



# **Half Year Financial Report**



**June 30, 2023**

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# **I. Activity Report**

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**June 30, 2023**

## IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP AND ALTERNATIVE PERFORMANCE MEASURES

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations, or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward looking statements. Please refer to Part 5 - "Risk Factors and Risk Management" of AXA's Universal Registration Document for the year ended December 31, 2022 (the "2022 Universal Registration Document") for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations.

AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events, or circumstances or otherwise, except as required by applicable laws and regulations.

In addition, this report refers to certain non-GAAP financial measures, or alternative performance measures ("**APMs**"), used by Management in analysing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's Consolidated Financial Statements and related notes prepared in accordance with IFRS. Underlying Earnings, Underlying Earnings per Share, Underlying Return on Equity, Combined Ratio and Debt Gearing are APMs as defined in ESMA's guidelines and the AMF's related position statement issued in 2015. A reconciliation from APMs Underlying Earnings and Combined Ratio to the most directly reconcilable line item, subtotal, or total in the Consolidated Financial Statements of the corresponding period is provided on pages 18 and 19 of this report. APMs Underlying Return on Equity and Underlying Earnings per Share are reconciled to the Consolidated Financial Statements in the tables set forth on page 34 of this report. The calculation methodology of the Debt Gearing is set out on page 21 of this report. For further information on the above-mentioned and other non-GAAP financial measures used in this report, see the Glossary set forth on pages 36 to 41 of this report.



## Operating Highlights

### GOVERNANCE

#### **AXA announced evolutions within its leadership team to prepare the launch of its next strategic plan**

On June 6, 2023, the AXA Group announced evolutions within its Management Committee for the launch of its next strategic plan, which will be presented during the first quarter of 2024.

#### **Changes in key geographies of the Group**

- Patrick Cohen, member of AXA's Management Committee and CEO of AXA France was appointed CEO European Markets and Health. In addition to supervising AXA's European entities, he was tasked with the creation and development of a new business unit which will gather and accelerate the Group's key international Health operations. He keeps reporting to Thomas Buberl.
- Guillaume Borie, Deputy CEO of AXA France was appointed CEO of AXA France and joined the Management Committee reporting to Thomas Buberl.
- Hassan El-Shabrawishi, CEO of AXA Africa was appointed CEO International Markets, and now oversees AXA's operations in Latin America, Africa, the Middle East, Turkey, India, and South-East Asia. Hassan El-Shabrawishi joined AXA's Management Committee reporting to Thomas Buberl.
- AXA Japan and AXA Greater China (Hong Kong and China) report directly to George Stansfield, Group Deputy CEO and General Secretary. Gordon Watson was appointed non-executive Chairman for Asia.

#### **New members of the Management Committee in central functions**

- Nancy Bewlay, CEO of AXA XL Reinsurance, was appointed Chief Underwriting Officer for the Group and joined the Management Committee. She reports to Frédéric de Courtois, Group Deputy CEO in charge of Finance, Operations, Strategy, Risk, Underwriting.
- Françoise Gilles, Chief Strategic Development Officer for AXA Asia, was appointed Chief Risk Officer for the Group and joined the Management Committee, reporting to Frédéric de Courtois.
- Anu Venkataraman was appointed Chief Strategy Officer for the Group in addition to her current role as Group Head of Investor Relations. She joined the Management Committee reporting to Frédéric de Courtois and Alban de Mailly Nesle, Group Chief Financial Officer and member of the Management Committee.

#### **The new Management Committee around Thomas Buberl started working together as of July 1 and is now composed of :**

- Frédéric de Courtois, Group Deputy CEO, Finance, Operations, Strategy, Risk, Underwriting
- George Stansfield, Group Deputy CEO, General Secretary, oversight of AXA Japan, AXA Greater China (China and Hong Kong)
- Nancy Bewlay, Group Chief Underwriting Officer
- Guillaume Borie, CEO AXA France
- Helen Browne, Group General Counsel
- Patrick Cohen, CEO European Markets & Health



- Ulrike Decoene, Group Chief Communication, Brand & Sustainability Officer
- Hassan El-Shabrawishi, CEO International Markets<sup>(1)</sup>
- Françoise Gilles, Group Chief Risk Officer
- Scott Gunter, CEO AXA XL
- Alban de Mailly Nesle, Group Chief Financial Officer
- Marco Morelli, Executive Chairman AXA Investment Managers
- Karima Silvent, Group Chief Human Resources Officer
- Anu Venkataraman, Group Chief Strategy Officer, Head of Investor Relations
- Alexander Vollert, Group Chief Operating Officer, CEO AXA Group Operations

### **Renaud Guidée was appointed CEO AXA XL Reinsurance**

Renaud Guidée, who has held the role of Group Chief Risk Officer since 2019 was appointed CEO of AXA XL Reinsurance, succeeding to Nancy Bewlay. He reports to Scott Gunter, CEO of AXA XL, and member of AXA's Management Committee.

## **SIGNIFICANT TRANSACTIONS**

### **AXA SA successfully completed the sale of shares in Banca Monte dei Paschi di Siena S.p.A.**

On February 28, 2023, AXA SA ("AXA") announced the successful sale of 100,000,000 shares in Banca Monte dei Paschi di Siena S.p.A. (the "Bank"), representing ca.7.94% of the Bank's share capital, at a price of €2.33 per share (i.e., a total amount of €233 million) in an accelerated book built offering (the "Offering") reserved to institutional investors.

Following the settlement and delivery of the Offering, which occurred on March 2, 2023, AXA retained (directly or indirectly) 0.0007% of the Bank's share capital.

The Bank's shares are listed on the regulated market of Euronext Milan (ISIN IT0005508921).

## **CAPITAL / DEBT OPERATIONS**

### **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.

<sup>(1)</sup> Including Africa, Turkey, Middle East, Latin America, Thailand, Indonesia, Philippines, India Life.



## 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 executed a share repurchase agreement with an investment services provider, whereby AXA bought back its own shares for an amount of €1.1 billion<sup>(1)</sup>, as communicated on February 23, 2023. The share repurchase agreement was executed in accordance with the terms of the applicable Shareholders' Annual General Meeting authorization<sup>(2)</sup>.

Under the share repurchase agreement<sup>(3)</sup> announced on February 23, 2023, shares were bought back commencing on February 27, 2023, and ending on April 4, 2023. On each day during the purchase period, the price per share paid by AXA<sup>(4)</sup> was 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 buyback programs is disclosed on the AXA Group<sup>(5)</sup> website.

## AXA announced the successful placement of €1 billion dated subordinated notes due 2043

On April 5, 2023, AXA announced the successful placement of €1 billion of Reg S subordinated notes due 2043 with institutional investors.

The initial fixed rate was set at 5.50% *per annum* until the end of the six-month call window period (July 11, 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 5 times.

The notes are rated A-/Stable by Standard & Poor's and A2 (hyb)/Stable by Moody's. 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 settlement of the notes took place on April 11, 2023.

This issuance is part of AXA Group's funding plan for 2023 and the proceeds are used for general corporate purposes, including the refinancing of part of the AXA Group's outstanding debt. In particular, it followed the completion of a cash tender offer<sup>(6)</sup> on AXA XL subordinated notes<sup>(7)</sup>, resulting in the buy-back of US \$248 million debt.

(1) AXA bought back its own shares for an exact amount of €1,099,999,998.

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

(3) The up to €1.1 billion share buy-back program was 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.

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

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

(6) Completed on March 14, 2023. Details of the terms of the cash tender offer available at [XL Group Ltd - Tender Offer Results Announcement | AXA XL](#).

(7) AXA XL US \$500 million 5.500% subordinated notes due 2045. As of December 31, 2022, these notes no longer contribute to the Group Eligible Own Funds under Solvency II.



### **AXA announced a cash tender offer for one series of subordinated notes**

On April 19, 2023, AXA announced an any-and-all cash tender offer for its GB £750,000,000 5.625% Subordinated Tier 2 Notes due January 16, 2054.

The tender offer expired at 5:00 p.m., Central European time, on April 26, 2023.

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

## **PARTNERSHIPS AND INNOVATION**

### **AXA renewed the mandate of the AXA Research Fund for five years**

On January 12, 2023, AXA announced that it renewed for five years the mandate of the AXA Research Fund, one of the largest scientific philanthropy initiatives in the private sector. The objectives of the AXA Research Fund are to reinforce the transdisciplinary exploration of emerging risks, to consolidate the links between academic experts, industry and the public sector.

With a total budget of €250 million since its launch in 2007, the AXA Research Fund has forged partnerships with more than 334 academic institutions in 38 countries and has supported 708 projects led by researchers of 60 nationalities, 42% of whom are women. 279 projects funded by the AXA Research Fund focus on health issues, such as data driven diabetes treatment (University of Edinburgh), 242 centers on climate and environmental subjects like the protection of biodiversity for coastal resilience (University of California, Santa Cruz) while 187 programs explore socio-economic questions such as the effects of the energy transition (Paris School of Economics).

## **OTHER**

### **AXA published the third edition of its Mind Health Report**

On February 28, 2023, AXA released the third edition of its Mind Health Report, a study aimed at identifying mental health and wellness issues in society in order to build solutions to mitigate them. The study was conducted in collaboration with IPSOS involving surveys of 30,000 people aged 18 to 74 from sixteen European, Asian, and American countries and territories.

Over the past year, the rate of participants with poor mental health has decreased by 3 points (13% compared to 16%), despite the difficult geopolitical and economic context.

One in two respondents felt happy and confident about the future. The happiest people are in Mexico (64%), the Philippines (62%) and Thailand (61%). On the contrary, this feeling is lowest in Italy (36%), Hong Kong (38%) and Turkey (42%). In France, the feeling of happiness has increased by 5% compared to last year (44% against 39%).

This year's survey showed three main trends:

- 24% fewer women than men feel fulfilled. 40% feel that their skills have been questioned simply because of their gender.
- More than one in three 18-24 year olds believe that addiction to technology and social networking has a negative impact on well-being.
- Employees are three times more likely to thrive if they work in a company that offers mental health support.





## AXA published 1H22 and FY22 financial information under IFRS 17 and IFRS 9 accounting standards and provided 2023 Group Underlying Earnings Target<sup>(1)(2)</sup>

On May 15, 2023, AXA published its financial supplement for both half-year 2022 and full-year 2022, restated under the IFRS 17 and IFRS 9 accounting standards that became effective on January 1, 2023. To enable analysts and investors to better assess the Group's Underlying Earnings trajectory in 2023 following the implementation of IFRS 17 and IFRS 9, AXA exceptionally provided a 2023 Group Underlying Earnings Target, including a breakdown by main lines of business.

- AXA reaffirmed that Group Underlying Earnings' power is unaffected by the new accounting standards.
- Group Underlying Earnings target was set above €7.5 billion in 2023, including ca. €-0.1 billion impact from unfavorable foreign exchange movements.
- Cash and regulatory capital were unaffected by accounting changes, with €5.5 billion of net cash remittance and Solvency II ratio<sup>(3)</sup> of 215% at year-end 2022 (217% as of 1Q23).
- The key financial targets of 'Driving Progress 2023' were reaffirmed, with the Underlying Earnings per Share (UEPS) CAGR<sup>(4)</sup> expected to exceed +7% over the three-year period 2020<sup>(5)</sup>-2023 and cumulative cash remittance to exceed €14 billion over the period 2021-2023.

(1) IFRS 17 and IFRS 9 financial figures and information published on May 15, 2023, were not audited.

(2) All information in the May 15, 2023 publication was expressly qualified by the disclaimer on forward-looking statements set out therein, and such information, as it may be updated by this report, remains subject to the disclaimer on forward-looking statements herein. The 2023 Group Underlying Earnings Target (the "2023 Target") set out management's then-current expectations of certain performance metrics following the implementation of IFRS 17 and IFRS 9 accounting standards, which became effective on January 1, 2023. The 2023 Target's assumptions are expressly updated as set out in the section titled "Outlook" on page 35 of this report. The 2023 Target's assumptions may prove to be incorrect or need to be updated, and actual results, performance, or events may differ from those expressed in the 2023 Target due to known and unknown risks and uncertainties. Because the 2023 Target was provided exceptionally to enable analysts and investors to better assess the Group's Underlying Earnings trajectory in 2023 in connection with the implementation of IFRS 17 and IFRS 9, it is not expected or intended that similar guidance will be issued in future periods beyond 2023, nor that such guidance will be updated, except as set forth in this report and as otherwise required by law.

(3) The Solvency II ratio included in the May 15, 2023 publication was estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. It included a theoretical amount for dividends accrued for the first three months of 2023, based on the full-year dividend of €1.70 per share paid in 2023 for FY22. Dividends were proposed by the Board, at its discretion, based on a variety of factors described in AXA's 2022 Universal Registration Document, and were then submitted to AXA's shareholders for approval. This estimate should not be considered in any way to be an indication of the actual dividend amount, if any, for the 2023 financial year. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's Solvency and Financial Condition Report (SFCR) as of December 31, 2022, available on AXA's website ([www.axa.com](http://www.axa.com)). For updated Solvency II information as of June 30, 2023, please see the press release "Half Year Earnings 2023" published on August 3, 2023, and available on AXA's website.

(4) Compounded annual growth rate.

(5) Rebased. FY20 Underlying Earnings rebased included actual Underlying Earnings restating for "Covid-19 claims" and natural catastrophes in excess of normalized. AXA Group normalized level of Natural Catastrophe charges expected for 2020 at ca. 3% of Gross Earned Premiums. Natural Catastrophe charges include natural catastrophe losses regardless of event size. "Covid-19 claims" included P&C, L&S and Health net claims related to Covid-19, as well as the impacts from solidarity measures and from lower volumes net of expenses, linked to Covid-19. "Covid-19 claims" did not include any financial market impacts (including impacts on investment margin, unit-linked and asset management fees, etc.) related to the Covid-19 crisis.



## AXA announced new decarbonization targets and published its 2023 Climate & Biodiversity report

On June 29, 2023, AXA published its 2023 Climate & Biodiversity report and announced new decarbonization targets for both its insurance and investment portfolios<sup>(1)</sup>.

### Insurance Portfolio

For the first time, AXA published targets to drive the decarbonization of various of its Property & Casualty insurance portfolios and to develop its insurance activities dedicated to the transition.

Specifically, AXA has set targets to:

- Increase its business in the field of renewable energies, and more broadly across sectors transitioning to low carbon business models, as well as developing environmentally sustainable claims management for its motor business by 2026.
- Reduce the carbon intensity of the most material personal motor portfolios in the Group by 20% by 2030 compared with the 2019 baseline.
- Reduce the absolute carbon emissions of the Group's largest commercial insurance clients by 30% and the carbon intensity of other corporate clients by 20% by 2030 compared with a 2021 baseline.
- Strengthen dialogue with its customers, particularly its corporate customers, but also with its external stakeholders and partners to better support them in the transition.

These targets were based on new calculation methodologies developed and promoted by the sector. AXA expects these methodologies to evolve as data availability improves, but they are a first step to better steer the carbon impact of AXA's insurance portfolios.

### Investment Portfolio

AXA also announced that it is continuing its efforts to reduce the carbon footprint of its investment activities. After setting a target of reducing the carbon footprint of AXA's general account assets by 20% between 2019 and 2025, AXA set a new target of a 50% reduction between 2019 and 2030. AXA also intends to strengthen its engagement activities and its efforts to finance the transition.

### Climate & Biodiversity Report 2023

AXA published the 8th edition of its Climate & Biodiversity Report. This report responds to legal obligations for extra-financial reporting, as well as to the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), to which AXA has been a long-standing contributor.

In this report, AXA highlighted the different dimensions of its action on climate and biodiversity: governance, strategy, risk management and quantified indicators of the impact of its actions. One of the main indicators of the report, "the Group portfolio's implied temperature rise", measures the impact of the corporate bonds and equities held in the Group's general account portfolios on global warming by 2050. It stood at 2.5°C in 2022, down 0.1°C on last year using the same methodology and remains below the market (2.7°C).

<sup>(1)</sup> For further information on these targets, the methodologies used to set and report on them, as well as key assumptions, risks and variables that may impact AXA's ability to meet the targets, please refer to AXA Net Zero strategy for investment & underwriting



## RISK FACTORS

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The principal risks and uncertainties faced by the Group are described in detail in Section 5.1 “Risk Factors” and Section 7.3 “General Information” of the 2022 Universal Registration Document (on pages 230 to 254 and pages 457 to 473, respectively). The 2022 Universal Registration Document was filed with the Autorité des marchés financiers (the “AMF”) on March 21, 2023, and is available on the AMF’s website ([www.amf-france.org](http://www.amf-france.org)) as well as on AXA’s website ([www.axa.com](http://www.axa.com)). The descriptions contained in these sections of the 2022 Universal Registration Document remain valid in all material respects at the date of the publication of this report regarding the evaluation of the major risks and uncertainties affecting the Group as of June 30, 2023, or which Management expects could affect the Group during the remainder of 2023.

## RELATED-PARTY TRANSACTIONS

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During the first half of 2023, there were (i) no modifications to the related-party transactions described in Note 28 “Related-party transactions” to the audited Consolidated Financial Statements for the fiscal year ended December 31, 2022, included in the 2022 Universal Registration Document (pages 433 and 434) filed with the AMF and available on its website ([www.amf-france.org](http://www.amf-france.org)) as well as on the Company’s website ([www.axa.com](http://www.axa.com)), which significantly influenced the financial position or the results of the Company during the first six months of the fiscal year 2023, and (ii) no new transactions concluded between AXA SA and related parties that significantly influenced the financial position or the results of the Company during the first six months of 2023.



## EVENTS SUBSEQUENT TO JUNE 30, 2023

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### **AXA completed the acquisition of Groupe Assurances du Crédit Mutuel España**

On July 12, 2023, AXA announced that it has completed the acquisition of Groupe Assurances du Crédit Mutuel España ("GACM España").

Under the terms of the transaction, AXA has acquired GACM España for a total cash consideration of €310 million, in line with the announcement made upon signing of the agreement.

### **AXA accelerated the development of its Health strategy in Europe with the acquisition of Laya**

On August 3<sup>rd</sup>, AXA announced that it has entered into an agreement to acquire Laya Healthcare Limited ("Laya") from Corebridge Financial Inc., a subsidiary of AIG.

Laya has a leading position in the Irish health market with ca. 28% market share, serving close to 700,000 policyholders and generating ca. €800 million premiums<sup>(1)</sup> *per annum*.

It operates as a Managing General Agent with a highly digitalized platform and a strong direct distribution network, which makes Laya the sole point of contact for its customers through their healthcare journey.

With this transaction, AXA affirms its ambition to grow its European franchise, by expanding its operations in a buoyant, fast-growing Health insurance market. AXA is already present in Ireland where it benefits from a number 1 position in the P&C market.

Under the terms of the agreement, AXA acquired Laya for a consideration of €650 million, representing an expected price-to-earnings multiple of ca. 11x, taking into account the planned re-capturing of underwriting margin currently earned by third parties. The completion of the transaction is expected to result in an impact of -3 points on AXA Group's Solvency II ratio<sup>(2)</sup>.

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(1) As of FY22. Premiums currently underwritten by a third-party insurer.

(2) Impact effective on AXA Group's Solvency II ratio at the time of closing of the transaction.



## Market Environment

### Financial Market Conditions

#### STOCK MARKETS

(main indexes, in pts)	June 30, 2023	June 30, 2023 / December 31, 2022	June 30, 2022	June 30, 2022 / December 31, 2021
CAC 40	7,400	14%	5,923	-17%
Eurostoxx 50	4,399	16%	3,455	-20%
FTSE 100	7,532	1%	7,169	-3%
Nikkei	33,189	27%	26,393	-8%
S&P 500	4,450	16%	3,785	-21%
MSCI World	2,967	14%	2,546	-21%
MSCI Emerging	989	3%	1,001	-19%

Source: Bloomberg.

Following a very challenging year in 2022, equity markets broadly recovered during the first half of 2023. The S&P 500 recorded a positive performance of +16%, despite the ongoing concerns of economic slowdown. These gains were echoed across the Eurozone economies in Italy (+19% on IT 40), Spain (+17% on IBEX 35), Germany (+16% on DAX) and France (+14% on CAC 40). In the United Kingdom, equity indices underperformed in the first half of 2023, with the FTSE 100 rising by just 1% while the FTSE 250 was 2.3% lower. This reflects the fact that the FTSE 100 was one of the few indices to avoid sharp losses in 2022.

#### BOND MARKETS

(Government bonds in % or basis points (bps))	June 30, 2023	June 30, 2023 / December 31, 2022	June 30, 2022	June 30, 2022 / December 31, 2021
10Y French bond	2.93%	- 19 bps	1.92%	+172 bps
10Y German bond	2.39%	-18 bps	1.34%	+151 bps
10Y Swiss bond	0.96%	-66 bps	1.07%	+120 bps
10Y Italian bond	4.07%	- 64 bps	3.26%	+209 bps
10Y UK bond	4.39%	+72 bps	2.23%	+126 bps
10Y Japanese bond	0.40%	-2 bps	0.23%	+16 bps
10Y US bond	3.84%	-4bps	3.01%	+150 bps

Source: Bloomberg.

Bond markets suffered during 2022 from a continuous tightening of Central Banks' monetary policies. In 2023, most sovereign fixed income bonds saw yields stabilize while some markets witnessed even tighter monetary policies. US Treasury yields remain far below October's highs, but yields were barely changed from 2022 year-end, with 10-year yields 4bps lower to 3.84% at the end of June 2023. Across the Eurozone, despite the ECB raising both



policy rates and the outlook, government rates decreased at end of June 2023, by 19 bps and 18 bps respectively for the French 10-year OAT and the 10-year German bonds and 10-year yields in Italy closed at 4.07%, 64bps lower than their end-December level, helped in part by the ECB's ongoing flexibility in its Pandemic Emergency Purchase Programme. In Japan, the 10-year JGB yields were broadly unchanged at end of June 2023 at 0.40% from the end of December level, although the markets had considered the prospect of some shift in Bank of Japan policy. United Kingdom's gilts underperformed with yields rising by 72bps from December 2022 to 4.39% in June 2023, which reflects the continued concerns about persistent UK inflation and subsequent tightening by the Bank of England.

Credit markets had a solid first half of 2023, despite the difficulties faced by the banking sector in March. Spreads are broadly tighter, more so in high yield (HY) than investment grade (IG). Spreads in large cap bank benchmarks are flat to wider year to date, flat in USD (at 139bps) and wider in EUR (+8bps to 174bps). Global IG is tighter by 8bps to 140bps (with USD IG tighter by 8bps to 130bps and EUR IG tighter by 6bps to 161bps) while Global HY is tighter by 65bps to 450bps (with USD HY tighter by 76bps to 405bps and EUR HY tighter by 52bps to 446bps).

## EXCHANGE RATES

(for €1)	End of Period Exchange rate		Average Exchange rate	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
US Dollar	1.09	1.05	1.08	1.09
British Pound Sterling	0.86	0.86	0.88	0.84
Swiss Franc	0.98	1.00	0.99	1.03
Japanese Yen	158	142	146	134

Source : WM/Refinitiv

The first half of 2023 has seen a relative exchange rate stability, except for the Japanese Yen. Against a basket of currencies, the US Dollar remained broadly stable in the first half of 2023 (-2% vs. Euro and -2.2% vs. Swiss Franc). The higher Bank of England rate expectations and the diminishing fiscal concerns have led the Sterling to make gains in the first half of 2023 (+3% vs. Euro and +5% vs. US dollar). Dwindling expectations of rate adjustments from the Bank of Japan, led to the Yen's depreciation of -12% against the Euro and -10 % against the US dollar.

## Activity and Earnings Indicators

### ACTIVITY INDICATORS

<i>(in Euro million, except percentages)</i>	June 30, 2023	June 30, 2022	June 30, 2023 / June 30, 2022 <sup>(a)</sup>
Gross Written Premiums & Other Revenues <sup>(b)</sup>	55,740	54,867	2.4%
Property & Casualty	30,400	28,713	7.2%
Life & Health	24,528	25,287	-2.8%
o/w Life	16,297	16,553	-1.0%
o/w Health	8,231	8,734	-6.2%
Asset Management	749	788	-4.5%
Banking	62	80	-21.8%
<b>New Business Value (NBV) (1)</b>	<b>1,179</b>	<b>1,300</b>	<b>-7.3%</b>
<b>Present Value of Expected Premiums (PVEP) (2)</b>	<b>23,260</b>	<b>25,936</b>	<b>-9.2%</b>
<b>NBV Margin (1)/(2)</b>	<b>5.1%</b>	<b>5.0%</b>	<b>0.1 pt</b>
<b>Average Assets under Management<sup>(c)</sup></b>	<b>736</b>	<b>771</b>	<b>-4.4%</b>

<sup>(a)</sup> Changes are on comparable basis.

<sup>(b)</sup> Net of intercompany eliminations.

<sup>(c)</sup> in Euro billion.

<i>(in Euro million, except percentages)</i>	June 30, 2023	June 30, 2022	June 30, 2023 / June 30, 2022 <sup>(a)</sup>
Gross Written Premiums & Other Revenues <sup>(b)</sup>	55,740	54,867	2.4%
France	13,859	14,507	-6.1%
Europe	20,996	20,251	2.8%
AXA XL	10,534	10,252	5.7%
Asia, Africa & EME-LATAM	8,610	8,152	13.2%
AXA IM	749	788	-4.5%
Transversal & Other	993	917	4.4%

<sup>(a)</sup> Changes are on comparable basis.

<sup>(b)</sup> Net of intercompany eliminations.

Consolidated Gross Written Premiums and Other Revenues amounted to €55,740 million as of June 30, 2023, up 1.6% on a reported basis and up 2.4% on a comparable basis compared to June 30, 2022.

The comparable basis (€-0.4 billion or +0.8 point) mainly neutralizes the foreign exchange rate movements due to the appreciation of average Euro exchange rate mainly against Turkish Lira, Japanese Yen and British Pound Sterling.



## GROSS WRITTEN PREMIUMS & OTHER REVENUES

**Property & Casualty gross written premiums were up 7% (or €+2,077 million) on a comparable basis to €30,400 million:**

- **Commercial lines Insurance** grew by 9% (or €+1,661 million) primarily driven by **(i)** AXA XL Insurance (+8%) mainly from strong price increases across all lines except North America Professional, along with volume growth mostly driven by Property lines, **(ii)** Asia, Africa & EME-LATAM (+36%) mainly driven by Turkey mostly from higher average premiums in Property and Motor in a hyperinflationary context, along with favorable volume and price effects most notably in Colombia, **(iii)** Europe (+8%) from price increases in all lines of business, notably Property, combined with a positive volume effect, **(iv)** France (+7%) reflecting price increases, notably in Commercial Property and **(v)** AXA Assistance (+5%) mainly from the continued rebound of the Travel business;
- **Personal lines** grew by 5% (or €+471 million) driven by **(i)** Motor (+7%) in Europe (+5%) in the United Kingdom mainly stemming from strong price increases and Italy mainly from new business growth through a continued partnership with a car manufacturer, in Asia, Africa & EME-LATAM (+17%) notably in Turkey driven by higher average premiums in a hyperinflationary context and in France (+6%) from strong price increases combined with new business growth through brokers. Gross written premiums also grew in **(ii)** Non-Motor (+2%) primarily in Europe (+4%) mostly in Germany and Belgium & Luxembourg from price increases partly offset by the United Kingdom mainly due to the run-off of the Travel portfolio and in France (+2%) stemming from price increases. This was partly offset by Asia, Africa & EME-LATAM (-9%) mostly driven by Colombia from lower volumes driven by selective underwriting, partly compensated by Turkey from higher average premiums in Household in a hyperinflationary context;
- **AXA XL Reinsurance** decreased by 3% (or €-55 million) primarily due to the reduction of the Property Cat exposure in line with the Group's strategy, partly offset by price increases across all lines of business.

**Life & Health gross written premiums were down 3% (or €-718 million) on a comparable basis to €24,528 million.**

**Life gross written premiums were down 1% (or €-169 million) on a comparable basis to €16,297 million:**

- **Unit-Linked** decreased by 16% (or €-673 million) driven by challenging market conditions in **(i)** Europe (-22%) mainly in Italy and Spain, in **(ii)** France (-10%) as well as in **(iii)** Asia, Africa & EME-LATAM (-27%) mainly in Hong Kong;
- **General Account Savings** increased by 5% (or €+212 million) mainly driven by **(i)** France (+10%) reflecting the continued growth in Eurocroissance partly offset by lower sales in traditional G/A, and **(ii)** Asia, Africa & EME-LATAM (+12%) from the success of a new product launched in 2023 in Hong Kong, partly offset by the decrease of sales of the capital-light Single Premium Whole Life product from unfavorable foreign exchange conditions in Japan, partly offset by **(iii)** Europe (-4%) mainly in Italy, Germany and Belgium & Luxembourg from challenging market conditions in a higher interest rate environment.
- **Protection** grew by 4% (or €+293 million) mainly from **(i)** Protection with Unit-Linked (+19%) in Asia, Africa & EME-LATAM (+24%) driven by the continued growth in Japan, **(ii)** Protection with General Account Savings (+4%) in Asia, Africa & EME-LATAM (+5%) driven by Hong Kong due to the re-opening of the border with mainland China partly offset by Japan, combined with Europe (+3%) driven by Switzerland from new business growth in both Individual and Group Life. This was partly offset by **(iii)** Pure Protection (-2%) due to the run-off of a portfolio in France.





**Health gross written premiums were down 6% (or €-550 million) on a comparable basis to €8,231 million. Excluding the impact of the non-renewal of two large legacy International Group contracts, Health gross written premiums increased by 7% (or €+546 million):**

- **Group business** increased by 8% (or €+289 million) notably in Europe (+23%) from higher volumes in Large Corporate in the United Kingdom & Ireland and in Asia, Africa & EME-LATAM (+17%) mostly driven by price increases in Mexico and Turkey;
- **Individual business** grew by 6% (or €+258 million) driven by Europe (+4%) notably due to higher volumes in the United Kingdom & Ireland and Switzerland, and price increases in Germany, and by Asia, Africa & EME-LATAM (+9%) primarily from price increases in Mexico and Turkey.

**Asset Management revenues were down 5% (or €-36 million) on a comparable basis to €749 million** mainly driven by both lower management fees (€-30 million) from a lower Average Assets under Management.

**Average Assets under Management decreased by 4% (or €-34 billion) on a comparable basis to €736 billion** mainly driven by unfavorable market effect following the rise in interest rates and downward equity markets during the second half of 2022, partly offset by business growth in *AXA IM Alts* mostly from third-party business.

**Banking revenues decreased by 22% (or €-17 million) on a comparable basis to €62 million** from AXA Banque France mainly due to pressure on margins in the context of higher interest rates.

## NEW BUSINESS PERFORMANCE

### Present Value of Expected Premiums (“PVEP”)

**PVEP decreased by 10% on a reported basis and 9% on a comparable basis to €23,260 million** driven by the impact of increases in interest rates experienced in 2022 on the discount, partly offset by favorable actuarial assumptions in France and higher volumes, notably in Hong Kong.

### New Business Value Margin (“NBV margin”)

**NBV margin grew by 0.1 point on both reported and comparable basis to 5.1%** driven by higher margins in General Account Savings (+0.9 point) reflecting a favorable new business mix in France towards Eurocroissance, as well as in Health from the non-renewal of two large legacy International group contracts partly offset by Protection (-0.5 point) from higher interest rates impacting the present value of future margins.



## UNDERLYING EARNINGS AND NET INCOME GROUP SHARE

## JUNE 30, 2023

(in Euro million)	June 30, 2023	Property & Casualty	Life & Health	Asset Management	Holdings <sup>(a)</sup>
<b>Short-term Business</b>					
Revenues	32,396	25,254	7,142		
Combined Ratio		90.9%	98.9%		
Technical Margin	2,368	2,288	80		
<b>Long-term Business</b>					
CSM Release	1,474		1,474		
Technical Experience	-41		-41		
<b>Financial Results &amp; Other</b>					
Financial Results	1,804	1,193	431	15	166
Other Revenues	1,397			909	489
Other Expenses	-1,449			-682	-766
Debt Financing Charges	-461				-461
<b>Underlying Earnings Before Tax</b>	<b>5,092</b>	<b>3,480</b>	<b>1,944</b>	<b>241</b>	<b>-574</b>
Income tax	-1,072	-761	-381	-66	136
Minority interests, Income from Affiliates & Other	92	-2	81	13	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>4,111</b>	<b>2,717</b>	<b>1,643</b>	<b>188</b>	<b>-437</b>
<b>Contractual Service Margin</b>	<b>34,132</b>	<b>212</b>	<b>33,920</b>		

(a) Holdings segment includes banking and holding activities.

(in Euro million, except percentages)	June 30, 2023	France	Europe	AXA XL	Asia, Africa & EME-LATAM	AXA IM	Transversal & Central Holdings
<b>Short-term Business</b>							
Revenues	32,396	8,432	10,685	8,670	3,602		1,008
Combined Ratio							
Technical Margin	2,368	516	823	953	77		-2
<b>Long-term Business</b>							
CSM Release	1,474	433	487	1	553		0
Technical Experience	-41	-39	5	0	-6		0
<b>Financial Results &amp; Other</b>							
Financial Results	1,804	357	738	239	266	15	190
Other Revenues	1,397	58	1	0	0	909	429
Other Expenses	-1,449	-83	19	0	-9	-682	-693
Debt Financing Charges	-461	0	-1	-18	-8	0	-434
<b>Underlying Earnings Before Tax</b>	<b>5,092</b>	<b>1,241</b>	<b>2,071</b>	<b>1,175</b>	<b>873</b>	<b>241</b>	<b>-511</b>
Income tax	-1,072	-222	-470	-237	-190	-66	113
Minority interests, Income from Affiliates & Other	92	6	-56	0	129	13	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>4,111</b>	<b>1,025</b>	<b>1,545</b>	<b>938</b>	<b>813</b>	<b>188</b>	<b>-398</b>
Net Realized Capital Gains & Losses	-30						
Fair Value of Funds & Derivatives	-74						
Amortization of Intangibles	-93						
Restructuring Costs	-82						
Exceptional Items	1						
<b>NET INCOME GROUP SHARE</b>	<b>3,833</b>						
Property & Casualty Combined Ratio	90.9%	90.7%	90.1%	89.0%	97.9%		100.4%
Life & Health Short-Term Combined Ratio	98.9%	96.8%	106.1%		97.8%		98.9%



## JUNE 30, 2022

(in Euro million)	June 30, 2022	Property & Casualty	Life & Health	Asset Management	Holdings <sup>(a)</sup>
<b>Short-term Business</b>					
Revenues	32,261	24,614	7,647		
Combined Ratio		96.2%	96.9%		
Technical Margin	1,184	944	241		
<b>Long-term Business</b>					
CSM Release	1,454		1,454		
Technical Experience	-66		-66		
<b>Financial Results &amp; Other</b>					
Financial Results	1,992	1,288	626	2	77
Other Revenues	1,447			947	500
Other Expenses	-1,424			-682	-741
Debt Financing Charges	-363				-363
<b>Underlying Earnings Before Tax</b>	<b>4,225</b>	<b>2,231</b>	<b>2,255</b>	<b>267</b>	<b>-528</b>
Income tax	-818	-455	-437	-71	146
Minority interests, Income from Affiliates & Other	61	-26	80	7	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>3,467</b>	<b>1,750</b>	<b>1,897</b>	<b>203</b>	<b>-383</b>
<b>Contractual Service Margin</b>	<b>33,112</b>	<b>223</b>	<b>32,889</b>		

<sup>(a)</sup> Holdings segment includes banking and holding activities.

(in Euro million, except percentages)	June 30, 2022	France	Europe	AXA XL	Asia, Africa & EME- LATAM	AXA IM	Transversal & Central Holdings
<b>Short-term Business</b>							
Revenues	32,261	8,980	10,053	8,930	3,359		940
Combined Ratio							
Technical Margin	1,184	234	330	648	29		-57
<b>Long-term Business</b>							
CSM Release	1,454	423	475	3	554		0
Technical Experience	-66	-50	21	-2	-34		0
<b>Financial Results &amp; Other</b>							
Financial Results	1,992	458	866	265	311	2	90
Other Revenues	1,447	80	0	0	0	947	420
Other Expenses	-1,424	-85	6	0	-9	-682	-653
Debt Financing Charges	-363	0	0	-42	-6	0	-315
<b>Underlying Earnings Before Tax</b>	<b>4,225</b>	<b>1,060</b>	<b>1,697</b>	<b>871</b>	<b>845</b>	<b>267</b>	<b>-515</b>
Income tax	-818	-206	-352	-174	-175	-71	161
Minority interests, Income from Affiliates & Other	61	1	-47	-1	100	7	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>3,467</b>	<b>855</b>	<b>1,298</b>	<b>696</b>	<b>770</b>	<b>203</b>	<b>-355</b>
Net Realized Capital Gains & Losses	-80						
Fair Value of Funds & Derivatives	797						
Amortization of Intangibles	-201						
Restructuring Costs	-143						
Exceptional Items	11						
<b>Net Income Group share</b>	<b>3,852</b>						
Property & Casualty Combined Ratio	96.2%	98.5%	96.9%	92.7%	98.6%		107.4%
Life & Health Short-Term Combined Ratio	96.9%	96.6%	95.3%		100.4%		97.8%



## Alternative Performance Measures

Underlying Earnings, Underlying Earnings per Share, Combined Ratio, Underlying Return on Equity 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 Consolidated 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 Consolidated Financial Statements in the table set forth on page 34 of this report, and the calculation methodology of the Debt Gearing is set out on page 21 of this report. For further information on any of the above-mentioned APMs, please see the definitions and the Glossary on pages 36 to 41 of this report.

IFRS 17 and IFRS 9 became effective on, and have been implemented by the Group since, January 1, 2023. The new accounting standards have impacted certain components of the APMs published by AXA. For definitions of relevant accounting components under IFRS 17 and IFRS 9, please refer to Note 1 to AXA’s 2023 Half-Year Consolidated Financial Statements (the “Consolidated Financial Statements”).

### Underlying Earnings

**Underlying Earnings** represent the Net Income Group share as disclosed in the table set forth on pages 18 and 19 of this report, before the impact of the following items net of absorption from technical liabilities, taxes, and minority interests:

- realized gains and losses as well as the change in impairment valuation on assets held directly and accounted through other comprehensive income with recycling or at the amortized cost;
- profit or loss on financial assets accounted at fair value through profit & loss, foreign exchange impacts on assets and liabilities as well as derivatives hedging assets and liabilities;
- impairments of goodwill, impairments, and amortization of other intangibles;
- 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 Earnings per Share

Underlying Earnings per Share (“**Basic UEPS**”) represent AXA’s consolidated Underlying Earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders’ equity as disclosed in Note 6 “Shareholders’ equity and minority interests” of Consolidated Financial Statements) 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.

