Universal Registration Document 2021

ANNUAL FINANCIAL REPORT

CONTENTS

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

UNIVERSAL REGISTRATION DOCUMENT

ANNUAL REPORT 2021

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document has been filed on March 22, 2022, with the *Autorité des Marchés Financiers* (the "AMF") as the competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129.

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

This Universal Registration Document is a copy of the official version of the Universal Registration Document (in French) in the xHTML format, which includes the Annual Financial Report for the financial year ended December 31, 2021, and is available on the AMF's website (www.amf-france.org) and on the Company's website (www.axa.com).

This Universal Registration Document (which we also refer to as our "Annual Report") includes (i) all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) as well as in Article 222-3 of the AMF General Regulation (*Règlement Général de l'AMF*) (please refer to the cross-reference table on page 512 of this Universal Registration Document which indicates the relevant sections of this Universal Registration Document corresponding to the items referred to in Article 222-3 of the AMF General Regulation), (ii) all information required to be included in the management report of the Board of Directors' to AXA's Shareholders' Meeting to be held on April 28, 2022, prepared pursuant to Articles L. 225-100 *et seq.* and L. 22-10-35 *et seq.* of the French Commercial Code (*Code de commerce*) (the relevant sections of this Universal Registration Document corresponding to such required information have been approved by AXA's Board of Directors and are referred to in the cross-reference table on page 506 of this Universal Registration Document); and (iii) all the elements required to be included in the corporate governance report established pursuant to Articles L. 225-37 *et seq.* and L. 22-10-8 *et seq.* of the French Commercial Code (*Code de commerce*) (the relevant sections of this Universal Registration Document corresponding to such required disclosures have been approved by AXA's Board of Directors and are referred to in the cross reference table on page 507 of this Universal Registration Document). The cross-reference table on page 508 of this Universal Registration Document indicates the items of Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 to which the information contained herein corresponds.

CERTAIN PRELIMINARY INFORMATION ABOUT THIS ANNUAL REPORT

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

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

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

Unless otherwise stated, all amounts in this Annual Report are (i) expressed in Euro, with applicable foreign exchange rates presented on page 42 of this Annual Report, and (ii) presented in millions for convenience. Such amounts may have been rounded. Rounding differences may exist, including for percentages.

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

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

This Annual Report may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to the Group's future business, financial condition, results of operations, performance, and strategy. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar meaning. Such statements are based on Management's current views and assumptions and, by nature, involve known and unknown risks and uncertainties; therefore, undue reliance should not be placed on them. Actual financial condition, results of operations, performance or events may differ materially from those expressed or implied in such forward-looking statements, due to a number of factors including, without limitation, general economic and political conditions and competitive situation; future financial market performance and conditions, including fluctuations in exchange and interest rates; frequency and severity of insured loss events, and increases in loss expenses; mortality and morbidity levels and trends; persistency levels; changes in laws, regulations and standards; the impact of acquisitions and disposal, including related integration issues, and reorganization measures; and general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of catastrophic events, including weather-related catastrophic events, pandemics, terrorist-related incidents or acts of war. Please refer to Part 5 "Risk Factors and Risk Management" of this Annual Report for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

In addition to the Consolidated Financial Statements, this Annual Report refers to certain non-GAAP financial measures, or alternative performance measures, used by Management in analyzing the Group's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding the Group's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Consolidated Financial Statements included in Part 6 "Consolidated Financial Statements" of this Annual Report. The non-GAAP financial measures used by the Group are defined in the Glossary set forth in Appendix V to this Annual Report.

Chairman's Message

2021 was a very good year for AXA: despite the pandemic we have surpassed the level of activity of pre-COVID-19 times with strong results, demonstrating AXA's resilience and agility in reacting to the crisis. In this challenging period, we enhanced our healthcare offering, supported the economic recovery, and announced ambitious commitments in favor of the climate transition.

As highlighted in the yearly edition of our *Future Risk Report*, the climate crisis continues to be a major concern, and 2021 was an important year for climate action ahead of and at COP26. This international gathering underpinned that the urgency for action is escalating, and the demand for risk mitigation and adaptation is accelerating. AXA is playing its role with renewed commitments on climate, cementing our position as a leader. This includes strengthening our exclusion thresholds for oil and gas to cover only the most responsible players and increasing our green investment target to €26 billion by 2023. We have also made significant investments in the fight against deforestation, allocating €1.5 billion to support sustainable forest management and stepped up our efforts to preserve biodiversity via our investments and insurance activities. The creation of the Net Zero Insurance Alliance which is led by AXA and now brings together more than twenty of the world's leading insurers and reinsurers, is another important example of our engagement. The NZIA, working under the auspices of the UN Principles for Sustainable Insurance, is focused on extending our commitments to climate neutrality to the insurance business in the appropriate collective setting.

2021 was also an important year for AXA in terms of structuring our actions around our purpose, "*act for human progress by protecting what matters*". Climate change and the COVID-19 crisis have only exacerbated the protection gap, both in mature and emerging markets. Accordingly, AXA has committed to creating simple, fair and accessible insurance products through our Inclusive Protection business to address this pressing issue. As a result of this strategy, we now protect nearly 10 million emerging clients worldwide, enabling these individuals and their communities, to improve their overall financial health and protection, and ultimately ensure sustained economic growth in the face of unexpected events. We are also focused on extending this strategy to mature markets to address the growing social issues facing the lower middle class that are not always covered by traditional insurance products.

