at the start of the year		
16 Reserves for claims payable at year end	7,524	
17 Reserves for claims payable at the start of the year		
20 Reserves for liquidity risk at year end		
21 Reserves for liquidity risk at the start of the year		
18 Other technical reserves at year end		
19 Other technical reserves at the start of the year		

(a) Opening stocks of reserves are valued at N-1 exchange rates

Table 22: Commissions for direct insurance/reinsurance

(in Euro million)	12/31/2022	12/31/2021
Life Insurance	2	-
Non-Life Insurance	1,506	-
TOTAL	**1,509**	**-**

Table 23: Breakdowns of gross premiums

(in Euro million)	12/31/2022	12/31/2021
Accepted insurance premiums (France)	1,961	-
Accepted insurance premiums EEC (outside France)	2,460	-
Insurance premiums accepted outside the EEC	1,513	-
TOTAL	**5,934**	**-**

6.2 Investments income and expenses

Table 24: Financial income and expenses

Type *(in Euro million)*	**Financial income and financial expenses relating to investments in affiliated companies**	**Financial income and financial expenses on other investments**	**12/31/2022**	**12/31/2021**
Investment income	4,390	380	4,769	3,672
Income from real estate investments		1	1	
Income from other investments	449	1,019	1,468	2,354
Other financial income (commissions, fees, interest, etc.)	3	54	57	771
TOTAL (ITEM II-2 OF THE "LIFE" PROFIT AND LOSS ACCOUNT), (ITEM III-3 OF THE NON-TECHNICAL PROFIT AND LOSS ACCOUNT)	**4,842**	**1,454**	**6,296**	**6,798**
Financial expenses (commissions, fees, interest, agios, etc.), (item II-9a "life" and item III-5a non-technical net of investment management expenses)	(75)	(984)	(1,059)	(936)
a) total other investment income				
b) total other investment expenses	(640)	(1,562)	(2,202)	(3,283)

6.3 Income tax

Table 25: Tax burden analysis

	12/31/2022			**12/31/2021**		
Tax *(in Euro million)*	**For the year**	**For previous years**	**Total**	**For the year**	**For previous years**	**Total**
Related to ordinary operations	254	82	336	649	16	665
Related to exceptional income and expenses						
TOTAL	**254**	**82**	**336**	**649**	**16**	**665**

6.4 Executive remuneration

- Directors' fees allocated to members of the Board of Directors €1.7 million.
- Other remuneration (net of recharging) €9.6 million.

The Company had 2 employees and 2 executive officers at the balance sheet date.

Table 26: Options and performance shares or units granted to members of the Management Committee paid by the Company

	Year 2022		**Year 2021**	
(in Euro)	**Value of options granted during the year**	**Value of performance shares and performance units granted during the year**	**Value of options granted during the year**	**Value of performance shares granted during the year**
TOTAL	**-**	**4,435,986**	**-**	**3,955,416**

7. OTHER INFORMATION

Information on transactions operated by related parties

None of the transactions operated by related parties, that are still outstanding at year end or that occurred during the course of the year, account for the distinctive characteristics of transactions to be disclosed in accordance with the ANC regulations n° 2014-03 (article 831-3).

A

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92208 Neuilly-sur-Seine Cedex

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92037 Paris-La Défense

Statutory Auditors' report on the financial statements
(For the year ended December 31, 2022)

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting of AXA SA,

OPINION

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of AXA SA for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (code de commerce) and the French Code of ethics (*code de déontologie de la profession de commissaire aux comptes*) for statutory auditors for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

EMPHASIS OF MATTER

We draw attention to the following matter described in Notes 2 and 3 to the financial statements which specify the impact on these accounts of the application of ANC Regulation n° 2015-11 of November 26, 2015 modified relating to the annual financial statements of insurance companies, following the approval in 2022 as a reinsurance company.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of Investments in affiliated undertakings and in undertakings with which a participating interest exists

(See Notes 4.2 to the financial statements)