Fully Diluted Underlying Earnings per Share (“**Fully Diluted UEPS**”) represent AXA’s consolidated Underlying Earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders’ equity as disclosed in Note 6 “Shareholders’ equity and minority interests” of the Consolidated Financial Statements) 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.

### Combined Ratio (Applicable to Short-Term Business)

**The Combined Ratio** is the sum of the current accident year loss ratio net of reinsurance plus the prior accident year loss ratio net of reinsurance plus the expense ratio.

**Current accident year loss ratio net of reinsurance** is the ratio of:



- discounted current year claims charge gross of reinsurance + discounted current accident year claims handling costs + discounted current accident year result of reinsurance ceded + change in loss component; to
- current year revenues gross of reinsurance.

**Prior accident year loss ratio net of reinsurance** is the ratio of:

- discounted prior accident year claims charge gross of reinsurance + discounted prior accident year claims handling costs + discounted prior accident year result of reinsurance ceded + variation of risk adjustment; to
- all year revenues gross of reinsurance.

**Expense ratio** is the ratio of:

- expenses (including attributable, non-attributable and non-insurance expenses), excluding commissions from assumed reinsurance business; to
- all year revenues gross of reinsurance.

### Underlying Return on Equity

**Underlying Return on Equity** (“Underlying ROE”) is calculated as the ratio of :

- Underlying Earnings net of interest charges related to undated and deeply subordinated debts (recorded through shareholders’ equity as disclosed in Note 6 “Shareholders’ Equity and Minority Interests” of the Consolidated Financial Statements); to
- the average of opening and closing shareholders’ equity excluding other comprehensive income related to invested assets (as disclosed in Note 6 “Shareholders’ equity and minority interests” of the Consolidated Financial Statements) insurance and reinsurance contracts, as well as excluding undated and deeply subordinated debt (recorded through shareholders’ equity, as disclosed in Note 6 “Shareholders’ equity and minority interests” of the Consolidated Financial Statements).

### 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, as disclosed in Note 8 “Financing debt” of the Consolidated Financial Statements, and undated and deeply subordinated debts, as disclosed in Note 6 “Shareholders’ equity and minority interests” of the Consolidated Financial Statements) by total capital employed (shareholders’ equity excluding undated and deeply subordinated debts), gross debt and Contractual Service Margin (net of tax), as it represents the unearned profit to be recognized as services are provided to policyholders.

## COMMENTARY ON GROUP EARNINGS

Since January 1, 2023, the Group has implemented the IFRS 17 – Insurance Contracts and IFRS 9 – Financial Instruments accounting standards. Please refer to Note 1 to the Consolidated Financial Statements for further details on the application of IFRS 17 and IFRS 9 accounting standards in such Consolidated Financial Statements.

**Restated 2022 comparative information has been prepared under the new standards. All tables in this report present the prior-year comparative financial figures as restated in accordance with IFRS 17 and IFRS 9.**

As of June 30, 2022, Underlying Earnings under IFRS 17 and IFRS 9 amounted to €3,467 million, down €451 million (-12%) versus the published half-year 2022 Underlying Earnings under IFRS 4 and IAS 39, mainly driven by Property & Casualty down €-625 million, primarily from lower prior year's reserve developments partly offset by higher discounting impact of claims reserves, while Life & Health Underlying Earnings were higher by €170 million mainly reflecting an acceleration in the pattern of earnings recognition induced by the CSM release mechanism under IFRS 17. Underlying Earnings for Asset Management, Banking and Holdings remained at the same level as previously reported under IFRS 4 and IAS 39 for half-year 2022.

The sum of items reconciling Underlying Earnings to Net Income under IFRS 17 and IFRS 9 amounted to €385 million, up €194 million versus the Net Income for half-year 2022 published under IFRS 4 and IAS 39, mainly from a more favorable change in the fair value of assets and derivatives, partly offset by lower realized capital gains from equity securities that are accounted for as other comprehensive income without recycling under IFRS 9. As a result, Net Income under IFRS 17 and IFRS 9 amounted to €3,852 million, down €257 million (-6%) versus half-year 2022 under IFRS 4 and IAS 39.

## UNDERLYING EARNINGS

**On a reported basis, Underlying Earnings amounted to €4,111 million under IFRS 17 and IFRS 9**, up €193 million (+5%) versus half-year 2022 Underlying Earnings under IFRS 4 and IAS 39, and up €644 million (+19%) versus half-year 2022 Underlying Earnings as restated under IFRS 17 and IFRS 9.

On a constant exchange rate basis, Underlying Earnings under IFRS 17 and IFRS 9 increased by €181 million (+5%) versus Underlying Earnings under IFRS 4 and IAS 39.

**On a constant exchange rate basis, Underlying Earnings increased by €632 million (+18%)** under IFRS 17 and IFRS 9.



## PROPERTY &amp; CASUALTY

(in Euro million, except percentages)

	June 30, 2023	Commercial lines	Personal lines	AXA XL Reinsurance	Intercompany eliminations
<b>Short-term Business</b>					
Revenues	25,254	17,117	8,470	1,121	-1,455
Combined Ratio	90.9%	90.9%	93.6%	80.8%	
Technical Margin	2,288	1,556	544	215	-28
<b>Financial Result &amp; Other</b>	<b>1,193</b>	<b>891</b>	<b>228</b>	<b>81</b>	<b>-7</b>
<b>Underlying Earnings Before Tax</b>	<b>3,480</b>	<b>2,447</b>	<b>772</b>	<b>297</b>	<b>-35</b>
Income tax	-761				
Minority interests, Income from Affiliates & Other	-2				
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>2,717</b>				
<b>Contractual Service Margin</b>	<b>212</b>				

(in Euro million, except percentages)

	June 30, 2022	Commercial lines	Personal lines	AXA XL Reinsurance	Intercompany eliminations
<b>Short-term Business</b>					
Revenues	24,614	16,188	8,255	1,447	-1,276
Combined Ratio	96.2%	95.8%	97.2%	94.8%	
Technical Margin	944	682	234	75	-47
<b>Financial Result &amp; Other</b>	<b>1,288</b>	<b>925</b>	<b>309</b>	<b>75</b>	<b>-22</b>
<b>Underlying Earnings Before Tax</b>	<b>2,231</b>	<b>1,607</b>	<b>543</b>	<b>151</b>	<b>-69</b>
Income tax	-455				
Minority interests, Income from Affiliates & Other	-26				
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,750</b>				
<b>Contractual Service Margin</b>	<b>223</b>				



(in Euro million, except percentages)

	June 30, 2023	France	Europe	AXA XL	o/w AXA XL Insurance	Asia, Africa & EME- LATAM	Transversal & Central Holdings
<b>Short-term Business</b>							
Revenues	25,254	4,046	9,244	8,670	7,549	2,417	878
Combined Ratio	90.9%	90.7%	90.1%	89.0%	90.2%	97.9%	100.4%
Technical Margin	2,288	377	911	953	737	52	-4
<b>Financial Result &amp; Other</b>	<b>1,193</b>	<b>258</b>	<b>484</b>	<b>232</b>	<b>151</b>	<b>172</b>	<b>46</b>
<b>Underlying Earnings Before Tax</b>	<b>3,480</b>	<b>635</b>	<b>1,395</b>	<b>1,185</b>	<b>888</b>	<b>224</b>	<b>42</b>
Income tax	-761	-126	-329	-236	-180	-61	-10
Minority interests, Income from Affiliates & Other	-2	-1	-24	0	0	23	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>2,717</b>	<b>508</b>	<b>1,042</b>	<b>949</b>	<b>708</b>	<b>186</b>	<b>32</b>

(in Euro million, except percentages)

	June 30, 2022	France	Europe	AXA XL	o/w AXA XL Insurance	Asia, Africa & EME- LATAM	Transversal & Central Holdings
<b>Short-term Business</b>							
Revenues	24,614	3,784	8,718	8,930	7,482	2,371	811
Combined Ratio	96.2%	98.5%	96.9%	92.7%	92.3%	98.6%	107.4%
Technical Margin	944	55	267	648	573	33	-60
<b>Financial Result &amp; Other</b>	<b>1,288</b>	<b>251</b>	<b>554</b>	<b>254</b>	<b>178</b>	<b>202</b>	<b>28</b>
<b>Underlying Earnings Before Tax</b>	<b>2,231</b>	<b>306</b>	<b>820</b>	<b>902</b>	<b>751</b>	<b>235</b>	<b>-32</b>
Income tax	-455	-71	-170	-172	-146	-53	12
Minority interests, Income from Affiliates & Other	-26	0	-24	-1	-1	-1	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,750</b>	<b>234</b>	<b>627</b>	<b>729</b>	<b>604</b>	<b>180</b>	<b>-21</b>

On a reported basis, Property & Casualty Underlying Earnings amounted to €2,717 million, up €343 million (+14%) versus half-year 2022 Underlying Earnings under IFRS 4 and IAS 39, and up €968 million (+55%) versus half-year 2022 Underlying Earnings under IFRS 17 and IFRS 9.

On a constant exchange rate basis, Underlying Earnings under IFRS 17 and IFRS 9 increased by €316 million (+13%) versus Underlying Earnings under IFRS 4 and IAS 39.





**On a constant exchange rate basis, Property & Casualty Underlying Earnings increased by €940 million (+54%) under IFRS 17 and IFRS 9**, fueled by a strong growth in gross written premiums across the lines, and mainly driven by **(i)** favorable prior years' reserve developments (-1.6 points to -0.6% of combined ratio) as HY22 results were impacted by non-recognition of release of reserves in excess of best estimates, **(ii)** the increase in current year discount (+2.5 points to 4.2%) driven by the rise in interest rates across geographies, **(iii)** lower Natural Catastrophe charges (-1.0 point to 3.0%) in Europe (-2.0 points to 2.1%), France (-2.5 points to 2.4%) and AXA XL Reinsurance (-3.9 points to 10.6%) from the lower frequency of storms, **(iv)** slightly more favorable current year loss ratio excluding Natural Catastrophe charges (-0.4 point) mainly from the non-repeat of the impact of the war in Ukraine at AXA XL, as well as strong pricing actions to mitigate inflation, offset by the impact of elevated level of large loss activity experienced in France and Europe, including French riots, and higher attritional claims due to higher frequency in Motor notably in United Kingdom & Ireland and Germany, partly offset by **(v)** higher expenses (+0.4 point) due to the increase in commission expenses (+0.5 point) driven by a business mix effect in Europe, at AXA XL and in China, offset by the improvements of non-commission ratio (-0.1 point) resulting from disciplined expense management in the context of high inflation, **(vi)** lower financial results (€-71 million) as a consequence of the increase in the unwind of the discount of claims reserves (€-99 million) resulting from the increase in interest rates experienced in 2022, partly offset by a higher investment income (€+27 million) driven by higher reinvestment yields in the context of rising interest rates and **(vii)** higher income taxes by €304 million due to higher pre-tax Underlying Earnings.

## LIFE &amp; HEALTH

(in Euro million, except percentages)

	June 30, 2023	Life	Health
<b>Short-term Business</b>			
Revenues	7,142	1,970	5,172
Combined Ratio	98.9%	93.8%	100.8%
Technical Margin	80	122	-43
<b>Long-term Business</b>			
CSM Release	1,474	1,202	272
Technical Experience	-41	-52	11
<b>Financial Result &amp; Other</b>			
Financial Result	431	350	81
<b>Underlying Earnings Before Tax</b>	<b>1,944</b>	<b>1,622</b>	<b>322</b>
Income tax	-381	-305	-76
Minority interests, Income from Affiliates & Other	81	81	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,643</b>	<b>1,398</b>	<b>245</b>
<b>Contractual Service Margin</b>	<b>33,920</b>	<b>26,443</b>	<b>7,476</b>

(in Euro million, except percentages)

	June 30, 2022	Life	Health
<b>Short-term Business</b>			
Revenues	7,647	1,979	5,668
Combined Ratio	96.9%	93.3%	98.1%
Technical Margin	241	132	109
<b>Long-term Business</b>			
CSM Release	1,454	1,177	277
Technical Experience	-66	-50	-16
<b>Financial Result &amp; Other</b>			
Financial Result	626	511	115
<b>Underlying Earnings Before Tax</b>	<b>2,255</b>	<b>1,771</b>	<b>484</b>
Income tax	-437	-326	-112
Minority interests, Income from Affiliates & Other	80	76	4
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,897</b>	<b>1,521</b>	<b>376</b>
<b>Contractual Service Margin</b>	<b>32,889</b>	<b>25,366</b>	<b>7,523</b>



(in Euro million, except percentages)

	June 30, 2023	France	Europe	AXA XL	Asia, Africa & EME-LATAM	Transversal & Central Holdings
<b>Short-term Business</b>						
Revenues	7,142	4,386	1,441	0	1,185	130
Combined Ratio	98.9%	96.8%	106.1%	0.0%	97.8%	98.9%
Technical Margin	80	140	-87	0	26	1
<b>Long-term Business</b>						
CSM Release	1,474	433	487	1	553	0
Technical Experience	-41	-39	5	0	-6	0
<b>Financial Result &amp; Other</b>						
Financial Result	431	98	226	7	101	0
<b>Underlying Earnings Before Tax</b>	<b>1,944</b>	<b>631</b>	<b>630</b>	<b>8</b>	<b>673</b>	<b>1</b>
Income tax	-381	-100	-148	-2	-131	0
Minority interests, Income from Affiliates & Other	81	7	-32	0	106	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,643</b>	<b>538</b>	<b>449</b>	<b>6</b>	<b>648</b>	<b>1</b>

(in Euro million, except percentages)

	June 30, 2022	France	Europe	AXA XL	Asia, Africa & EME-LATAM	Transversal & Central Holdings
<b>Short-term Business</b>						
Revenues	7,647	5,195	1,335	0	988	129
Combined Ratio	96.9%	96.6%	95.3%	0.0%	100.4%	97.8%
Technical Margin	241	179	63	0	-4	3
<b>Long-term Business</b>						
CSM Release	1,454	423	475	3	554	0
Technical Experience	-66	-50	21	-2	-34	0
<b>Financial Result &amp; Other</b>						
Financial Result	626	208	285	11	122	0
<b>Underlying Earnings Before Tax</b>	<b>2,255</b>	<b>759</b>	<b>844</b>	<b>11</b>	<b>637</b>	<b>3</b>
Income tax	-437	-135	-174	-2	-125	-1
Minority interests, Income from Affiliates & Other	80	1	-23	0	101	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,897</b>	<b>626</b>	<b>647</b>	<b>9</b>	<b>613</b>	<b>2</b>



## LIFE

(in Euro million, except percentages)

	June 30, 2023	France	Europe	AXA XL	Asia, Africa & EME-LATAM	Transversal & Central Holdings
<b>Short-term Business</b>						
Revenues	1,970	1,787	50	0	132	0
Combined Ratio	93.8%	94.3%	93.9%	0.0%	86.9%	0.0%
Technical Margin	122	102	3	0	17	0
<b>Long-term Business</b>						
CSM Release	1,202	433	413	1	354	0
Technical Experience	-52	-39	12	0	-25	0
<b>Financial Result &amp; Other</b>						
Financial Result	350	82	201	7	61	0
<b>Underlying Earnings Before Tax</b>	<b>1,622</b>	<b>577</b>	<b>629</b>	<b>8</b>	<b>408</b>	<b>0</b>
Income tax	-305	-92	-141	-2	-70	0
Minority interests, Income from Affiliates & Other	81	7	-32	0	106	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,398</b>	<b>492</b>	<b>456</b>	<b>6</b>	<b>444</b>	<b>0</b>

(in Euro million, except percentages)

	June 30, 2022	France	Europe	AXA XL	Asia, Africa & EME-LATAM	Transversal & Central Holdings
<b>Short-term Business</b>						
Revenues	1,979	1,839	47	0	92	0
Combined Ratio	93.3%	92.7%	92.0%	0.0%	106.1%	0.0%
Technical Margin	132	134	4	0	-6	0
<b>Long-term Business</b>						
CSM Release	1,177	423	415	3	336	0
Technical Experience	-50	-50	20	-2	-18	0
<b>Financial Result &amp; Other</b>						
Financial Result	511	169	250	11	81	0
<b>Underlying Earnings Before Tax</b>	<b>1,771</b>	<b>676</b>	<b>690</b>	<b>11</b>	<b>394</b>	<b>0</b>
Income tax	-326	-120	-135	-2	-68	0
Minority interests, Income from Affiliates & Other	76	1	-23	0	98	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>1,521</b>	<b>557</b>	<b>531</b>	<b>9</b>	<b>423</b>	<b>0</b>

**On a reported basis, Life Underlying Earnings amounted to €1,398 million**, up €73 million (+6%) versus half-year 2022 Underlying Earnings under IFRS 4 and IAS 39, and down €122 million (-8%) versus half-year 2022 Underlying Earnings under IFRS 17 and IFRS 9.

On a constant exchange rate basis, Underlying Earnings under IFRS 17 and IFRS 9 increased by €77 million (+6%) versus Underlying Earnings under IFRS 4 and IAS 39.



**On a constant exchange rate basis, Life Underlying Earnings decreased by €119 million (-8%) under IFRS 17 and IFRS 9** from **(i)** lower financial result (€-167 million) mainly from lower operating investment income (€-132 million) driven by Europe, mainly in Belgium & Luxembourg from lower alternative investment funds distribution, France notably from lower return from inflation bonds combined with the increase in the unwind of discount on reserves (€-35 million) from higher interest rates, as well as **(ii)** lower short-term business technical margin (€-10 million) reflecting a 0.5 point increase in combined ratio mainly driven by France from an update in actuarial assumptions in Group Protection annuities business as well as the run-off of a Protection portfolio, partly offset by Asia, Africa & EME-LATAM an improved claims experience in Group Life in Mexico, partly offset by **(iii)** a higher CSM release (€+32 million) reflecting the underlying CSM growth (4% annualized) as well as **(iv)** a lower income tax (€+19 million) driven by lower pre-tax Underlying Earnings.

## HEALTH

(in Euro million, except percentages)

	June 30, 2023	France	Europe	AXA XL	Asia, Africa & EME-LATAM	Transversal & Central Holdings
<b>Short-term Business</b>						
Revenues	5,172	2,599	1,391	0	1,053	130
Combined Ratio	100.8%	98.5%	106.5%	0.0%	99.2%	98.9%
Technical Margin	-43	38	-90	0	9	1
<b>Long-term Business</b>						
CSM Release	272	0	73	0	199	0
Technical Experience	11	0	-7	0	19	0
<b>Financial Result &amp; Other</b>						
Financial Result	81	16	25	0	40	0
<b>Underlying Earnings Before Tax</b>	<b>322</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>266</b>	<b>1</b>
Income tax	-76	-8	-7	0	-61	0
Minority interests, Income from Affiliates & Other	0	0	0	0	0	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>245</b>	<b>46</b>	<b>-7</b>	<b>0</b>	<b>205</b>	<b>1</b>

(in Euro million, except percentages)

	June 30, 2022	France	Europe	AXA XL	Asia, Africa & EME-LATAM	Transversal & Central Holdings
<b>Short-term Business</b>						
Revenues	5,668	3,356	1,288	0	896	129
Combined Ratio	98.1%	98.7%	95.4%	0.0%	99.8%	97.8%
Technical Margin	109	45	60	0	1	3
<b>Long-term Business</b>						
CSM Release	277	0	59	0	217	0
Technical Experience	-16	0	0	0	-16	0
<b>Financial Result &amp; Other</b>						
Financial Result	115	39	36	0	40	0
<b>Underlying Earnings Before Tax</b>	<b>484</b>	<b>84</b>	<b>155</b>	<b>0</b>	<b>243</b>	<b>3</b>
Income tax	-112	-15	-39	0	-57	-1
Minority interests, Income from Affiliates & Other	4	0	0	0	4	0
<b>UNDERLYING EARNINGS GROUP SHARE</b>	<b>376</b>	<b>69</b>	<b>116</b>	<b>0</b>	<b>190</b>	<b>2</b>

**On a reported basis, Health Underlying Earnings amounted to €245 million**, down €157 million (-39%) versus half-year 2022 Underlying Earnings under IFRS 4 and IAS 39, and down €131 million (-35%) versus half-year 2022 Underlying Earnings under IFRS 17 and IFRS 9.

On a constant exchange rate basis, Underlying Earnings under IFRS 17 and IFRS 9 decreased by € 148 million (-37%) versus Underlying Earnings under IFRS 4 and IAS 39.



**On a constant exchange rate basis, Health Underlying Earnings decreased by €122 million (-33%) under IFRS 17 and IFRS 9** mainly driven by **(i)** a lower short-term business technical margin (€-156 million) reflecting a 2.8 points increase in the combined ratio, in Europe (€-154 million) due to higher claims frequency in the United Kingdom, and **(ii)** a lower financial result (€-33 million) driven by France (€-22 million) from the increase in the unwind of discount on reserves reflecting the rise in interest rates, and Europe (€-10 million) from non-repeat of elevated dividends distribution in Spain, partly offset by **(iii)** a higher Technical Experience (€+30 million) driven by Asia, Africa & EME-LATAM (€+37 million) mainly from the non-repeat of elevated level of COVID-19 claims in Japan, and **(iv)** a higher CSM Release (€+9 million) notably in Europe (€+14 million) from Germany and Switzerland, as well as (v) a lower income taxes (€+32 million) driven by lower pre-tax Underlying Earnings.

## ASSET MANAGEMENT

**Asset Management Underlying Earnings decreased by €14 million (-7%) to €188 million** driven by **(i)** lower revenues (€-33 million), **(ii)** higher expenses (€-5 million) from higher staff expenses to support business compensated by cost containment measures, partly offset by **(iii)** higher investment income (€+13 million) from higher interest rates, **(iv)** higher income from affiliates and associates (€+6 million) following the consolidation of Capza, and **(v)** lower taxes (€+5 million) from lower pre-tax Underlying Earnings.

## HOLDINGS

**Holdings Underlying Earnings decreased by €53 million (-14%) to €-437 million** mainly driven by **(i)** AXA SA Holding (€-92 million) from higher financial charges driven by debt issuance, the non-repeat of the positive impact of a tax litigation settlement last year, partly offset by higher investment income, partly offset by **(ii)** UK Holdings (€+25 million) mainly from favorable tax one-offs, as well as **(iii)** AXA XL Holding (€+24 million) from lower financing debt expenses due to early debt redemption in July 2022.

## NET INCOME

**On a reported basis, Net Income amounted to €3,833 million**, down €275 million (-7%) versus half-year 2022 Net Income under IFRS 4 and IAS 39, and down €18 million (-0%) versus half-year 2022 Net Income under IFRS 17 and IFRS 9.

On a constant exchange rate basis, Net Income decreased by € 269 million (-7%) versus Net Income under IFRS 4 and IAS 39.

**On a constant exchange rate basis, Net Income decreased by €12 million (-0%) under IFRS 17 and IFRS 9** driven by:

- **higher Underlying Earnings**, up €632 million (+18%) to €4,111 million;
- **a negative change in the fair value of assets and derivatives**, down €866 million to €-74 million which can be analyzed as follows:
  - **€-67 million** primarily from **(i)** an unfavorable change in the fair value of equity hedging derivatives (€-169 million) in France and AXA XL reflecting the strong market performance over the first half of the year, partly offset by **(ii)** the favorable impact from interest rates hedging derivatives (€+57 million) in both Hong Kong and France,
  - **€-6 million** from an unfavorable change in the fair value of foreign exchange derivatives notably from US Dollar denominated options in France as a result of US Dollar depreciation against Euro;
- **less unfavorable net realized capital losses**, up €56 million to €-30 million;
- **a lower negative impact of goodwill and other related intangibles**, down €117 million (-58%) to €-93 million, mainly from the non-repeat of the full impairment of the goodwill of Reso Garantia;
- **lower restructuring costs**, down €61 million (-42%) to €-82 million; and
- **exceptional items** at €1 million.





## Shareholders' equity Group share

As of June 30, 2023, Shareholders' equity Group share totaled €45.9 billion. The movements in Shareholders' equity Group share since December 31, 2022, are presented in the table below:

(in Euro million)	
Shareholders' equity Group share	
<b>At December 31, 2022</b>	<b>46,071</b>
Paid-in Capital	-1,362
Treasury Shares	150
Other Comprehensive Income Arising from Defined Benefit Plans	565
Fair Value Recorded in Shareholders' Equity	1,273
<i>Other Comprehensive Income Related to Invested Assets</i>	5,506
<i>Other Comprehensive Income Related to (re) Insurance Contracts</i>	-4,233
Impact of Currency Fluctuations	-772
Undated Subordinated Debt (including interest charges)	-87
Realized Gains on Equity through Retained Earnings	23
Dividends	-3,787
Net Income for the Period	3,833
Other	5
<b>At June 30, 2023</b>	<b>45,912</b>

## Solvency information<sup>(1)</sup>

As of June 30, 2023, the Group's Eligible Own Funds ("EOF") amounted to €62.3 billion and the Solvency II ratio to 235%, compared to €58.5 billion and 215% as of December 31, 2022.

<sup>(1)</sup> Solvency-related information included in this section, including the Solvency II ratio and the Eligible Own Funds ("EOF"), is not subject to the review of the Half Year 2023 Consolidated Financial Statements included in the Half Year 2023 Financial Report, nor the verification of the information otherwise included in such Half Year 2023 Financial Report, performed by the Group's statutory auditors.

## Shareholder value

### EARNINGS PER SHARE (“EPS”)

**Underlying Earnings Per Share on a fully diluted basis amounted to €1.79, up 8% versus half-year 2022 under IFRS 4 and IAS 39, and up 23% versus half-year 2022 under IFRS 17 and IFRS 9.**

(in Euro, except ordinary shares in million)	June 30, 2023		June 30, 2022		June 30, 2023 / June 30, 2022	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
<b>Weighted average number of shares</b>	<b>2,241</b>	<b>2,247</b>	<b>2,311</b>	<b>2,317</b>	<b>-3%</b>	<b>-3%</b>
Net income (Euro per ordinary share)	1.67	1.67	1.63	1.62	3%	3%
Underlying earnings (Euro per ordinary share)	1.79	1.79	1.46	1.46	23%	23%

### RETURN ON EQUITY (“ROE”)

(in Euro billion)	June 30, 2023	June 30, 2022	June 30, 2023 / June 30, 2022
<b>Net Income ROE</b>	<b>15.5%</b>	<b>15.2%</b>	<b>0.2 pt</b>
Net Income <sup>(a)</sup>	3.7	3.8	
Average Adjusted Shareholders' Equity <sup>(a)</sup>	48.4	49.3	
<b>Underlying ROE</b>	<b>16.6%</b>	<b>13.7%</b>	<b>2.9 pts</b>
Underlying Earnings <sup>(a)</sup>	4.0	3.4	
Average Adjusted Shareholders' Equity <sup>(a)</sup>	48.4	49.3	

<sup>(a)</sup> Including adjustments to reflect net financial charges related to undated and deeply subordinated debt (recorded through shareholders' equity).

<sup>(b)</sup> Excluding reserves related to the change in fair value of invested assets and derivatives, reserves related to insurance contracts as well as undated and deeply subordinated debt (recorded through shareholders' equity).



## Outlook

AXA delivered strong operational performance in the first half of 2023. The Group remains focused on growing its cash generative, technical and fee-based business lines, reducing sensitivity to financial markets, and delivering sustainable and attractive margins.

In Property & Casualty, the pricing environment remains favorable. In this context, Management is confident in the Group's ability to sustain its strong underwriting margins across Commercial and Personal lines, supported by pricing actions and cost discipline. The below-average Nat Cat charges in 1H23 and the continued high interest rate environment have provided some tailwinds on current year margins. The Group is maintaining its prudent stance on reserving and is committed to delivering sustainable and attractive P&C results over the cycle.

Life results are expected to be driven by a predictable CSM release, underpinned by steady underlying growth<sup>(1)</sup>

in the stock of CSM from attractive new business. In Health, the Group expects claims frequency in the United Kingdom to remain elevated in the second half, at levels similar to 1H23. The impact is expected to be gradually compensated by price increases with the benefits to be reflected starting next year.

In this context, Management affirms that the Group is on track to meet its 2023 underlying earnings target of above Euro 7.5 billion for the year<sup>(2)</sup>

. The Group remains focused on executing its strategy and is confident in its ability to deliver on the four main financial targets of AXA's "Driving Progress 2023" plan.

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.

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<sup>(1)</sup> Underlying growth refers to the sum of new business CSM and underlying return on in-force portfolio, net of CSM release.

<sup>(2)</sup> Based on normalized natural catastrophe charges and assuming current operating and market conditions persist.



## 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

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- **France** (insurance and banking activities, and holding);
- **Europe**, consisting of:
  - Switzerland (insurance activities),
  - Germany (insurance activities and holding),
  - Belgium & Luxemburg (insurance activities and holding),
  - United Kingdom & Ireland (insurance activities and holding),
  - Spain (insurance activities),
  - Italy (insurance activities), and
  - AXA Life Europe (insurance activities);
- **AXA XL** (insurance and reinsurance activities and holding);
- **Asia, Africa & EME-LATAM** consisting of
  - Asia, consisting of:
    - Japan (insurance activities and holding),
    - Hong Kong (insurance activities),
    - Thailand (insurance activities),
    - Indonesia (insurance activities),
    - China (insurance activities),
    - The Philippines (insurance activities),
    - South Korea (insurance activities),
    - Malaysia (insurance activities held for sale until June 2021, and disposed on August 30, 2022),
    - India (Life activities and holding), and
    - Asia Holdings;
  - EME-LATAM, consisting of:
    - Brazil (insurance activities and holding),
    - Colombia (insurance activities),
    - Mexico (insurance activities),
    - Russia (Reso) (insurance activities), and
    - Turkey (insurance activities and holding),



- Africa:
  - Morocco (insurance activities and holding),
  - Nigeria (insurance activities and holding),
- AXA Mediterranean Holdings;
- **AXA Investment Managers** (including Architas);
- **Transversal & Central Holdings**, consisting of:
  - AXA Assistance,
  - AXA Liabilities Managers,
  - AXA SA (including Group's internal reinsurance activity consequently to the merger with AXA Global Re on June 30, 2022), and
  - Other Central Holdings.

## ALTERNATIVE PERFORMANCE MEASURES

Underlying Earnings, Underlying Earnings per Share, Combined Ratio, Underlying Return on Equity 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 Consolidated 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 Consolidated Financial Statements in the table set forth on page 34 of this report, and the calculation methodology of the Debt Gearing is set out on page 21 of this report. For further information on any of the above-mentioned APMs, please see the definitions and the Glossary on pages 36 to 41 of this report.

IFRS 17 and IFRS 9 became effective on, and have been implemented by the Group since, January 1, 2023. The new accounting standards have impacted certain components of the APMs published by AXA. For definitions of relevant accounting components under IFRS 17 and IFRS 9, please refer to Note 1 to AXA’s 2023 Half-Year Consolidated Financial Statements (the “Consolidated Financial Statements”).

### Underlying Earnings

**Underlying Earnings** represent the Net Income Group share as disclosed in the table set forth on pages 18 and 19 of this report, before the impact of the following items net of absorption from technical liabilities, taxes, and minority interests:

- realized gains and losses as well as the change in impairment valuation on assets held directly and accounted through other comprehensive income with recycling or at the amortized cost;
- profit or loss on financial assets accounted at fair value through profit & loss, foreign exchange impacts on assets and liabilities as well as derivatives hedging assets and liabilities;
- impairments of goodwill, impairments, and amortization of other intangibles;
- 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 Earnings per Share

Underlying Earnings per Share (“**Basic UEPS**”) represent AXA's consolidated Underlying Earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders’ equity as disclosed in Note 6 “Shareholders’ equity and minority interests” of Consolidated Financial Statements) 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.



Fully Diluted Underlying Earnings per Share (“**Fully Diluted UEPS**”) represent AXA's consolidated Underlying Earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders' equity as disclosed in Note 6 “Shareholders' equity and minority interests” of the Consolidated Financial Statements) 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.

### Combined Ratio (Applicable to Short-Term Business)

**The Combined Ratio** is the sum of the current accident year loss ratio net of reinsurance plus the prior accident year loss ratio net of reinsurance plus the expense ratio.

**Current accident year loss ratio net of reinsurance** is the ratio of:

- discounted current year claims charge gross of reinsurance + discounted current accident year claims handling costs + discounted current accident year result of reinsurance ceded + change in loss component; to
- current year revenues gross of reinsurance.

**Prior accident year loss ratio net of reinsurance** is the ratio of:

- discounted prior accident year claims charge gross of reinsurance + discounted prior accident year claims handling costs + discounted prior accident year result of reinsurance ceded + variation of risk adjustment; to
- all year revenues gross of reinsurance.

**Expense ratio** is the ratio of:

- expenses (including attributable, non-attributable and non-insurance expenses), excluding commissions from assumed reinsurance business; to
- all year revenues gross of reinsurance.

### Underlying Return on Equity

**Underlying Return on Equity** (“Underlying ROE”) is calculated as the ratio of :

- Underlying Earnings net of interest charges related to undated and deeply subordinated debts (recorded through shareholders' equity as disclosed in Note 6 “Shareholders' Equity and Minority Interests” of the Consolidated Financial Statements); to
- the average of opening and closing shareholders' equity excluding other comprehensive income related to invested assets (as disclosed in Note 6 “Shareholders' equity and minority interests” of the Consolidated Financial Statements) insurance and reinsurance contracts, as well as excluding undated and deeply subordinated debt (recorded through shareholders' equity, as disclosed in Note 6 “Shareholders' equity and minority interests” of the Consolidated Financial Statements).

### 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, as disclosed in Note 8 “Financing debt” of the Consolidated Financial Statements, and undated and deeply subordinated debts, as disclosed in Note 6 “Shareholders' equity and minority interests” of the Consolidated Financial Statements) by total capital employed (shareholders' equity excluding undated and deeply subordinated debts), gross debt and Contractual Service Margin (net of tax), as it represents the unearned profit to be recognized as services are provided to policyholders.



## OTHER DEFINITIONS

### Asset Management - Net inflows

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

### Asset Management - Cost Income ratio

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")

Assets under Management are defined as the assets the management of which 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")

Average Assets under Management represent 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. They also exclude assets held in joint venture companies which are consolidated under the equity method.

### Comparable basis for Gross Written Premiums and Other Revenues, Present Value of Expected Premiums (PVEP) 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 the 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**).

### Contractual Service Margin ("CSM")

CSM represents a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit to be recognized as services are provided to policyholders.

### CSM Release

CSM Release is the portion of CSM stock net of reinsurance at the end of the defined period flowing through profit and loss representing the estimated profit earned by the insurer for providing insurance services during the reporting period.

### Economic Variance

Economic Variance corresponds to the variance of the year end CSM arising from changes in market conditions net of the underlying return on in-force.

### Eligible Own Funds ("EOF")

Eligible Own Funds represents the surplus derived from a Solvency II balance sheet. EOF is defined as the excess of market value of assets over best estimate liabilities and risk margin as per Solvency II regulation.



## Financial Result

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

## Gross Written Premiums and Other Revenues

Gross Written Premiums represent the insurance premiums collected during the period (including risk premiums, premiums from pure investment contracts with no discretionary participating features, fees and revenues, net of commissions paid on assumed reinsurance business). Other Revenues represent premiums and fees collected on activities other than insurance (i.e., banking, services and asset management activities).

## Long-Term Business

Long-Term Business refers to insurance activities measured using the Variable Fee Approach (“VFA”) or the Building Block Approach (“BBA”), as well as Protection with Savings, even if the latter is measured using Premium Allocation Approach (“PAA”). Long-Term Business margin analysis includes CSM Release and Technical Experience.

## New Business Value (“NBV”)

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

## NBV Margin

NBV Margin is the ratio of (i) New Business Value representing the value of newly issued contracts during the current year to (ii) Present Value of Expected Premiums (PVEP).

## New Business Contractual Service Margin (“NB CSM”)

NB CSM represents a component of the carrying amount of the asset or liability for newly issued insurance contracts during the period, representing the unearned profit to be recognized as insurance contract services are provided.

## Present Value of Expected Premium (“PVEP”)

PVEP represents the new business volume, equal to the present value at the time of issue of the total premiums expected to be received over the policy term. PVEP is discounted at the reference interest rate and PVEP is Group share.

## Revenues

For Short-Term Business, revenues represent the portion of premiums earned during the defined reporting period as well as revenues from non-insurance activities.

## Short-Term Business

Short-Term Business refers to insurance activities measured using the Premium Allocation Approach (“PAA”) and services activities notably at AXA Assistance. Short-Term Business margin is analyzed using the Combined Ratio. Short-Term Business covers Property & Casualty, Health and Life Pure Protection when measured using the PAA. Bank and Asset Management activities are presented in the aggregate “Financial Results and Other” in the Group Earnings table.





### 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 to ensure 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-year 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](http://www.axa.com)).

### Technical Experience

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

### Underlying Return on in-force

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

## **II. Consolidated financial statements**



**Half Year 2023**

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In this document, “restated” refers to comparative periods that were restated for the impact of the application of both IFRS 17 - Insurance contracts (replacing IFRS 4) and IFRS 9 - Financial instruments (replacing IAS 39).

## 6.1 to 6.5 CONSOLIDATED FINANCIAL STATEMENTS

### II.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Notes	(in EURO million)	June 30, 2023	December 31, 2022, restated	January 1, 2022, restated
	Goodwill	17,356	17,754	17,167
	Other intangible assets	4,563	4,720	4,764
	<b>Intangible assets</b>	<b>21,919</b>	<b>22,474</b>	<b>21,931</b>
	Investments in real estate properties	29,699	28,684	28,011
	Financial investments	385,582	389,586	486,073
	Assets backing contracts where the financial risk is borne by policyholders	80,771	76,491	86,183
<b>5</b>	<b>Investments from insurance activities</b>	<b>496,052</b>	<b>494,760</b>	<b>600,268</b>
<b>5</b>	<b>Investments from banking and other activities</b>	<b>21,002</b>	<b>20,815</b>	<b>20,632</b>
	<b>Investments accounted for using the equity method</b>	<b>2,268</b>	<b>2,234</b>	<b>2,451</b>
	Assets arising from insurance contracts and investment contracts with discretionary participation features	7	4	-
	Assets arising from reinsurance contracts held	24,723	24,373	25,795
<b>7</b>	<b>Assets arising from insurance contracts, investment contracts, and reinsurance contracts held</b>	<b>24,730</b>	<b>24,377</b>	<b>25,795</b>
	<i>of which Present Value of Future Cash Flows</i>	23,585	23,220	24,557
	<i>of which Risk Adjustment for non-financial risk</i>	502	504	525
	<i>of which Contractual Service Margin</i>	644	653	713
	Derivative assets	11,682	15,704	9,107
	Tangible assets	2,149	2,231	2,443
	Deferred tax assets	3,696	3,263	2,417
	<b>Other assets</b>	<b>17,527</b>	<b>21,198</b>	<b>13,967</b>
	Current tax receivables	945	930	945
	Other receivables	11,229	9,771	10,997
	<b>Receivables</b>	<b>12,174</b>	<b>10,700</b>	<b>11,942</b>
<b>4</b>	<b>Assets held for sale</b>	<b>13,124</b>	<b>14,161</b>	<b>8,107</b>
	<b>Cash and cash equivalents</b>	<b>26,779</b>	<b>26,167</b>	<b>25,053</b>
	<b>TOTAL ASSETS</b>	<b>635,575</b>	<b>636,885</b>	<b>730,146</b>

Notes	(in EURO million)	June 30, 2023	December 31, 2022, restated	January 1, 2022, restated
	<b>Shareholders' equity – Group share</b>	<b>45,912</b>	<b>46,071</b>	<b>51,885</b>
	<i>of which Net income - Group share</i>	3,833	5,061	-
	<b>Minority interests</b>	<b>2,906</b>	<b>3,018</b>	<b>3,702</b>
<b>6</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>48,819</b>	<b>49,089</b>	<b>55,587</b>
	Subordinated debt	11,968	11,956	10,599
	Financing debt instruments issued	2,416	1,672	800
<b>8</b>	<b>Financing debt</b>	<b>14,383</b>	<b>13,629</b>	<b>11,399</b>
	Liabilities arising from insurance contracts and investment contracts with discretionary participation features	446,544	444,812	539,351
	Liabilities arising from other investment contracts	12,059	12,366	14,485
	Liabilities arising from reinsurance contracts held	7	5	11
<b>7</b>	<b>Liabilities arising from insurance contracts, investment contracts, and reinsurance contracts held</b>	<b>458,610</b>	<b>457,183</b>	<b>553,848</b>
	<i>of which Present Value of Future Cash Flows</i>	420,727	419,892	515,781
	<i>of which Risk Adjustment for non-financial risk</i>	3,106	3,104	3,765
	<i>of which Contractual Service Margin</i>	34,776	34,188	34,301
	<b>Liabilities arising from banking activities</b>	<b>10,933</b>	<b>12,161</b>	<b>14,653</b>
	<b>Provisions for risks and charges</b>	<b>6,375</b>	<b>6,516</b>	<b>9,424</b>
	Derivative liabilities	16,781	18,604	10,854
	Deferred tax liabilities	1,685	911	785
	<b>Other liabilities</b>	<b>18,466</b>	<b>19,515</b>	<b>11,639</b>
	Minority interests of controlled investment funds and puttable instruments held by minority interests	6,891	6,400	7,750
	Other debt instruments issued, notes and bank overdrafts	11,019	10,558	10,518
	Current tax payables	1,534	1,308	963
	Collateral debts relating to investments under a lending agreement or equivalent	33,100	34,245	35,030
	Other payables	12,555	13,231	12,142
	<b>Payables</b>	<b>65,099</b>	<b>65,742</b>	<b>66,403</b>
<b>4</b>	<b>Liabilities held for sale</b>	<b>12,890</b>	<b>13,049</b>	<b>7,194</b>
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>635,575</b>	<b>636,885</b>	<b>730,146</b>

## II.2 CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Notes	June 30, 2023	June 30, 2022, restated
<i>(in EURO million, except EPS in EURO)</i>		
Insurance revenue	39,194	39,133
Fees and charges relating to investment contracts with no discretionary participation features	118	166
Revenues from other activities	1,403	1,597
<b>Revenues from all activities</b>	<b>40,715</b>	<b>40,896</b>
Insurance service expenses	(33,627)	(35,597)
Net expenses from reinsurance contracts held	(1,209)	(658)
Expenses from other activities	(1,505)	(1,567)
<b>Expenses from all activities</b>	<b>(36,341)</b>	<b>(37,822)</b>
<b>Result from all activities</b>	<b>4,374</b>	<b>3,074</b>
<b>Investment return</b>	<b>8,620</b>	<b>(4,945)</b>
Net finance income or expenses from insurance contracts issued	(7,603)	7,199
Net finance income or expenses from reinsurance contracts held	155	297
<b>Net finance income or expenses from insurance and reinsurance contracts</b>	<b>(7,448)</b>	<b>7,497</b>
<b>Financial result excluding financing debt expenses</b>	<b>1,172</b>	<b>2,551</b>
Other income and expenses (a) (b)	(509)	(450)
Change in impairment on goodwill and other intangible assets	(1)	-
<b>Other operating income and expenses</b>	<b>(510)</b>	<b>(450)</b>
<b>Operating profit before tax</b>	<b>5,037</b>	<b>5,176</b>
Income (net of impairment) from investment accounted for using the equity method	200	(91)
Financing debts expenses	(306)	(260)
<b>Profit before tax</b>	<b>4,931</b>	<b>4,824</b>
Income tax	(994)	(899)
<b>Net income</b>	<b>3,937</b>	<b>3,925</b>
Split between :		
<b>Net income - Group share</b>	<b>3,833</b>	<b>3,852</b>
Net income - Minority interests	104	74
<b>10 Earnings per share</b>	<b>1.67</b>	<b>1.63</b>
<b>10 Fully diluted earnings per share</b>	<b>1.67</b>	<b>1.62</b>

(a) As of June 30, 2022, it included the impact related to the disposal process of General Account portfolio in Belgium.

(b) As of June 30, 2023, it included the impact of IAS29 standard application related to hyperinflation in Turkey for €-12 million of which €-11 million group share (as of June 30, 2022, €-20 million of which €-19 million group share).

## II.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in EURO million)</i>	June 30, 2023	June 30, 2022, restated
<b>Net income</b>	<b>3,937</b>	<b>3,925</b>
Changes in fair value of financial instruments <sup>(a)</sup>	4,747	(41,939)
Net finance income and expenses from insurance contracts issued	(4,165)	42,056
Net finance income from reinsurance contracts held	395	(3,244)
Foreign currency translation differences	(781)	1,641
<b>Items that may be reclassified subsequently to Profit or Loss</b>	<b>195</b>	<b>(1,487)</b>
Realized capital gains or losses on equity instruments, without recycling in Profit or Loss	31	365
Change in fair value of equity instruments, without recycling in Profit or Loss <sup>(b)</sup>	934	(3,685)
Net finance income or expenses from insurance contracts, without recycling in Profit or Loss	(585)	2,077
Employee benefits actuarial gains and losses	568	1,287
Change in fair value of financial liabilities attributable to changes in credit risk	(1)	11
<b>Items that may not be reclassified subsequently to Profit or Loss</b>	<b>947</b>	<b>56</b>
<b>Other comprehensive income, net of tax</b>	<b>1,142</b>	<b>(1,431)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>5,079</b>	<b>2,494</b>
<i>Split between:</i>		
<b>Comprehensive Income - Group share</b>	<b>4,927</b>	<b>2,490</b>
<b>Comprehensive Income - Minority Interests</b>	<b>152</b>	<b>4</b>

(a) Including changes in the fair value of cash flows hedge reserve and cost of hedging reserve.

(b) Including changes in the fair value hedge reserve of equity instruments.

## II.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in EURO million, except for number of shares and nominal value)	Number of shares (in thousands)	Nominal value (in Euro)	Paid-in capital	Other reserves recognized through OCI	Undated subordinated debts	Translation reserves	Employee benefits	Retained earnings	Shareholders' equity group share	Minority interests	Total shareholders' equity
Shareholders' equity opening January 1, 2023	2,351,771	2.29	23,317	(8,758)	5,704	(1,643)	(2,652)	30,102	46,071	3,018	49,089
Paid-in capital	(57,732)	-	(1,384)						(1,384)		(1,384)
Share based compensation			22						22		22
Treasury shares			150						150		150
Undated subordinated debt					(0)	-		(92)	(92)		(92)
Others (including impact on change in scope) <sup>(a)</sup>				(0)		(0)	-	5	5	(264)	(259)
Dividends paid								(3,787)	(3,787)		(3,787)
<b>Impact of transactions with shareholders</b>	<b>(57,732)</b>	<b>-</b>	<b>(1,212)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>	<b>(3,874)</b>	<b>(5,086)</b>	<b>(264)</b>	<b>(5,350)</b>
Net income								3,833	3,833	104	3,937
Other comprehensive income (OCI)				1,273	5	(772)	565	23	1,094	48	1,142
<b>Total comprehensive income for the period</b>				<b>1,273</b>	<b>5</b>	<b>(772)</b>	<b>565</b>	<b>3,856</b>	<b>4,927</b>	<b>152</b>	<b>5,079</b>
Shareholders' equity closing June 30, 2023	2,294,039	2.29	22,106	(7,485)	5,709	(2,415)	(2,087)	30,084	45,912	2,906	48,819

(a) Included the application impact of IAS 12 amendment relating to deferred taxes on Leases (€24 million in Group share).



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in EURO million, except for number of shares and nominal value)	Number of shares (in thousands)	Nominal value (in Euro)	Paid-in capital	Other reserves recognize d through OCI	Undated subordinated debts	Translation reserves <sup>u</sup>	Employee benefits	Retained earnings <sup>u</sup>	Shareholders' equity group share	Minority interests	Total shareholders' equity
Shareholders' equity opening January 1, 2022, as previously reported	2,421,569	2.29	25,718	16,935	6,696	(2,843)	(3,185)	27,815	71,135	4,094	75,229
Adjustment on initial application of IFRS17 and IFRS9, net of tax	(0)	-	(73)	(20,074)	-	(27)	68	855	(19,250)	(392)	(19,642)
Shareholders' equity opening January 1, 2022, restated	2,421,569	2.29	25,645	(3,139)	6,696	(2,870)	(3,117)	28,670	51,885	3,702	55,587
Paid-in capital	(85,271)	-	(2,194)						(2,194)		(2,194)
Share based compensation			24						24		24
Treasury shares			670						670		670
Undated subordinated debt					(746)	-		(91)	(837)		(837)
Others (including impact on change in scope) <sup>u</sup>				(0)		-	0	36	36	(177)	(141)
Dividends paid								(3,539)	(3,539)		(3,539)
Impact of transactions with shareholders	(85,271)	-	(1,501)	(0)	(746)	-	0	(3,594)	(5,841)	(177)	(6,018)
Net income								3,852	3,852	74	3,925
Other comprehensive income (OCI)				(4,658)	48	1,579	1,280	389	(1,362)	(69)	(1,431)
Total comprehensive income for the period			-	(4,658)	48	1,579	1,280	4,241	2,490	4	2,494
Shareholders' equity closing June 30, 2022, restated	2,336,298	2.29	24,144	(7,797)	5,997	(1,291)	(1,836)	29,316	48,534	3,529	52,062

(a) As of June 30, 2022, it included the effect over the reporting period of applying IAS 29 standard related to hyperinflation in Turkey for €89 million of which €86 million group share.

(b) As of June 30, 2022, it included the cumulative effect for previous periods of applying IAS 29 standard related to hyperinflation in Turkey for €132 million of which €130 million group share.

## II.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in EURO million)

	June 30, 2023	June 30, 2022, restated
<b>Operating profit before tax</b>	<b>4,931</b>	<b>4,824</b>
Net amortization expense (a)	(299)	(340)
Change in goodwill impairment and other intangible assets impairment (b)	1	-
Net increase / (write back) in impairment on investments and tangible assets	186	73
Change in fair value of assets and liabilities at fair value through profit or loss	(4,877)	12,391
Net change in liabilities arising from insurance and investment contracts (c)	2,476	(5,974)
Net increase / (write back) in other provisions (d)	(74)	(29)
Income arising from investments in associates - Equity method	(200)	99
<b>Adjustment of non cash balances included in the operating income before tax</b>	<b>(2,787)</b>	<b>6,220</b>
Net realized gains and losses	1,595	(1,149)
Financing debt expenses	306	260
<b>Adjustment of balances included in operating income before tax for reclassification to investing or financing activities</b>	<b>1,900</b>	<b>(888)</b>
Dividends recorded during the period	(1,515)	(1,821)
Investment income & expense recorded in profit or loss during the period	(3,995)	(4,360)
<b>Adjustment of transactions from accrued to cash basis</b>	<b>(5,510)</b>	<b>(6,181)</b>
Net cash impact of deposit accounting	(470)	253
Dividends and interim dividends collected	1,618	2,093
Interests collected	7,100	6,125
Interests paid (excluding interests on financing and undated subordinated debts, margin calls and other)	(1,917)	(1,006)
Net operating cash from banking activities	(473)	(1,381)
Net change in operating receivables and payables	(239)	(2,903)
Net cash provided by other assets and liabilities	1,078	(3,365)
Tax expenses paid	(496)	(672)
Other operating cash impact and non cash adjustment	149	270
<b>Net cash impact of transactions with cash impact not included in the operating income before tax</b>	<b>6,350</b>	<b>(637)</b>
<b>NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES</b>	<b>4,884</b>	<b>3,337</b>
Purchase of subsidiaries and affiliated companies, net of cash acquired	(0)	19
Disposal of subsidiaries and affiliated companies, net of cash ceded	15	380
<b>Net cash related to changes in scope of consolidation</b>	<b>14</b>	<b>399</b>
Sales and / or repayment of debt instruments (e)	22,332	26,254
Sales of equities instruments (e) (f)	8,663	9,904
Sales of investment properties held directly or not	(69)	758
Sales and/or repayment of loans and other assets (e) (g)	7,530	13,342
<b>Net cash related to sales and repayments of investments (e) (f) (g)</b>	<b>38,456</b>	<b>50,258</b>
Purchases of debt instruments (e)	(18,711)	(21,372)
Purchases of equity instruments (e) (f)	(8,802)	(10,411)
Purchases of investment properties held direct or not	(1,481)	(1,144)



Purchases and/or issues of loans and other assets (e) (g)	(8,896)	(16,220)
<b>Net cash related to purchases and issuance of investments (e) (f) (g)</b>	<b>(37,890)</b>	<b>(49,147)</b>
Sales of tangible and intangible assets	167	2
Purchases of tangible and intangible assets	(142)	(121)
<b>Net cash related to sales and purchases of tangible and intangible assets</b>	<b>25</b>	<b>(119)</b>
Increase in collateral payable / Decrease in collateral receivable	61,613	101,012
Decrease in collateral payable / Increase in collateral receivable	(62,085)	(100,895)
<b>Net cash impact of assets lending / borrowing collateral receivables and payables</b>	<b>(473)</b>	<b>117</b>
<b>NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES</b>	<b>133</b>	<b>1,509</b>
Issuance of equity instruments	159	1
Repayments of equity instruments	(1,176)	(2,361)
Transactions on treasury shares	(11)	13
Dividends payout	(3,938)	(3,856)
Interests on perpetual debts paid	(92)	(112)
Acquisition / sale of interests in subsidiaries without change in control	-	0
<b>Net cash related to transactions with shareholders</b>	<b>(5,058)</b>	<b>(6,314)</b>
Cash provided by financial debts issuance	1,765	2,504
Cash used for financial debts repayments	(1,008)	(1,039)
Interests on financing debt paid	(382)	(267)
<b>Net cash related to Group financing</b>	<b>376</b>	<b>1,198</b>
<b>NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES</b>	<b>(4,683)</b>	<b>(5,116)</b>
<b>Net cash provided by discontinued operations</b>	<b>-</b>	<b>0</b>
<b>CASH AND CASH EQUIVALENT AS OF JANUARY 1 (h)</b>	<b>25,679</b>	<b>24,371</b>
Net cash provided by operating activities	4,884	3,337
Net cash provided by investing activities	133	1,509
Net cash provided by financing activities	(4,683)	(5,116)
Net cash provided by discontinued operations	-	0
Impact of change in consolidation method	(33)	187
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	91	(229)
<b>CASH AND CASH EQUIVALENT AS OF JUNE 30 (h)</b>	<b>26,072</b>	<b>24,059</b>

(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 related derivatives.

(f) Includes equity instruments held directly or by consolidated investment funds as well as non consolidated investment funds.

(g) Includes sales/purchases of assets backing insurance & investment contracts where the financial risk is borne by policyholders.

(h) Net of bank overdrafts.

(in EURO million)	June 30, 2023	June 30, 2022, restated
Cash and cash equivalents	26,779	24,749
Bank overdrafts <sup>(a)</sup>	(707)	(690)
<b>Cash and cash equivalents <sup>(b)</sup></b>	<b>26,072</b>	<b>24,059</b>

(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.



## II.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 ACCOUNTING PRINCIPLES

#### 1.1 GENERAL INFORMATION

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AXA SA, a French *Société Anonyme* (the “Company” and, together with its consolidated subsidiaries, “AXA” or the “Group”), is the holding (parent) company and, since 2022, the internal reinsurer of an international financial services group focused on financial protection. AXA operates both in Europe and worldwide. The list of the main entities included in the scope of consolidation is provided in Note 2 of the Notes to the Consolidated Interim Financial Statements.

AXA is listed on Euronext Paris Compartiment A.

These Consolidated Interim Financial Statements including all Notes were set by the Board of Directors on August 2, 2023.

#### 1.2 GENERAL ACCOUNTING PRINCIPLES

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AXA’s Consolidated Interim Financial Statements are prepared as of June 30.

The Consolidated Interim Financial Statements are prepared in compliance with IFRS according to IAS 34 – Interim Financial Reporting and interpretations of the IFRS Interpretations Committee that are endorsed by the European Union before the end of the reporting period with a compulsory date of January 1, 2023. Accordingly, the Group uses the option provided by the European Union which allows not to apply the annual cohort requirement under IFRS 17 for determining the groups of insurance contracts meeting some criteria (refer to paragraph 1.14.3).

The 2023 half year Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements included in the 2022 Universal Registration Document.



### 1.2.1 IFRS requirements adopted on January 1, 2023

#### 1.2.1.1 IFRS 17 - Insurance Contracts and IFRS 9 - Financial Instruments

AXA has started applying IFRS 17 - Insurance Contracts and IFRS 9 - Financial Instruments from 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 (refer to paragraph 1.14.3).

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 allowed entities issuing insurance contracts within the scope of IFRS 4 to notably apply a temporary exemption from implementing

IFRS 9 until the effective date of IFRS 17. In this context, the Group, eligible for this temporary exemption option, decided to defer the implementation of IFRS 9 until January 1, 2023.

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 decided to restate the comparative period at the first application of IFRS 9 and to apply this “classification overlay”, including the impairment requirements of IFRS 9, to all eligible financial assets.

The adoption of IFRS 17 and IFRS 9 results in significant accounting changes, with an impact on AXA’s consolidated statement of financial position, consolidated statement of profit or loss, and other comprehensive income. The nature and effects of these changes are summarized below.

#### **Impacts of adoption of IFRS 17 and IFRS 9 at the transition date (January 1, 2022)**

The restated consolidated statement of financial position as at January 1, 2022, compared to the consolidated statement of financial position as at December 31, 2021 as published, highlights the following impacts of IFRS 17 and IFRS 9 at the transition date:

## CONSOLIDATED FINANCIAL STATEMENTS – HALF YEAR 2023

(In EURO million)	December 31, 2021 (Published)	January 1, 2022 (Restated)	Impact of the Restatement
Goodwill	17,167	17,167	-
Value of purchased business in force	919	-	(919)
Deferred acquisition costs and equivalent	17,825	-	(17,825)
Other intangible assets	4,297	4,764	467
<b>Intangible assets</b>	<b>40,208</b>	<b>21,931</b>	<b>(18,277)</b>
Investments in real estate properties	28,355	28,011	(343)
Financial investments	486,564	486,073	(491)
Assets backing contracts where the financial risk is borne by policyholders	86,315	86,183	(132)
<b>Investments from insurance activities</b>	<b>601,234</b>	<b>600,268</b>	<b>(965)</b>
<b>Investments from banking and other activities</b>	<b>19,729</b>	<b>20,632</b>	<b>903</b>
<b>Investments accounted for using the equity method</b>	<b>2,601</b>	<b>2,451</b>	<b>(150)</b>
Assets arising from insurance contracts and investment contracts with discretionary participation features	-	-	-
Assets arising from reinsurance contracts held	36,970	25,795	(11,175)
<b>Assets arising from insurance contracts, investment contracts, and reinsurance contracts held</b>	<b>36,970</b>	<b>25,795</b>	<b>(11,175)</b>
<i>of which Present value of future cash flows ("PVFCF")</i>	-	24,557	24,557
<i>of which Risk Adjustment</i>	-	525	525
<i>of which Contractual Service Margin ("CSM")</i>	-	713	713
Derivative assets (a)	-	9,107	9,107
Tangible assets	2,443	2,443	-
Deferred tax assets	421	2,417	1,996
<b>Other assets</b>	<b>2,864</b>	<b>13,967</b>	<b>11,103</b>
Receivables arising from direct insurance and inward reinsurance operations (b)	25,812	-	(25,812)
Receivables arising from outward reinsurance operations	2,612	-	(2,612)
Current tax receivables	908	945	37
Other receivables	8,991	10,997	2,006
<b>Receivables</b>	<b>38,323</b>	<b>11,942</b>	<b>(26,381)</b>
<b>Assets held for sale</b>	<b>8,512</b>	<b>8,107</b>	<b>(405)</b>
<b>Cash and cash equivalents</b>	<b>25,051</b>	<b>25,053</b>	<b>2</b>
<b>TOTAL ASSETS</b>	<b>775,491</b>	<b>730,146</b>	<b>(45,345)</b>

(In EURO million)	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	54,201	55,024	823



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OCI on investments and technical liabilities - Group share	16,934	(3,139)	(20,073)
Minority interests	4,094	3,702	(392)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>75,229</b>	<b>55,587</b>	<b>(19,642)</b>
<b>TOTAL SHAREHOLDERS' EQUITY EXCLUDING OCI</b>	<b>58,068</b>	<b>58,745</b>	<b>677</b>
Subordinated debt	10,449	10,599	150
Financing debt instruments issued	800	800	-
<b>Financing debt</b>	<b>11,249</b>	<b>11,399</b>	<b>150</b>
Liabilities arising from insurance contracts and investment contracts with discretionary participation features	545,087	539,351	(5,736)
Liabilities arising from other investment contracts	14,663	14,485	(178)
Liabilities arising from reinsurance contracts held	-	11	11
<b>Liabilities arising from insurance contracts, investment contracts, and reinsurance contracts held</b>	<b>559,750</b>	<b>553,848</b>	<b>(5,902)</b>
<i>of which Present value of future cash flows ("PVFCF")</i>	-	515,781	515,781
<i>of which Risk Adjustment</i>	-	3,765	3,765
<i>of which Contractual Service Margin ("CSM")</i>	-	34,301	34,301
<b>Liabilities arising from banking activities</b>	<b>14,643</b>	<b>14,653</b>	<b>10</b>
<b>Provisions for risks and charges</b>	<b>8,942</b>	<b>9,424</b>	<b>482</b>
Derivative liabilities (a)	-	10,854	10,854
Deferred tax liabilities	5,334	785	(4,549)
<b>Other liabilities</b>	<b>5,334</b>	<b>11,639</b>	<b>6,305</b>
Minority interests of controlled investment funds and other puttable instruments held by minority interests	7,750	7,750	-
Other debt instruments issued, notes and bank overdrafts	10,518	10,518	-
Payables arising from direct insurance and inward reinsurance operations (b)	10,957	-	(10,957)
Payables arising from outward reinsurance operations	15,362	-	(15,362)
Current tax payables	924	963	39
Collateral debts relating to investments under a lending agreement or equivalent	35,030	35,030	-
Other payables	12,177	12,142	(35)
<b>Payables (b)</b>	<b>92,719</b>	<b>66,403</b>	<b>(26,316)</b>
<b>Liabilities held for sale</b>	<b>7,626</b>	<b>7,194</b>	<b>(432)</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>775,491</b>	<b>730,146</b>	<b>(45,345)</b>

(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 of €-16,331 million and €-10,312 million, respectively.

The total restated shareholders' equity under IFRS 17 and IFRS 9, excluding other comprehensive income ("OCI") remains broadly stable at transition (€58,745 million including minority interests) as compared to total shareholders' equity (excluding OCI) under IFRS 4 and IAS 39.



## CONSOLIDATED FINANCIAL STATEMENTS – HALF YEAR 2023

(In EURO million)	December 31, 2021 (Published)	Net impact of IFRS 9 <sup>(a)</sup>	Net impact of IFRS 17	January 1, 2022 (Restated)
Shareholders' equity excluding Other Comprehensive Income ("OCI") on investments and technical liabilities - Group share	54,201	2,388	(1,565)	55,024
OCI on investments and technical liabilities - Group share	16,934	(2,544)	(17,529)	(3,139)
Minority interests	4,094	(2)	(390)	3,702
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>75,229</b>	<b>(158)</b>	<b>(19,484)</b>	<b>55,587</b>
<b>TOTAL SHAREHOLDERS' EQUITY EXCLUDING OCI</b>	<b>58,068</b>	<b>2,097</b>	<b>(1,420)</b>	<b>58,745</b>

(a) Including the effect of the remeasurement at cost of some real estate properties in the scope of IAS 40 – Investment properties, that were previously accounted for at fair value with changes in fair value through profit or loss.

The scope of application of the OCI option is different under IFRS 17 compared to IFRS 4:

- for non-direct participating contracts, the impact of changes in discount rates on technical liabilities flows through OCI, which therefore partly matches the OCI on investments; both OCI components evolve in a consistent manner, mainly depending on interest rates movements, with some differences arising from duration gaps and the shape of the interest rate curves;
- for direct participating contracts, the OCI on the technical liabilities fully offsets the OCI on the investments. In addition, a negative accounting mismatch in OCI structurally occurs as some underlying items, notably investments in real estate properties, are accounted for at amortized cost by AXA, with therefore no recognition of unrealized gains and losses in shareholders' equity while these unrealized gains and losses are included in the value of the contracts (with a corresponding opposite effect in OCI).

Further details on these impacts are provided below for both IFRS 17 and IFRS 9. For the description of the main IFRS 17 and IFRS 9 accounting principles applied by AXA, refer to paragraphs 1.9 to 1.10 and 1.14.

### **IFRS 17 – Insurance Contracts**

#### **Main changes resulting from the adoption of IFRS 17**

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.

The main changes in the measurement of insurance contracts compared to IFRS 4 are as follows:

- technical liabilities under IFRS 17 include the best estimate present value of future cash flows (forward looking and market consistent) that are therefore now all discounted;
- the recognition of a risk adjustment for non-financial risk ("RA") under IFRS 17, €3,240 million as of January 1, 2022 net of reinsurance, which reflects 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 insurance contracts are fulfilled. In this respect, the Group considers the 62.5th-67.5th percentile range as the adequate level of prudence on underlying insurance liabilities;
- the introduction of the Contractual Service margin ("CSM"), €33,588 million as of January 1, 2022 net of reinsurance, is a major change; the CSM represents the present value of estimated future profits attributable to the shareholders for non-onerous contracts, and is released through the statement of profit or loss over the coverage period of the contracts, as AXA provides services to policyholders;





- compared to the level at which the liability adequacy test was performed under IFRS 4, the level of aggregation of the contracts under IFRS 17 is more granular and can therefore result in more contracts being identified as onerous and losses on onerous contracts being recognized in profit or loss sooner.

IFRS 17 does not change the underlying profitability of any given insurance contract. It can only change the pattern of earnings recognition over the life of the contracts:

- for Life and Savings and long-tail Health businesses, the CSM amortization profile can differ from the previous timing of profit recognition under IFRS 4 and the CSM mechanism is expected to absorb small to medium technical variances and also financial variances for direct participating contracts. However, in case of significant technical or financial shocks, some group of contracts may become onerous and trigger the recognition of a loss in profit or loss;
- for Property and Casualty business, the changes relative to IFRS 4 are limited and mainly linked to the discounting of all claims reserves, a more granular onerous contract testing based on facts and circumstances, and the inclusion of a risk adjustment for non-financial risk. Earnings of this line of business are more sensitive to interest rates level (e.g. positive impact from discounting claims reserves, net of the unwind of the discount, in a rising interest environment).

As a result of applying IFRS 17, the shareholders' share in the unrealized capital gains and losses on underlying items related to direct participating contracts is recognized in CSM instead of equity under the previous accounting framework. Therefore, shadow accounting (*i.e.* recognition of policyholders participation in unrealized capital gains and losses as it was allowed by IFRS 4 for insurance and investment contracts with discretionary participating features) no longer applies under IFRS 17.

In respect of the presentation of the consolidated statement of financial position, the other changes compared to IFRS 4 relate notably to the following:

- intangible assets decreased as a result of the removal of deferred acquisition costs ("DAC") and the value of purchased business in-force ("VBI") respectively for €17,825 million and €919 million as of January 1, 2022; these assets are implicitly embedded within the CSM under IFRS 17. Goodwill was not affected by the adoption of IFRS 17;
- insurance and reinsurance related receivables and payables are no longer 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, are reclassified within insurance liabilities (refer to paragraph IFRS 9 – Financial Instruments below);
- portfolios of contracts that have asset balances and those that have liability balances are presented separately on each side of the consolidated statement of financial position.

Furthermore, in the consolidated statement of profit or loss, insurance revenue will not reflect the premiums underwritten during the year but the premiums earned during the period, net of any investment component, corresponding to the release of the fulfilment cash flows (*i.e.* the expected cash flows of the period plus the related release of risk adjustment for non-financial risk) and the CSM.

#### Transition methods

The transition to IFRS 17 involved determining the methodology to be used for measuring the insurance contracts in force at the transition date, which is the beginning of the annual reporting period immediately preceding the date of initial application, namely January 1, 2022.

Theoretically, the transition from IFRS 4 to IFRS 17 requires applying the new standard fully retrospectively, as if it was applied from the inception of insurance contracts in force. However, if the application of this full retrospective approach ("FRA") is impracticable, the two following options are possible:



- either the modified retrospective approach (“MRA”), which consists in applying certain modifications of general requirements, to the extent that the full retrospective application is impracticable, but still with the objective to achieve the outcome as close as possible to the retrospective application, based on reasonable and supportable information available without undue cost and effort; or
- the fair value approach (“FVA”), which consists in repricing the contracts in the light of actuarial and financial parameters seen at the transition date by calculating the CSM as the positive difference between (i) the fair value of liabilities determined in accordance with IFRS 13 – Fair Value Measurement <sup>1</sup>, corresponding to the price that would be required by an external party to acquire the liabilities, and (ii) the fulfilment cash flows of insurance contracts.

In practice, the Group has applied the FRA only to the liabilities for remaining coverage (“LRC”) of insurance contracts measured using the Premium Allocation Approach (“PAA”) and to the liabilities for incurred claims (“LIC”) occurred since 2016.

For other groups of insurance contracts, different factors (such as the impossibility of running models since the inception of the contracts, the availability of yield curves, the lack of historical data) have made the application of the FRA impracticable. For these groups of contracts, AXA has applied the MRA or the FVA, namely:

- for long-term Life and Savings contracts, the MRA was the most broadly used approach, which mainly consisted in calculating an approximate CSM by reusing past information coming from European Embedded Value (“EEV”) or Solvency II, and the analyses of movements leading to get results close to those that would have been obtained using a FRA, whereas the FVA being applied only on a more limited basis;
- for LIC occurred before 2016 related to non-direct participating contracts, in the absence of reasonable and supportable information (under IFRS 4, claims reserves were generally not discounted and determining the correct locked-in discount yield curves was not possible without hindsight for periods before the adoption of Solvency 2), the FVA was 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). In the context of the application of this option, an estimate of OCI for financial assets related to these LIC is disclosed in Note 6.2.3.

#### Other information related to transition

- Yield curves

The yield curves used to calculate the fulfilment cash-flows at transition date, i.e. as at January 1, 2022, by main currencies were as follows:

<sup>1</sup> Excluding paragraph 47 of IFRS 13 relating to demand features as required by IFRS17.C20.

Maturity	Yield curve at transition corresponding to spot rate					
	EUR	USD	GBP	JPY	CHF	HKD
1	-0.4%	0.9%	1.0%	-0.1%	-0.6%	0.6%
2	-0.2%	1.2%	1.2%	-0.1%	-0.4%	1.0%
3	-0.1%	1.5%	1.3%	-0.1%	-0.3%	1.2%
5	0.1%	1.7%	1.3%	-0.1%	-0.1%	1.4%
7	0.2%	1.8%	1.2%	-0.1%	0.1%	1.5%
10	0.4%	1.9%	1.2%	0.1%	0.2%	1.6%
15	0.6%	2.0%	1.1%	0.3%	0.3%	1.8%
20	0.6%	2.1%	1.1%	0.5%	0.6%	1.9%
25	0.8%	2.1%	1.1%	0.6%	0.8%	2.1%
30	1.0%	2.1%	1.1%	0.7%	1.0%	2.3%

Besides, when retrospective approaches were used to measure the CSM and the OCI on technical liabilities at transition, yield curves have been rebuilt for all years prior to 2022, including average yield curves (accident year) for LIC occurred after 2015. For LIC occurred before 2016 for which the Group applied the FVA, average yield curves were not applicable.

- CSM at transition date of groups of insurance contracts not applying the annual cohort requirement

Contracts in force at transition eligible to the exemption provided by the European Union not to apply the IFRS 17 annual cohort requirement (refer to paragraph 1.14.3) were all measured at transition applying the MRA or FVA. After transition, the adoption of this exemption by AXA (which mostly concerns contracts applying the Variable Fee Approach), leads to mix contracts which are in force at transition and those generated by the new business underwritten from 2022, in a unique group of contracts.

For these contracts which were in force at transition date, the following table provides a detail by transition method, of the expected timing of recognition in profit or loss of the CSM such as reported in the consolidated statement of financial position as of January 1, 2022. This pattern of recognition only reflects expected coverage units which do not consider the future expected accretion of the CSM arising from the expected return on assets for contracts measured applying the Variable Fee Approach. For this reason, the table below does not reflect the expected release of the CSM that will be reported in the statement of profit or loss in the coming years for these contracts.

(in EURO million)	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	5 - 10 years	More than 10 years	Total
Full retrospective approach	0	0	0	0	0	0	0	0
Modified retrospective approach	1,243	1,100	1,001	922	856	3,479	7,517	16,118
Fair value approach	427	382	356	334	313	1,277	3,279	6,367
<b>Total</b>	<b>1,671</b>	<b>1,481</b>	<b>1,357</b>	<b>1,256</b>	<b>1,169</b>	<b>4,756</b>	<b>10,795</b>	<b>22,486</b>

### **IFRS 9 – Financial Instruments**

IFRS 9 – Financial Instruments provides accounting requirements related to the classification and measurement of financial instruments and replaces IAS 39 – Financial Instruments: Recognition and Measurement. Changes in accounting policies resulting from the adoption of IFRS 9 are applied retrospectively, excluding the changes in hedge accounting that are applied prospectively from January 1, 2023, with the exception of the “cost of hedging approach” (see below) applied retrospectively. The comparative period has been restated.

The main changes in the Group’s accounting policies resulting from the adoption of IFRS 9, as well as their effects on the Group’s consolidated financial statements, are disclosed below.

#### **Classification and measurement of financial assets**

On adoption of IFRS 9, the previous IAS 39 categories of financial assets are replaced by the IFRS 9 classification categories based on how financial assets are subsequently measured (at cost, at fair value through other comprehensive value (“FV OCI”) or at fair value through profit or loss (“FV P&L”)) and determined depending on both the business model in which those financial assets are managed and their contractual cash flow characteristics. The new IFRS 9 classification requirements notably led to reclassifying some debt instruments and non-consolidated investment funds from FV OCI to FV P&L (see the tables below).

Regarding the classification options for financial assets, IFRS 9:

- narrows the scope of the optional designation of financial assets at fair value through profit or loss by limiting it to the only situations when doing so eliminates or significantly reduces accounting mismatches that would otherwise arise from measuring those financial assets at amortized cost or at FV OCI;
- introduces the optional FV OCI designation for qualifying investments in equity instruments, referred to as “FV OCI without recycling”; and
- provides an option to designate a credit exposure as measured at FV P&L when an entity uses a credit derivative measured at FV P&L to manage the credit risk of this credit exposure.

Another change compared to IAS 39 lies in derivatives embedded in hybrid contracts that are not separated when the host is a financial asset in the scope of IFRS 9. Instead, the hybrid financial instrument as a whole is assessed for classification applying the general IFRS 9 approach for financial assets.

The approach applied by the Group to classify and measure its financial investments under IFRS 9 is detailed in paragraph 1.9.2.1.

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 FV OCI under IAS 39 (debt instruments available for sale) continue to be accounted for at FV OCI under IFRS 9. The new classification and measurement requirements however resulted in the changes detailed hereafter.



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The following table sets out the reclassifications from the original categories under IAS 39 to the new categories under IFRS 9 for each class of financial assets included in investments from insurance activities and investments from banking and other activities in the Group's consolidated statement of financial position as at January 1, 2022.