Key audit matter	How our audit addressed the matter
At December 31, 2022, investments in affiliated undertakings and in undertakings with which a participating interest exists represented €66 428 million, a significant balance sheet item. These investments are initially carried at acquisition cost or their contribution value. At the end of the fiscal year, an impairment allowance is recognized if the value at closing date is less than the acquisition cost. As described in note 4.2 to the financial statements, the value at closing date corresponds to the value in use and is determined by management on the basis of the share price, the equity value (including unrealized gains), or the future prospects of the subsidiary. Estimating the value in use of these types of investments requires a significant degree of judgment from management in terms of selecting the measurement methods, depending on the investment in question, and in determining which data and assumptions should be used to estimate the expected profits when these are taken into account in the valuation. In particular: ■ for the “Life, Savings and Retirement” activities, the value of future profits is estimated on the basis of the calculations of the European Embedded Value published by the Group. ■ for “Property and Casualty” activities, the value in use approach results from cash-flow projections based on the strategic plan approved by management, discounted using a risks adjusted rate. Beyond the strategic plan horizon, future cash-flows are extrapolated using long term growth rates deemed achievable, to derive a terminal value Given the inherent uncertainty involved in the use of forecasts (in terms of whether or not they will be achieved) and in the judgment required to assess value in use, we deemed the correct measurement of investments in affiliated undertakings and in undertakings with which a participating interest exists, particularly those based on forward-looking data, to be a key audit matter.	To assess the reasonableness of the estimated value in use of investments in affiliated undertakings and in undertakings with which a participating interest exists, based on the information provided to us, our audit work consisted primarily of verifying that the estimated values determined by management were based on an appropriate measurement method and assumptions, depending on the investment concerned. For valuations based on forecast data: ■ Assess the appropriateness of the methodology and assumptions used with regard to the Solvency II texts and the European Embedded Value principles published by the CFO Forum when the values in use of life and non-life insurance companies are based on these frameworks; ■ For the other entities notably non-life business, obtain the projections for cash flow and operating cash flow for the businesses produced by their respective operational management teams, and: - Check the consistency of the historical data used with the financial statements of the audited entities; - Check that the assumptions made are consistent with the economic environment at the closing date and at the date the financial statements were prepared; - Compare projections made in previous periods with actual results in order to assess the reliability of the estimates; - Verify the accuracy of the value in use calculated; - Confirm that the value in use, which is based on projected cash flows, has been adjusted to account for debts; We also verified the recording of other non technical reserves where the company is exposed to the losses of a subsidiary with negative equity. Finally, we assessed the adequacy of the disclosures in the financial statements.

Measurement of claims reserves for reinsurance contracts notably for long-tail claims development businesses
(See Notes 3.2 and 4.9 to the financial statements)

Key audit matter	How our audit addressed the matter
The technical reserves of your company amount to €7 524 million for Non-life business and €251 million for Life business as at December 31, 2022. As described in notes 3.2 and 4.9 of the financial statements, the amount of claims reserves corresponds to estimated value of the principal expenses and costs, both internal and external, necessary for the settlement of all incurred and unpaid losses, including capital constituting annuities not yet payable by the Company. They include estimated reserves on a case-by-case basis and late claims estimated using statistical methods. Technical reserves are established on the basis of data provided by ceding companies and supplemented by actuarial estimates. These estimates, based on reinsurance commitments or on statistical and actuarial bases, involve significant uncertainties, particularly with regard to long-tail claims development and require a significant degree of judgment from management. In this context, we considered the measurement of claims reserves for reinsurance contracts notably for long-tail claims development, to be a key audit matter.	Our audit approach to the risk relating to the measurement of claim reserves notably for long-tail claims development is as follows: ■ We assessed the compliance of the methodology applied by AXA S.A. with current accounting standards and its application; ■ We evaluated and tested the design and operating effectiveness of the internal controls we deemed key to our audit and related to: - the management of claims and, in particular, the measurement of reserves on a case-by-case basis; - the calculation of the ultimate cost (assumptions, judgments, data, methodologies, compliance with the applicable accounting principles and methods), including second opinion supplied by Risk Management with respect to technical reserves; - the IT systems used to process the technical data and integration into the accounting system. ■ We tested the reliability of the underlying data; ■ Our work also consisted in assessing the statistical methods and actuarial inputs applied, as well as of the assumptions used, with respect to the applicable regulations, and the economic and financial context of AXA SA; ■ We have, notably on branches where the estimation of claims provisions has a higher risk of uncertainty and judgment, evaluated the outcome of the accounting estimates made the previous years with a view to assessing the reliability of the process used by management to calculate these estimates; ■ We have, with the help of our actuarial specialists, undertook an independent evaluation of the reserves for some insurance risk categories. Finally, we assessed the adequacy of the disclosures in the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