### Reclassification of financial assets (IAS 39 versus IFRS 9) as of January 1, 2022

	Original carrying amount under IAS 39 December 31, 2021 <sup>(a)</sup>	IFRS 9 remeasurement	New carrying amount under IFRS 9 January 1, 2022
<i>(in EURO million)</i>			
<b>Debt instruments</b>	<b>398,929</b>	<b>(13)</b>	<b>398,917</b>
FV OCI IAS 39 (Available for Sale) / FV OCI IFRS 9	365,482	-	365,482
FV OCI IAS 39 (Available for Sale) / FV P&L - FV Option IFRS 9	3,010	-	3,010
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	1,720	-	1,720
FV P&L IAS 39 / FV OCI IFRS 9	1,312	-	1,312
FV P&L IAS 39 / FV P&L - FV Option IFRS 9	49	-	49
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	12,717	-	12,717
Amortized Cost (Loans & Receivables) IAS39 / Amortized Cost IFRS9	14,639	(13)	14,627
<b>Equity instruments</b>	<b>36,575</b>	<b>-</b>	<b>36,575</b>
FV OCI IAS 39 (Available for Sale) / FV OCI without recycling IFRS 9	22,313	-	22,313
FV P&L IAS 39 / FV OCI IFRS 9	117	-	117
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	14,145	-	14,145
<b>Non controlled investment funds</b>	<b>17,845</b>	<b>-</b>	<b>17,845</b>
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	10,258	-	10,258
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	7,587	-	7,587
<b>Other assets held by controlled investment funds</b>	<b>19,355</b>	<b>-</b>	<b>19,355</b>
FV P&L IAS 39 / FV P&L - FV Option IFRS 9	19,355	-	19,355
<b>Loans</b>			
Amortized Cost (Loans & Receivables) IAS 39 / Amortized Cost IFRS 9	26,393	(21)	26,372
Amortized Cost (Loans & Receivables) IAS 39 / FV P&L - FV Option IFRS 9	4,569	387	4,956
Amortized Cost (Loans & Receivables) IAS 39 / FV P&L - Mandatory IFRS 9	21	1	22
<b>Assets backing contracts where the financial risk is borne by policyholders</b>	<b>81,587</b>	<b>-</b>	<b>81,587</b>
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	81,587	-	81,587
<b>Total</b>	<b>585,274</b>	<b>354</b>	<b>585,628</b>

(a) Adjusted for items transferred out of Financial Investments, mainly:

- derivatives, presented alongside their underlying financial instruments as of December 31, 2021, reclassified in separate assets and liabilities lines in the statement of financial position as of  
- loans granted to policyholders, accounted for as investments at amortized cost under IAS 39 as of December 31, 2021, reclassified as a part of fulfilment cash flows of insurance contracts within the scope of IFRS 17 as of January 1, 2022.

On the basis of the opening consolidated statement of financial position as of January 1, 2022:

- some debt instruments and non-consolidated funds, for a total of €14,988 million, were reclassified from FV OCI to FV P&L with unrealized gains of €2,093 million transferred from OCI to retained earnings, either because those instruments do not meet the SPPI criteria or because the optional designation at FV P&L is applied;
- for equity securities, as the IAS 39 category FV OCI with recycling of realized gains and losses in profit or loss (equity instruments available for sale) is no longer permitted under IFRS 9, AXA applies the optional designation at FV OCI without recycling for most of equity securities held, in order to avoid a significant new volatility in resulting from this asset class, compared to the previous IAS 39 accounting. The total carrying value of equity instruments designated at FV OCI without recycling represented €22,313 million (of which €4,207 million of net unrealized gains accumulated in OCI);
- some loans, accounted for at amortized cost under IAS 39, for a total of €4,569 million, were designated at FV P&L under IFRS 9 applying the fair value option in order to eliminate or significantly reduce

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accounting mismatches in profit or loss, leading to recognize unrealized capital gains for €387 million in retained earnings;

- some debt instruments, for a total of €1,312 million, were reclassified from FV P&L to FV OCI; cumulated changes in fair value of those debt instruments are no longer recognized in profit or loss but in OCI. A fair value gain of € 111 million would have been recognized in profit or loss in 2022 if those debt instruments had not been reclassified; the interest revenue on these instruments recognized in profit or loss under IFRS 9 in the 2022 restated Consolidated Financial Statements, amounted to €13 million.

The following table sets out the reclassifications from the original categories under IAS 39 to the new categories under IFRS 9 for each class of the Group's financial assets as at January 1, 2023.

### Reclassification of financial assets (IAS 39 versus IFRS 9) as of January 1, 2023

	Original carrying amount under IAS 39 December 31, 2022 <sup>(a)</sup>	IFRS 9 remeasurement	New carrying amount under IFRS 9 January 1, 2023
(in EURO million)			
<b>Debt instruments</b>	<b>306,718</b>	<b>(16)</b>	<b>306,702</b>
FV OCI IAS 39 (Available for Sale) / FV OCI IFRS 9	275,724	-	275,724
FV OCI IAS 39 (Available for Sale) / FV P&L - FV Option IFRS 9	1,790	-	1,790
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	545	-	545
FV P&L IAS 39 / FV OCI IFRS 9	1,219	-	1,219
FV P&L IAS 39 / FV P&L - FV Option IFRS 9	24	-	24
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	11,386	-	11,386
Amortized Cost (Loans & Receivables) IAS39 / Amortized Cost IFRS9	16,030	(16)	16,014
<b>Equity instruments</b>	<b>29,674</b>	<b>-</b>	<b>29,674</b>
FV OCI IAS 39 (Available for Sale) / FV OCI without recycling IFRS 9	14,336	-	14,336
FV P&L IAS 39 / FV OCI IFRS 9	145	-	145
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	15,193	-	15,193
<b>Non controlled investment funds</b>	<b>19,348</b>	<b>-</b>	<b>19,348</b>
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	9,890	-	9,890
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	9,458	-	9,458
<b>Other assets held by controlled investment funds</b>	<b>20,294</b>	<b>-</b>	<b>20,294</b>
FV P&L IAS 39 / FV P&L - FV Option IFRS 9	20,294	-	20,294
<b>Loans</b>	<b>31,930</b>	<b>(445)</b>	<b>31,486</b>
Amortized Cost (Loans & Receivables) IAS 39 / Amortized Cost IFRS 9	27,591	(21)	27,570
Amortized Cost (Loans & Receivables) IAS 39 / FV P&L - FV Option IFRS 9	4,322	(423)	3,899
Amortized Cost (Loans & Receivables) IAS 39 / FV P&L - Mandatory IFRS 9	18	(1)	17
<b>Assets backing contracts where the financial risk is borne by policyholders</b>	<b>71,652</b>	<b>-</b>	<b>71,652</b>
FV P&L IAS 39 / FV P&L - Mandatory IFRS 9	71,652	-	71,652
<b>Total</b>	<b>479,616</b>	<b>(461)</b>	<b>479,155</b>

(a) Adjusted for items transferred out of Financial Investments, mainly:

- derivatives, presented alongside their underlying financial instruments as of December 31, 2022, reclassified in separate assets and liabilities lines in the statement of financial position as of
- loans granted to policyholders, accounted for as investments at amortized cost under IAS 39 as of December 31, 2022, reclassified as a part of fulfilment cash flows of insurance contracts within the scope of IFRS 17 as of January 1, 2023.

### 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.

The Group's IFRS 9 impairment approach is detailed in paragraph 1.9.2.2.



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The following table presents the reconciliation between the balances of cumulated impairment allowances under IAS 39 and cumulated ECL allowances under IFRS 9 as of January 1, 2022.

## Reconciliation of impairment allowances on financial assets (IAS 39 versus IFRS 9) as of January 1, 2022

(in EURO million)	Impairment allowance under IAS 39	IFRS 9 remeasurement	ECL allowance under IFRS 9
<b>Debt instruments</b>	<b>(32)</b>	<b>(64)</b>	<b>(96)</b>
FV OCI IAS 39 (Available for Sale) / FV OCI IFRS 9	(31)	(52)	(83)
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	(1)	1	(0)
Amortized Cost (Loans & Receivables) IAS 39 / Amortized Cost IFRS 9	(0)	(13)	(13)
<b>Equity instruments</b>	<b>(2,403)</b>	<b>2,403</b>	<b>-</b>
FV OCI IAS 39 (Available for Sale) / FV OCI without recycling IFRS 9	(2,403)	2,403	-
<b>Non controlled investment funds</b>	<b>(928)</b>	<b>928</b>	<b>-</b>
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	(928)	928	-
<b>Loans</b>	<b>(177)</b>	<b>(20)</b>	<b>(197)</b>
Amortized Cost (Loans & Receivables) IAS39 / Amortized Cost IFRS 9	(176)	(21)	(197)
Amortized Cost (Loans & Receivables) IAS39 / FV P&L - Mandatory IFRS 9	(1)	1	-
<b>Total</b>	<b>(3,541)</b>	<b>3,247</b>	<b>(293)</b>

The application of the new IFRS 9 impairment requirements generates the following impacts on the Group's opening consolidated statement of financial position as of January 1, 2022:

- for FV OCI equity instruments, unlike IAS 39, no impairment is required under IFRS 9. As mentioned above, AXA applies the optional designation at FV OCI without recycling for most of equity securities held. As a consequence of this designation, the cumulated amount of IAS 39 impairment allowances, €2,403 million, was transferred from retained earnings to OCI without recycling, with no impact on the Group's total consolidated shareholders' equity;
- for non-consolidated investment funds reclassified from FV OCI to FV P&L, the cumulated amount of IAS 39 impairment allowances, €928 million, was removed without any impact on the Group's retained earnings;
- for debt instruments and loans measured at FV OCI or at cost under both IAS 39 and IFRS 9, the application of new impairment requirements results in limited additional impairment allowances (€86 million).

The following table presents the reconciliation between the balances of cumulated impairment allowances under IAS 39 and cumulated ECL allowances under IFRS 9 as of January 1, 2023.

**Reconciliation of impairment allowances on financial assets (IAS 39 versus IFRS 9) as of January 1, 2023**

<i>(in EURO million)</i>	Impairment allowance under IAS 39	IFRS 9 remeasurement	ECL allowance under IFRS 9
<b>Debt instruments</b>	<b>(100)</b>	<b>(51)</b>	<b>(151)</b>
FV OCI IAS 39 (Available for Sale) / FV OCI IFRS 9	(49)	(37)	(86)
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	(2)	2	-
Amortized Cost (Loans & Receivables) IAS 39 / Amortized Cost IFRS 9	(49)	(16)	(65)
<b>Equity instruments</b>	<b>(2,670)</b>	<b>2,670</b>	<b>-</b>
FV OCI IAS 39 (Available for Sale) / FV OCI without recycling IFRS 9	(2,670)	2,670	-
<b>Non controlled investment funds</b>	<b>(939)</b>	<b>939</b>	<b>-</b>
FV OCI IAS 39 (Available for Sale) / FV P&L - Mandatory IFRS 9	(939)	939	-
<b>Loans</b>	<b>(184)</b>	<b>(20)</b>	<b>(205)</b>
Amortized Cost (Loans & Receivables) IAS39 / Amortized Cost IFRS 9	(184)	(21)	(205)
Amortized Cost (Loans & Receivables) IAS39 / FV P&L - Mandatory IFRS 9	(0)	0	(0)
<b>Total</b>	<b>(3,894)</b>	<b>3,538</b>	<b>(356)</b>

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 was 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 applies this requirement since 2017, when the Group decided to early adopt the corresponding amendment to IFRS 9, mainly for certain financial liabilities arising from banking activities. This requirement is not applicable for the financial liabilities arising from investment contracts with no discretionary participation features (refer to paragraph 1.15).

Hedge accounting

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 decided 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 continues applying the hedge accounting requirements currently in IAS 39 as allowed by the IASB that is addressing macro hedge accounting as a separate project.

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 a 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, changes in intrinsic value of a purchased option or changes in the spot element of a forward contract).

IFRS 9 accounting for derivative instruments and hedge relationships applied by AXA is detailed in paragraph 1.10.



Most Group's hedge accounting relationships documented under IAS 39 are considered as continuing hedge relationships under IFRS 9 with the exception of those implying derivative instruments belonging to underlying items of direct participating contracts within the scope of IFRS 17, as no accounting mismatch exists any longer in this case.

#### Change in the presentation of derivative instruments

In previous reporting periods, AXA disclosed 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 was presented.

Together with the first application of IFRS 9, AXA has decided to modify the presentation of its derivative instruments to present them 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 restated Group's consolidated statement of financial position as of January 1, 2022, the derivative assets and liabilities lines represented respectively €9,107 million and €11,112 million, the net balance of €2,005 million mostly resulting from derivatives previously classified within the investments.

#### **1.2.1.2 Other IFRS amendments adopted on January 1, 2023**

##### **Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction**

Amendments to IAS 12 – Income Taxes published on May 7, 2021 narrow the scope of the exemption from the recognition of deferred tax liabilities and assets. This exemption no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. These amendments mainly concern lease transactions of the Group. As a result, on initial recognition of a lease, AXA needs to assess the tax bases of the right-of-use and the lease liability by identifying the amounts attributable to them for tax purposes. Then, if the taxable and the deductible temporary differences are equal, a deferred tax liability related to the right-of-use and a deferred tax asset related to the lease liability are recognized. The cumulative effect of initially applying these amendments totaled €24 million and was recognized as a positive adjustment to the opening balance of retained earnings on January 1, 2023.

##### **Other IFRS amendments**

The application of the amendments below as of January 1, 2023 had no material impact on the Group's Consolidated Interim Financial Statements:



Amendments	Publication date	Topic
<b>IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2:</b> Disclosure of Accounting policies	February 12, 2021	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.
<b>IAS 8 Accounting policies, Changes in Accounting Estimates and Errors:</b> Definition of Accounting Estimates	February 12, 2021	The amendments introduce a definition of “accounting estimates” and other changes to help entities distinguish changes in accounting policies from changes in accounting estimates.

### 1.2.2 Standards and amendments published but not yet effective

#### **Amendments to IAS 12 – International tax reform Pillar Two model rules**

Amendments to IAS 12 – Income Taxes published on May 23, 2023 introduce a mandatory temporary exception in IAS 12 from recognizing and disclosing deferred tax assets and deferred tax liabilities arising from the implementation of the OECD Pillar Two model rules. They also introduce some disclosure requirements for affected entities. The amendments have not yet been endorsed by the European Union.

When the tax legislation is effective, the current tax expense (income) related to Pillar Two income taxes will have to be disclosed separately. In the meantime, in periods in which Pillar Two legislation is enacted or substantively enacted, but not yet in effect, the IAS 12 amendments require disclosing known or reasonably estimable information that helps users of financial statements understand the entity’s exposure to Pillar Two income taxes arising from that legislation. These disclosures are required for annual reporting periods beginning on or after January 1, 2023.

#### **Other IFRS requirements not yet effective**

The following amendments are not expected to have a material impact on the Group’s Consolidated Financial Statements:

Amendments	Publication date	Effective for annual periods beginning on or after	Topic
<b>IAS 1 – Presentation of Financial Statements:</b> - 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 <sup>(b)</sup>	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.
<b>IFRS 16 – Leases:</b> Lease Liability in a Sale and Leaseback	September 22, 2022	January 1, 2024 <sup>(a) (b)</sup>	The amendments introduce specific subsequent measurement requirements for sale and leaseback transactions.
<b>IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures:</b> Supplier Finance Arrangements	May 25, 2023	January 1, 2024 <sup>(b)</sup>	The amendments introduce specific disclosure requirements relating to the effects of supplier finance arrangements on the entity's liabilities, cash flows and its exposure to liquidity risk.

<sup>(a)</sup> With earlier application being permitted (subject to conditions in some cases) but not elected by the Group

<sup>(b)</sup> 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. In preparing the Consolidated Interim Financial Statements, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements as at the year ended December 31, 2022. However, this information was updated in this report, when required, following the adoption of IFRS 17 and IFRS 9.

As recommended by IAS 1, assets and liabilities are generally classified globally in the statement of financial position in increasing order of liquidity, which is more relevant for financial institutions than a classification between current and non-current items. As for most insurance companies, expenses are classified by destination in the statement of profit or loss.

All amounts in the consolidated statement of financial position, consolidated statement of profit or loss, 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 – Consolidated Financial Statements, 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 – Joint Arrangements, companies over which AXA exercises a joint controlling influence alongside one or more third parties are joint ventures and are accounted for using the equity method.

Companies in which AXA exercises significant influence are accounted for using the equity method. Under IAS 28 – Investments in Associates and Joint Ventures, 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 statement of profit or loss, 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 using 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 statement of financial position, if the companies' instruments can be redeemed at any time by the holder at fair

value. Investment funds accounted for using the equity method are shown under the 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.

#### **1.3.2.1 Consideration transferred in a business combination**

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 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. 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 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 statement of profit or loss.

Direct transaction costs related to a business combination are charged in the statement of profit or loss when incurred.

#### **1.3.2.2 Valuation of assets acquired, and liabilities assumed in a business combination**

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.

#### **Insurance and investment contracts**

Insurance and investment contracts within the scope of IFRS 17 are measured as follows (refer to paragraph 1.14 for the explanation of IFRS 17 concepts relating to the classification and measurement of insurance contracts):

- the groups of contracts acquired in a business combination are identified as if AXA had entered into the contracts at the date of the acquisition, following the general guidance for the level of aggregation described in paragraph 1.14.3;
- these groups of contracts are measured using the consideration received or paid for the contracts as a proxy for the premiums received or paid;
- if those groups of contracts are profitable, and unless the Premium Allocation Approach (“PAA”) for the liability for remaining coverage (“LRC”) applies, the Contractual Service Margin (“CSM”) is initially recognized applying the general valuation principles described in paragraph 1.14.5. The excess of the consideration paid or received over the fulfilment cash flows adjusts goodwill for the contracts measured using the PAA and the CSM for other contracts;

- in case of onerous groups of contracts, the loss component of the liability for remaining coverage is determined on initial recognition applying the approach described in paragraph 1.14.5, and the excess of the fulfilment cash flows over the consideration paid or received is recognized as a part of the goodwill;
- an asset for insurance acquisition cash flows is recognized as at the acquisition date following the guidance in paragraph 1.14.5.

Groups of insurance contracts acquired in their settlement period are, if material, valued as if they were new insurance contracts issued by the acquirer as at the acquisition date: the LRC are recognized for such insurance contracts using the general measurement model described in paragraph 1.14.5, with the consideration received used as a proxy for the premiums received. Subsequently, the whole amount of the LRC recognized for the acquired claim settlement liabilities is recycled in the insurance revenue over the coverage period applying the mechanism described in paragraph 1.19.1.

Contrary to direct participating insurance contracts and investment contracts with discretionary participation features, investment contracts with no discretionary participation features are financial liabilities within the scope of IFRS 9. These liabilities are measured at their fair value which cannot be lower than surrender value when those contracts contain a surrender option.

#### **Identifiable intangible assets**

Identifiable intangible assets are recognized separately from goodwill and may include:

- marketing-related intangible assets (trademarks, tradenames, internet domain names, non-competition agreements);
- the value of customer relationships relating to future insurance contracts, including (i) expected renewals of existing contracts (excluding any related asset for insurance acquisition cash flows to be separately recognized), considering cancellations by policyholders and a definite life due to the regular decline in renewals over the passage of time, (ii) expected cross-selling with current policyholders, and (iii) expected other new contracts on customer lists (identified possible customers who have not yet a contract with the entity). These projections include assumptions regarding claims, expenses and financial revenues, or they can be estimated on the basis of the New Business Value.

The nature of the intangible assets recognized in a business combination is consistent with the valuation methods used when purchasing the acquired entity.

To the extent that the intangible assets above 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.

#### **Restructuring costs**

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 statement of financial position of the acquired company at acquisition date.

#### **1.3.2.3 Non-controlling interests in the acquiree**

According to a decision taken for each acquisition, minority interests may be measured at fair value or at its proportionate interest in the acquiree's identifiable net assets.

In step acquisitions, previous minority interests held by the Group are measured at fair value and the resulting adjustment is recognized through profit or loss. 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 profit or loss (consequently also resulting in a new goodwill).



#### **1.3.2.4 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 lower 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 (refer to paragraph 1.8.1).

#### **1.3.2.5 Purchase and sale of 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 profit or loss. 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 profit or loss.

#### **1.3.2.6 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.

#### **1.3.2.7 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 accounted for using the equity method.



The effect on profit or loss 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.

In addition, the transfer of consolidated shares, between two consolidated subsidiaries but held with different ownership percentages, should not impact the profit or loss. The only exception would be any related tax recorded in connection to the transaction, which is 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 at the closing exchange rate as explained in paragraph 1.5;
- 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 statement of profit or loss, except where hedge accounting is applied as explained in paragraph 1.10.

Foreign exchange differences arising from monetary financial assets at fair value through other comprehensive income ("OCI") 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 OCI, like for non-monetary items such as equity securities.

The groups of insurance contracts that generate cash flows in one or several foreign currencies are treated as monetary items, which requires translating their carrying amounts at the end of the reporting period into the functional currency using the closing rate.

When measuring a multi-currency group of contracts (including the Contractual Service Margin – refer to paragraph 1.14.5), the entities determine on initial recognition whether the group is denominated in a single currency or in the multiple currencies of the cash flows within the group, the methodology having to be applied consistently for similar transactions:

- under a single-currency denomination policy, the changes in exchange rates between the currencies of the cash flows and the currency of the group of contracts correspond to a financial risk accounted for



applying IFRS 17 whereas the changes in exchange rates between the currency of the group of contracts and the functional currency are accounted for applying IAS 21;

- under a multi-currency denomination policy, all changes in exchange rates are exchange differences that are accounted for applying IAS 21.

As mentioned in paragraph 1.3.2.4, 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 statement of profit or loss as part of the realized gain or loss on disposal of the hedged net investment.

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 HYPERINFLATION ACCOUNTING

In accordance with IAS 29 – Financial Reporting in Hyperinflationary Economy, financial statements of the entities operating in hyperinflationary economies are adjusted to reflect the changes in the general purchasing power of their functional currency. Thus, non-monetary assets and liabilities of these entities which are not already expressed in terms of the measuring unit current at the end of the reporting period are restated to reflect the change in the Consumer Price Index (“CPI”).

The effect of inflation on monetary assets and liabilities over the reporting period is included in the statement of profit or loss of the reporting period as a gain or loss on net monetary position. The cumulated gains and losses on net monetary position for previous periods are included within the retained earnings.

All items in the statement of comprehensive income need to be restated by applying the change in the CPI between the dates when those items were initially recorded in the financial statements and the end of the reporting period.

To be included in the Group's consolidated financial statements, financial statements of hyperinflationary entities, restated for hyperinflation as described above, are translated in Euros at the closing exchange rate.

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, to the extent that the change in the CPI is correlated with movements in the exchange rate between the functional currency of the entity and Euros.

The Turkish economy is considered to be hyperinflationary in accordance with the criteria in IAS 29. By consequence, the financial statements of the Turkish consolidated entities are incorporated in the Group's Consolidated Financial Statements applying the hyperinflation accounting. The presentation of the consolidated statement of profit or loss of the reporting period is not restated as the effect of the restatement is not material.

## 1.6 FAIR VALUE MEASUREMENT

The Group applies the fair value hierarchy of IFRS 13 – Fair Value Measurement 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.



### 1.6.1 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 a stock 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 Consolidated Financial Statements.

### 1.6.2 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.

### 1.6.3 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.

#### 1.6.3.1 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.

#### **1.6.3.2 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, either normal market practices for certain assets and liabilities inherently scarcely traded or exceptional processes implemented due to specific market conditions.

#### **1.6.3.3 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.

## 1.7 SEGMENT REPORTING

The segmental analysis provided in AXA's 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", "AXA XL", "Asia, Africa & EME-LATAM<sup>1</sup>", "AXA Investment Managers" and "Transversal & Other" segments.

## 1.8 INTANGIBLE ASSETS

### 1.8.1 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 goodwill. Compliant with IAS 36 – Impairment of Assets, 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).

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 lower than the carrying amount of the unit or group of units.

Value in use consists of the net assets and the value placed on expected future earnings from existing and new business. Fair value less costs to sell is determined in compliance with IFRS 13 as described in paragraph 1.6.

The fair value approach is based on risk neutral valuation techniques applied to risk adjusted future cashflows. The fair value is made of:

- the current shareholders' net asset value;
- the profitability of the business in force, determined by projecting the expected margins from the in force portfolio of insurance contracts until the end of their coverage period; and
- the profitability of future new business, computed on the basis of multiples of a standardized year of new business contribution (present value of projected future distributable profits generated from the business written in the current year). The determination of the future earnings arising from the new business relies upon the use of operational, technical and economic assumptions, all of which are compliant with the requirements of the different regulatory frameworks and regularly reviewed by independent parties.

The recoverable value of the Life and Savings segment is first assessed on a risk free basis (consistent with fair value) and then on the basis of market assumptions aligned with a Real World valuation (value in use) if the recoverable value determined on a risk free basis is lower than the carrying amount.

The recoverable value of the Property & Casualty segment is built upon cash flow projections based on the business plans (using IFRS principles) which are approved by AXA management, and discounted using a risk adjusted rate (value in use). Cash flows beyond that period are extrapolated using a steady growth rate and a terminal value.

<sup>1</sup> Europe – Middle East – Latin America



### 1.8.2 Other intangible assets

Other intangible assets include the following categories:

- software developed for internal use for which direct costs are capitalized and amortized on a straight-line basis over the assets' estimated useful lives;
- customer relationships intangibles relating to future insurance contracts as well as distribution agreements recognized as a result of business combinations in accordance with the guidance described in paragraph 1.3.2.2. 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 date 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 carrying value and the higher of value in use and fair value less costs to sell;
- Deferred Origination Costs ("DOC") correspond to the deferred contract costs (such as incremental costs of obtaining a contract or costs directly related to fulfilling a contract) of investment contracts with no discretionary participation features (refer to paragraph 1.15) but with an investment management service. They are 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. These assets are also tested for recoverability. As DOC are reported gross of unearned fees reserves, these unearned fees reserves are separately recognized as liabilities and are amortized over the contract term using the same amortization approach as the one used for DOC.

## 1.9 INVESTMENTS FROM INSURANCE, BANKING AND OTHER ACTIVITIES

Investments from insurance activities (including assets backing contracts where the financial risk is borne by policyholders) and investments from banking and other activities cover investments in real estate properties and financial investments.

Investments backing contracts where the financial risk is borne by policyholders are presented in a separate aggregate of the statement of financial position as a part of investments from insurance activities. 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.).

### 1.9.1 Investment in real estate properties

Investments in real estate properties include buildings and assimilated assets (such as infrastructures) owned directly or through consolidated real estate entities.

All investments in real estate properties (including those totally or partially backing liabilities arising from insurance or investment contracts measured using the Variable Fee Approach described in paragraph 1.14.7) are 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).

## 1.9.2 Financial investments

### 1.9.2.1 Classification of financial assets

Financial assets held by AXA include notably debt instruments, equity instruments, loans, receivables and investments in non-consolidated investments funds. These instruments are held directly or through controlled investment funds.

The classification of financial assets reflects the basis on which those assets are subsequently measured in the statement of financial position and how gains and losses generated by those assets are reported. The classification of financial assets (including the application of classification options) is assessed at initial recognition applying the guidance below and cannot be modified afterwards, unless if, in extremely rare cases, the business model in which those financial assets are held changes.

#### **Financial assets held directly**

Financial assets are classified in the three following measurement categories, 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 achieved by collecting contractual cash flows from the assets held, 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”);
- if both (i) the asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets (which is the major business model for AXA’s investments in debt instruments), and (ii) the contractual terms of cash flows are SPPI, the financial asset is measured at fair value through other comprehensive income (“FV OCI”) and realized gains or losses are recycled through profit or loss upon sale;
- assets not fitting either of these categories are measured at fair value through profit or loss (“FV P&L”).

In addition to the general classification guidance above, the Group uses the following classification options:

- optional FV OCI designation for investments in equity instruments (other than those held for trading), also referred to as “FV OCI without recycling”. When applying this option, all subsequent changes in fair value on concerned equity instruments are presented in OCI and never recycled to profit or loss ; however, the corresponding cumulative gains or losses are transferred to retained earnings on derecognition. Dividends received on those instruments are recognized in profit or loss. AXA applies this optional designation for most of equity securities held except those backing contracts where the financial risk is borne by policyholders, measured at a FV P&L basis;
- optional FV P&L designation (Fair Value Option for financial assets). AXA applies this option for some financial assets that otherwise meet the requirements to be measured at amortized cost or at FV OCI, if doing so eliminates or significantly reduces an accounting mismatch in profit or loss, for example, for some loans backing insurance contracts measured using the Variable Fee Approach described in paragraph 1.14.7.

#### **Financial assets held through consolidated investment funds**



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 aiming at maximizing returns. Those portfolios are managed, and their performance is evaluated on a fair value basis.

Underlying financial instruments held in the “Core Investment Portfolios” are classified on a line-by-line basis as if they were held directly. Debt instruments held in those funds are managed within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and, by consequence, are measured at FV OCI to the extent that their contractual cash flows are SPPI on the principal amount outstanding.

Underlying financial instruments held in the “Satellite Investment Portfolios” are held within a business model whose objective is achieved neither by collecting contractual cash flows nor collecting contractual cash flows and selling financial assets and are, therefore, accounted for at FV P&L.

#### **1.9.2.2 Impairment of financial investments**

The impairment applies to debt instruments, loans and receivables measured at amortized cost or at FV OCI and reflects Expected Credit Losses (“ECL”) on those financial assets.

The Group measures ECL allowances at an amount equal to:

- 12-month ECL resulting from default events that are possible within the 12 months after the reporting date and recognized for financial instruments for which the credit risk has not increased significantly since initial recognition (it is also assumed that the credit risk has not increased significantly since initial recognition if the financial instrument has low credit risk at the reporting date); or
- lifetime ECL resulting from all possible default events over the expected life of the financial instrument and calculated for financial instruments for which there have been significant increases in credit risk since initial recognition, as well as for financial instruments for which a credit event has occurred since their initial recognition.

ECL for receivables that are within the scope of IFRS 9, typically outstanding for a relatively short period of time, are always measured at an amount equal to lifetime ECL.

Financial instruments for which 12-month ECL are recognized referred to as “Stage 1” financial instruments. Financial instruments for which lifetime ECL are recognized but for which no credit event has occurred are referred to as “Stage 2” financial instruments. Finally, financial instruments for which a credit event has occurred since their initial recognition are referred to as credit-impaired, or “Stage 3” financial instruments.

To perform the impairment stage allocation, at each reporting date, the Group assesses, for each financial instrument within the scope of the ECL calculation:

- whether the financial instrument has low credit risk;
- whether the credit risk on the financial instrument has increased significantly since initial recognition;
- whether the credit risk on the financial instrument previously classified in Stage 2 has improved since the previous reporting date; and
- whether a credit event (default) has occurred.

The approach used by AXA to perform the impairment stage allocation includes the following components:

- the quantitative assessment designed to detect, for all financial assets within the scope of the ECL calculation, significant increases and decreases in credit risk. This quantitative assessment is based on





the AXA's IFRS 9 rating which captures all relevant information, including forward-looking information, required to identify significant changes in credit risk since initial recognition based on fact and circumstances specific to the financial asset; and

- the qualitative assessment, based on expert judgment, performed to confirm transfers between Stage 1 and Stages 2 or 3 for material exposures within the scope derived from the quantitative assessment.

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 determined as the financial instrument's gross carrying amount plus the accrued interests at the closing date.

The amount of ECL is updated at each reporting date to reflect changes in credit risk on the concerned financial instruments. Any increase in credit risk gives rise to an additional ECL allowance. Previously recognized ECL allowances are reversed when the corresponding credit risk improves. ECL allowances and reversals are recognized in profit or loss and, as a counterpart, affect:

- for the financial instruments measured at amortized cost, their carrying value in the statement of financial position;
- for the financial instruments measured at FV OCI, the amount of unrealized gains or losses on those instruments accumulated in the OCI.

### 1.9.3 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 liability in balance of the cash received is reported separately in the statement of financial position. 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 asset in face of the cash disbursed is recorded under financial investments, except for transactions arising from banking activities, for which it is recorded as a separate asset. Interest income on reverse repurchase agreements is accrued over the duration of the agreements.

## 1.10 DERIVATIVE INSTRUMENTS

Derivatives are initially recognized at fair value at purchase date and are subsequently re-measured at their fair value at the reporting date. Unrealized gains and losses are recognized in the statement of profit or loss unless they relate to a qualifying hedge relationship as described below.





In the statement of financial position, derivatives are presented in separate line items, as either an asset or a liability depending upon the fair value position at the reporting date, with no offsetting, regardless of whether these derivatives meet the criteria for hedge accounting.

The Group designates certain derivatives as either: (i) hedging of highly probable expected future transactions (cash flow hedge), or (ii) hedging of the fair value of recognized assets or liabilities or of a firm commitment (fair value hedge), or (iii) hedging of net investments in foreign operations.

The Group formally documents, at inception of a designated hedging relationship, its risk management objectives and strategy for undertaking the hedge. This documentation includes the identification of the hedged item and of the hedging instrument, the nature of the risk being hedged, the economic relationship between the hedged item and the hedging instrument, including whether the changes in the values of the hedged item and the hedging instrument are expected to offset each other, and how the assessment of whether the hedging relationship meets the hedge effectiveness requirements will be performed, including its analysis of the sources of hedge ineffectiveness.

The hedging relationship documentation is updated on an ongoing basis.

### 1.10.1 Cash flow hedge

A separate component of equity, referred to as cash flow hedge reserve, is adjusted through other comprehensive income (“OCI”) for the lower of the following amounts:

- gain or loss on the hedging instrument cumulated since inception of the hedge, and
- change in fair value of the hedged item cumulated since inception of the hedge (i.e. the present value of the cumulative change in the hedged expected future cash flows).

If the cumulative gain or loss on the hedging instrument exceeds the change in fair value of the hedged item (sometimes referred to as an ‘over-hedge’), the related ineffectiveness is recognized in profit or loss. If the cumulative gain or loss on the hedging instrument is lower than the change in fair value the hedged item (sometimes referred to as an ‘under-hedge’), no ineffectiveness appears.

Cumulative gain or loss in shareholders’ equity is recycled in the statement of profit or loss 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 statement of profit or loss. If the hedged future cash flows are no longer expected to occur, the cumulative gains or losses are immediately reclassified from shareholders’ equity to profit or loss.

### 1.10.2 Fair value hedge

Changes in the fair value of derivatives designated and qualifying as fair value hedges of equity instruments designated at FV OCI are recorded in OCI, without recycling into profit or loss, together with changes in fair value of the hedged equity instrument.

Changes in the fair value of derivatives designated and qualifying as fair value hedges of other financial instruments are recorded in the statement of profit or loss, 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 statement of profit or loss.

### 1.10.3 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 statement of profit or loss. Cumulative gains and losses in shareholders' equity impact the statement of profit or loss only on disposal of the foreign operations.

#### 1.10.4 Cost of hedging approach

When only a part of a derivative is designated as the hedging instrument (for example, the change in intrinsic value of a purchased option or changes in the spot element of a forward contract), the Group applies a specific accounting mechanism in IFRS 9 referred to as “cost of hedging approach” and resulting in less volatility in profit or loss. Conversely, the cost of hedging approach is not applied when hedging equity instruments are measured at FV OCI without recycling.

Consistent with the cost of hedging approach, if only changes in intrinsic value of an option are designated as the hedging instrument, the changes in fair value of the time value of the option are deferred in OCI. This cumulated amount is removed from OCI and recognized in profit or loss following the timing that depends on the nature of the hedged item:

- if the hedged item is transaction related (e.g. a forecast purchase denominated in a foreign currency) – when the hedged transaction affects profit or loss,
- if the hedged item is time-period related (e.g. the fair value of an item for a period of time) – over the period of the hedge.

The identical approach applies to:

- the changes in forward points of a forward contract when only the change in the spot element of such a contract is designated as the hedging instrument, and
- the changes in the foreign currency basis spread when separated from a financial instrument and excluded from the designation of that financial instrument as the hedging instrument.

#### 1.10.5 Derivatives not qualifying for hedge accounting

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”. However, given IFRS 9 constraints, only qualifying hedges are eligible to hedge accounting provisions described above. Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in the statement of profit or loss.

The Group holds financial investments that also include embedded derivatives. A derivative embedded in a contract where the host is a financial asset in the scope of IFRS 9 is not separated. Instead, the hybrid financial instrument as a whole is assessed for classification applying the guidance described in paragraph 1.9.2.1. Conversely, if the host contract is a financial liability within the scope of IFRS 9 and is not measured at FV P&L, the embedded derivative is separated from the host contract to the extent that the impact is deemed material, unless the economic characteristics and risks of both the embedded derivative and the host contract are closely related. In this case, the host contract is accounted for as a financial liability within the scope of IFRS 9, and the separated derivative is accounted for at FV P&L and might be eligible as a hedging instrument.

### 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 statement of financial position. The liabilities of subsidiaries (excluding shareholders' equity) held for sale are entered separately on the liability side of the statement of financial position, 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 statement of profit or loss. 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 statement of financial position 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 generally recorded as a deduction to consolidated shareholders' equity. Where those 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.

As an exception to the foregoing, when treasury shares are reacquired to be used as a part of an investment fund that provides investors with benefits determined by units in the fund, or as an underlying item for insurance contracts with direct participation features (or investment contracts with discretionary participation features), those treasury shares are recognized as financial assets measured at fair value through profit or loss in accordance with the option provided by IFRS 9 and therefore are not deducted from shareholders' equity.



### 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 INSURANCE CONTRACTS, INVESTMENT CONTRACTS WITH DISCRETIONARY PARTICIPATION FEATURES AND REINSURANCE CONTRACTS HELD

In the statement of financial position, (i) insurance contracts and investment contracts with discretionary participation features issued and (ii) reinsurance contracts held are aggregated by portfolios and presented separately, depending on their balances at the end of the reporting period, leading to the four following categories:

- the carrying amount of portfolios of insurance contracts and investment contracts with discretionary participation features that are assets;
- the carrying amount of portfolios of insurance contracts and investment contracts with discretionary participation features that are liabilities;
- the carrying amount of portfolios of reinsurance contracts held that are assets; and
- the carrying amount of portfolios of reinsurance contracts held that are liabilities.

IFRS 17 – Insurance Contracts applies to these contracts, such as detailed in paragraphs 1.14.1 to 1.14.9 of this note.

Significant judgements and estimates are made by the Group in applying IFRS 17. The judgements that have the most significant effects on the amounts recognized in the consolidated financial statements relate to the classification of contracts, their level of aggregation and their measurement.

In particular, the Group makes significant judgments regarding inputs, assumptions concerning the future and other sources of uncertainty at the reporting date and uses estimation techniques to measure the insurance contracts. These assumptions and estimates are reviewed on an ongoing basis, based on changes in facts and circumstances (including market changes), which leads to adjustments in the measurement of contracts.

The Group uses notably assumptions to project future cash flows and ensures to design them to adequately reflect any uncertainty underlying the cash flows. Non-market assumptions, based on latest best estimate assumptions (historical data and expert judgment), include the following information: loss ratios, best estimate schedule of lapses, policyholder behavior (e.g. dynamic lapses, election to guaranteed annuity), and management actions (e.g. discretionary benefits distribution policy).

In respect of estimation techniques used to measure the non-Life technical contracts, different actuarial projection models are applied, based on (i) the portfolios' main features (in terms of risk drivers, underwriting and claims policies), (ii) quality, relevance and consistency over time of available statistical data, (iii) selection of relevant actuarial assumptions and models, and (iv) ability to economically interpret and justify the projected range of results, both quantitatively and qualitatively.