Concerning the fair presentation and the consistency with the financial statements of the information on supplier payment terms referred to in Article D.441-6 of the French Commercial Code, we have the following matter to report: as explained in the management report, the information does not include insurance and reinsurance transactions because the Company considers that they do not fall within the scope of the disclosure requirement in accordance with the circular issued by the *Fédération Française de l'Assurance* dated 29 May 2017.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L. 22-10-10 et L.22-10-9 of the French Commercial Code (*code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by or allocated to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled companies which are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of Statutory Auditors

We were appointed as statutory auditors of AXA SA by the Shareholders' Meetings held on February 28, 1989 (PricewaterhouseCoopers Audit) and on April 28, 2022 (ERNST & YOUNG Audit).

As at December 31, 2022, PricewaterhouseCoopers Audit and ERNST & YOUNG Audit were in the thirty-fourth and in the first year of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics for statutory auditors (*code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, March 20, 2023

The Statutory Auditors

PricewaterhouseCoopers Audit		ERNST & YOUNG Audit	
Bénédicte Vignon	Grégory Saugner	Olivier Durand	Patrick Menard

APPENDIX IV GROUP EMBEDDED VALUE AND SOLVENCY II OWN FUNDS

The information is disclosed in the "Embedded Value and Solvency II Own Funds Report 2022" which is available on AXA's website (www.axa.com).

APPENDIX V GLOSSARY

This glossary includes definitions of non-GAAP financial measures, or alternative performance measures ("APMs"), indicated by an asterisk (*), that Management believes are useful to understand the Group's business and analyze the Group's performance.

SCOPE AND COMPARABLE BASIS

Split by geography

The split by geography is detailed below:

- **France** (insurance and banking activities, and holding);
- **Europe**, consisting of:
  - Switzerland (insurance activities),
  - Germany (insurance activities and holding),
  - Belgium (insurance activities and holding),
  - United Kingdom & Ireland (insurance activities and holding),
  - Spain (insurance activities),
  - Italy (insurance activities);
- **Asia**, consisting of:
  - Japan (insurance activities and holding),
  - Hong Kong (insurance activities),
  - Asia Emerging Markets, consisting of:
    - Thailand (insurance activities),
    - Indonesia (insurance activities),
    - China (insurance activities),
    - The Philippines (insurance activities);
  - South Korea (insurance activities),
  - Asia Holdings;
- **AXA XL** (insurance and reinsurance activities and holding);
- **International**, consisting of:
  - EME-LATAM:
    - AXA Bank Belgium (disposed on December 31, 2021),
    - Brazil (insurance activities and holding),
    - Colombia (insurance activities),
    - Greece (insurance activities) until March 2021 (disposed on May 31, 2021),
    - The Gulf Region (insurance activities until June 2021 (disposed on September 7, 2021), and holding),
    - Luxembourg (insurance activities and holding),
    - Mexico (insurance activities),
    - Russia (Reso) (insurance activities),
    - Turkey (insurance activities and holding);
  - Africa & Asia:
    - India (Property & Casualty activities until June 2021 (disposed on September 8, 2021), Life & Savings activities and holding),
    - Malaysia (insurance activities held for sale until June 2021 and disposed on August 30, 2022),
    - Morocco (insurance activities and holding),
    - Nigeria (insurance activities and holding),
    - Singapore (insurance activities held for sale until December 31, 2021 and disposed on February 11, 2022, and holding);
  - AXA Mediterranean Holdings;
- Transversal & Central Holdings, consisting of:
  - AXA Investment Managers (including Architas),
  - AXA Assistance,
  - AXA Liabilities Managers,
  - AXA Global Re until June 30, 2022 (when it merged with and into AXA SA),
  - AXA Life Europe,
  - AXA SA (including Group's internal reinsurance activity consequently to the merger with AXA Global Re on June 30, 2022) and other Central Holdings.

Main Developed Markets and Main Emerging Markets

The split between main developed markets and main emerging markets is detailed below:

- **Main Developed Markets:** Belgium, France, Germany, Hong Kong, Italy, Japan, Spain, Switzerland, United Kingdom & Ireland and AXA XL;
- **Main Emerging Markets:** Brazil, China, Indonesia, Mexico, the Philippines and Thailand.

Comparable basis for revenues, Annual Premium Equivalent and NBV Margin

"On a comparable basis" means:

- data for the current period were restated using the prevailing foreign currency exchange rates for the same period of prior year (**constant exchange rate basis**);
- data in one of the two periods being compared were restated for the results of acquisitions, disposals and business transfers (**constant structural basis**) and for changes in accounting principles (**constant methodological basis**).

EARNINGS AND CAPITAL

Underlying earnings *

Underlying earnings represent the net income (Group share) as disclosed in the table set forth on pages 46 and 47 of this Annual Report, before the impact of the following items net of policyholder participation, deferred acquisition costs, Value of Business in-force, taxes and minority interests:

- realized gains and losses, change in impairment valuation allowances (on assets not designated under fair value option or trading assets) and cost at inception, intrinsic value and pay-off of derivatives used for the economic hedging of realized gains and impairments of equity securities (other than the funds backing contracts where the financial risk is borne by policyholders);
- profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets and liabilities.

  Derivatives related to invested assets and liabilities:

  - include all foreign exchange derivatives, except the pay-off related to currency options in earnings hedging strategies which are included in underlying earnings,
  - include all interest rate derivatives, except the pay-off related to rate instrument in earnings hedging strategies which are included in underlying earnings,
  - exclude derivatives related to insurance contracts evaluated according to the "selective unlocking" accounting policy;
- impairments of goodwill, impairments and amortization of intangibles related to customers and distribution;
- integration costs related to new acquired companies as well as restructuring costs related to productivity improvement plans; and
- exceptional operations (primarily changes in scope and discontinued operations).

Earnings per share

Earnings per share ("**EPS**") represent AXA's consolidated earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders' equity) divided by the weighted average number of outstanding ordinary shares over the period. Shares held by AXA and its subsidiaries (*i.e.* treasury shares) are deducted for the calculation of outstanding shares.

Diluted earnings per share ("**diluted EPS**") represent AXA's consolidated earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders' equity) divided by the weighted average number of outstanding ordinary shares over the period, on a diluted basis (*i.e.* including the potential impact of all outstanding dilutive stock options being exercised, performance shares, and conversion of existing convertible debt into shares, provided that their impact is not anti-dilutive). Shares held by AXA and its subsidiaries (*i.e.* treasury shares) are deducted for the calculation of outstanding shares.

Underlying Earnings per share* correspond to underlying Earnings (net of financial charges related to undated subordinated debts recorded through shareholders' equity) divided by the weighted average number of outstanding ordinary shares over the period. Shares held by AXA and its subsidiaries (*i.e.* treasury shares) are deducted for the calculation of outstanding shares.

Return on Equity

Return on Equity ("**RoE**"), presented in this annual report, is calculated as earnings net of interest charges related to undated and deeply subordinated debts divided by the average of opening and closing shareholders' equity both excluding:

- for underlying RoE *:
  - reserves relating to the change in the fair value through shareholders' equity,
  - undated and deeply subordinated debts since they are treated as financing debt;
- for net income RoE:
  - reserves relating to the change in the fair value of available for sale fixed income securities assets through shareholders' equity,
  - undated and deeply subordinated debts since they are treated as financing debt.

Free Cash Flows

Free Cash Flows are defined as a measure of dividend capacity calculated as the sum of earnings and required capital change.

EOF (Eligible Own Funds)

Surplus derived from a Solvency II balance sheet. It is defined as the excess of market value of assets over best estimate liabilities and Risk Margin as per Solvency II regulation.

Solvency II ratio

This ratio is calculated as per Solvency II and is equal to the total amount of the Group's Eligible Own Funds ("**EOF**") divided by the Group's Solvency Capital Requirement ("**SCR**"). The Solvency Capital Requirement, *i.e.* the denominator of the Solvency II ratio, is set at a level ensuring that insurers and reinsurers are able to meet their obligations towards policyholders and beneficiaries over the next 12 months, with a 99.5% probability. The Solvency Capital Requirement can be calculated either based on the standard formula or an internal model. The Group is using an internal model.

The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. 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, 2022, available on AXA's website (www.axa.com).