In respect of estimation techniques used to measure the Life and Savings contracts, they are based on projections of the key components of statutory financial statements, namely income or expenses that relate to policyholders, beneficiary obligations and assets backing those liabilities.

The main assumptions that may generate material changes in the estimate of the future cash flows relate to (i) mortality, morbidity, and longevity rates, (ii) policyholder behavior (due to lapse and surrender), (iii) participation percentages and crediting rates, and (i) overhead expenses.



More specifically, assumptions made about the discount rates, the confidence level for risk adjustment for non-financial risk, the pattern of the CSM release for direct participating contracts are explained in paragraph 1.14.5 and quantitative information about these assumptions is disclosed in Note 7.

### 1.14.1 Definition and classification

An insurance contract is a contract under which an issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event (an “insured event”) adversely affects this policyholder. The assessment whether a contract transfers a significant insurance risk considers all substantive rights and obligations (including those arising from law or regulation) and is based on the use of judgement. In substance, insurance contract services provided to a policyholder include the insurance coverage and may also include an investment-return service, corresponding to the generation of an investment return for the policyholder having underwritten an insurance contract without direct participation features, and an investment-related service corresponding to the management of underlying items on behalf of the policyholder having underwritten an insurance contracts with direct participation features.

#### **Insurance contracts with direct participation features**

The Group classifies as insurance contract with direct participation features (i.e. direct participating contract) a contract for which (i) the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items, (ii) the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and (iii) the Group 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. In addition to the transfer of significant insurance risk to the issuer, a direct participating contract is therefore based on a substantially investment-related service under which an entity promises an investment return on underlying items (the link must be enforceable), as well as on a contractually specified participation. The underlying items determine some of the amounts payable to a policyholder and can comprise any items (e.g. a reference portfolio of assets, technical items, the net assets of the entity, or a specified subset of the net assets of the entity). The nature of underlying items mainly depends on local regulation and products' features. The Group assesses whether the conditions above are met using its expectations at inception of the contract and needs not reassess the conditions afterwards unless the contract is modified.

#### **Insurance contracts without direct participation features**

The Group classifies as insurance contract without direct participation features an insurance contract that is not an insurance contract with direct participation features, namely:

- an insurance contract with indirect participation features (i.e. indirect participating contract) because the payment to policyholders depends upon the return on underlying items, without meeting the criteria defined for insurance contracts with direct participation features; or
- an insurance contract without any participation features (i.e. non-participating contract) as the payment to policyholders does not depend upon the return on underlying items.

#### **Investment contracts with discretionary participation features**

The Group classifies as investment contract with discretionary participation features a financial instrument that provides a particular investor with the contractual right to receive both an amount not subject to the discretion of the issuer (usually the account value or the value of the unit-linked) and an additional amount subject to the discretion of the issuer, which is expected to be a significant portion of the total contractual benefits. Even though these contracts do not meet the definition of an insurance contract (as they do not include a transfer of significant insurance risk), IFRS 17 applies to those contracts as the Group also issues insurance contracts. Following IFRS 17

guidance, the investment contracts with discretionary participation features issued by AXA have been assessed as meeting the criteria of insurance contracts with direct participation features.

Furthermore, as described in paragraph 1.15 of this note, the Group holds investments contracts with no discretionary participation features for which IFRS 9 – Financial Instruments applies.

#### 1.14.2 Separating components from insurance contracts

The following components are separated from contracts: (i) distinct 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 are accounted for separately by the Group in accordance with the related standards.

After having performed this separation, the Group applies IFRS 17 to all remaining components of the host insurance contract. All these remaining components, including embedded derivatives and investment components that have not been separated from the host contract, are considered as a single insurance contract in substance.

#### 1.14.3 Level of aggregation of insurance contracts

The level of aggregation of contracts is the basis for measuring the contracts and their corresponding profitability. To define the level of aggregation to be used, each entity within the Group applies the process hereafter:

- first, portfolios of contracts are identified, each of them only comprising contracts that are subject to similar risks and managed together;
- then, these portfolios are broken down by annual cohort (IFRS 17 as issued by the IASB preventing contracts issued more than one year apart from being included in the same group). However, as an exception, AXA has chosen the option allowed by the European Union not to apply this requirement to:
  - groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features, having cash flows that affect or are affected by cash flows to policyholders of other contracts; and
  - 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;
- finally, a further split is performed depending on the level of profitability, with notably a separate group for contracts that are onerous at initial recognition.

#### 1.14.4 Initial recognition

The groups of insurance contracts issued are recognized from the earliest of (i) the beginning of the coverage period of the group of contracts, which is the general case, (ii) the date when the first payment from a policyholder in the group becomes due, and (iii) for a group of onerous contracts, the date when this group becomes onerous.

For investment contracts with discretionary participation features, the date of initial recognition is the date when AXA becomes party to the contract.

#### 1.14.5 The General Measurement Model or “BBA”

IFRS 17 requires applying by default the General Measurement Model of insurance contracts, called the “Building Block Approach” (“BBA”) as it 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”), which is calculated at inception as the difference between the premium paid by the policyholder and the expected FCF, and corresponds to the present value of future expected profits.

The Group has adopted a “year-to-date” approach, which consists, for the annual reporting period, in changing the treatment of accounting estimates made in its previous interim financial statements (i.e. as at end June).

The BBA mainly applies to AXA long term Protection and Health business (notably in Japan), as well as to few General Account savings contracts with no direct participation features (almost exclusively in Belgium and, to a lesser extent, in Spain) and assumed long term reinsurance treaties (including reinsurance of savings contracts with direct participation features such as Prefon in France).

### ***Insurance acquisition cash flows (“IACF”)***

The insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts. When these IACF are incurred prior to the date of initial recognition of the group of insurance contracts, such IACF are recognized as an asset, which is deducted from the carrying amounts of insurance contracts. The recoverability of assets for IACF is assessed at the end of each reporting period, if facts and circumstances indicate that the asset may be impaired. If an impairment loss is identified, the carrying amount of the asset for IACF is adjusted and the impairment loss is recognized in the statement of profit or loss. When the group of insurance contract is recognized, the corresponding asset for IACF is derecognized and included in the measurement of that group.

### ***Estimates of future cash flows***

The FCF notably include all the probability-weighted estimates of future cash flows within the boundary of each contract already recognized. 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 AXA 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 AXA 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.

The unbiased estimate of the expected future cash flows within the boundary of insurance contracts, including the cost of options and guarantees, are based on a probability-weighted mean of the full range of possible outcomes to factor the uncertainty about the timing and amounts of the cash flows, determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables reflecting conditions existing at the measurement date.

The cash flows attributable to the group of insurance contracts include premiums from the policyholders, claim payments (including reported, incurred and all the future claims for which AXA has a substantive obligation net of recoveries from claims), profit sharing to policyholders, as well as payments arising from the policyholders exercising options, expenses and commissions, costs related to investment activities performed for the benefit of policyholders (i.e. including investment-return services and investment-related services).

The following cash flows are not included in the contracts boundary: investment returns as they are recognized, measured and presented separately under other applicable IFRSs, costs of investment activities performed for the benefit of shareholders, payments or receipts that arise under reinsurance contracts held (as they are accounted for separately), those that may arise from future insurance contracts, overheads that do not provide any economic benefits to fulfilling insurance contracts, income tax payments and receipts AXA does not pay or receive in a





fiduciary capacity, flows arising from components separated from the insurance contracts and accounted for using other applicable IFRSs.

If insurance premiums are first collected by an intermediary and then transferred to AXA at a later date, the premium receivables from the intermediary are generally accounted for as future cash flows within the boundary of insurance contracts included in the measurement of the corresponding group of insurance contracts applying IFRS 17.

### **Discount rate**

AXA has defined a Group methodology for the calibration and the generation of “IFRS 17 yield curves” used to discount the estimate of future cash flows within the boundary of contracts, consistent with the IFRS 17 requirements and applied homogeneously across all AXA entities.

If the standard does not impose a particular estimation technique to determine the yield curves, AXA has chosen to adopt a bottom-up approach as it has been widely used for many years in the EEV and Solvency II frameworks.

This approach consists in using a Basic Risk-Free Rate (“RFR”), based on swaps for most currencies and government bonds for others, adjusted by 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 between the LLP and the UFR maturities are obtained by extrapolation.

The yield curves used by AXA for main currencies are summarized in Note 7.5.

The Group has chosen to apply the “OCI option” (refer to paragraph 1.21.2) to all portfolio of insurance contracts, allowing to recognize the impact of changes in discount rates through Other Comprehensive Income.

### **Risk adjustment for non-financial risk (“RA”)**

The measurement of the risk adjustment reflects 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. In this respect, the Group considers the 62.5<sup>th</sup>-67.5<sup>th</sup> percentile range as the adequate level of prudence on underlying insurance liabilities.

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, 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 AXA entities is considered to reflect the fact that a same risk is unlikely to impact all the Group’s entities at the same time.

The changes in the risk adjustment for non-financial risk are presented in the insurance service result (i.e. they are not disaggregated into an insurance service component and an insurance finance component).

### **Contractual Service Margin (“CSM”)**

For a group of insurance contracts, the CSM represents the unearned profit attributable to the shareholders. At inception, the CSM is the amount that offsets the FCF, less the derecognition of any IACF (see above), or the value of the AXA’s rights in excess of the value of its obligations under the insurance contracts. On the other hand, the





CSM cannot be negative. Consequently, if the expected cash outflows exceed the expected cash inflows, the group of contracts is onerous and the loss, which corresponds to the expected net cash outflow, is expensed immediately in the statement of profit or loss.

At the end of each subsequent reporting period, AXA remeasures the liability for remaining coverage ("LRC"), which comprises the FCF related to future services and the CSM of the group of contracts at that date. Hence, 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...). 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 is progressively recognized and included in insurance revenue in the consolidated statement of profit or loss over the coverage period of insurance contracts (refer to paragraph 1.19.1). The portion of the CSM to be released as part of insurance revenue for a reporting period, which reflects the performance of insurance contract services, is based on coverage units. In practice, AXA:

- identifies the total number of coverage units for each group of contracts, which is the quantity of services provided for the insurance contracts belonging to the group over the expected coverage period;
- allocates the CSM at the end of the reporting period (before having recognized any amounts in the statement of profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current reporting period and expected to be provided in the future; and
- recognizes the amount of CSM allocated to the coverage units provided in the current reporting period in the statement of profit or loss.

Given the variety of insurance contracts, AXA exercises its judgment to define coverage units, 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.

However, this release of the CSM is not applicable if there are adverse changes in future cash flows greater than the remaining CSM. In this case, the group of contracts becomes onerous, and the loss is immediately recognized in the statement of profit or loss.

When a group of insurance contracts is onerous, on initial recognition or subsequently, the LRC includes a loss component reflecting the loss recognized in the statement of profit or loss. As long as the group of contracts remains onerous, subsequent changes in the amount of loss component are immediately allocated to the statement of profit or loss.

#### **Liability for Incurred Claims ("LIC")**

After initial recognition of a group of insurance contracts, the carrying amount of the group at each reporting date is the sum of two different components: the LRC, that relates to the remaining coverage (see above) and the LIC, which corresponds to the FCF related to past services allocated to the group.

The LIC reflects the AXA's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses, as well as to pay amounts relating to other insurance contract services already provided or any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the LRC.

#### **1.14.6 Measurement with the Premium Allocation Approach ("PAA")**

The Premium Allocation Approach is used for most of the AXA Property and Casualty business and, to a lesser extent, for some short-term Protection and Health businesses.



This is a simplified model permitted for the measurement of the liability for remaining coverage (“LRC”) provided that the measurement of the LRC does not differ materially from the general measurement model (“BBA”) or the coverage period is one year or less. With the PAA, the LRC corresponds to premiums received at initial recognition less acquisition costs and amounts already recognized on a prorata temporis basis as insurance revenue at the closing date. However, the BBA remains applicable for the measurement of incurred claims.

Insurance acquisition cash flows (“IACF”) incurred before the recognition of a group of contracts measured with the PAA are recognized as an asset allocated to that group and future groups of insurance contracts that will include contracts arising from expected renewals. In practice, the recognition of a portion relating to the expected renewals is limited to the groups of insurance contracts with up front or extra-commissions paid for acquiring new business.

#### 1.14.7 Measurement with the Variable Fee Approach (“VFA”)

The VFA applies to 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. This measurement model is mandatory for AXA insurance contracts with direct participation features and investment contracts with discretionary participation features and aims at adjusting the Contractual Service Margin (“CSM”) to reflect the variable nature of the fee. The adjustment equals to the entity’s share of the change in fair value of the underlying items as explained below.

The VFA is derived from the General Measurement Model (BBA) to the extent that it is also based on a building block approach. As such, the principles described here above in paragraph 1.14.5 are the same, meaning that the liabilities are also made of FCF and a CSM. At initial recognition, there are no differences between the BBA and the VFA (with the exception related to the groups of insurance contracts not applying the annual cohort requirement). However, the methodology is different for subsequent measurement since the CSM under the VFA absorbs:

- the experience variance of the period generated by underlying items, including the variance on commissions based on these underlying items;
- the consequences of changes in both technical and financial assumptions;
- the effect of changes in financial risks not arising from underlying items (such as options and guarantees).

In order to allow an appropriate pattern of the CSM release in the statement of profit or loss over the coverage period, consistently with the IFRS 17 definition of the investment-related service, the number of coverage units is determined on the basis of policyholders’ mathematical reserves, which are adjusted by considering the expected return of underlying items resulting from Real World (“RW”) deterministic assumptions. The main Real World assumptions used by AXA are summarized in note 7.6.

RW assumptions are based on AXA Group’s Chief Economist studies that rely on AXA IM’s Research and Investment Strategy team for the short term and on academic literature, international organizations (e.g. IMF, World Bank) studies and dedicated structural models for the long term. Then, RW assumptions are reviewed and validated by the Group Economic Assumptions Committee, in charge of determining economic assumptions to be used for a variety of local and Group processes. This Committee is co-chaired by the Group Chief Financial Officer and the Group Chief Risk Officer.

The “risk mitigation” accounting option is applied to some group of contracts and 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, 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 as of January 1, 2022) not to adjust the CSM but instead affect the statement of profit or loss for the changes in the FCF and the entity’s share in the fair value return on the underlying items that the hedged items are intended to mitigate. This option is allowed only when AXA has previously documented a risk-management objective and strategy for mitigating financial risk. In particular, an economic offset should exist between the insurance contracts and the



hedging instruments, and credit risk should not dominate the economic offset. If, and only if, these conditions cease to be subsequently met, the risk mitigation option is stopped (with no restatement of previous adjustments).

#### 1.14.8 Derecognition of insurance contracts

An insurance contract is derecognized from the group of contracts to which it belongs in case of extinguishment, transfer, or a modification of its terms in a such a way that a new contract is recognized in a new group. The derecognition of insurance contracts leads to eliminate their Fulfilment Cash Flows (“FCF”) and adjust the Contractual Service Margin (“CSM”) of the group of contracts instead of generating a direct and immediate effect in the statement of profit or loss, unless the group of contracts becomes onerous or empty. Depending on the cause of derecognition, the CSM of the group of contracts is adjusted:

- in case of extinguishment of an insurance contract, by the same amount eliminated from the FCF;
- in case of a portfolio transfer to a third party, by the difference between the amount eliminated from the FCF and the premium charged by the third party;
- in case of a modification of insurance contracts (requiring a derecognition followed by a recognition in a new group of contracts), by the difference between the amount eliminated from the FCF and any additional premium charged to the policyholder as a result of the modification. In practice, this means that the global adjustments of CSM generated by the modification is split between the initial group of contracts and the new one, depending on the hypothetical premium that the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification.

Finally, if an insurance contract is derecognized because of its transfer to a third party or a modification, the remaining amount previously recognized in Other Comprehensive Income (“OCI”) is reclassified in the statement of profit or loss when the Building Block Approach applies but maintained in OCI when the Variable Fee Approach applies.

#### 1.14.9 Reinsurance contracts

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 leading to the recognition of groups of reinsurance contracts issued. Ceded reinsurance refers to the transfer of insurance risks, along with the related premiums, to other reinsurers who will assume the risks as the Group seeks to reduce the potential amount of loss arising from claims events by reinsuring certain levels of risk underwritten, leading to the recognition of groups of reinsurance contracts held.

Both groups of reinsurance contracts issued and groups of reinsurance contracts held are subject to the Building Block Approach (“BBA”) or the Premium Allocation Approach (“PAA”) described in the previous paragraphs provided that there is a transfer of significant insurance risk; in any case, they are not eligible to the Variable Fee Approach as they are not insurance contracts with direct participation features. As the specificities of the treaties can affect their classification, each reinsurance contract is subject to a detailed analysis by AXA in order to determine the appropriate accounting treatment.

Whereas the recognition and measurement of reinsurance contracts issued is similar to insurance contracts issued, the reinsurance contracts held have some specificities which are described hereafter.

##### **Date of initial recognition**

The recognition of groups of reinsurance contracts held depends on the type of coverage. When the reinsurance contract held provides proportionate coverage, the date of recognition of the group corresponds to the date when any underlying insurance contract is recognized by AXA. When the reinsurance contract held does not provide



proportionate coverage, the group of reinsurance contracts is recognized at the earliest of the beginning of the coverage period of the group of underlying insurance contracts and the date when the entity recognizes an onerous group of underlying insurance contracts.

### **Boundary of contract**

For reinsurance contracts held, the cash flows are within the boundary of the reinsurance contract if AXA has a substantive right to receive services from the reinsurer or a substantive obligation to pay premiums to the reinsurer. Depending on the relationship between the contract boundary of the direct insurance contracts and that of the reinsurance contracts held, in some cases, the reinsurance treaty might offer protection for underlying insurance contracts that AXA has not issued yet. However, the carrying amount of a reinsurance contract held is nil before any cash flows occur or any service is received.

### **Measurement**

Similarly to underlying insurance contracts, PAA is used for short term reinsurance coverages, while long term coverages are measured with the BBA.

The measurement of reinsurance contracts held follows a mirroring principle of the underlying insurance contracts leading to estimate the present value of the future cash flows of the reinsurance contract held using assumptions consistent with those used for the underlying insurance contracts. Thus, the reinsurance asset is derived using the same assumptions as those used by AXA for the underlying insurance contracts as these are the ones used to determine the expected reinsurance recoveries. In practice, some reinsurance contracts held by AXA provide cover for underlying contracts that are included in different groups.

However, using consistent assumptions does not imply the use of the same assumptions as those used for measuring the underlying contracts if those assumptions are not valid for the reinsurance contract held. In practice, the use of the same discount rate might not be appropriate, especially if the reinsurance contract is entered into during the coverage period of the underlying contracts. In addition, the cash flows from the reinsurance contract held include an adjustment for the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes.

At inception, the reinsurance coverage, in exchange of a reinsurance premium, is measured as:

- the reinsurer's share of the expected present value of the cash flows generated under the underlying insurance contracts, including an adjustment to reflect the fact that the reinsurer might dispute coverage or fail to satisfy its obligations under the contract (risk of non-performance / counterparty risk) ; and
- typically a "net cost" ( a "net gain" can however occur in some cases ), which is in substance a negative Contractual Service Margin ("CSM") corresponding to the cost paid to the reinsurer, depending on the pricing of the reinsurance contract held and assessed independently to the CSM arising from the underlying insurance contracts.

The mechanics of the measurement models are the same for the underlying insurance contracts with the difference that the concept of CSM is replaced by the concept of net cost / net gain. This net loss or net gain is deferred and released in profit or loss throughout the coverage period, in line with the provision of reinsurance services. However, if the net cost of purchasing reinsurance relates to past events, i.e. retrospective reinsurance contracts covering such as adverse development covers for incurred claims, any net cost occurring at inception is immediately recognized in the statement of profit or loss.

Subsequently, at the end of each reporting period, the carrying amount of the net deferred cost or gain for reinsurance contracts held is adjusted to reflect changes in estimates. However, if AXA recognizes losses in the statement of profit or loss on underlying contracts because of adverse changes in estimates of fulfilment cash flows, the corresponding changes in cash inflows for reinsurance contracts held are also recognized in profit or loss and therefore do not adjust the net deferred loss or gain of the group of reinsurance contracts held. As a result,



there is no net effect in the profit or loss for the period to the extent that the change in the fulfilment cash flows of the underlying contracts is matched with a change in the fulfilment cash flows on the reinsurance contracts held.

### 1.15 INVESTMENT CONTRACTS WITH NO DISCRETIONARY PARTICIPATION FEATURES

Liabilities arising from these contracts are financial liabilities within the scope of IFRS 9. They mainly include unit-linked contracts that do not meet the definition of insurance contracts or investment contracts with discretionary participation features. For these unit-linked contracts, the liabilities are measured at current unit value, i.e. on the basis of the fair value of the financial investments backing those contracts at the end of the reporting period together with rights to future management fees, also known as Deferred Origination Costs (“DOC”) (refer to paragraph 1.8.2).

In accordance with IFRS 9, these contracts are accounted for using “deposit accounting” (refer to paragraph 1.19.2).

Fees received at inception to cover future services are recognized as liabilities and accounted for in the statement of profit or loss based on the same amortization pattern as the one used for DOC.

### 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 statement of profit or loss on the basis of local tax regulations. The half year income tax charge is based on the best estimate of the expected full year tax rate.

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 end of the reporting period. 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:** they 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 statement of profit or loss 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 Defined Benefit Obligation ("DBO"), 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 statement of financial position for defined benefit plans is the difference between the present value of the DBO and the market value at the end of the reporting period 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 statement of financial position 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 statement of profit or loss mainly relates to the current service cost (annually accruing employee benefit) and the net interest on the amount recorded in the opening statement of financial position (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 DBO resulting from a plan amendment or curtailment to a defined benefit plan. It is recognized totally and immediately in the statement of profit or loss when incurred. Gains and losses on the settlement of a defined benefit plan also have an impact in the statement of profit or loss 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 the end of each reporting period with any change in fair value recognized in the statement of profit or loss.

**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 in the statement of financial position 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 (refer to paragraph 1.3.2).

Provisions are measured at management's best estimate, at the end of the reporting period, of the expenditure required to settle the obligation, discounted at the market risk-free rate of return for long term provisions.

## 1.19 REVENUES FROM ALL ACTIVITIES

### 1.19.1 Insurance revenue

The insurance revenue reflects the insurance contract services provided by AXA over the period, which is derived from the reduction in the liability for remaining coverage ("LRC") during the reporting period, subject to corrections (adjustment of premiums, loss components) and excluding investment components (*i.e.* amounts to be paid to a policyholder even if an insured event does not occur).

However, the way these changes are reflected in the insurance revenue differs by measurement model.

For the contracts measured under the Premium Allocation Approach ("PAA"), the insurance revenue corresponds to the amount of expected insurance coverage during the period (or passage of time if not significantly different), excluding any investment components.

For the contracts measured under the Building Block Approach ("BBA") and the Variable Fee Approach ("VFA"), the insurance revenue corresponds to the release of the LRC, depending on the quantity of provided services, and an allocation of insurance acquisition cash flows (refer to paragraph 1.14.5).

In substance, the amounts related to the provision of insurance contract services include:

- the expected claims, including expenses other than insurance acquisition cash flows, but excluding those not contributing to the fulfilment of insurance contracts (*i.e.* non-attributable expenses);
- the release of the risk adjustment for non-financial risk;
- the allocation of the Contractual Service Margin ("CSM") to the period.

The allocation of insurance acquisition cash flows represents the portion of premiums that corresponds to the recovering of those cash flows to each reporting period in a systematic way based on the passage of time, the same amount being recognized as insurance service expenses. This mechanism enables to add back the part of the premium corresponding to the coverage of insurance acquisition cash flows. This means that insurance acquisition cash flows are not recognized in the statement of profit or loss when the acquisition cash flows occur but when the CSM is released.





### 1.19.2 Fees and loadings from investment contracts with no discretionary participation features

Deposit accounting applies to investment contracts with no discretionary participation features (refer to paragraph 1.15). As a result, amounts collected as premiums 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.

### 1.19.3 Revenues from other activities

Revenues from other activities mainly include:

- commissions and fees received for services relating to Asset Management activities. As asset management entities of the Group deliver investment management services to their clients, revenue for providing these services may theoretically occur over-time, with a time-based measure of progress, the service being provided continuously over the contract period. However, IFRS 15 – Revenue from Contracts with Customers states that 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, they are considered as variable considerations, which are subject to market volatility, and are therefore recognized only when uncertainty is resolved;
- assistance services revenues from AXA Assistance;
- net revenues from banking activities. They 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”; and
- insurance companies revenues from non-insurance activities, notably commissions received on the sales or distribution of financial products.

## 1.20 EXPENSES FROM ALL ACTIVITIES

### 1.20.1 Insurance service expenses

Insurance service expenses arising from groups of contracts issued by AXA are recognized in the statement of profit or loss as they are incurred, excluding amounts allocated to refunds of premiums and payment of policy loans. Symmetrically to insurance revenue, the payments relating to investment components are excluded from insurance service expenses.

All insurance service expenses correspond to actual cash outflows within the boundary of contracts identified when projecting and calculating the present value of future cash flows (refer to paragraph 1.14.5). These cash flows are:

- those that relate directly to the fulfilment of insurance contract; and
- those over which AXA has discretion over the amount or timing. In this respect, the change in discretionary cash flows is determined at inception of the contract (e.g. by identifying the minimum guarantees and defining its profit-sharing policy).





### 1.20.2 Net expenses from reinsurance contracts held

In the statement of profit or loss, net expenses from reinsurance contracts held (net income in some cases) are presented separately from the insurance service expenses and included in a single aggregate, corresponding to the net between reinsurance service expenses and amounts recovered from the reinsurers.

### 1.20.3 Expenses from other activities

The expenses from other AXA activities include the acquisition costs of investment contracts with no discretionary participation features, as well as the expenses that are the twin of revenues from other activities, namely acquisition costs and administrative expenses relating to AXA other non-insurance activities (*i.e.* those incurred by insurance entities, assistance services, asset management entities and holding entities), and bank operating expenses.

## 1.21 FINANCIAL RESULT (EXCLUDING FINANCING EXPENSES)

### 1.21.1 Investment return

The investment return recognized through profit or loss consists of:

- net investment income from investments other than from banking activities, including the cost of investment activities not included in the fulfilment cash flows (*i.e.* those not performed for the benefit of policyholders), net of depreciation expense on real estate investments; this item includes interest received calculated using the effective interest method for debt instruments and dividends received on equity instruments;
- realized gains and losses relating to investments at amortized cost and at fair value through other comprehensive income (with recycling), net of releases of impairment following sales;
- net realized gains and losses and change in fair value of investments at fair value through profit or loss; and
- change in impairment on investments.

In respect of banking activities, interest income and expenses are included in the “Revenues from other activities”.

### 1.21.2 Net finance income or expenses from insurance and reinsurance contracts held

The net finance income or expenses from insurance and reinsurance contracts is presented in the AXA consolidated statement of profit or loss with a split between insurance contracts issued and reinsurance contracts held.

This aggregate comprises the changes in the carrying amount of the groups of contracts that relate to financial risk arising from both (i) the effect of the time value of money and changes in the time value of money, (ii) the effect of financial risk and changes in financial risk (*i.e.* effect of changes in discount rates, exchange rate, the time value of options and guarantees).

However, the option to disaggregate insurance (and reinsurance) financial income or expense between the statement of profit or loss and the Other Comprehensive Income (“OCI”) is applied by AXA in order to limit the volatility in profit or loss (considering that many of the supporting financial assets are measured at fair value through OCI under IFRS 9).

Under this option, for contracts without direct participation features, the difference between the valuation of the liabilities at locked-in rates (used for the unwind in the finance income or expenses) and their valuation at current rates is recognized by AXA 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 shall also be considered as resulting from a financial risk and therefore are recognized by AXA through OCI with a release over the duration of the payments to the policyholders. The amount included in the statement of profit or loss is determined by a systematic allocation of the expected total insurance (and reinsurance) finance income or expenses over the duration of the group of contracts. This systematic allocation is based on the characteristics of the contracts, depending on whether the changes in assumptions relating to financial risk have a substantial effect on the amount paid to the policyholder or not:

- when the changes in financial risk assumptions do not have a substantial effect on amounts paid to the policyholders, the systematic allocation is determined using the discount rates at the date of initial recognition of the groups of contracts measured with the Building Block Approach and at the date of the incurred claims for groups of contracts applying the Premium Allocation Approach;
- when the changes in financial risk assumptions do have a substantial effect on amounts paid to the policyholder, the systematic allocation is determined by using a rate that allocates the remaining revised expected finance income or expenses over the remaining duration of the group of contracts at a constant rate (i.e. the effective yield approach) or a crediting rate based on the amounts credited to the policyholders in the period and expected to be credited in future periods (i.e. the projected crediting approach).

AXA also applies the OCI option for direct participating contracts. It consists in recognizing in finance income or expenses (with OCI as a balance) an amount that exactly matches the income or expenses included in profit or loss on the underlying items held, resulting in the net of the separately presented items being nil. However, a negative accounting mismatch in OCI structurally occurs as some underlying items, notably investments in real estate properties, are accounted for at amortized cost by AXA, with therefore no recognition of unrealized gains and losses in shareholders' equity while these unrealized gains and losses are included in the value of the contracts with a corresponding opposite effect in OCI).

## 1.22 OTHER INCOME AND EXPENSES

Other income and expenses notably include other insurance expenses, which correspond to overheads assessed as being not attributable to the fulfilment of insurance contracts (refer to paragraph 1.14.5) and are not expenses from other activities (refer to paragraph 1.20.3).

## 1.23 SUBSEQUENT EVENTS

Subsequent events relate to events that occur between the end of the reporting period 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 end of the reporting period;
- such events result in additional disclosures if indicative of conditions that arose after the end of the reporting period, and if relevant and material.

## NOTE 2 SCOPE OF CONSOLIDATION

### 2.1 CONSOLIDATED COMPANIES

Change in scope	June 30, 2023		December 31, 2022	
	Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
<b>AXA SA and Other Holdings</b>				
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
<b>France</b>				
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
<b>Europe</b>				
<b>Germany</b>				
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
<b>United Kingdom &amp; Ireland</b>				
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

Change in scope	June 30, 2023		December 31, 2022	
	Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
<b>Spain</b>				
AXA Seguros Generales, S.A.	99.93	99.93	99.93	99.93
AXA Aurora Vida, S.A. de Seguros	99.86	99.86	99.86	99.86
<b>Switzerland</b>				
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
<b>Italy</b>				
AXA Assicurazioni e Investimenti	100.00	100.00	100.00	100.00
AXA MPS Vita	50.00	50.00	50.00	50.00
	+ 1 voting right		+ 1 voting right	
AXA MPS Danni	50.00	50.00	50.00	50.00
	+ 1 voting right		+ 1 voting right	
AXA MPS Financial	100.00	50.00	100.00	50.00
<b>Belgium and Luxembourg</b>				
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
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
<b>AXA XL</b>				
AXA XL (sub group) (a)	100.00	100.00	100.00	100.00
<b>Asia, Africa &amp; EME-LATAM</b>				
National Mutual International Pty Ltd.	100.00	100.00	100.00	100.00
AXA Mediterranean Holding SA	100.00	100.00	100.00	100.00
<b>Japan</b>				
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
<b>Hong Kong</b>				
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
<b>China</b>				
AXA Tianping	100.00	100.00	100.00	100.00
<b>Indonesia</b>				
MLC Indonesia	100.00	100.00	100.00	100.00
<b>Thailand</b>				
AXA Insurance Public Company Limited	99.47	86.35	99.47	86.35

(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	June 30, 2023		December 31, 2022	
	Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
<b>South Korea</b>				
AXA General Insurance Co. Ltd.	99.71	99.71	99.71	99.71
<b>Colombia</b>				
AXA Colpatria Seguros	51.00	51.00	51.00	51.00
AXA Colpatria Seguros de vida	51.00	51.00	51.00	51.00
<b>Morocco</b>				
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
<b>Turkey</b>				
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
<b>Mexico</b>				
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
<b>Singapore</b>				
AXA Financial Services Singapore pte Ltd.	100.00	100.00	100.00	100.00
<b>India</b>				
AXA India Holding	100.00	100.00	100.00	100.00
<b>Nigeria</b>				
AXA Mansard Insurance Plc (Nigeria)	76.48	76.48	76.48	76.48
<b>Brazil</b>				
AXA Seguros S.A.	100.00	100.00	100.00	100.00
<b>Other</b>				
AXA Investment Managers (sub group)	97.50	97.48	97.52	97.51
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

## 2.1.1 Main fully consolidated companies

### MINORITIES INTERESTS ON CONTROLLED INVESTMENTS FUNDS AND REAL ESTATE COMPANIES

In most investment funds (particularly open-ended investment funds), minority interests are presented as liabilities under “Minority interests of controlled investment funds”. As of June 30, 2023, minority interests in controlled investments funds amounted to €6,891 million (€6,400 million as of December 31, 2022, restated). Minority interests related to consolidated investment funds and real estate companies that are classified in shareholders’ equity amounted to €1,736 million as of June 30, 2023 (€1,842 million as of December 31, 2022, restated).



## 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	June 30, 2023		December 31, 2022	
	Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
<b>France</b>				
Neuflize Vie	39.98	39.98	39.98	39.98
<b>Asia, Africa &amp; EME-LATAM</b>				
Philippines AXA Life Insurance Corporation	45.00	45.00	45.00	45.00
Krunghai 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
Reso Garantia (Russia)	38.61	38.61	38.61	38.61
Bharti AXA Life (India)	49.00	49.00	49.00	49.00
<b>Other</b>				
Capza (Asset Management - France)	66.09	65.44	66.09	65.45
Kyobo AXA Investment Managers Company Limited (South Korea)	50.00	48.74	50.00	48.75
AXA SPDB Investment Managers Company Ltd. (China)	39.00	38.02	39.00	38.03

### NOTE 3 CONSOLIDATED STATEMENT OF PROFIT OR LOSS 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, AXA XL, Asia, Africa & EME LATAM, AXA Investment Managers and Transversal & Other.

As of June 30, 2023, the CEOs supervising the main hubs (respectively CEO of AXA France, CEO of AXA in Europe, CEO of AXA XL, CEO of AXA International Markets, 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 & Luxembourg, Spain, Italy and AXA Life Europe as well as Property & Casualty activities in United Kingdom & Ireland. The holding companies in these countries are also included.

**AXA XL:** The AXA XL market mainly consists of Property & Casualty activities in 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.

**Asia, Africa & EME-LATAM:**

- The Asian market consists of Life & Savings and Property & Casualty activities in Japan, Hong Kong and Asia High Potentials (Indonesia, Philippines, Thailand and China) as well as Property & Casualty activities in South Korea and Life & savings activities in India. The holding company in Japan and the other Asia holdings are also included.
- The African market consists of Life & Savings and Property & Casualty activities in Morocco and Nigeria. The holding companies in these countries are also included.
- The EME – LATAM market consists of Life & Savings and Property & Casualty activities in Brazil, Colombia, Mexico, Russia and Turkey. The holding company in Brazil, Turkey and other holding companies are also included.

**AXA Investment Managers:** including Architas.

**Transversal & Other:** It includes transversal entities namely AXA Assistance, AXA Liabilities Managers, AXA SA (including AXA Global Re, Group's internal reinsurance activities, which was merged with AXA SA at June 30, 2022), 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.