Debt Gearing *

Debt Gearing refers to the level of a company's debt related to its long term capital, usually expressed as a percentage. Debt Gearing is used by Management to measure the financial leverage of the Group and the extent to which its operations are funded by creditors as opposed to shareholders. AXA's Debt Gearing is calculated by dividing gross debt (financing debt and undated and deeply subordinated debts) by total capital employed (shareholders' equity excluding undated and deeply subordinated debts and reserves relating to the change in the fair value of financial instruments and of hedge accounting derivatives) plus gross debt.

ACTIVITIES

Insurance

LIFE & SAVINGS HYBRID AND GENERAL ACCOUNT CAPITAL-LIGHT PRODUCTS

Hybrid products: Savings products allowing clients to invest in both Unit-Linked and General Account funds.

General Account capital-light products: General Account Savings products which, at inception, create more EOF than the economic capital they consume.

LIFE & SAVINGS NET INFLOWS

Life & Savings Net Inflows are defined as the collected premiums (including risk premiums, fees and revenues), net of surrenders, maturities, claims paid, and other benefits paid. This definition is applicable to all Life & Savings products as well as Life-like Health products, except for Mutual funds products.

NEW BUSINESS APE (NEW BUSINESS ANNUAL PREMIUM EQUIVALENT)

New business APE represents 100% of new regular premiums plus 10% of single premiums, in line with EEV methodology. APE is Group share.

PRESENT VALUE OF EXPECTED PREMIUM (PVEP)

PVEP represents the new business volume, equal to the present value at time of issue of the total premiums expected to be received over the policy term. The present value is discounted at the reference interest rate and PVEP is Group share.

NBV/PVEP

NBV/PVEP is the ratio of **(i)** New Business Value representing the value of newly issued contracts during the current year to **(ii)** PVEP. While the measure is not as closely linked to the cash received in the current period as APE, the ratio of NBV/PVEP is a more economic indicator of profit margin than the NBV margin.

NBV (NEW BUSINESS VALUE)

The value of newly issued contracts during the current year. It consists of the present value of future profits after the costs of acquiring business, less **(i)** an allowance for the time value of financial option and guarantees, and **(ii)** cost of capital and non-financial risks. AXA calculates this value net of tax.

NBV MARGIN (NEW BUSINESS VALUE MARGIN)

New Business Value Margin is the ratio of:

- New Business Value representing the value of newly issued contracts during the current year; to
- Annual Premium Equivalent.

This ratio represents the profitability of the new business.

MARGIN ANALYSIS

The Margin Analysis is presented on an underlying earnings basis.

Even though the presentation of the Margin Analysis is not the same as the Statement of Income (underlying basis), it is based on the same GAAP measures as used to prepare the Statement of Income in accordance with IFRS.

Underlying investment margin includes the following items:

- net investment income; and
- interests and bonuses credited to policyholders and unallocated policyholder bonuses (and the change in specific reserves purely linked to invested assets returns) related to the net investment income as well as the unwind of the discount rate used in calculating technical reserves.

Underlying fees & revenues include:

- loadings charged to policyholders (or contractual charges) on premiums of all Life & Savings products;
- loadings on deposits received on all Life & Savings products and fees on funds under management for separate account (Unit-Linked) business;
- capitalization of deferred income linked to new business: Unearned Revenue Reserve ("**URR**") and Unearned Fee Reserve ("**UFR**");
- amortization of URR and UFR, including the impact of interest capitalized;
- revenues derived from mutual fund sales (which are part of consolidated revenues); and
- other fee revenues, *e.g.* fees received on financial planning or sales of third-party products.

Underlying net technical margin includes the following components:

- mortality and morbidity margin: the difference between income or earned premiums for assuming risk and the cost of benefits and claims charges directly linked to the claims experience or its anticipation (death or disability) as well as other changes in claims and insurance reserves: all the reserve strengthening or release coming from changes in valuation assumptions and other technical impacts such as premium deficiencies net of derivatives if any;
- surrender margin: the difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination;
- policyholder bonuses if the policyholders participate in the risk margin;
- ceded reinsurance results; and
- claims handling costs.