### 3.1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS BY SEGMENT

	June 30, 2023								
(in EURO million)	France	Europe	AXA XL	Asia, Africa & EME- LATAM	AXA IM	Transversal & Other	Intersegment Eliminations	Total	of which Insurance
Insurance revenue	10,170	14,766	8,801	5,290	-	723	(556)	39,194	39,750
Fees and charges relating to investment contracts with no discretionary participation features	0	88	-	30	-	-	-	118	118
Revenues from other activities	68	73	44	16	906	680	(386)	1,403	431
Revenues from all activities	10,238	14,927	8,845	5,336	906	1,404	(942)	40,715	40,299
Insurance service expenses	(8,935)	(12,966)	(6,838)	(4,659)	-	(718)	490	(33,627)	(34,117)
Net expenses from reinsurance contracts held	(63)	(256)	(977)	(42)	-	25	104	(1,209)	(1,313)
Expenses from other activities	(96)	(94)	(24)	(22)	(651)	(1,059)	440	(1,505)	(469)
Expenses from all activities	(9,095)	(13,317)	(7,839)	(4,723)	(651)	(1,752)	1,034	(36,341)	(35,900)
Result from all activities	1,144	1,611	1,006	613	256	(349)	93	4,374	4,399
Investment return	2,481	3,026	427	2,779	14	151	(258)	8,620	8,727
Net finance income or expenses from insurance contracts issued	(2,607)	(2,567)	(203)	(2,217)	-	(4)	(4)	(7,603)	(7,598)
Net finance income or expenses from reinsurance contracts held	85	(7)	79	(4)	-	2	1	155	154
Net finance income or expenses from insurance and	(2,523)	(2,574)	(124)	(2,221)	-	(2)	(4)	(7,448)	(7,444)
Financial result	(41)	452	303	558	14	149	(261)	1,172	1,283
Other income and expenses (a)	(147)	(114)	(223)	(44)	(36)	72	(16)	(509)	(552)
Change in impairment on goodwill and other intangible assets	-	-	(1)	-	-	-	-	(1)	(1)
Other operating income and expenses	(147)	(114)	(224)	(44)	(36)	72	(16)	(510)	(553)
Operating profit before tax	955	1,949	1,085	1,127	233	(128)	(184)	5,037	5,129
Income (net of impairment) from investment accounted for using the equity method	8	(0)	-	179	13	-	-	200	187
Financing debts expenses	(5)	(8)	(26)	(13)	(0)	(438)	185	(306)	(27)
Profit before tax	958	1,941	1,059	1,293	246	(567)	1	4,931	5,288
Income tax	(177)	(426)	(221)	(214)	(65)	111	(1)	(994)	(1,059)
Net income	781	1,515	839	1,079	181	(456)	-	3,937	4,230
Split between :									
Net income - Group share	780	1,460	838	1,034	176	(456)	-	3,833	4,130
Net income - Minority interests	1	54	0	44	4	0	-	104	100

(a) It included the effect of applying IAS29 standard related to hyperinflation in Turkey for €-12 million (€-11 million group share)





	June 30, 2022, restated								
(in EURO million)	France	Europe	AXA XL	Asia, Africa & EME- LATAM	AXA IM	Transversal & Other	Intersegment Eliminations	Total	of which Insurance
Insurance revenue	10,730	13,885	9,114	5,070	-	662	(329)	39,133	39,462
Fees and charges relating to investment contracts with no discretionary participation features	0	101	-	65	-	-	-	166	166
Revenues from other activities	236	92	37	15	945	641	(369)	1,597	424
<b>Revenues from all activities</b>	<b>10,966</b>	<b>14,079</b>	<b>9,152</b>	<b>5,150</b>	<b>945</b>	<b>1,303</b>	<b>(698)</b>	<b>40,896</b>	<b>40,052</b>
Insurance service expenses	(9,491)	(13,136)	(8,059)	(4,397)	-	(796)	283	(35,597)	(35,879)
Net expenses from reinsurance contracts held	(276)	(102)	(361)	(154)	-	112	122	(658)	(780)
Expenses from other activities	(97)	(145)	(21)	(59)	(643)	(1,015)	415	(1,567)	(547)
<b>Expenses from all activities</b>	<b>(9,864)</b>	<b>(13,383)</b>	<b>(8,442)</b>	<b>(4,610)</b>	<b>(643)</b>	<b>(1,698)</b>	<b>819</b>	<b>(37,822)</b>	<b>(37,207)</b>
<b>Result from all activities</b>	<b>1,103</b>	<b>695</b>	<b>710</b>	<b>540</b>	<b>301</b>	<b>(395)</b>	<b>121</b>	<b>3,074</b>	<b>2,845</b>
<b>Investment return</b>	<b>(4,441)</b>	<b>(1,036)</b>	<b>469</b>	<b>136</b>	<b>(25)</b>	<b>125</b>	<b>(174)</b>	<b>(4,945)</b>	<b>(4,799)</b>
Net finance income or expenses from insurance contracts issued	4,719	2,302	(415)	604	-	(11)	0	7,199	7,199
Net finance income or expenses from reinsurance contracts held	10	(2)	208	64	-	18	(0)	297	298
<b>Net finance income or expenses from insurance and Financial result</b>	<b>4,729</b>	<b>2,300</b>	<b>(207)</b>	<b>668</b>	<b>-</b>	<b>7</b>	<b>(0)</b>	<b>7,497</b>	<b>7,497</b>
Other income and expenses (a)	(68)	(73)	(178)	(41)	(34)	(19)	(35)	(450)	(378)
Change in impairment on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Other operating income and expenses</b>	<b>(68)</b>	<b>(73)</b>	<b>(178)</b>	<b>(41)</b>	<b>(34)</b>	<b>(19)</b>	<b>(35)</b>	<b>(450)</b>	<b>(378)</b>
<b>Operating profit before tax</b>	<b>1,322</b>	<b>1,886</b>	<b>794</b>	<b>1,302</b>	<b>242</b>	<b>(282)</b>	<b>(88)</b>	<b>5,176</b>	<b>5,165</b>
Income (net of impairment) from investment accounted for using the equity method	3	0	-	(107)	13	-	-	(91)	(104)
Financing debts expenses	(2)	(3)	(51)	(9)	27	(313)	91	(260)	(15)
<b>Profit before tax</b>	<b>1,324</b>	<b>1,883</b>	<b>743</b>	<b>1,185</b>	<b>282</b>	<b>(595)</b>	<b>3</b>	<b>4,824</b>	<b>5,046</b>
Income tax	(270)	(381)	(143)	(198)	(72)	169	(3)	(899)	(956)
<b>Net income</b>	<b>1,054</b>	<b>1,502</b>	<b>600</b>	<b>987</b>	<b>209</b>	<b>(426)</b>	<b>-</b>	<b>3,925</b>	<b>4,090</b>
Split between :									
<b>Net income - Group share</b>	<b>1,051</b>	<b>1,462</b>	<b>599</b>	<b>962</b>	<b>204</b>	<b>(427)</b>	<b>-</b>	<b>3,852</b>	<b>4,022</b>
Net income - Minority interests	2	41	1	24	5	0	-	74	68

(a) It included the impact related to the disposal process of General Account portfolio in Belgium.

(b) It included the effect of applying IAS29 standard related to hyperinflation in Turkey for €-20 million (€-19 million group share)



## NOTE 4 TRANSACTIONS IN CONSOLIDATED ENTITIES

### 4.1 DISPOSAL OF A CLOSED LIFE AND PENSION 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 life and pensions insurance reserves portfolio. Under the terms of the agreement, AXA Germany will sell the portfolio to Athora Germany for a consideration of Euro 660 million.

The completion of the transaction is expected to take place during the first quarter of 2024 and is subject to customary closing conditions, including the receipt of regulatory approvals. Given these circumstances, the held for sale classification was therefore extended beyond one year.

The major classes of assets and liabilities (net of intercompany balances with other AXA entities) which have been restated in held of sale are presented in the table below:

<b>ASSETS</b>		<b>June 30, 2023</b>
<i>(in EURO million)</i>		
Investments from insurance activities		12,366
Assets arising from insurance contracts, investment contracts, and reinsurance contracts held		7
Other assets		395
Cash and cash equivalents		279
<b>TOTAL ASSETS HELD FOR SALE</b>		<b>13,046</b>

  

<b>LIABILITIES</b>		<b>June 30, 2023</b>
<i>(in EURO million)</i>		
Liabilities arising from insurance contracts, investment contracts, and reinsurance contracts held		11,976
Other liabilities		914
<b>TOTAL LIABILITIES HELD FOR SALE</b>		<b>12,890</b>

As of June 30, 2023, the net other comprehensive income from invested assets and insurance contracts in the scope of the transaction amounted to €-227 million.

As of June 30, 2023, there is no impact recognized in the consolidated statement of income for this transaction.

As of December 31, 2022, the assets and liabilities classified as held for sale disclosed in the consolidated statement of financial position mainly relates to the transaction described above.



## NOTE 5 INVESTMENTS

### 5.1 BREAKDOWN OF INVESTMENTS

(in EURO million)	June 30, 2023								
	Investments as per Consolidated Statement of Financial Position								
	Insurance			Other activities			TOTAL		
	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
<b>Investment in real estate properties</b>	<b>40,896</b>	<b>29,699</b>	<b>5.99%</b>	<b>3,025</b>	<b>2,983</b>	<b>14.20%</b>	<b>43,921</b>	<b>32,682</b>	<b>6.32%</b>
Debt instruments at amortized cost	14,308	15,965	3.22%	11	11	0.05%	14,319	15,975	3.09%
Debt instruments at FV OCI	269,486	269,486	54.33%	4,919	4,919	23.42%	274,404	274,404	53.07%
Debt instruments at FV P&L - FV Option	1,677	1,677	0.34%	-	-	0.00%	1,677	1,677	0.32%
Debt instruments at FV P&L - Mandatory FV P&L	11,996	11,996	2.42%	51	51	0.24%	12,047	12,047	2.33%
<b>Debt Instruments</b>	<b>297,467</b>	<b>299,123</b>	<b>60.30%</b>	<b>4,980</b>	<b>4,980</b>	<b>23.71%</b>	<b>302,447</b>	<b>304,104</b>	<b>58.81%</b>
Equity instruments at FV OCI without recycling	12,367	12,367	2.49%	1,623	1,623	7.73%	13,990	13,990	2.71%
Equity instruments at FV P&L	14,093	14,093	2.84%	542	542	2.58%	14,635	14,635	2.83%
<b>Equity Instruments</b>	<b>26,459</b>	<b>26,459</b>	<b>5.33%</b>	<b>2,166</b>	<b>2,166</b>	<b>10.31%</b>	<b>28,625</b>	<b>28,625</b>	<b>5.54%</b>
<b>Non consolidated investment funds at FV P&amp;L</b>	<b>18,069</b>	<b>18,069</b>	<b>3.64%</b>	<b>116</b>	<b>116</b>	<b>0.55%</b>	<b>18,185</b>	<b>18,185</b>	<b>3.52%</b>
<b>Other assets at FV P&amp;L, held by consolidated investment funds</b>	<b>21,871</b>	<b>21,871</b>	<b>4.41%</b>	<b>891</b>	<b>891</b>	<b>4.24%</b>	<b>22,762</b>	<b>22,762</b>	<b>4.40%</b>
<b>Sub total Financial instruments (excluding Loans)</b>	<b>363,866</b>	<b>365,522</b>	<b>73.69%</b>	<b>8,153</b>	<b>8,153</b>	<b>38.82%</b>	<b>372,019</b>	<b>373,675</b>	<b>72.27%</b>
Loans held at amortized cost	15,700	16,317	3.29%	9,866	9,866	46.98%	25,566	26,183	5.06%
Loans at FV P&L - FV Option	3,726	3,726	0.75%	-	-	0.00%	3,726	3,726	0.72%
Loans at FV P&L - Mandatory FV P&L	16	16	0.00%	-	-	0.00%	16	16	0.00%
<b>Loans</b>	<b>19,443</b>	<b>20,059</b>	<b>4.04%</b>	<b>9,866</b>	<b>9,866</b>	<b>46.98%</b>	<b>29,309</b>	<b>29,925</b>	<b>5.79%</b>
<b>Total Financial instruments</b>	<b>383,309</b>	<b>385,582</b>	<b>77.73%</b>	<b>18,019</b>	<b>18,019</b>	<b>85.80%</b>	<b>401,328</b>	<b>403,601</b>	<b>78.06%</b>
<b>Assets backing contracts where the financial risk is borne by policyholders</b>	<b>80,771</b>	<b>80,771</b>	<b>16.28%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>80,771</b>	<b>80,771</b>	<b>15.62%</b>
<b>INVESTMENTS</b>	<b>504,976</b>	<b>496,052</b>	<b>100.00%</b>	<b>21,043</b>	<b>21,002</b>	<b>100.00%</b>	<b>526,019</b>	<b>517,054</b>	<b>100.00%</b>
<b>Investments (excluding those backing contracts where the financial risk is borne by policyholders)</b>	<b>424,205</b>	<b>415,281</b>	<b>83.72%</b>						

	December 31, 2022, restated								
	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)
<b>Investment in real estate properties</b>	<b>40,740</b>	<b>28,684</b>	<b>5.80%</b>	<b>2,946</b>	<b>2,896</b>	<b>13.91%</b>	<b>43,686</b>	<b>31,580</b>	<b>6.13%</b>
Debt instruments at amortized cost	14,248	15,997	3.23%	12	12	0.06%	14,259	16,009	3.11%
Debt instruments at FV OCI	273,045	273,045	55.19%	3,907	3,907	18.77%	276,953	276,953	53.72%
Debt instruments at FV P&L - FV Option	1,814	1,814	0.37%	0	0	0.00%	1,814	1,814	0.35%
Debt instruments at FV P&L - Mandatory FV P&L	11,872	11,872	2.40%	66	66	0.32%	11,938	11,938	2.32%
<b>Debt Instruments</b>	<b>300,978</b>	<b>302,728</b>	<b>61.19%</b>	<b>3,985</b>	<b>3,985</b>	<b>19.15%</b>	<b>304,964</b>	<b>306,714</b>	<b>59.49%</b>
Equity instruments at FV OCI without recycling	12,704	12,704	2.57%	1,768	1,768	8.49%	14,472	14,472	2.81%
Equity instruments at FV P&L	15,174	15,174	3.07%	680	680	3.27%	15,853	15,853	3.07%
<b>Equity Instruments</b>	<b>27,878</b>	<b>27,878</b>	<b>5.63%</b>	<b>2,447</b>	<b>2,447</b>	<b>11.76%</b>	<b>30,326</b>	<b>30,326</b>	<b>5.88%</b>
<b>Non consolidated investment funds at FV P&amp;L</b>	<b>18,604</b>	<b>18,604</b>	<b>3.76%</b>	<b>100</b>	<b>100</b>	<b>0.48%</b>	<b>18,705</b>	<b>18,705</b>	<b>3.63%</b>
<b>Other assets at FV P&amp;L, held by consolidated investment funds</b>	<b>19,558</b>	<b>19,558</b>	<b>3.95%</b>	<b>736</b>	<b>736</b>	<b>3.53%</b>	<b>20,293</b>	<b>20,293</b>	<b>3.94%</b>
<b>Sub total Financial instruments (excluding Loans)</b>	<b>367,019</b>	<b>368,769</b>	<b>74.53%</b>	<b>7,269</b>	<b>7,269</b>	<b>34.92%</b>	<b>374,287</b>	<b>376,037</b>	<b>72.94%</b>
Loans held at amortized cost	16,215	16,901	3.42%	10,650	10,650	51.16%	26,864	27,551	5.34%
Loans at FV P&L - FV Option	3,899	3,899	0.79%	0	0	0.00%	3,899	3,899	0.76%
Loans at FV P&L - Mandatory FV P&L	17	17	0.00%	0	0	0.00%	17	17	0.00%
<b>Loans</b>	<b>20,131</b>	<b>20,817</b>	<b>4.21%</b>	<b>10,650</b>	<b>10,650</b>	<b>51.16%</b>	<b>30,781</b>	<b>31,467</b>	<b>6.10%</b>
<b>Total Financial instruments</b>	<b>387,149</b>	<b>389,586</b>	<b>78.74%</b>	<b>17,918</b>	<b>17,919</b>	<b>86.09%</b>	<b>405,068</b>	<b>407,504</b>	<b>79.04%</b>
<b>Assets backing contracts where the financial risk is borne by policyholders</b>	<b>76,491</b>	<b>76,491</b>	<b>15.46%</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>76,491</b>	<b>76,491</b>	<b>14.84%</b>
<b>INVESTMENTS</b>	<b>504,380</b>	<b>494,760</b>	<b>100.00%</b>	<b>20,864</b>	<b>20,815</b>	<b>100.00%</b>	<b>525,245</b>	<b>515,575</b>	<b>100.00%</b>
<b>Investments (excluding those backing contracts where the financial risk is borne by policyholders)</b>	<b>427,890</b>	<b>418,269</b>	<b>84.54%</b>						

## 5.2 INVESTMENT IN REAL ESTATE PROPERTIES

Investment in real estate properties includes buildings owned directly and through real estate entities.

Breakdown of the carrying value and fair value of investments in real estate properties at amortized cost:

(in EURO million)	June 30, 2023					December 31, 2022, restated				
	Gross value	Amortization	Impairment	Carrying value	Fair value	Gross value	Amortization	Impairment	Carrying value	Fair value
<b>Investment in real estate properties at amortized cost</b>										
Insurance	32,692	(1,521)	(1,471)	29,699	40,896	31,453	(1,449)	(1,320)	28,684	40,740
Other activities	2,983	-	-	2,983	3,025	2,896	-	-	2,896	2,946
<b>TOTAL</b>	<b>35,675</b>	<b>(1,521)</b>	<b>(1,471)</b>	<b>32,682</b>	<b>43,921</b>	<b>34,349</b>	<b>(1,449)</b>	<b>(1,320)</b>	<b>31,580</b>	<b>43,686</b>

Change in impairment and amortization of investment in real estate properties at amortized cost (all activities):

(in EURO million)	Impairment - Investment in real estate properties		Amortization - Investment in real estate properties	
	June 30, 2023	December 31, 2022, restated	June 30, 2023	December 31, 2022, restated
<b>Opening value</b>	<b>1,320</b>	<b>1,216</b>	<b>1,449</b>	<b>1,621</b>
Increase for the period	160	206	74	115
Write back following sale or reimbursement	(8)	(25)	(3)	(237)
Write back following recovery in value	(23)	(78)	-	-
Others (a)	22	2	1	(50)
<b>Closing value</b>	<b>1,471</b>	<b>1,320</b>	<b>1,521</b>	<b>1,449</b>

(a) Includes changes in the scope of consolidation and the impact of changes in exchange rates.

### 5.3 UNREALIZED GAINS AND LOSSES ON FINANCIAL INVESTMENTS

Unrealized capital gains and losses on financial investments, when not already reflected in the statement of profit or loss, were allocated as follows:

#### Insurance

(in EURO million)	June 30, 2023					December 31, 2022, restated				
	Amortized cost <sup>(a)</sup>	Fair Value	Carrying value <sup>(b)</sup>	Unrealized gains	Unrealized losses	Amortized cost <sup>(a)</sup>	Fair Value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments at FV OCI	284,886	269,486	269,486	11,313	26,713	294,285	273,045	273,045	10,874	32,115
Debt instruments at amortized cost	15,965	14,308	15,965	19	1,675	15,997	14,248	15,997	26	1,776
Equity instruments at FV OCI without recycling	11,430	12,367	12,367	2,479	1,543	12,760	12,704	12,704	1,781	1,837
Loans at amortized Cost	16,317	15,700	16,317	33	650	16,901	16,215	16,901	38	724

(a) Net of impairment and includes premiums/discount and related accumulated amortization as well as accrued interest when applicable. (b) Net of impairment.

#### Other Activities

(in EURO million)	June 30, 2023					December 31, 2022, restated				
	Amortized cost <sup>(a)</sup>	Fair Value	Carrying value <sup>(b)</sup>	Unrealized gains	Unrealized losses	Amortized cost <sup>(a)</sup>	Fair Value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments at FV OCI	5,417	4,919	4,919	9	507	4,438	3,907	3,907	6	537
Debt instruments at amortized cost	11	11	11	0	0	12	12	12	0	0
Equity instruments at FV OCI without recycling	1,534	1,623	1,623	181	92	1,739	1,768	1,768	255	226
Loans at amortized Cost	9,866	9,866	9,866	0	0	10,650	10,650	10,650	0	0

(a) Net of impairment and includes premiums/discount and related accumulated amortization as well as accrued interest when applicable. (b) Net of impairment.

#### Total

(in EURO million)	June 30, 2023					December 31, 2022, restated				
	Amortized cost <sup>(a)</sup>	Fair Value	Carrying value <sup>(b)</sup>	Unrealized gains	Unrealized losses	Amortized cost <sup>(a)</sup>	Fair Value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments at FV OCI	290,303	274,404	274,404	11,322	27,220	298,723	276,953	276,953	10,880	32,651
Debt instruments at amortized cost	15,975	14,319	15,975	19	1,675	16,009	14,259	16,009	26	1,776
Equity instruments at FV OCI without recycling	12,965	13,990	13,990	2,660	1,635	14,499	14,472	14,472	2,036	2,063
Loans at amortized Cost	26,183	25,566	26,183	33	650	27,551	26,864	27,551	38	724

(a) Net of impairment and includes premiums/discount and related accumulated amortization as well as accrued interest when applicable. (b) Net of impairment.



## 5.4 FINANCIAL INVESTMENTS SUBJECT TO IMPAIRMENT

### 5.4.1 Breakdown of financial investments subject to impairment

	June 30, 2023				
	Cost before impairment and revaluation to fair value	Impairment	Cost after impairment but before revaluation to fair value	Revaluation to fair value	Carrying value
(in EURO million)					
<b>Financial Assets for which the loss allowance is measured at an amount equal to 12 months expected credit losses (Stage 1)</b>					
Debt instruments at amortized cost	15,904	(16)	15,887		15,887
Debt instruments at FV OCI	290,242	(50)	290,192	(15,877)	274,315
<b>Debt instruments</b>	<b>306,145</b>	<b>(66)</b>	<b>306,079</b>	<b>(15,877)</b>	<b>290,202</b>
Loans at amortized cost	25,146	(51)	25,096		25,096
<b>Loans</b>	<b>25,146</b>	<b>(51)</b>	<b>25,096</b>	<b>-</b>	<b>25,096</b>
<b>TOTAL</b>	<b>331,292</b>	<b>(117)</b>	<b>331,175</b>	<b>(15,877)</b>	<b>315,298</b>
<b>Financial Assets for which the loss allowance is measured at an amount equal to lifetime expected credit losses for which credit risk has increased significantly but are not credit impaired (Stage 2)</b>					
Debt instruments at amortized cost	136	(48)	88	-	88
Debt instruments at FV OCI	41	(6)	35	(14)	21
<b>Debt instruments</b>	<b>177</b>	<b>(54)</b>	<b>123</b>	<b>(14)</b>	<b>109</b>
Loans at amortized cost	602	(8)	594	-	594
<b>Loans</b>	<b>602</b>	<b>(8)</b>	<b>594</b>	<b>-</b>	<b>594</b>
<b>TOTAL</b>	<b>780</b>	<b>(62)</b>	<b>718</b>	<b>(14)</b>	<b>704</b>
<b>Financial assets for which the loss allowance is measured at an amount equal to lifetime expected credit losses and not purchased or originated credit impaired (Stage 3)</b>					
Debt instruments at amortized cost	-	-	-	-	-
Debt instruments at FV OCI	105	(29)	76	(9)	67
<b>Debt instruments</b>	<b>105</b>	<b>(29)</b>	<b>76</b>	<b>(9)</b>	<b>67</b>
Loans at amortized cost	671	(192)	480	-	480
<b>Loans</b>	<b>671</b>	<b>(192)</b>	<b>480</b>	<b>-</b>	<b>480</b>
<b>TOTAL</b>	<b>776</b>	<b>(220)</b>	<b>555</b>	<b>(9)</b>	<b>546</b>
<b>Other</b>					
Debt instruments at amortized cost	0	(0)	-	-	-
Debt instruments at FV OCI	0	-	0	1	1
<b>Debt instruments</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>1</b>	<b>1</b>
Loans at amortized cost	10	4	14	-	14
<b>Loans</b>	<b>10</b>	<b>4</b>	<b>14</b>	<b>-</b>	<b>14</b>
<b>TOTAL</b>	<b>10</b>	<b>4</b>	<b>14</b>	<b>1</b>	<b>15</b>
<b>Total Financial investments</b>					
Debt instruments at amortized cost	16,040	(65)	15,975	-	15,975
Debt instruments at FV OCI	290,388	(85)	290,303	(15,898)	274,404
<b>Debt instruments</b>	<b>306,428</b>	<b>(150)</b>	<b>306,278</b>	<b>(15,898)</b>	<b>290,380</b>
Loans at amortized cost	26,429	(246)	26,183		26,183
<b>Loans</b>	<b>26,429</b>	<b>(246)</b>	<b>26,183</b>	<b>-</b>	<b>26,183</b>
<b>TOTAL</b>	<b>332,857</b>	<b>(396)</b>	<b>332,461</b>	<b>(15,898)</b>	<b>316,563</b>

December 31, 2022, restated

	Cost before impairment and revaluation to fair value	Impairment	Cost after impairment but before revaluation to fair value	Revaluation to fair value	Carrying value
<i>(in EURO million)</i>					
<b>Financial Assets for which the loss allowance is measured at an amount equal to 12 months expected credit losses (Stage 1)</b>					
Debt instruments at amortized cost	15,738	(16)	15,721	-	15,721
Debt instruments at FV OCI	298,651	(52)	298,599	(21,754)	276,845
<b>Debt instruments</b>	<b>314,389</b>	<b>(69)</b>	<b>314,320</b>	<b>(21,754)</b>	<b>292,566</b>
Loans at amortized cost	26,326	(45)	26,281	-	26,281
<b>Loans</b>	<b>26,326</b>	<b>(45)</b>	<b>26,281</b>	<b>-</b>	<b>26,281</b>
<b>TOTAL</b>	<b>340,715</b>	<b>(113)</b>	<b>340,602</b>	<b>(21,754)</b>	<b>318,848</b>
<b>Financial Assets for which the loss allowance is measured at an amount equal to lifetime expected credit losses for which credit risk has increased significantly but are not credit impaired (Stage 2)</b>					
Debt instruments at amortized cost	97	(48)	48	-	48
Debt instruments at FV OCI	48	(7)	42	(11)	30
<b>Debt instruments</b>	<b>145</b>	<b>(55)</b>	<b>90</b>	<b>(11)</b>	<b>79</b>
Loans at amortized cost	747	(7)	740	-	740
<b>Loans</b>	<b>747</b>	<b>(7)</b>	<b>740</b>	<b>-</b>	<b>740</b>
<b>TOTAL</b>	<b>892</b>	<b>(62)</b>	<b>830</b>	<b>(11)</b>	<b>819</b>
<b>Financial assets for which the loss allowance is measured at an amount equal to lifetime expected credit losses and not purchased or originated credit impaired (Stage 3)</b>					
Debt instruments at amortized cost	-	-	-	-	-
Debt instruments at FV OCI	122	(39)	83	(6)	77
<b>Debt instruments</b>	<b>122</b>	<b>(39)</b>	<b>83</b>	<b>(6)</b>	<b>77</b>
Loans at amortized cost	674	(157)	517	-	517
<b>Loans</b>	<b>674</b>	<b>(157)</b>	<b>517</b>	<b>-</b>	<b>517</b>
<b>TOTAL</b>	<b>797</b>	<b>(197)</b>	<b>600</b>	<b>(6)</b>	<b>594</b>
<b>Other</b>					
Debt instruments at amortized cost	240	(0)	240	-	240
Debt instruments at FV OCI	-	-	-	0	0
<b>Debt instruments</b>	<b>240</b>	<b>(0)</b>	<b>240</b>	<b>0</b>	<b>240</b>
Loans at amortized cost	8	4	13	-	13
<b>Loans</b>	<b>8</b>	<b>4</b>	<b>13</b>	<b>-</b>	<b>13</b>
<b>TOTAL</b>	<b>249</b>	<b>4</b>	<b>252</b>	<b>0</b>	<b>252</b>
<b>Total Financial investments</b>					
Debt instruments at amortized cost	16,075	(65)	16,009	-	16,009
Debt instruments at FV OCI	298,822	(98)	298,723	(21,771)	276,953
<b>Debt instruments</b>	<b>314,896</b>	<b>(163)</b>	<b>314,733</b>	<b>(21,771)</b>	<b>292,962</b>
Loans at amortized cost	27,756	(205)	27,551	-	27,551
<b>Loans</b>	<b>27,756</b>	<b>(205)</b>	<b>27,551</b>	<b>-</b>	<b>27,551</b>
<b>TOTAL</b>	<b>342,652</b>	<b>(368)</b>	<b>342,284</b>	<b>(21,771)</b>	<b>320,513</b>



## 5.4.2 Change in impairment on financial investments

	June 30, 2023									
	Stage 1: 12 month Expected Credit Losses		Stage 2: Lifetime Expected Credit Losses		Stage 3: Lifetime Expected Credit Losses		Purchased/Originated Credit Impaired		Total	
	Gross Carrying Amount	Allowance for Expected Credit Losses	Gross Carrying Amount	Allowance for Expected Credit Losses	Gross Carrying Amount	Allowance for Expected Credit Losses	Gross Carrying Amount	Allowance for Expected Credit Losses	Gross Carrying Amount	Allowance for Expected Credit Losses
(in EURO million)										
<b>January 1, 2023</b>										
Debt securities at FV OCI	298,651	(52)	48	(7)	122	(39)	-	-	298,822	(98)
<b>Total Opening period</b>	<b>298,651</b>	<b>(52)</b>	<b>48</b>	<b>(7)</b>	<b>122</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>298,822</b>	<b>(98)</b>
<b>Transfers to 12 month ECL (Stage 1)</b>										
Debt securities at FV OCI	32	(0)	(9)	0	-	-	-	-	23	0
<b>Transfers to lifetime ECL (Stage 2)</b>										
Debt securities at FV OCI	(20)	2	20	(2)	-	-	-	-	-	-
<b>Transfer to credit impaired (Stage 3)</b>										
Debt securities at FV OCI	(2)	(0)	(7)	1	9	(1)	-	-	(0)	0
<b>New financial assets purchased or originated</b>										
Debt securities at FV OCI	18,188	(3)	-	-	-	-	-	-	18,188	(3)
<b>Financial assets that have been derecognized</b>										
Debt securities at FV OCI	(30,720)	2	(12)	0	(26)	12	-	-	(30,758)	15
<b>Other (b)</b>										
Debt securities at FV OCI	4,114	1	(0)	1	(0)	(0)	0	-	4,113	1
<b>June 30, 2023</b>										
Debt securities at FV OCI	290,242	(50)	41	(6)	105	(29)	0	-	290,388	(85)
<b>Total Closing period</b>	<b>290,242</b>	<b>(50)</b>	<b>41</b>	<b>(6)</b>	<b>105</b>	<b>(29)</b>	<b>0</b>	<b>-</b>	<b>290,388</b>	<b>(85)</b>

(a) Includes amortization premiums/discount and accrued interests.

(b) Includes changes due to modification that did not result in derecognition, change to risk parameters / model inputs, foreign exchange impacts and changes in scope.

	December 31, 2022, restated									
	Stage 1: 12 month Expected Credit Losses		Stage 2: Lifetime Expected Credit Losses		Stage 3: Lifetime Expected Credit Losses		Purchased/Originated Credit Impaired		Total	
	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses
(in EURO million)										
<b>January 1, 2022</b>										
Debt securities at FV OCI	323,668	(59)	77	(1)	42	(25)	-	-	323,787	(85)
<b>Total Opening period</b>	<b>323,668</b>	<b>(59)</b>	<b>77</b>	<b>(1)</b>	<b>42</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>323,787</b>	<b>(85)</b>
<b>Transfers to 12 month ECL (Stage 1)</b>										
Debt securities at FV OCI	210	(0)	(2)	0	-	-	-	-	208	(0)
<b>Transfers to lifetime ECL (Stage 2)</b>										
Debt securities at FV OCI	(37)	2	37	(4)	-	-	-	-	-	(1)
<b>Transfer to credit impaired (Stage 3)</b>										
Debt securities at FV OCI	(3)	(0)	(15)	1	18	(1)	-	-	(0)	(0)
<b>New financial assets purchased or originated</b>										
Debt securities at FV OCI	34,481	(5)	-	-	-	-	-	-	34,481	(5)
<b>Financial assets that have been derecognized</b>										
Debt securities at FV OCI	(45,401)	9	(48)	1	(5)	2	-	-	(45,454)	12
<b>Other (b)</b>										
Debt securities at FV OCI	(14,265)	0	(1)	(3)	67	(15)	-	-	(14,200)	(18)
<b>December 31, 2022</b>										
Debt securities at FV OCI	298,651	(52)	48	(7)	122	(39)	-	-	298,822	(98)
<b>Total Closing Period</b>	<b>298,651</b>	<b>(52)</b>	<b>48</b>	<b>(7)</b>	<b>122</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>298,822</b>	<b>(98)</b>

(a) Includes amortization premiums/discount and accrued interests.

(b) Includes changes due to modification that did not result in derecognition, change to risk parameters / model inputs, foreign exchange impacts and changes in scope.

	June 30, 2023									
	Stage 1: 12 month Expected Credit Losses		Stage 2: Lifetime Expected Credit Losses		Stage 3: Lifetime Expected Credit Losses		Purchased/Originated Credit Impaired		Total	
	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses
<i>(in EURO million)</i>										
<b>Balance at 1 January 2023</b>										
Debt securities at amortized cost	15,738	(16)	97	(48)	-	-	240	(0)	16,075	(65)
Loans at amortized cost	26,326	(45)	747	(7)	674	(157)	8	4	27,756	(205)
<b>Total Opening period</b>	<b>42,064</b>	<b>(61)</b>	<b>843</b>	<b>(55)</b>	<b>674</b>	<b>(157)</b>	<b>249</b>	<b>4</b>	<b>43,830</b>	<b>(270)</b>
<b>Transfers to 12 month ECL (Stage 1)</b>										
Debt securities at amortized cost	-	-	-	-	-	-	-	-	-	-
Loans at amortized cost	(97)	(0)	98	0	(2)	0	-	-	(0)	0
<b>Subtotal</b>	<b>(97)</b>	<b>(0)</b>	<b>98</b>	<b>0</b>	<b>(2)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>0</b>
<b>Transfers to lifetime ECL (Stage 2)</b>										
Debt securities at amortized cost	(5)	3	5	(3)	-	-	-	-	-	-
Loans at amortized cost	(31)	0	31	(0)	-	-	-	-	-	(0)
<b>Subtotal</b>	<b>(36)</b>	<b>3</b>	<b>36</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>
<b>Transfer to credit impaired (Stage 3)</b>										
Debt securities at amortized cost	-	-	-	-	-	-	-	-	-	-
Loans at amortized cost	(8)	0	-	-	8	(1)	-	-	-	(1)
<b>Subtotal</b>	<b>(8)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>New financial assets purchased or originated</b>										
Debt securities at amortized cost	663	(1)	-	-	-	-	-	-	663	(1)
Loans at amortized cost	4,532	(2)	-	-	-	-	2	(0)	4,534	(2)
<b>Subtotal</b>	<b>5,195</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(0)</b>	<b>5,197</b>	<b>(3)</b>
<b>Financial assets that have been derecognized</b>										
Debt securities at amortized cost	(1,325)	0	(5)	3	-	-	-	-	(1,330)	3
Loans at amortized cost	(5,001)	0	(4)	0	(1)	0	(0)	-	(5,006)	0
<b>Subtotal</b>	<b>(6,326)</b>	<b>0</b>	<b>(9)</b>	<b>3</b>	<b>(1)</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>(6,336)</b>	<b>3</b>
<b>Other (b)</b>										
Debt securities at amortized cost	833	(1)	40	0	-	-	(240)	0	633	(1)
Loans at amortized cost	(576)	(5)	(270)	(1)	(9)	(33)	(0)	(0)	(855)	(39)
<b>Subtotal</b>	<b>257</b>	<b>(6)</b>	<b>(230)</b>	<b>(1)</b>	<b>(9)</b>	<b>(33)</b>	<b>(240)</b>	<b>(0)</b>	<b>(222)</b>	<b>(40)</b>
<b>Closing Period</b>										
Debt securities at amortized cost	15,904	(16)	136	(48)	-	-	0	(0)	16,040	(65)
Loans at amortized cost	25,146	(51)	602	(8)	671	(192)	10	4	26,429	(246)
<b>Total Closing Period</b>	<b>41,050</b>	<b>(67)</b>	<b>739</b>	<b>(56)</b>	<b>671</b>	<b>(192)</b>	<b>10</b>	<b>4</b>	<b>42,470</b>	<b>(311)</b>

(a) Includes amortization premiums/discount and accrued interests.

(b) Includes changes due to modification that did not result in derecognition, change to risk parameters / model inputs, foreign exchange impacts and changes in scope.



December 31, 2022, restated											
		Stage 1: 12 month Expected Credit Losses		Stage 2: Lifetime Expected Credit Losses		Stage 3: Lifetime Expected Credit Losses		Purchased/Originated Credit Impaired		Total	
(in EURO million)		Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses	Gross Carrying Amount (a)	Allowance for Expected Credit Losses
<b>Balance at 1 January 2022</b>											
Debt securities at amortized cost		14,389	(12)	20	(0)	-	-	230	(0)	14,640	(13)
Loans at amortized cost		25,383	(46)	589	(14)	599	(139)	1	1	26,572	(198)
<b>Total Opening period</b>		<b>39,772</b>	<b>(58)</b>	<b>609</b>	<b>(15)</b>	<b>599</b>	<b>(139)</b>	<b>231</b>	<b>0</b>	<b>41,211</b>	<b>(211)</b>
<b>Transfers to 12 month ECL (Stage 1)</b>											
Debt securities at amortized cost		-	(0)	-	-	-	-	-	-	-	(0)
Loans at amortized cost		129	(2)	(129)	2	-	-	-	-	-	0
<b>Subtotal</b>		<b>129</b>	<b>(2)</b>	<b>(129)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Transfers to lifetime ECL (Stage 2)</b>											
Debt securities at amortized cost		(91)	10	91	(18)	-	-	-	-	-	(8)
Loans at amortized cost		(32)	0	32	(0)	-	-	-	-	-	-
<b>Subtotal</b>		<b>(122)</b>	<b>10</b>	<b>122</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8)</b>
<b>Transfer to credit impaired (Stage 3)</b>											
Debt securities at amortized cost		-	-	-	-	-	-	-	-	-	-
Loans at amortized cost		(9)	0	(1)	0	10	(17)	-	-	0	(17)
<b>Subtotal</b>		<b>(9)</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>10</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>(17)</b>
<b>New financial assets purchased or originated</b>											
Debt securities at amortized cost		3,832	(3)	-	-	-	-	8	-	3,841	(3)
Loans at amortized cost		10,682	(10)	-	-	-	-	2	(1)	10,683	(11)
<b>Subtotal</b>		<b>14,514</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>(1)</b>	<b>14,524</b>	<b>(14)</b>
<b>Financial assets that have been derecognized</b>											
Debt securities at amortized cost		(2,058)	1	(15)	0	-	-	(7)	-	(2,080)	1
Loans at amortized cost		(7,268)	8	(164)	1	(19)	10	-	-	(7,452)	18
<b>Subtotal</b>		<b>(9,326)</b>	<b>9</b>	<b>(179)</b>	<b>1</b>	<b>(19)</b>	<b>10</b>	<b>(7)</b>	<b>-</b>	<b>(9,532)</b>	<b>20</b>
<b>Other (b)</b>											
Debt securities at amortized cost		(336)	(12)	1	(30)	-	-	9	0	(326)	(42)
Loans at amortized cost		(2,559)	4	420	4	85	(11)	6	5	(2,047)	2
<b>Subtotal</b>		<b>(2,895)</b>	<b>(7)</b>	<b>421</b>	<b>(26)</b>	<b>85</b>	<b>(11)</b>	<b>15</b>	<b>5</b>	<b>(2,373)</b>	<b>(40)</b>
<b>Closing Period</b>											
Debt securities at amortized cost		15,738	(16)	97	(48)	-	-	240	(0)	16,075	(65)
Loans at amortized cost		26,326	(45)	747	(7)	674	(157)	8	4	27,756	(205)
<b>Total Closing Period</b>		<b>42,064</b>	<b>(61)</b>	<b>843</b>	<b>(55)</b>	<b>674</b>	<b>(157)</b>	<b>249</b>	<b>4</b>	<b>43,830</b>	<b>(270)</b>

(a) Includes amortization premiums/discount and accrued interests.

(b) Includes changes due to modification that did not result in derecognition, change to risk parameters / model inputs, foreign exchange impacts and changes in scope.



## 5.5 INVESTMENTS/FAIR VALUE

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 and those prices 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,
  - values 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 related market is considered as inactive. Their value is generally based on a 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 using mainly 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 observable data (market observable inputs):

- assumed to be used by pricing services; or
- used by the Group in the limited cases of application of mark to model valuations.