Expenses include the following components:

- acquisition expenses, including commissions and general expenses allocated to new business;
- capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs ("**DAC**") and net rights to future management fees only for investment contracts without Discretionary Participation Features ("**DPF**");
- amortization of Deferred Acquisition Costs (DAC) and net rights to future management fees for investment contracts without DPF, including the impact of interest capitalized;
- administrative expenses; and
- policyholder bonuses if the policyholder participates in the expenses of the Company.

Underlying VBI amortization includes VBI (Value of Purchased Life Business In-force) amortization related to underlying margins.

There are certain material differences between the detailed line-by-line presentation in the Statement of Income and the components of Life & Savings Margin Analysis as set out below:

- for insurance contracts and investment contracts with DPF:
  - gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees & Revenues" and "Net Technical Margin",
  - policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, *i.e.* primarily "Investment Margin" and "Net Technical Margin",
  - the "Investment margin" represents the net investment result in the Statement of Income and is adjusted to consider the related policyholder participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees & Revenues",
  - change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis;
- for investment contracts without DPF:
  - deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the Underlying Statement of Income within Gross Consolidated Revenues on a separate line, and in Margin Analysis in the lines "Fees & Revenues" and "Net Technical Margin",
  - change in UFR (Unearned Fee Reserve - capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the Underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis.

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INSURANCE RATIOS (APPLICABLE TO PROPERTY & CASUALTY, HEALTH AND PROTECTION ACTIVITIES)

Current accident year loss ratio net of reinsurance is the ratio of:

- current year claims charge gross of reinsurance plus claims handling costs plus result of reinsurance ceded on current accident year, excluding for the discounted reserves the unwind of the discount rate used in calculating technical reserves; to
- earned revenues gross of reinsurance.

All accident year loss ratio net of reinsurance is the ratio of:

- all accident years claims charge gross of reinsurance plus claims handling costs plus result of reinsurance ceded on all accident years, excluding the unwind of the discount rate used in calculating technical reserves; to
- earned revenues gross of reinsurance.

Expense ratio is the ratio of:

- expenses (excluding claims handling costs, including changes in VBI amortization); to
- earned revenues gross of reinsurance.

Expenses include two components: expenses (including commissions) related to the acquisition of contracts (with the related **acquisition expense ratio**) and all other expenses excluding claims handling costs (with the related **administrative expense ratio**). Expenses exclude customer intangible amortization but include the impact from the changes in VBI amortization.

The **Combined ratio *** is the sum of the all accident year loss ratio net of reinsurance and the expense ratio.

Asset Management

Net inflows: 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.

Underlying cost income ratio is the ratio of:

- general expenses excluding distribution related expenses; to
- gross revenues excluding distribution fees received.

Assets under management ("**AUM**") are defined as 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") represents 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.

Banking

Operating net banking revenues are disclosed before intercompany eliminations and before realized capital gains/ losses or changes in fair value of "fair-value-P&L" assets and hedging derivatives.

APPENDIX VI BOARD OF DIRECTORS' REPORT – CROSS-REFERENCE TABLE

This Annual Report includes all the elements required to be included in the Board of Directors' report of AXA established pursuant to articles L.225-100 *et seq.* and L.22-10-35 *et seq.* of the French Commercial Code (*Code de commerce*).

The following references to the Sections of this Annual Report correspond to the components of the Board of Directors' report as approved by the Board of Directors of the Company.

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APPENDIX VII CORPORATE GOVERNANCE REPORT – CROSS-REFERENCE TABLE

This Annual Report includes all the elements required to be included in AXA's corporate governance report established pursuant to articles L.225-37 *et seq.* and L.22-10-8 *et seq.* of the French Commercial Code (*Code de commerce*).

The following references to the Sections of this Annual Report correspond to the components of the corporate governance report as approved by the Board of Directors of the Company.

APPENDIX VIII COMMISSION DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019 – CROSS-REFERENCE TABLE

Universal Registration Document filed with the Autorité des marchés financiers *("AMF") on March 21, 2023.*

ANNEX 1 OF COMMISSION DELEGATED REGULATION (EU) 2019/980

Items				Pages
1.		**Persons responsible, third party information, experts' reports and competent authority approval**		
	1.1	Indication of responsible persons		479
	1.2	Statement by responsible persons		479
	1.3	Statement or report attributed to a person as an expert		n/a
	1.4	Information obtained from third parties		n/a
	1.5	Statement of approval of the Registration Document by the competent authority		n/a
2.		**Statutory Auditors**		
	2.1	Names and addresses of the auditors, including membership in a professional body		438
	2.2	Resignation, removal or re-appointment of auditors		438
3.		**Risk factors**		230 to 254
4.		**Information about the issuer**		
	4.1	Legal and commercial name		457 and 470
	4.2	Place and number of registration, and legal entity identifier (LEI)		457
	4.3	Date of incorporation and length of life		457
	4.4	Registered office, legal form, applicable law, country of incorporation, address and phone number of its registered office, and website		1 and 457 (a)
5.		**Business overview**		
	5.1	Principal activities		
		5.1.1	Nature of the operations and main activities	21 to 30 and 43 to 45
		5.1.2	New products and/or services	21 to 30
	5.2	Principal markets		53 to 83
	5.3	Important events in the development of the issuer's business		32 to 41
	5.4	Strategy and objectives		6 to 9
	5.5	Degree of dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing process		n/a
	5.6	Basis for statements made by the issuer regarding its competitive position		40 to 42
	5.7	Investments		
		5.7.1	Material investments completed	n/a
		5.7.2	Material investments in progress or for which firm commitments have already been made	n/a
		5.7.3	Significant joint ventures and undertakings	326 to 330; 366 to 370; 506 to 509

(a) Note to Draft: To also refer to the disclaimer regarding AXA's website, included at the beginning of the URD under "Certain preliminary information about this Annual Report".

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ANNEX 2 OF COMMISSION DELEGATED REGULATION (EU) 2019/980

Items			Pages
1.		**Information to be disclosed about the issuer**	
	1.1	Information disclosed in accordance with Annex 1 of Commission Delegated Regulation (EU) 2019/980	531 to 533
	1.2	Statement that (a) the Universal Registration Document has been filed with the AMF as the competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to article 9 of Regulation (EU) 2017/1129; and (b) the Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129	1

Pursuant to article 19 of Regulation (EU) 2017/1129, the following items are incorporated by reference into this Universal Registration Document:

- the following Sections of AXA's Universal Registration Document for the year ended December 31, 2021 (the "2021 URD"), the French version of which was filed with the AMF on March 22, 2022 under number D.22-0129 and is available on the AMF's website within the AMF's Decisions and Financial Disclosures Database (the "BDIF") (https://bdif.amf-france.org/fr/details/D_22-0129):

(a) Section 2.1 "Operating Highlights" on pages 32 to 39,

(b) the report of the Board of Directors of AXA for the year ended December 31, 2021, including all Sections listed in Appendix VI "Board of Directors' report – Cross-Reference Table" on page 506, and

(c) Part 6 "Consolidated Financial Statements", which includes AXA's consolidated financial statements for the year ended December 31, 2021 and the Statutory Auditors' report thereon, respectively, on pages 290 to 440 and pages 441 to 446;

- the following Sections of AXA's Universal Registration Document for the year ended December 31, 2020 (the "2020 URD"), the French version of which was filed with the AMF on March 22, 2021 under number D.21-0162 and is available on the AMF's website within the BDIF (https://bdif.amf-france.org/fr/details/D_21-0162):

(a) Section 2.2 "Operating Highlights" on pages 32 to 37,

(b) the report of the Board of Directors of AXA for the year ended December 31, 2020, including all Sections listed in Appendix VI "Board of Directors' report – Cross-Reference Table" on page 484, and

(c) Part 6 "Consolidated Financial Statements", which includes AXA's consolidated financial statements for the year ended December 31, 2020 and the Statutory Auditors' report thereon, respectively, on pages 268 to 418 and pages 419 to 424;

- the Bylaws of AXA SA, as amended from time to time, are available on the website of the Company (https://www.axa.com/en/about-us/governance-overview).

The non-incorporated parts of the 2020 and 2021 URDs are either not relevant for investors or covered elsewhere in this Universal Registration Document.

APPENDIX IX ANNUAL FINANCIAL REPORT – CROSS-REFERENCE TABLE

This Annual Report includes all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) as well as in article 222-3 of the AMF General Regulation.

The following references to sections of this Annual Report correspond to the components of the Annual Financial Report.

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NOTES

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www.axa.com

on which you will find the aggregate regulated information published by our Company.

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