### 5.5.1 Investments recognized at fair value

The breakdown by valuation method of investments recognized at fair value excluding assets backing contracts where the financial risk is borne by policyholders is as follows:

	June 30, 2023				December 31, 2022, restated			
	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	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
Debt instruments	203,706	70,157	541	274,404	201,906	74,811	235	276,953
Equity instruments	9,286	1,326	3,378	13,990	10,224	1,601	2,647	14,472
<b>Financial assets at FV OCI</b>	<b>212,992</b>	<b>71,483</b>	<b>3,919</b>	<b>288,394</b>	<b>212,131</b>	<b>76,413</b>	<b>2,882</b>	<b>291,425</b>
Debt instruments	6,656	4,583	808	12,047	5,638	5,193	1,107	11,938
Equity instruments	3,748	1,435	9,452	14,635	3,664	1,670	10,520	15,853
Non consolidated investment funds	2,055	8,466	7,665	18,185	1,903	8,940	7,861	18,705
Other assets, held by consolidated investment funds	1,925	9,956	10,881	22,762	1,787	7,398	11,108	20,293
Loans	-	16	-	16	-	17	-	17
<b>Financial assets at FV P&amp;L</b>	<b>14,383</b>	<b>24,456</b>	<b>28,806</b>	<b>67,645</b>	<b>12,992</b>	<b>23,218</b>	<b>30,596</b>	<b>66,807</b>
Debt instruments	1,677	-	-	1,677	1,814	-	-	1,814
Loans	-	3,726	-	3,726	-	3,899	-	3,899
<b>Financial assets at FV Option</b>	<b>1,677</b>	<b>3,726</b>	<b>-</b>	<b>5,403</b>	<b>1,814</b>	<b>3,899</b>	<b>-</b>	<b>5,712</b>
<b>TOTAL FINANCIAL ASSETS AT FV</b>	<b>229,053</b>	<b>99,666</b>	<b>32,724</b>	<b>361,443</b>	<b>226,937</b>	<b>103,530</b>	<b>33,478</b>	<b>363,944</b>

During the first half of 2023, the bid-to-ask spread tightening across the board lead to transfers from level 2 to level 1.

During the period ended on June 30, 2023, the net transfer from Level 2 to Level 1 was €+4,989 million. This amount comprised €4,908 million transferred from Level 1 to Level 2, of which €4,538 million for Corporate bonds and €335 million for Government bonds, and €9,897 million from Level 2 to Level 1, of which €6,739 million for Corporate bonds and €3,123 million for Government bonds.

#### TRANSFER IN AND OUT OF THE LEVEL 3 CATEGORY AND OTHER MOVEMENTS

From January 1, 2023 to June 30, 2023, the amount of level 3 assets decreased by €-0.8 billion to €32.7 billion, representing 9.1% of the total assets at fair value (9.2% as of December 31, 2022 or €33.5 billion).

Main movements relating to level 3 assets to be noted were the following:

- €+2.5 billion of new investments;
- €+0.8 billion of change in unrealized gains and losses;



- €-2.2 billion of net asset transfers in and out of level 3 and foreign exchange fluctuation impact;
- €-1.9 billion of asset sales, redemptions and settlements mainly debt instruments, equity securities and non-consolidated investment funds accounted as available for sale and equity securities, non-consolidated investment funds, other assets held by controlled investment funds and debt instruments accounted as fair value through profit and loss.

A majority of assets classified in level 3 corresponds to private investments, in particular private equity assets.

### 5.5.2 Investments recognized at amortized cost

	June 30, 2023				December 31, 2022, restated			
	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	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
Investment in real estate properties at amortized cost	0	42,948	973	43,921	69	42,775	843	43,686
Debt instruments at amortized cost	351	9,084	4,884	14,319	167	9,095	4,998	14,259
Loans at amortized cost	15	11,070	14,482	25,566	18	12,079	14,767	26,864
<b>TOTAL FAIR VALUE OF INVESTED ASSETS AT AMORTIZED COST</b>	<b>365</b>	<b>63,101</b>	<b>20,339</b>	<b>83,806</b>	<b>254</b>	<b>63,949</b>	<b>20,608</b>	<b>84,810</b>

## NOTE 6 SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

The consolidated statement of changes in equity is presented as a primary Financial Statement.

### 6.1 IMPACT OF TRANSACTIONS WITH SHAREHOLDERS

#### 6.1.1 Change in shareholders' equity group share for the first half of 2023

##### SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During the first half of 2023, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- capital decrease of €-1,402 million corresponding to 58.6 million shares mainly to cancel the shares bought in the context of the share buy back programs;
- capital increase of €18 million due to the exercise of stock options for 0.8 million shares;
- shared based payments for €22 million.

##### TREASURY SHARES

As of June 30, 2023, the Company and its subsidiaries owned 70.1 million AXA shares, representing 3.1% of the share capital, a decrease of 17.2 million shares compared to December 31, 2022.

The 0.6 million treasury shares backing contracts where the financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €15 million, and their market value was €18 million at the end of June 2023.

The carrying value of treasury shares and related derivatives was €2,093 million. No AXA shares were held directly by AXA subsidiaries or 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 at their historical value and their closing value as regards exchange rates. The corresponding exchange differences are cancelled out through the translation reserve.

During the first half of 2023, the following transactions pertaining to undated subordinated debt had an impact on AXA's other reserves:

- €+5 million from foreign exchange rate fluctuations;
- €-92 million from interest expenses related to undated subordinated debts (net of tax).





As of June 30, 2023 and December 31, 2022, undated subordinated debts recognized in shareholders' equity were as follows:

(in EURO million)	June 30 2023		December 31 2022	
	Value of the undated debt in currency of issuance	Value of the undated debt in Euro million	Value of the undated debt in currency of issuance	Value of the undated debt in Euro million
October 29, 2004 - 375 M€ 6%	375	375	375	375
December 22, 2004 - 250 M€ 6%	250	250	250	250
January 25, 2005 - 250 M€ 6%	250	250	250	250
July 6, 2006 - 350 M€ 6.6862%	350	408	350	395
December 14, 2006 - 750 M US\$ 6.3790%	509	466	509	475
November 7, 2014 - 984 M€ 3.941%	984	981	984	981
November 7, 2014 - 724 M€ 5.453%	724	841	724	813
May 20, 2014 - 1.000 M€ - 3.875% until October 2025	1,000	997	1,000	997
Perpetual notes - variables rates in €	625	625	625	625
Perpetual notes - 3.29% in JPY	27,000	172	27,000	192
Perpetual notes - (of which 500 M US\$ at 7.1%) in US\$	375	345	375	352
<b>TOTAL</b>		<b>5,709</b>		<b>5,704</b>

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 from a given date.

#### DIVIDENDS PAID

At the Shareholders' meeting held on April 27, 2023, shareholders approved a dividend distribution of €1.70 per share corresponding to €3,787 million with respect to the 2022 financial year.

### 6.1.2 Change in shareholders' equity Group share for the first half of 2022

#### SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During the first half of 2022, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- capital decrease of €-2,207 million corresponding to 85.9 million shares mainly to cancel the shares bought in the context of the share buy back programs;
- capital increase of €13 million due to the exercise of stock options for 0.6 million shares ;
- shared based payments for €24 million.



## TREASURY SHARES

As of June 30, 2022, the Company and its subsidiaries owned 32.4 million AXA shares, representing 1.4% of the share capital, a decrease of 33.7 million shares compared to December 31, 2021.

The 0.9 million treasury shares backing contracts where the financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €20 million and their market value was €20 million.

The carrying value of treasury shares and related derivatives was €960 million. No AXA shares were held directly by AXA subsidiaries or by consolidated mutual funds other than those backing contracts where financial risk is borne by policyholders.

## UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

During the first half of 2022, the following transactions pertaining to undated subordinated debts had an impact on AXA's other reserves:

- €-746 million from repayment of undated subordinated debt;
- €+48 million from foreign exchange rate fluctuations;
- €-91 million from interest expenses related to the undated subordinated debt (net of tax).

## DIVIDENDS PAID

At the Shareholders' meeting held on April 28, 2022, shareholders approved a dividend distribution of €1.54 per share corresponding to €3,539 million with respect to the 2021 financial year.

## 6.2 COMPREHENSIVE INCOME FOR THE PERIOD

The Statement of Comprehensive Income, presented as a primary financial statement, includes the net income for the period, reserves recognized through other comprehensive income ("OCI"), the translation reserve, and actuarial gains and losses on employee benefit obligations.

### 6.2.1 Comprehensive income for the first half of 2023

#### OTHER RESERVES RECOGNIZED THROUGH OCI IN ACCORDANCE WITH IFRS9 AND IFRS17

(in EURO million)	Fair value reserves relating to financial instruments <sup>(a)</sup>	Fair value reserves relating to cash flow hedge derivatives	Reserves relating to the cost of hedging	Reserves relating to finance income or expenses from insurance and reinsurance contracts	Total
<b>Balance at January 1, 2023</b>	(17,680)	(5,207)	48	14,081	(8,758)
Change in fair value of financial instruments, as well as finance income or expenses from insurance and reinsurance contracts, recognized in other comprehensive income with recycling in Profit or Loss	4,486	147	(46)	(3,653)	933
Change in fair value and realised capital gains or losses on equity instruments, as well as finance income or expenses from insurance contracts, recognized in other comprehensive income without recycling in Profit or Loss	920	-	-	(581)	339
Change in scope and other	(1)	0	0	1	0
<b>Other comprehensive income</b>	<b>5,405</b>	<b>147</b>	<b>(46)</b>	<b>(4,233)</b>	<b>1,273</b>
<b>Balance at June 30, 2023</b>	<b>(12,275)</b>	<b>(5,060)</b>	<b>1</b>	<b>9,849</b>	<b>(7,485)</b>

(a) Including the fair value hedge of equity instruments.



<i>(in EURO million)</i>	Fair value reserves relating to financial instruments <sup>(a)</sup>	Fair value reserves relating to cash flow hedge derivatives	Reserves relating to the cost of hedging	Reserves relating to finance income or expenses from insurance and reinsurance contracts	Total
<b>Balance at January 1, 2022, restated</b>	<b>36,207</b>	<b>128</b>	<b>(8)</b>	<b>(39,466)</b>	<b>(3,139)</b>
Change in fair value of financial instruments, as well as finance income or expenses from insurance and reinsurance contracts, recognized in other comprehensive income with recycling in Profit or Loss	(36,025)	(5,249)	111	38,105	(3,058)
Change in fair value and realised capital gains or losses on equity instruments, as well as finance income or expenses from insurance contracts, recognized in other comprehensive income without recycling in Profit or Loss	(3,658)	-	-	2,059	(1,600)
Change in scope and other	(1)	(0)	-	0	(1)
<b>Other comprehensive income</b>	<b>(39,684)</b>	<b>(5,249)</b>	<b>111</b>	<b>40,164</b>	<b>(4,658)</b>
<b>Balance at June 30, 2022</b>	<b>(3,477)</b>	<b>(5,121)</b>	<b>103</b>	<b>698</b>	<b>(7,797)</b>

(a) Including the fair value hedge of equity instruments.

#### REALIZED CAPITAL GAINS OR LOSSES ON EQUITY INSTRUMENTS

Under IFRS 9, realized capital gains or losses on Equity instruments accounted for at fair value through other comprehensive income are accounted directly in retained earnings, without affecting the net income of the period. For the first half of 2023, the Group share realized gain net of tax amounted to €+23 million.

#### CURRENCY TRANSLATION RESERVE

The total impact of currency translation reserve for the first half year of 2023 amounted to €-786 million of which €-772 million from Group share and €-14 million from minority interests. This was mainly driven by AXA XL (€-401 million), Japan (€-357 million) and China (€-131 million), partly offset by AXA SA (€+191 million) and Switzerland (€+122 million).

#### EMPLOYEE BENEFITS ACTUARIAL GAINS AND LOSSES

The total impact of employee benefit actuarial gains for the first half year of 2023 amounted to €+568 million (of which €+565 million from Group share and €+3 million from minority interests). This was mainly driven by an increase in the net defined benefit asset of the Swiss pension plan. Measured at half year on the AXA's share in the cost of the future employee benefits, the asset ceiling had no more effect of limiting the net defined benefit asset to be recognized.



### 6.2.2 Comprehensive income for the first half of 2022

#### REALIZED CAPITAL GAINS OR LOSSES ON EQUITY INSTRUMENTS

For the first half of 2022, the Group share realized gain net of tax amounted to €+378 million.

#### CURRENCY TRANSLATION RESERVE

The total impact of currency translation reserve for the first half year of 2022 amounted to €+1,630 million of which €+1,615 million from Group share and €+15 million from minority interests. This was mainly driven by AXA XL (€+1,473 million), Switzerland (€+360 million), Hong Kong (€+333 million) and China (€+28 million) partly offset by Japan (€-308 million) and (United Kingdom (€-109 million).

#### EMPLOYEE BENEFIT ACTUARIAL GAINS AND LOSSES

The total impact of employee benefit actuarial gains amounted to €+1,287 million (€+1,280 million Group share) for the first half year of 2022. This was mainly driven by the overall increase in discount rate assumptions used, reflecting the economic and financial conditions as at the end of June, 2022.

### 6.2.3 Estimate of fair value reserve related to financial instruments corresponding to LIC occurred before 2016

As explained in paragraph 1.2.1.1 of Note 1 on Transition methods), the other comprehensive income (“OCI”) was set to zero at transition for liabilities for incurred claims (“LIC”) occurred before 2016 related to non-direct participating contracts. Opposite to these liabilities, the Group holds financial assets at fair value through OCI. The estimate of the OCI net of tax on these financial assets was respectively:

- €+937 million as of January 1, 2022, at transition date (€+1,251 million before tax);
- €-400 million as of December 31, 2022 (€-535 million before tax);
- €-217 million as of June 30, 2023 (€-293 million before tax).

The decrease in OCI since transition has mainly resulted from the increase in interest rates. The allocation of assets (and therefore the related OCI) to LIC occurred before 2016 has also naturally decreased as these LIC are progressively settled over the time.

## 6.3 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 a shareholders’ equity item.

### 6.3.1 Change in minority interests for the first half of 2023

The €-112 million decrease in minority interests to €+2,906 million was mainly driven by the comprehensive income and transactions with minority interest holders:

- The comprehensive income for the period included the following:
  - Net income attributable to minority interests for €+104 million;
  - Reserves relating to changes in fair value through shareholders’ equity for €+51 million;
  - Realized gains or losses on equity instruments, without recycling in profit or loss for €+8 million;
  - Foreign exchange movements for €-14 million;



- Employee benefits actuarial gains and losses for €+3 million.
- Transactions with minority interests' holders, mainly included:
  - Minority interests in consolidated investments funds qualified as equity resulting from the decrease in the value of minority interests holdings due to divestment in the funds for €-111 million;
  - Dividend payout to minority interests' holders for €-150 million.

### 6.3.2 Change in minority interests for the first half of 2022

The €-173 million decrease in minority interests to €+3,529 million was mainly driven by the comprehensive income and transactions with minority interest holders:

- The comprehensive income for the period included the following:
  - Net income attributable to minority interests for €+74 million;
  - Reserves relating to changes in fair value through shareholders' equity for €-79 million;
  - Realized gains or losses on equity instruments, without recycling in profit or loss for €-13 million;
  - Foreign exchange movements for €+15 million;
  - Employee benefits actuarial gains and losses for €+7 million.
- Transactions with minority interests' holders, mainly included:
  - Minority interests in consolidated investments funds qualified as equity resulting from the decrease in the value of minority interests holdings due to divestment in the funds for €-82 million;
  - Dividend payout to minority interests' holders for €-142 million

## NOTE 7 INSURANCE AND REINSURANCE CONTRACTS

The purpose of this note is to highlight the effects of insurance and reinsurance contracts issued, investment contracts with discretionary participation features (“DPF”), as well as reinsurance contracts held on the consolidated statement of financial position and the consolidated statement of profit or loss.

As such, information disclosed relates to assets and liabilities arising from insurance and reinsurance contracts, as well as liabilities arising from investment contracts with DPF.

### 7.1 RECONCILIATIONS WITH THE CONSOLIDATED FINANCIAL STATEMENTS

The tables included in this section enable to reconcile the consolidated statement of financial position and the consolidated statement of profit or loss with required information disclosed in the next paragraphs.

These reconciliations consist in neutralizing the amounts of both insurance and reinsurance receivables and payables, as well as the assets for insurance acquisition cash flows, in the balance sheet on one hand, and the related amounts affecting the profit or loss on the other hand.

#### 7.1.1 Reconciliation with the consolidated statement of financial position

The reconciliation of amounts presented in the consolidated statement of financial position with the carrying amount of insurance contracts and investment contracts with DPF, as disclosed below in section 7.2, is formalised as follows:

<i>(in EURO million)</i>	June 30, 2023	December 31, 2022, restated
<b>Reconciliation from the statement of financial position to the notes to the consolidated financial statements</b>		
Liabilities arising from insurance contracts and investment contracts with discretionary participation features	446,544	444,812
Assets arising from insurance contracts and investment contracts with discretionary participation features	7	4
<b>Net position</b>	<b>446,537</b>	<b>444,808</b>
Receivables arising from direct insurance and inward reinsurance operations	30,821	28,317
Payables arising from direct insurance and inward reinsurance operations	(9,886)	(10,960)
Assets relating to insurance acquisition cash flows	204	226
<b>Carrying amount of insurance contracts and investment contracts with discretionary participation features, as disclosed in notes to the consolidated financial statements</b>	<b>467,675</b>	<b>462,391</b>

The reconciliation of amounts presented in the consolidated statement of financial position with the carrying amount of reinsurance contracts held as disclosed below in section 7.3, is formalised as follows:

(in EURO million)	June 30, 2023	December 31, 2022, restated
<b>Reconciliation from the statement of financial position to the notes to the consolidated financial statements</b>		
Assets arising from reinsurance contracts held	24,723	24,373
Liabilities arising from reinsurance contracts held	7	5
<b>Net position</b>	<b>24,717</b>	<b>24,368</b>
Payables arising from outward reinsurance operations	14,461	13,013
Receivables arising from outward reinsurance operations	(3,608)	(4,119)
<b>Carrying amount of reinsurance contracts held, as disclosed in notes to the consolidated financial statements</b>	<b>35,570</b>	<b>33,263</b>

### 7.1.2 Reconciliation with the consolidated statement of profit or loss

The reconciliation of amounts presented in the consolidated statement of profit or loss to both the “Insurance service expenses” and the “Net finance income or expenses from insurance contracts recognised in profit or loss”, as disclosed below in section 7.2, is formalised as follows:

(in EURO million)	June 30, 2023	June 30, 2022, restated
<b>Reconciliation from the statement of profit or loss to the notes to the consolidated financial statements</b>		
<b>Insurance service expenses, as disclosed in the statement of profit or loss</b>	<b>(33,627)</b>	<b>(35,597)</b>
Increase in impairment relating to receivables arising from direct insurance and inward reinsurance operations	(22)	(22)
Write back of impairment relating to receivables arising from direct insurance and inward reinsurance operations	10	14
Increase in impairment of assets relating to insurance acquisition cash flows	-	-
Write back of impairment of assets relating to insurance acquisition cash flows	-	-
<b>Insurance service expenses, as disclosed in notes to the consolidated financial statements</b>	<b>(33,615)</b>	<b>(35,588)</b>
<b>Net finance income or expenses from insurance contracts, as disclosed in the statement of profit or loss</b>	<b>(7,603)</b>	<b>7,199</b>
Interest income on receivables arising from direct insurance and inward reinsurance operations	4	(18)
Interest expenses on payables arising from direct insurance and inward reinsurance operations	(21)	6
Foreign exchange unrealized gains or losses relating to receivables and payables arising from direct insurance and inward reinsurance operations	88	(30)
Foreign exchange realized gains or losses relating to receivables and payables arising from direct insurance and inward reinsurance operations	(1)	8
<b>Net finance income or expenses from insurance contracts recognized in profit or loss, as disclosed in notes to the consolidated financial statements</b>	<b>(7,533)</b>	<b>7,166</b>



The reconciliation of amounts presented in the consolidated statement of profit or loss to both the “Net expenses from reinsurance contracts held” and the “Net finance income or expenses from reinsurance contracts recognised in profit or loss”, as disclosed below in section 7.3, is formalised as follows:

<i>(in EURO million)</i>	June 30, 2023	June 30, 2022,
<b>Reconciliation from the statement of profit or loss to the notes to the consolidated financial statements</b>		
<b>Net expenses from reinsurance contracts held, as disclosed in the statement of profit or loss</b>	<b>(1,209)</b>	<b>(658)</b>
Increase in impairment relating to receivables arising from outward reinsurance operations	(0)	(0)
Write back of impairment relating to receivables arising from outward reinsurance operations	0	0
<b>Net expenses from reinsurance contracts held, as disclosed in notes to the consolidated financial statements</b>	<b>(1,209)</b>	<b>(658)</b>
<b>Net finance income or expenses from reinsurance contracts held, as disclosed in the statement of profit or loss</b>	<b>155</b>	<b>297</b>
Interest income on receivables arising from outward reinsurance operations	(0)	(0)
Interest expense on payables arising from outward reinsurance operations	4	4
Foreign exchange unrealized gains or losses relating to receivables and payables arising from outward reinsurance operations	(0)	(39)
Foreign exchange realized gains or losses relating to receivables and payables arising from outward reinsurance operations	-	-
Effect of changes in non-performance risk of reinsurers	(6)	29
<b>Net finance income or expenses from reinsurance contracts recognized in profit or loss, as disclosed in notes to the consolidated financial statements</b>	<b>153</b>	<b>291</b>



## 7.2 MOVEMENTS IN BALANCES OF INSURANCE CONTRACTS AND INVESTMENT CONTRACTS WITH DISCRETIONARY PARTICIPATION FEATURES (“DPF”)

### 7.2.1 Changes in the carrying amount of insurance contracts and investment contracts with DPF, split between remaining coverage and incurred claims components

The following tables provide an analysis of movements in the carrying amount of insurance contracts and investment contracts with DPF, split between the Liability for Remaining Coverage (“LRC”) and the Liability for Incurred Claims (“LIC”).

	June 30, 2023						
	Remaining coverage component			Incurred claims component			Total
	Excluding loss component	Loss component	Total remaining coverage component	Contracts not measured under Premium Allocation Approach	Contracts measured under Premium Allocation Approach Estimates of present value of future cash flows	Risk adjustment	Total incurred claims component
<i>(in EURO million)</i>							
Opening assets	(4)	0	(4)	0	0	0	0
Opening liabilities	346,776	2,440	349,216	(246)	111,648	1,776	113,179
<b>Net opening balance</b>	<b>346,772</b>	<b>2,440</b>	<b>349,212</b>	<b>(246)</b>	<b>111,648</b>	<b>1,776</b>	<b>113,179</b>
Contracts under the modified retrospective approach (MRA)	(3,049)	0	(3,049)	0	0	0	0
Contracts under the fair value approach (FVA)	(808)	0	(808)	0	0	0	0
Other contracts	(35,337)	0	(35,337)	0	0	0	0
<b>Insurance revenue</b>	<b>(39,194)</b>	<b>0</b>	<b>(39,194)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Incurring claims and other insurance service expenses	0	(102)	(102)	5,670	22,374	178	28,223
Amortization of insurance acquisition cash flows	5,610	0	5,610	0	0	0	0
Losses and reversal of losses on onerous contracts	0	16	16	0	0	0	0
Adjustments to liabilities for incurred claims	0	0	0	(410)	521	(242)	(132)
<b>Insurance service expenses</b>	<b>5,610</b>	<b>(86)</b>	<b>5,524</b>	<b>5,260</b>	<b>22,895</b>	<b>(64)</b>	<b>28,091</b>
<b>Investment components</b>	<b>(14,753)</b>	<b>0</b>	<b>(14,753)</b>	<b>14,275</b>	<b>478</b>	<b>0</b>	<b>14,753</b>
<b>Insurance service result</b>	<b>(48,337)</b>	<b>(86)</b>	<b>(48,422)</b>	<b>19,535</b>	<b>23,373</b>	<b>(64)</b>	<b>42,844</b>
Net finance income or expenses from insurance contracts recognized in profit or loss	7,063	29	7,092	(0)	434	3	437
Net finance income or expenses from insurance contracts recognized in shareholders' equity	5,331	0	5,331	5	871	0	876
<b>Net finance income or expenses from insurance contracts</b>	<b>12,394</b>	<b>29</b>	<b>12,423</b>	<b>4</b>	<b>1,305</b>	<b>3</b>	<b>1,313</b>
<b>Total changes in the statement of profit or loss and shareholders' equity</b>	<b>(35,943)</b>	<b>(57)</b>	<b>(36,000)</b>	<b>19,539</b>	<b>24,679</b>	<b>(61)</b>	<b>44,157</b>
Premiums received	53,846	0	53,846	0	0	0	0
Claims and other insurance service expenses paid, including investment components	0	0	0	(19,611)	(24,738)	0	(44,349)
Insurance acquisition cash flows paid	(7,256)	0	(7,256)	0	0	0	0
<b>Total cash flows</b>	<b>46,590</b>	<b>0</b>	<b>46,590</b>	<b>(19,611)</b>	<b>(24,738)</b>	<b>0</b>	<b>(44,349)</b>
<b>Effect of movements in exchange rates</b>	<b>(4,455)</b>	<b>(191)</b>	<b>(4,646)</b>	<b>(67)</b>	<b>(70)</b>	<b>(3)</b>	<b>(140)</b>
<b>Change in scope of consolidation, portfolio transfers, and other changes</b>	<b>7</b>	<b>(276)</b>	<b>(270)</b>	<b>4</b>	<b>(63)</b>	<b>(0)</b>	<b>(59)</b>
<b>Net closing balance</b>	<b>352,971</b>	<b>1,916</b>	<b>354,887</b>	<b>(379)</b>	<b>111,455</b>	<b>1,712</b>	<b>112,788</b>
Closing assets	(8)	0	(8)	0	0	0	0
Closing liabilities	352,979	1,916	354,895	(379)	111,455	1,712	112,788

	December 31, 2022, restated							
	Remaining coverage component			Incurred claims component				Total
	Excluding loss component	Loss component	Total remaining coverage component	Contracts not measured under Premium Allocation Approach	Contracts measured under Premium Allocation Approach		Total incurred claims component	
					Estimates of present value of future cash flows	Risk adjustment		
<i>(in EURO million)</i>								
Opening assets	0	0	0	0	0	0	0	0
Opening liabilities	433,948	2,712	436,660	2,439	114,950	1,841	119,230	555,889
<b>Net opening balance</b>	<b>433,948</b>	<b>2,712</b>	<b>436,660</b>	<b>2,439</b>	<b>114,950</b>	<b>1,841</b>	<b>119,230</b>	<b>555,889</b>
Contracts under the modified retrospective approach (MRA)	(5,134)	0	(5,134)	0	0	0	0	(5,134)
Contracts under the fair value approach (FVA)	(2,293)	0	(2,293)	0	0	0	0	(2,293)
Other contracts	(73,021)	0	(73,021)	0	0	0	0	(73,021)
<b>Insurance revenue</b>	<b>(80,449)</b>	<b>0</b>	<b>(80,449)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(80,449)</b>
Incurred claims and other insurance service expenses	0	(220)	(220)	10,961	50,119	396	61,476	61,256
Amortization of insurance acquisition cash flows	11,053	0	11,053	0	0	0	0	11,053
Losses and reversal of losses on onerous contracts	0	14	14	0	0	0	0	14
Adjustments to liabilities for incurred claims	0	0	0	54	2,636	(483)	2,206	2,206
<b>Insurance service expenses</b>	<b>11,053</b>	<b>(206)</b>	<b>10,847</b>	<b>11,014</b>	<b>52,755</b>	<b>(87)</b>	<b>63,682</b>	<b>74,529</b>
<b>Investment components</b>	<b>(23,841)</b>	<b>0</b>	<b>(23,841)</b>	<b>22,913</b>	<b>928</b>	<b>0</b>	<b>23,841</b>	<b>0</b>
<b>Insurance service result</b>	<b>(93,236)</b>	<b>(206)</b>	<b>(93,442)</b>	<b>33,928</b>	<b>53,682</b>	<b>(87)</b>	<b>87,523</b>	<b>(5,919)</b>
Net finance income or expenses from insurance contracts recognized in profit or loss	(4,809)	66	(4,743)	(7)	929	14	936	(3,807)
Net finance income or expenses from insurance contracts recognized in shareholders' equity	(62,748)	0	(62,748)	(57)	(13,713)	(6)	(13,776)	(76,524)
<b>Net finance income or expenses from insurance contracts</b>	<b>(67,557)</b>	<b>66</b>	<b>(67,492)</b>	<b>(64)</b>	<b>(12,785)</b>	<b>8</b>	<b>(12,840)</b>	<b>(80,332)</b>
<b>Total changes in the statement of profit or loss and shareholders' equity</b>	<b>(160,794)</b>	<b>(140)</b>	<b>(160,934)</b>	<b>33,864</b>	<b>40,898</b>	<b>(79)</b>	<b>74,683</b>	<b>(86,251)</b>
Premiums received	98,207	0	98,207	0	0	0	0	98,207
Claims and other insurance service expenses paid, including investment components	0	0	0	(36,511)	(46,325)	0	(82,835)	(82,835)
Insurance acquisition cash flows paid	(12,578)	0	(12,578)	0	0	0	0	(12,578)
<b>Total cash flows</b>	<b>85,628</b>	<b>0</b>	<b>85,628</b>	<b>(36,511)</b>	<b>(46,325)</b>	<b>0</b>	<b>(82,835)</b>	<b>2,793</b>
<b>Effect of movements in exchange rates</b>	<b>128</b>	<b>(127)</b>	<b>1</b>	<b>(13)</b>	<b>2,108</b>	<b>11</b>	<b>2,106</b>	<b>2,107</b>
<b>Change in scope of consolidation, portfolio transfers, and other changes</b>	<b>(12,140)</b>	<b>(4)</b>	<b>(12,144)</b>	<b>(24)</b>	<b>16</b>	<b>4</b>	<b>(4)</b>	<b>(12,148)</b>
<b>Net closing balance</b>	<b>346,772</b>	<b>2,440</b>	<b>349,212</b>	<b>(247)</b>	<b>111,648</b>	<b>1,776</b>	<b>113,179</b>	<b>462,391</b>
Closing assets	(4)	0	(4)	0	0	0	0	(4)
Closing liabilities	346,776	2,440	349,216	(246)	111,648	1,776	113,179	462,395

## 7.2.2 Changes in the carrying amount of insurance contracts and investment contracts with DPF, broken down by measurement component

The following tables provide an analysis of movements in the carrying amount of insurance contracts and investment contracts with DPF broken down by measurement component, namely (i) the estimate of the Present Value of Future Cash Flows (“PVFCF”), (ii) the risk adjustment for non-financial risk (“RA”), and (iii) the Contractual Service Margin (“CSM”). It should be noted that the carrying amount of insurance contracts measured under the Premium Allocation Approach (“PAA”) is also reported to match with the opening and closing balances of financial statements.

June 30, 2023									
(in EURO million)	Contractual Service Margin (CSM)						Total carrying amount (excluding contracts measured under PAA)	Carrying amount of contracts measured under PAA	TOTAL
	Estimates present value of future cash flows	Risk adjustment	Contracts under modified retrospective approach	Contracts under fair value approach	All other contracts <sup>(a)</sup>	Total CSM			
Opening assets	(19)	0	0	0	15	15	(4)	0	(4)
Opening liabilities	294,890	1,327	7,613	2,610	23,967	34,190	330,408	131,987	462,395
<b>Net opening balance</b>	<b>294,871</b>	<b>1,327</b>	<b>7,613</b>	<b>2,610</b>	<b>23,982</b>	<b>34,205</b>	<b>330,404</b>	<b>131,987</b>	<b>462,391</b>
Contractual service margin recognized in profit or loss for services provided	0	0	(290)	(108)	(1,126)	(1,523)	(1,523)	0	(1,523)
Release of risk adjustment	0	(33)	0	0	0	0	(33)	0	(33)
Experience adjustments	(41)	3	0	0	0	0	(38)	0	(38)
<b>Changes that relate to current services</b>	<b>(41)</b>	<b>(31)</b>	<b>(290)</b>	<b>(108)</b>	<b>(1,126)</b>	<b>(1,523)</b>	<b>(1,594)</b>	<b>0</b>	<b>(1,594)</b>
Contracts initially recognized in the period	(1,284)	52	31	6	1,208	1,246	14	0	14
Changes in estimates that adjust the contractual service margin	(1,916)	84	(21)	72	1,781	1,832	0	0	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	6	3	0	0	0	0	10	0	10
<b>Changes that relate to future services</b>	<b>(3,194)</b>	<b>139</b>	<b>10</b>	<b>79</b>	<b>2,989</b>	<b>3,078</b>	<b>23</b>	<b>0</b>	<b>23</b>
Adjustments to liabilities for incurred claims	(409)	(1)	0	0	0	0	(410)	0	(410)
<b>Changes that relate to past services</b>	<b>(409)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(410)</b>	<b>0</b>	<b>(410)</b>
<b>Insurance service result</b>	<b>(3,496)</b>	<b>108</b>	<b>(280)</b>	<b>(29)</b>	<b>1,864</b>	<b>1,555</b>	<b>(1,833)</b>	<b>0</b>	<b>(1,833)</b>
Net finance income or expenses from insurance contracts recognized in profit or loss	7,166	(0)	50	12	43	105	7,271	0	7,271
Net finance income or expenses from insurance contracts recognized in shareholders' equity	5,411	1	0	0	0	0	5,411	0	5,411
<b>Net finance income or expenses from insurance contracts</b>	<b>12,577</b>	<b>1</b>	<b>50</b>	<b>12</b>	<b>43</b>	<b>105</b>	<b>12,682</b>	<b>0</b>	<b>12,682</b>
<b>Total changes in the statement of profit or loss and shareholders' equity</b>	<b>8,933</b>	<b>108</b>	<b>(230)</b>	<b>(17)</b>	<b>1,906</b>	<b>1,659</b>	<b>10,701</b>	<b>(2,545)</b>	<b>8,156</b>
Premiums received	16,109	0	0	0	0	0	16,109	37,737	53,846
Claims and other insurance service expenses paid, including investment components	(19,611)	0	0	0	0	0	(19,611)	(24,738)	(44,349)
Insurance acquisition cash flows	(1,866)	0	0	0	0	0	(1,866)	(5,391)	(7,256)
<b>Total cash flows</b>	<b>(5,367)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,367)</b>	<b>7,608</b>	<b>2,241</b>
Effect of movements in exchange rates	(3,349)	(41)	(500)	(91)	(398)	(989)	(4,378)	(406)	(4,784)
<b>Change in scope of consolidation, portfolio transfers, and other changes</b>	<b>85</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(58)</b>	<b>(58)</b>	<b>26</b>	<b>(355)</b>	<b>(329)</b>
<b>Net closing balance</b>	<b>295,173</b>	<b>1,395</b>	<b>6,883</b>	<b>2,502</b>	<b>25,433</b>	<b>34,818</b>	<b>331,386</b>	<b>136,289</b>	<b>467,675</b>
Closing assets	(45)	1	178	0	(143)	35	(8)	0	(8)
Closing liabilities	295,218	1,394	6,705	2,502	25,576	34,783	331,394	136,289	467,683

December 31, 2022, restated

(in EURO million)	Contractual Service Margin (CSM)						Total carrying amount (excluding contracts measured under PAA)	Carrying amount of contracts measured under PAA	TOTAL
	Estimates present value of future cash flows	Risk adjustment	Contracts under modified retrospective approach	Contracts under fair value approach	All other contracts <sup>(a)</sup>	Total CSM			
Opening assets	0	0	0	0	0	0	0	0	0
Opening liabilities	381,740	1,925	9,023	2,662	22,639	34,324	417,989	137,900	555,889
<b>Net opening balance</b>	<b>381,740</b>	<b>1,925</b>	<b>9,023</b>	<b>2,662</b>	<b>22,639</b>	<b>34,324</b>	<b>417,989</b>	<b>137,900</b>	<b>555,889</b>
Contractual service margin recognized in profit or loss for services provided	0	0	(749)	(230)	(2,137)	(3,115)	(3,115)	0	(3,115)
Release of risk adjustment	0	(114)	0	0	0	0	(114)	0	(114)
Experience adjustments	2,728	4	0	0	0	0	2,732	0	2,732
<b>Changes that relate to current services</b>	<b>2,728</b>	<b>(110)</b>	<b>(749)</b>	<b>(230)</b>	<b>(2,137)</b>	<b>(3,115)</b>	<b>(497)</b>	<b>0</b>	<b>(497)</b>
Contracts initially recognized in the period	(2,481)	82	94	25	2,288	2,408	9	0	9
Changes in estimates that adjust the contractual service margin	22	(485)	(576)	(18)	1,057	463	(0)	0	(0)
Changes in estimates that result in losses and reversal of losses on onerous contracts	49	(68)	0	0	0	0	(19)	0	(19)
<b>Changes that relate to future services</b>	<b>(2,410)</b>	<b>(471)</b>	<b>(482)</b>	<b>8</b>	<b>3,345</b>	<b>2,871</b>	<b>(11)</b>	<b>0</b>	<b>(11)</b>
Adjustments to liabilities for incurred claims	54	(1)	0	0	0	0	54	0	54
<b>Changes that relate to past services</b>	<b>54</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54</b>	<b>0</b>	<b>54</b>
<b>Insurance service result</b>	<b>556</b>	<b>(582)</b>	<b>(1,231)</b>	<b>(222)</b>	<b>1,208</b>	<b>(245)</b>	<b>(270)</b>	<b>0</b>	<b>(270)</b>
Net finance income or expenses from insurance contracts recognized in profit or loss	(4,770)	0	151	12	18	181	(4,589)	0	(4,589)
Net finance income or expenses from insurance contracts recognized in shareholders' equity	(62,829)	(1)	0	0	0	0	(62,831)	0	(62,831)
<b>Net finance income or expenses from insurance contracts</b>	<b>(67,600)</b>	<b>(1)</b>	<b>151</b>	<b>12</b>	<b>18</b>	<b>181</b>	<b>(67,419)</b>	<b>0</b>	<b>(67,419)</b>
<b>Total changes in the statement of profit or loss and shareholders' equity</b>	<b>(67,227)</b>	<b>(583)</b>	<b>(1,080)</b>	<b>(210)</b>	<b>1,226</b>	<b>(63)</b>	<b>(67,873)</b>	<b>(18,381)</b>	<b>(86,255)</b>
Premiums received	31,899	0	0	0	0	0	31,899	66,308	98,207
Claims and other insurance service expenses paid, including investment components	(36,511)	0	0	0	0	0	(36,511)	(46,325)	(82,835)
Insurance acquisition cash flows	(3,330)	0	0	0	0	0	(3,330)	(9,248)	(12,578)
<b>Total cash flows</b>	<b>(7,942)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,942)</b>	<b>10,735</b>	<b>2,793</b>
<b>Effect of movements in exchange rates</b>	<b>171</b>	<b>6</b>	<b>(313)</b>	<b>24</b>	<b>237</b>	<b>(52)</b>	<b>125</b>	<b>1,987</b>	<b>2,111</b>
<b>Change in scope of consolidation, portfolio transfers, and other changes</b>	<b>(11,870)</b>	<b>(21)</b>	<b>(16)</b>	<b>134</b>	<b>(120)</b>	<b>(3)</b>	<b>(11,894)</b>	<b>(254)</b>	<b>(12,148)</b>
<b>Net closing balance</b>	<b>294,871</b>	<b>1,327</b>	<b>7,613</b>	<b>2,610</b>	<b>23,982</b>	<b>34,205</b>	<b>330,404</b>	<b>131,987</b>	<b>462,391</b>
Closing assets	(19)	0	0	0	15	15	(4)	0	(4)
Closing liabilities	294,890	1,327	7,613	2,610	23,967	34,190	330,408	131,987	462,395

(a) As of January 1, 2022, it included the CSM at transition date of groups of insurance contracts not applying the annual cohort requirement for €22,486 million euros (refer to paragraph 1.14.3). CSM of these contracts measured at transition applying the Modified Retrospective Approach and the Fair Value Approach stood at €16,118 million and €6,367 million respectively.

The risk adjustment gross of reinsurance held (including the Premium Allocation Approach) was €2,603 million as of June 30, 2023 and €2,600 million as of December 31, 2022. The percentile was stable at 65<sup>th</sup> comprised within the 62.5<sup>th</sup>-67.5<sup>th</sup> percentile range considered by the Group as the adequate level of prudence on underlying insurance liabilities.

### 7.3 MOVEMENTS IN BALANCES OF REINSURANCE CONTRACTS HELD

#### 7.3.1 Changes in the carrying amount of reinsurance contracts held, split between remaining coverage and incurred claims components

The following tables provide an analysis of movements in the carrying amount of reinsurance contracts held split between the component for remaining coverage and the component for incurred claims.

	June 30, 2023							
	Remaining coverage component			Incurred claims component				
	Excluding loss recovery component	Loss recovery component	Total remaining coverage component	Contracts measured under Premium Allocation Approach			Total incurred claims component	Total
				Contracts not under Premium Allocation Approach	Estimates of present value of future cash flows	Risk adjustment		
(in EURO million)								
Opening assets	10,953	240	11,193	79	21,619	378	22,075	33,268
Opening liabilities	(5)	0	(5)	0	0	0	0	(5)
<b>Net opening balance</b>	<b>10,947</b>	<b>240</b>	<b>11,187</b>	<b>79</b>	<b>21,619</b>	<b>378</b>	<b>22,075</b>	<b>33,263</b>
Expenses from reinsurance contracts	(5,239)	0	(5,239)	0	0	0	0	(5,239)
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts	0	11	11	0	0	0	0	11
Amount recovered from the reinsurers	0	(2)	(2)	312	3,713	2	4,027	4,025
<b>Net expenses from reinsurance contracts</b>	<b>(5,239)</b>	<b>9</b>	<b>(5,230)</b>	<b>312</b>	<b>3,713</b>	<b>2</b>	<b>4,027</b>	<b>(1,203)</b>
<b>Investment component</b>	<b>(218)</b>	<b>0</b>	<b>(218)</b>	<b>218</b>	<b>0</b>	<b>0</b>	<b>218</b>	<b>0</b>
Net finance income or expenses from reinsurance contracts recognized in profit or loss	49	0	49	(0)	106	3	109	158
Net finance income or expenses from reinsurance contracts recognized in shareholders' equity	153	0	153	0	268	0	268	421
<b>Net finance income or expenses from reinsurance contracts</b>	<b>202</b>	<b>0</b>	<b>202</b>	<b>0</b>	<b>374</b>	<b>3</b>	<b>377</b>	<b>579</b>
<b>Effect of changes in non-performance risk of reinsurers</b>	<b>(5)</b>	<b>0</b>	<b>(5)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(6)</b>
<b>Total changes in the statement of profit or loss and shareholders' equity</b>	<b>(5,261)</b>	<b>10</b>	<b>(5,251)</b>	<b>530</b>	<b>4,087</b>	<b>5</b>	<b>4,622</b>	<b>(629)</b>
Premiums paid (net of commissions related to premiums)	7,925	0	7,925	0	0	0	0	7,925
Amount received (net of commissions related to claims)	0	0	0	(539)	(4,001)	0	(4,540)	(4,540)
<b>Total cash flows</b>	<b>7,925</b>	<b>0</b>	<b>7,925</b>	<b>(539)</b>	<b>(4,001)</b>	<b>0</b>	<b>(4,540)</b>	<b>3,385</b>
<b>Effect of movements in exchange rates</b>	<b>(159)</b>	<b>1</b>	<b>(158)</b>	<b>(16)</b>	<b>32</b>	<b>(4)</b>	<b>13</b>	<b>(145)</b>
<b>Changes in scope of consolidation and other changes</b>	<b>(56)</b>	<b>(277)</b>	<b>(333)</b>	<b>62</b>	<b>(32)</b>	<b>(0)</b>	<b>30</b>	<b>(303)</b>
<b>Net closing balance</b>	<b>13,396</b>	<b>(26)</b>	<b>13,370</b>	<b>117</b>	<b>21,705</b>	<b>378</b>	<b>22,199</b>	<b>35,570</b>
Closing assets	13,403	(26)	13,377	117	21,705	378	22,199	35,577
Closing liabilities	(7)	0	(7)	0	0	0	0	(7)

December 31, 2022, restated								
Remaining coverage component				Incurred claims component				
				Contracts measured under Premium Allocation Approach				
(in EURO million)	Excluding loss recovery component	Loss recovery component	Total remaining coverage component	Contracts not under Premium Allocation Approach	Estimates of present value of future cash flows	Risk adjustment	Total incurred claims component	Total
Opening assets	13,375	275	13,650	93	22,009	356	22,457	36,107
Opening liabilities	(11)	0	(11)	0	0	0	0	(11)
Net opening balance	13,363	275	13,638	93	22,009	356	22,457	36,096
Expenses from reinsurance contracts	(10,826)	0	(10,826)	0	0	0	0	(10,826)
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts	0	(33)	(33)	0	0	0	0	(33)
Amount recovered from the reinsurers	0	(2)	(2)	684	9,086	17	9,787	9,785
Net expenses from reinsurance contracts	(10,826)	(34)	(10,860)	684	9,086	17	9,787	(1,073)
Investment component	(228)	0	(228)	228	0	0	228	0
Net finance income or expenses from reinsurance contracts recognized in profit or loss	83	1	84	(3)	251	3	251	334
Net finance income or expenses from reinsurance contracts recognized in shareholders' equity	(2,726)	0	(2,726)	(0)	(2,333)	(0)	(2,333)	(5,060)
Net finance income or expenses from reinsurance contracts	(2,643)	1	(2,642)	(3)	(2,082)	2	(2,083)	(4,725)
Effect of changes in non-performance risk of reinsurers	17	0	17	0	22	0	22	40
Total changes in the statement of profit or loss and shareholders' equity	(13,679)	(34)	(13,713)	909	7,026	19	7,955	(5,759)
Premiums paid (net of commissions related to premiums)	10,831	0	10,831	0	0	0	0	10,831
Amount received (net of commissions related to claims)	0	0	0	-932	-7,826	0	(8,758)	(8,758)
Total cash flows	10,831	0	10,831	(932)	(7,826)	0	(8,758)	2,073
Effect of movements in exchange rates	456	(0)	455	7	594	(9)	592	1,047
Changes in scope of consolidation and other changes	(23)	(1)	(24)	2	(184)	11	(171)	(195)
Net closing balance	10,948	240	11,188	79	21,619	378	22,075	33,263
Closing assets	10,953	240	11,193	79	21,619	378	22,075	33,268
Closing liabilities	(5)	0	(5)	0	0	0	0	(5)

### 7.3.2 Changes in the carrying amount of reinsurance contracts held, broken down by measurement component

The following tables provide an analysis of movements in the carrying amount of reinsurance contracts broken down by measurement component, namely (i) the estimate of the Present Value of Future Cash Flows (“PVFCF”), (ii) the risk adjustment for non-financial risk (“RA”), and (iii) the Contractual Service Margin (“CSM”). It should be noted that the carrying amount of reinsurance contracts measured under the Premium Allocation Approach (“PAA”) is also reported to match with the opening and closing balances of financial statements.

(in EURO million)	June 30, 2023					Total CSM	Total carrying amount (excluding contracts measured under PAA)	Carrying amount of contracts measured under PAA	TOTAL
	Contractual Service Margin (CSM)								
	Estimates present value of future cash flows	Risk adjustment	Contracts under modified retrospective approach	Contracts under fair value approach	All other contracts				
Opening assets	6,894	127	161	392	114	668	7,689	25,579	33,268
Opening liabilities	(8)	0	0	3	0	3	(5)	0	(5)
Net opening balance	6,886	127	161	395	114	670	7,683	25,579	33,263
Contractual service margin recognized for services received	0	0	(3)	(20)	(10)	(33)	(33)	0	(33)
Release of risk adjustment	0	(3)	0	0	0	0	(3)	0	(3)
Experience adjustments	(47)	1	0	0	0	0	(47)	0	(47)
Changes that relate to current services	(47)	(3)	(3)	(20)	(10)	(33)	(83)	0	(83)
Contracts initially recognized in the period	4	1	0	0	(4)	(4)	0	0	0
Changes in estimates that adjust the contractual service margin	(80)	2	43	13	22	79	0	0	0
Changes in estimates that relate to losses and reversal from losses on underlying onerous contracts	11	1	0	0	0	0	12	0	12
Other changes in estimates that relate to future services	(28)	0	0	0	0	0	(28)	0	(28)
Changes that relate to future services	(93)	3	43	13	18	74	(15)	0	(15)
Adjustments to incurred claims	(3)	(0)	0	0	0	0	(4)	0	(4)
Changes that relate to past services	(3)	(0)	0	0	0	0	(4)	0	(4)
Net expenses from reinsurance contracts	(115)	0	40	(7)	8	41	(73)	0	(73)
Net finance income or expenses from reinsurance contracts	222	(0)	1	3	0	4	226	0	226
Effect of changes in non-performance risk of reinsurers	(5)	0	0	0	0	0	(5)	0	(5)
Total changes in the statement of profit or loss and shareholders' equity	74	0	41	(4)	8	45	119	(748)	(629)
Premiums paid (net of commissions related to premiums)	2,165	0	0	0	0	0	2,165	5,759	7,925
Amount received (net of commissions related to claims)	(539)	0	0	0	0	0	(539)	(4,001)	(4,540)
Total cash flows	1,627	0	0	0	0	0	1,627	1,758	3,385
Effect of movements in exchange rates	(107)	(2)	(8)	(12)	(10)	(30)	(139)	(6)	(145)
Change in scope of consolidation, portfolio transfers, and other changes	(0)	0	0	0	0	0	(0)	(303)	(303)
Net closing balance	8,479	125	194	378	113	686	9,290	26,280	35,570
Closing Assets	8,493	125	191	375	113	679	9,297	26,280	35,577
Closing Liabilities	(14)	0	3	3	0	7	(7)	0	(7)

(in EURO million)	December 31, 2022, restated					Total CSM	Total carrying amount (excluding contracts measured under PAA)	Carrying amount of contracts measured under PAA	TOTAL
	Estimates present value of future cash flows	Risk adjustment	Contracts under modified retrospective approach	Contracts under fair value approach	All other contracts				
Opening assets	9,367	169	169	535	9	713	10,249	25,858	36,107
Opening liabilities	(35)	0	21	2	(0)	23	(11)	0	(11)
<b>Net opening balance</b>	<b>9,332</b>	<b>170</b>	<b>190</b>	<b>537</b>	<b>9</b>	<b>736</b>	<b>10,238</b>	<b>25,858</b>	<b>36,096</b>
Contractual service margin recognized for services received	0	0	(7)	(51)	(8)	(66)	(66)	0	(66)
Release of risk adjustment	0	(14)	0	0	0	0	(14)	0	(14)
Experience adjustments	(159)	1	0	0	0	0	(159)	0	(159)
<b>Changes that relate to current services</b>	<b>(159)</b>	<b>(14)</b>	<b>(7)</b>	<b>(51)</b>	<b>(8)</b>	<b>(66)</b>	<b>(239)</b>	<b>0</b>	<b>(239)</b>
Contracts initially recognized in the period	(111)	9	0	(0)	102	102	(0)	0	(0)
Changes in estimates that adjust the contractual service margin	151	(32)	(23)	(108)	12	(119)	(0)	0	(0)
Changes in estimates that relate to losses and reversal from losses on underlying onerous contracts	(5)	(3)	0	0	0	0	(8)	0	(8)
Other changes in estimates that relate to future services	(33)	0	0	0	0	0	(33)	0	(33)
<b>Changes that relate to future services</b>	<b>3</b>	<b>(27)</b>	<b>(23)</b>	<b>(108)</b>	<b>114</b>	<b>(17)</b>	<b>(41)</b>	<b>0</b>	<b>(41)</b>
Adjustments to incurred claims	9	(0)	0	0	0	0	8	0	8
<b>Changes that relate to past services</b>	<b>9</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>Net expenses from reinsurance contracts</b>	<b>(69)</b>	<b>(41)</b>	<b>(30)</b>	<b>(159)</b>	<b>107</b>	<b>(83)</b>	<b>(193)</b>	<b>0</b>	<b>(193)</b>
<b>Net finance income or expenses from reinsurance contracts</b>	<b>(2,566)</b>	<b>(0)</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>6</b>	<b>(2,560)</b>	<b>0</b>	<b>(2,560)</b>
<b>Effect of changes in non-performance risk of reinsurers</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>17</b>
<b>Total changes in the statement of profit or loss and shareholders' equity</b>	<b>(2,696)</b>	<b>(42)</b>	<b>(28)</b>	<b>(156)</b>	<b>107</b>	<b>(77)</b>	<b>(2,815)</b>	<b>(2,944)</b>	<b>(5,759)</b>
Premiums paid (net of commissions related to premiums)	888	0	0	0	0	0	888	9,942	10,831
Amount received (net of commissions related to claims)	(932)	0	0	0	0	0	(932)	(7,826)	(8,758)
<b>Total cash flows</b>	<b>(44)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(44)</b>	<b>2,117</b>	<b>2,073</b>
<b>Effect of movements in exchange rates</b>	<b>292</b>	<b>(1)</b>	<b>(0)</b>	<b>13</b>	<b>(2)</b>	<b>11</b>	<b>302</b>	<b>745</b>	<b>1,047</b>
<b>Change in scope of consolidation, portfolio transfers, and other changes</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>(197)</b>	<b>(195)</b>
<b>Net closing balance</b>	<b>6,886</b>	<b>127</b>	<b>161</b>	<b>395</b>	<b>114</b>	<b>671</b>	<b>7,684</b>	<b>25,579</b>	<b>33,263</b>
Closing Assets	6,894	127	161	392	114	668	7,689	25,579	33,268
Closing Liabilities	(8)	0	0	3	0	3	(5)	0	(5)



## 7.4 INSURANCE REVENUE AND CONTRACTUAL SERVICE MARGIN (“CSM”)

### 7.4.1 Insurance revenue

The comparative analysis of insurance revenue recognised in the period is as follows:

<i>(in EURO million)</i>	June 30, 2023	June 30, 2022, restated
<b>Amounts relating to changes in liabilities for remaining coverage</b>		
Contractual service margin recognized in profit or loss for services provided	1,523	1,508
Change in release of risk adjustment for non-financial risk for risk expired	33	65
Release of expected incurred claims and other insurance service expenses	5,751	5,608
Experience adjustments	(16)	(0)
Recovery of insurance acquisition cash flows	759	637
<b>Total Insurance revenue arising from contracts not measured under the PAA</b>	<b>7,921</b>	<b>7,664</b>
<b>Total Insurance revenue arising from contracts measured under the PAA</b>	<b>31,273</b>	<b>31,469</b>
<b>Total insurance revenue</b>	<b>39,194</b>	<b>39,133</b>

### 7.4.2 Contractual Service Margin (“CSM”)

As of June 30, 2023, the total amount of CSM net of reinsurance contracts reported in the consolidated statement of financial position was €34,132 million (€33,535 million as of December 31, 2022).

<i>(in EURO million)</i>	June 30, 2023	December 31, 2022, restated
Liabilities arising from insurance contracts and investment contracts with discretionary participation features	34,783	34,190
Liabilities arising from reinsurance contracts held	(7)	(3)
<b>Amount of CSM included in liabilities</b>	<b>34,776</b>	<b>34,188</b>
Assets arising from insurance contracts and investment contracts with discretionary participation features	(35)	(15)
Assets arising from reinsurance contracts held	679	668
<b>Amount of CSM included in assets</b>	<b>644</b>	<b>653</b>
<b>Total CSM</b>	<b>34,132</b>	<b>33,535</b>
Of which CSM of insurance contracts issued	34,818	34,205
Of which CSM of reinsurance contracts held	686	670

The following table provides a detail of the expected timing of recognition in profit or loss of the CSM, such as reported in the consolidated statement of financial position as of December 31, 2022. This pattern of recognition therefore only reflects the expected coverage units which do not consider the future expected accretion of the CSM arising from risk neutral unwind for contracts measured using the Building Block Approach and expected return of assets for contracts measured using the Variable Fee Approach. Furthermore, it should be noted that the future CSM releases will also include amounts related to new contracts that are not yet recognized as of December



31, 2022. For these reasons, the table below does not reflect the expected release of CSM that will be reported in the statement of profit or loss in the coming years for these contracts.

(in EURO million)	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	5 - 10 years	More than 10	Total
Insurance contracts and investment contracts with discretionary participation features	1,988	2,300	2,065	1,880	1,720	6,729	17,525	34,205
Reinsurance contracts held	79	72	67	61	55	123	214	670

## 7.5 DISCOUNT RATES

As explained in the Note 1.14.5, the estimates of future cash flows are discounted based on yield curves determined in a “risk-neutral” environment. The yield curves used as of June 30, 2023, December 31, 2022, and June 30, 2022, for the main currencies are disclosed in the tables below.

Maturity	June 30, 2023					
	EUR	USD	GBP	JPY	CHF	HKD
1	4.4%	6.1%	6.5%	-0.2%	2.0%	5.0%
2	4.1%	5.5%	6.4%	-0.2%	2.0%	4.7%
3	3.9%	5.1%	6.1%	-0.1%	1.9%	4.5%
5	3.5%	4.6%	5.5%	0.0%	1.8%	4.2%
7	3.3%	4.4%	5.1%	0.1%	1.8%	4.1%
10	3.2%	4.2%	4.7%	0.4%	1.8%	4.0%
15	3.2%	4.2%	4.5%	0.7%	1.8%	4.0%
20	3.0%	4.1%	4.4%	1.0%	1.8%	3.9%
25	2.9%	3.9%	4.2%	1.2%	1.9%	3.9%
30	2.9%	3.8%	4.1%	1.3%	2.0%	3.8%





December 31, 2022						
Maturity	EUR	USD	GBP	JPY	CHF	HKD
1	3.5%	5.8%	4.9%	-0.1%	1.5%	5.0%
2	3.6%	5.3%	5.0%	0.0%	1.6%	4.7%
3	3.5%	4.9%	4.8%	0.0%	1.7%	4.4%
5	3.5%	4.6%	4.5%	0.2%	1.9%	4.2%
7	3.4%	4.5%	4.3%	0.4%	2.0%	4.1%
10	3.4%	4.4%	4.2%	0.5%	2.1%	4.0%
15	3.4%	4.4%	4.1%	1.0%	2.2%	4.0%
20	3.1%	4.3%	4.0%	1.3%	2.2%	4.0%
25	2.9%	4.1%	3.9%	1.5%	2.3%	3.9%
30	2.9%	3.9%	3.8%	1.6%	2.3%	3.8%

June 30, 2022						
Maturity	EUR	USD	GBP	JPY	CHF	HKD
1	1.1%	4.0%	3.0%	-0.1%	0.6%	3.2%
2	1.6%	4.0%	3.2%	-0.1%	0.9%	3.4%
3	1.8%	3.8%	3.1%	-0.1%	1.1%	3.4%
5	2.1%	3.7%	3.0%	0.0%	1.3%	3.5%
7	2.2%	3.7%	2.9%	0.1%	1.6%	3.5%
10	2.5%	3.8%	2.9%	0.3%	1.8%	3.6%
15	2.7%	3.9%	2.8%	0.6%	2.1%	3.6%
20	2.5%	3.9%	2.8%	0.9%	2.2%	3.6%
25	2.5%	3.7%	2.7%	1.1%	2.2%	3.6%
30	2.5%	3.5%	2.7%	1.2%	2.3%	3.6%

## 7.6 REAL WORLD ASSUMPTIONS

As described in Note 1.14.7, Real-World (“RW”) assumptions are used for contracts measured using the Variable Fee Approach (“VFA”) to allow an appropriate pattern of the Contractual Service Margin (“CSM”) release in the statement of profit or loss over the coverage period, consistently with the IFRS 17 definition of the investment-related service. The number of coverage units is determined on the basis of policyholders’ mathematical reserves, which are adjusted by considering the expected return of underlying items resulting from RW assumptions.



The main RW assumptions used as at end June 2023 (with a comparative to end June 2022 and end December 2022) by main currencies are disclosed below.

		June 30, 2023				
		Real World Rates				
		EUR	USD	JPY	CHF	HKD
<b>Interest rates</b>						
5y Government (par) rate	N+1	2.4%	3.3%	0.5%	1.2%	2.9%
	N+10	2.3%	3.2%	1.3%	1.4%	3.2%
10y Government (par) rate	N+1	2.5%	3.3%	0.8%	1.3%	3.0%
	N+10	2.5%	3.5%	1.4%	1.7%	3.5%
<b>Credit Spreads</b>						
5y single-A credit spreads over Govies	N+1	1.4%	1.2%	0.6%	1.2%	1.3%
	N+10	0.9%	0.9%	0.8%	0.9%	0.7%
<b>Equity return (incl dividends)</b>						
	N+1	9.3%	9.0%	7.9%	7.7%	5.9%
	N+10	6.3%	6.5%	4.7%	4.9%	6.4%
<b>Real Estate</b>						
	N+1	6.9%	7.3%	3.7%	1.4%	#N/A
	N+10	6.0%	6.7%	4.7%	5.2%	#N/A

		December 31, 2022				
		Real World Rates				
		EUR	USD	JPY	CHF	HKD
<b>Interest rates</b>						
5y Government (par) rate	N+1	2.4%	4.3%	0.2%	1.1%	4.2%
	N+10	2.3%	3.2%	1.1%	1.4%	3.3%
10y Government (par) rate	N+1	2.5%	4.0%	0.4%	1.2%	4.0%
	N+10	2.5%	3.5%	1.2%	1.7%	3.5%
<b>Credit Spreads</b>						
5y single-A credit spreads over Govies	N+1	1.9%	1.5%	0.7%	1.2%	1.4%
	N+10	0.5%	0.7%	0.8%	0.9%	0.4%
<b>Equity return (incl dividends)</b>						
	N+1	3.0%	7.2%	5.7%	5.3%	8.9%
	N+10	6.3%	6.4%	5.0%	5.0%	7.7%
<b>Real Estate</b>						
	N+1	1.7%	3.4%	5.7%	0.6%	#N/A
	N+10	6.0%	6.7%	4.7%	5.2%	#N/A



		June 30, 2022				
		Real World Rates				
		EUR	USD	JPY	CHF	HKD
<b>Interest rates</b>						
5y Government (par) rate	N+1	1.7%	3.1%	0.2%	1.3%	3.0%
	N+10	2.0%	3.0%	1.1%	1.4%	3.0%
10y Government (par) rate	N+1	1.8%	3.3%	0.3%	1.5%	3.3%
	N+10	2.3%	3.2%	1.2%	1.7%	3.2%
<b>Credit Spreads</b>						
5y single-A credit spreads over Govies	N+1	1.8%	1.2%	0.8%	1.2%	1.2%
	N+10	1.1%	1.2%	0.8%	0.9%	1.0%
<b>Equity return (incl dividends)</b>						
	N+1	3.9%	2.7%	0.7%	1.1%	3.6%
	N+10	6.0%	6.1%	5.1%	5.1%	7.4%
<b>Real Estate</b>						
	N+1	3.2%	4.3%	5.7%	2.8%	#N/A
	N+10	5.8%	6.7%	4.7%	5.2%	#N/A



## NOTE 8 FINANCING DEBT

(in EURO million)	June 30, 2023	December 31, 2022, restated
	Carrying value	Carrying value
<b>AXA</b>	<b>11,671</b>	<b>11,401</b>
Subordinated green notes, 1.375%, due 2041 (in €)	1,000	1,000
Subordinated notes, 5.125% due 2043 (€)	1,000	1,000
U.S. registered redeemable subordinated debt, 8.60% 2030 (euro)	806	821
Subordinated debt, 5.625%, due 2054 (£)	163	846
Subordinated debt, 3.375%, due 2047 (€)	1,500	1,500
Undated Subordinated notes, 850MUS\$, 4.5%	782	797
Subordinated notes, 5.125%, due 2047 (USD)	920	938
AXA SA- Subordinated debt, 3.25%, due 2049 (€)	2,000	2,000
Subordinated Notes, 1,875% due 2042 (€)	1,250	1,250
Subordinated Notes, 4,25% due 2043 (€)	1,250	1,250
Subordinated Notes, 5,5% due 2043 (€)	1,000	-
<b>AXA XL</b>	<b>226</b>	<b>476</b>
Subordinated Notes, 5.5%, due March 2045 (USD)	226	476
<b>AXA Italy</b>	<b>66</b>	<b>66</b>
Subordinated Notes, euribor 6 months + 81bp	66	66
Other subordinated debts (under €100 million)	4	13
<b>Subordinated debt</b>	<b>11,968</b>	<b>11,956</b>
<b>AXA</b>	<b>2,100</b>	<b>1,350</b>
Euro Medium Term Note, due through 2028	500	500
Euro Medium Term Note, due 2030	850	850
Euro Medium Term Note, due 2033	750	-
<b>AXA XL</b>	<b>294</b>	<b>301</b>
Senior Notes, 5.25%, due December 2043 (USD)	294	301
<b>Other financing debts instruments issued (under €100 million)</b>	<b>21</b>	<b>21</b>
<b>Financing debt instruments issued</b>	<b>2,416</b>	<b>1,672</b>
<b>TOTAL FINANCING DEBT</b>	<b>14,383</b>	<b>13,629</b>

## NOTE 9 FINANCIAL RESULT, EXCLUDING FINANCING DEBT EXPENSES

The financial result, excluding financing debt expenses, reflects the difference between the investment return on invested assets and the net finance income or expenses stemming from insurance and reinsurance contracts. The table below highlights the impact of the financial result on both the profit or loss and the other comprehensive income (OCI).

As a reminder, the reconciliation of amounts presented in the consolidated statement of profit or loss to the net finance income or expenses from insurance and reinsurance contracts as disclosed below is presented in paragraph 7.1.2.

(in EURO million)	June 30, 2023		
	Insurance	Other Activities	Total
Net investment income	5,191	358	5,549
Net realized gains and losses relating to investments at cost and at fair value through other comprehensive income	(1,286)	(14)	(1,300)
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss	4,563	(31)	4,532
Change in impairment on investments	(155)	(6)	(161)
<b>Investment return through profit or loss</b>	<b>8,314</b>	<b>307</b>	<b>8,620</b>
Time value of money including interest accreted on contractual service margin	(1,342)	-	(1,342)
Effect of changes in discount rates and other financial assumptions	293	-	293
Change in fair value of underlying items of insurance contracts with direct participation features	(6,407)	-	(6,407)
Foreign exchange gains or losses	171	-	171
Other impacts	(248)	-	(248)
<b>Net finance income or expenses from insurance contracts issued, through profit or loss</b>	<b>(7,533)</b>	<b>-</b>	<b>(7,533)</b>
Time value of money including interest accreted on contractual service margin	241	-	241
Effect of changes in discount rates and other financial assumptions	(33)	-	(33)
Effect of changes in the risk of non-performance of reinsurers	(6)	-	(6)
Foreign exchange gains or losses	(49)	-	(49)
Other impacts	(1)	-	(1)
<b>Net finance income or expenses from reinsurance contracts held through profit or loss</b>	<b>153</b>	<b>-</b>	<b>153</b>
<b>Total net finance income or expenses from insurance contracts issued and reinsurance contracts held through profit or loss</b>	<b>(7,380)</b>	<b>-</b>	<b>(7,380)</b>
<b>Financial result recognized in profit or loss</b>	<b>933</b>	<b>307</b>	<b>1,240</b>
Realised capital gains or losses on equity instruments measured at fair value through other comprehensive income, without recycling in profit or loss	183	(64)	120
Changes in fair value of financial investments through other comprehensive income	7,163	30	7,193
<b>Investment return through other comprehensive income</b>	<b>7,346</b>	<b>(34)</b>	<b>7,312</b>
Net finance income or expenses from insurance contracts issued through other comprehensive income	(6,213)	-	(6,213)
<i>of which changes in fair value of underlying items of insurance contracts with direct participation features</i>	(353)	-	(353)
<i>of which realised capital gains or losses on equity instruments measured at fair value through other comprehensive income, without recycling in profit or loss</i>	(83)	-	(83)
<b>Net finance income or expenses from reinsurance contracts held through other comprehensive income</b>	<b>420</b>	<b>-</b>	<b>420</b>
<b>Total net finance income or expenses from insurance contracts issued and reinsurance contracts held through other comprehensive income</b>	<b>(5,792)</b>	<b>-</b>	<b>(5,792)</b>
<b>Financial result recognized in other comprehensive income</b>	<b>1,554</b>	<b>(34)</b>	<b>1,520</b>
<b>Impact of financial result on the statement of comprehensive income (before tax)</b>	<b>2,487</b>	<b>273</b>	<b>2,760</b>

(in EURO million)	June 30, 2022, restated		
	Insurance	Other Activities	Total
Net investment income	5,903	416	6,319
Net realized gains and losses relating to investments at cost and at fair value through other comprehensive income	61	-12	49
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss	-11,145	-77	-11,222
Change in impairment on investments	-77	-14	-92
<b>Investment return through profit or loss</b>	<b>(5,258)</b>	<b>313</b>	<b>(4,945)</b>
Time value of money including interest accreted on contractual service margin	(1,159)	-	(1,159)
Effect of changes in discount rates and other financial assumptions	1,155	-	1,155
Change in fair value of underlying items of insurance contracts with direct participation features	7,642	-	7,642
Foreign exchange gains or losses	(363)	-	(363)
Other impacts	(108)	-	(108)
<b>Net finance income or expenses from insurance contracts issued, through profit or loss</b>	<b>7,166</b>	<b>-</b>	<b>7,166</b>
Time value of money including interest accreted on contractual service margin	172	-	172
Effect of changes in discount rates and other financial assumptions	11	-	11
Effect of changes in the risk of non-performance of reinsurers	29	-	29
Foreign exchange gains or losses	78	-	78
Other impacts	-	-	-
<b>Net finance income or expenses from reinsurance contracts held through profit or loss</b>	<b>291</b>	<b>-</b>	<b>291</b>
<b>Total net finance income or expenses from insurance contracts issued and reinsurance contracts held through profit or loss</b>	<b>7,457</b>	<b>-</b>	<b>7,457</b>
<b>Financial result recognized in profit or loss</b>	<b>2,199</b>	<b>313</b>	<b>2,512</b>
Realised capital gains or losses on equity instruments measured at fair value through other comprehensive income, without recycling in profit or loss	862	22	884
Changes in fair value of financial investments through other comprehensive income	(58,681)	(1,476)	(60,157)
<b>Investment return through other comprehensive income</b>	<b>(57,819)</b>	<b>(1,454)</b>	<b>(59,273)</b>
Net finance income or expenses from insurance contracts issued through other comprehensive income	57,462	-	57,462
<i>of which changes in fair value of underlying items of insurance contracts with direct participation features</i>	<i>12,163</i>	<i>-</i>	<i>12,163</i>
<i>of which realised capital gains or losses on equity instruments measured at fair value through other comprehensive income, without recycling in profit or loss</i>	<i>(501)</i>	<i>-</i>	<i>(501)</i>
<b>Net finance income or expenses from reinsurance contracts held through other comprehensive income</b>	<b>(3,764)</b>	<b>-</b>	<b>(3,764)</b>
<b>Total net finance income or expenses from insurance contracts issued and reinsurance contracts held through other comprehensive income</b>	<b>53,697</b>	<b>-</b>	<b>53,697</b>
<b>Financial result recognized in other comprehensive income</b>	<b>(4,121)</b>	<b>(1,454)</b>	<b>(5,576)</b>
<b>Impact of financial result on the statement of comprehensive income (before tax)</b>	<b>(1,922)</b>	<b>(1,142)</b>	<b>(3,064)</b>



## NOTE 10 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.

<i>(in EURO million) <sup>(a)</sup></i>		June 30, 2023	June 30, 2022, restated
<b>NET INCOME GROUP SHARE</b>		<b>3,833</b>	<b>3,852</b>
Undated subordinated debt financial charge		(92)	(91)
<b>NET INCOME INCLUDING IMPACT OF UNDATED SUBORDINATED DEBT</b>	<b>A</b>	<b>3,741</b>	<b>3,760</b>
Weighted average number of ordinary shares (net of treasury shares) - opening		2,265	2,356
Increase in capital (excluding stock options exercised)		-	-
Stock options exercised <sup>(b)</sup>		1	1
Treasury shares <sup>(b)</sup>		34	32
Capital increase/Decrease <sup>(b)</sup>		(59)	(77)
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>	<b>B</b>	<b>2,241</b>	<b>2,311</b>
<b>BASIC NET INCOME PER ORDINARY SHARE</b>	<b>C = A / B</b>	<b>1.67</b>	<b>1.63</b>
<b>Potentially dilutive instruments:</b>			
Stock options		1	1
Other		4	5
<b>FULLY DILUTED - WEIGHTED AVERAGE NUMBER OF SHARES <sup>(c)</sup></b>	<b>D</b>	<b>2,247</b>	<b>2,317</b>
<b>FULLY DILUTED NET INCOME PER ORDINARY SHARE</b>	<b>E = A / D</b>	<b>1.67</b>	<b>1.62</b>

<sup>(a)</sup> Except for number of shares (million of units) and earnings per share (Euro).

<sup>(b)</sup> Weighted average.

<sup>(c)</sup> Taking into account the impact of potentially dilutive impacts



## NOTE 11 SUBSEQUENT EVENTS

### AXA completed the acquisition of Groupe Assurances du Crédit Mutuel España

On July 12, 2023, AXA announced that it has completed the acquisition of Groupe Assurances du Crédit Mutuel España (“GACM España”).

Under the terms of the transaction, AXA has acquired GACM España for a total cash consideration of €310 million, in line with the announcement made upon signing of the agreement.

### AXA accelerated the development of its Health strategy in Europe with the acquisition of Laya

On August 3<sup>rd</sup>, AXA announced that it has entered into an agreement to acquire Laya Healthcare Limited (“Laya”) from Corebridge Financial Inc., a subsidiary of AIG.

Laya has a leading position in the Irish health market with ca. 28% market share, serving close to 700,000 policyholders and generating ca. €800 million premiums<sup>(22)</sup> *per annum*.

It operates as a Managing General Agent with a highly digitalized platform and a strong direct distribution network, which makes Laya the sole point of contact for its customers through their healthcare journey.

With this transaction, AXA affirms its ambition to grow its European franchise, by expanding its operations in a buoyant, fast-growing Health insurance market. AXA is already present in Ireland where it benefits from a number 1 position in the P&C market.

Under the terms of the agreement, AXA acquired Laya for a consideration of €650 million, representing an expected price-to-earnings multiple of ca. 11x, taking into account the planned re-capturing of underwriting margin currently earned by third parties. The completion of the transaction is expected to result in an impact of -3 points on AXA Group’s Solvency II ratio<sup>(23)</sup>.

(22) As of FY22. Premiums currently underwritten by a third-party insurer.

(23) Impact effective on AXA Group’s Solvency II ratio at the time of closing of the transaction.



### **III. Statutory auditors' review report**



**on the 2023 Half Year Financial  
Information**

**AXA SA**

**Statutory Auditors' Review Report  
on the half-year Financial Information**

**(For the period from January 1<sup>st</sup> to June 30<sup>th</sup> 2023)**



**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

**ERNST & YOUNG Audit**

Tour First  
TSA 14444  
92037 Paris-La Défense cedex

**Statutory Auditors' Review Report on the half-year Financial Information**

**(Period from January 1<sup>st</sup> to June 30<sup>th</sup>, 2023)**

To the Shareholders,

**AXA SA**

25, avenue Matignon  
75008 Paris

In compliance with the assignment entrusted to us by your Shareholders' Meetings and in accordance with the requirements of Article L. 451-1-2-III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of AXA SA, for the period from January 1<sup>st</sup> to June 30<sup>th</sup>, 2023;
- the verification of the information presented in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

**1. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the above conclusion, we draw your attention to the change in accounting method relating to the application as of January 1, 2023 of IFRS 17 "Insurance contracts" and IFRS 9 "Financial Instruments" described in Note 1 "Accounting principles", as well as in the other notes to the condensed half-yearly consolidated financial statements presenting figures relating to the impact of these changes.

**2. Specific verification**

We have also verified the information presented in the half-year management report on the condensed half-year consolidated financial statements subject of our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements. It is not our responsibility to conclude on the fair presentation and consistency with the half-year financial statements of the solvency related information.

Neuilly-sur-Seine and Paris-La Défense, August 3, 2023

The Statutory Auditors

*French original signed by\**

PricewaterhouseCoopers Audit

ERNST & YOUNG Audit

Bénédicte Vignon Grégory Saugner

Patrick Menard Olivier Durand

*\*This is a translation into English of the statutory auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*



#### **IV. Statement of the person responsible**



**for the Half Year  
Financial Report**

**Statement of the person responsible for the Half-Year Financial Report**

I certify, to the best of my knowledge, that the condensed financial statements for the past half-year have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the interim management report, to be found in the first part of this Report, presents a fair review of the important events that have occurred during the first six months of the financial year, their impact on the financial statements, major related-party transactions, and describes the principal risks and uncertainties for the remaining six months of the financial year.

Paris, August 3, 2023.

Thomas Buberl  
Chief Executive Officer