The strength of our balance sheet, with a Solvency ratio of 217% up 17 points from 200%, has enabled the Board of Directors to propose an increased dividend of €1.54 per share following the completion of a share buyback of €1.7 billion. These operations are in line with our long-term policy of steadily increasing earnings per share. It is also the result of the commitment of our employees, agents and partners, whom I would like to warmly thank for their dedicated work and their involvement in contributing to AXA's performance.

In a context that remains difficult, I am truly impressed by all that our employees have done to contribute to this solid performance. While the pandemic has taken its toll on all of us, I am also very happy to note that the morale at AXA remains very strong with an eNPS at 36 (employee recommendation indicator) at the end of 2021, up 2 points from June of last year. It represents a remarkable achievement and a testament to our resilience as an organization. It is also a reflection of the success of our Smart Working strategy to give our employees more flexibility. The cumulative daily challenges we face as a result of the pandemic also meant that awareness around the topic of mental health is increasingly important, and here too I am very proud of the role AXA has taken, offering psychological support to our employees and customers and also working to destigmatize this issue and make it more mainstream.

This year will also be my last contribution to the Annual Report as Chairman of the Board of Directors of AXA before my retirement. In March 2021, following a thorough succession planning process conducted by the Compensation and Governance Committee of the Board of Directors, the Board unanimously decided to appoint Antoine Gosset-Grainville as Chairman of the Board of Directors after the Annual General Assembly meeting in April 2022. His extensive experience in the business world and in public service, as well as his experience as the co-founder and head of a major law firm in Paris, will be assets that will enable AXA to continue its development and ensure its future success.

After 27 years at AXA, I will be leaving with emotion and pride, feeling confident that AXA is in a strong position, financially solid, engaged with society to tackle the future challenges and with a great leadership team. On behalf of the Board of Directors, I would also like to express my sincere thanks to Thomas Buberl and the Management Committee members for their exceptional stewardship of AXA through this tumultuous period, which puts us well on track to achieve the objectives of the 2021-2023 strategic plan.

Denis Duverne
Chairman of the Board of Directors

“2021: AXA has delivered on its transformation”

Chief Executive Officer’s Message

After the shock of the pandemic, 2021 was marked by a strong rebound and acceleration. Coming out of a crisis that disrupted societies and shut down the economy, we laid the foundations for a solid and sustainable recovery. AXA demonstrated its strength, agility and commitment to act for the benefit of all.

In line with our dual mission - to protect and finance the economy - we have amplified this momentum. Wherever we operate, we have stood by our clients and invested in future growth. In France, we were one of the leading contributors to SME funding and recovery schemes.

We have also drawn lessons from this exceptional episode. In a world of work that is undergoing profound transformation, we have expanded the use of remote working and shifted our culture toward more flexibility and trust. In the context of a crisis that has revealed the importance of health, we have once again extended our employee care and well-being program, confirming our ambition to make AXA one of the best companies to work for.

In 2021, the Group’s operating performance was excellent, with revenues up by 6% to €100 billion and a 61% increase in underlying earnings to €6.8 billion. In particular, this year has confirmed the relevance of the strategic repositioning carried out since 2016: despite a persistently high level of natural catastrophes, our Property & Casualty Commercial business met its targets, with AXA XL recording underlying earnings of €1.2 billion.

These good results are also reflected in the confidence of our clients, with 97% of our lines of business achieving a Net Promoter Score above or equal market average. The satisfaction of our 95 million clients is our first reward, and I would like to thank them for their continued trust. We will continue to be at their side to bring serenity in the face of ever-changing risks.

Once again this year, AXA kept up its innovation efforts to meet new protection needs. In particular, we deployed a digital healthcare platform in our main European markets, with the ambition to streamline and enhance users’ healthcare experience.

Finally, with a Solvency II ratio of 217%, up 17 points, the Group has demonstrated its great strength. This allows us to pursue our attractive capital management policy, with the launch in 2021 of a €1.7 billion share buyback program.

In line with our purpose – “*act for human progress by protecting what matters*” – we have also stepped up our commitments in the fight against climate change and protection of biodiversity. The Group has strengthened its exclusion thresholds in the energy sector to cover only the most responsible players, raised its green investment target to €26 billion by 2023 and taken over the chairmanship of the Net Zero Insurance Alliance, a coalition of insurers committed to decarbonizing their portfolios.

This year has therefore confirmed our determination to meet the objectives of the “*Driving Progress 2023*” plan and to capitalize on AXA’s transformation to seize new growth opportunities.

At the time of writing, Russia has invaded Ukraine triggering a war in Europe for the first time in more than 75 years. The direct impact of this war on our business is limited at this stage, as AXA exited the Ukrainian market in 2019 and has non-material exposures in Russia. The Group continues to monitor the situation closely to ensure compliance with international sanctions, while supporting humanitarian efforts on the ground. However, the World and Europe are facing an unchartered, highly volatile situation, and indirect consequences of the conflict could have lasting consequences on our environment, starting with equity markets, interest rates and inflation, that we will need to assess and adapt to in the coming weeks and months.

2022 marks the end of Denis Duverne’s term as Chairman of AXA’s Board of Directors. I am pleased to have worked alongside him over the past six years and to have benefited from his exceptional knowledge of the Group and his deep experience. His convictions on the role of our industry in society have been a strength in developing our ESG commitments and bringing our purpose to life. I would like to express my gratitude to him for our always stimulating and constructive discussions and his great support in the transformation of AXA since 2016.

Finally, I would like to express my gratitude for the exceptional work of the Group’s 149,000 employees, agents and partners who, despite uncertainties and the jolts of the health situation, have maintained an unfailing commitment to serving our stakeholders. I know I can count on their energy and exceptional dedication to lead AXA towards a successful future.

Thomas Buberl
Chief Executive Officer

Strategic orientations

Facing the COVID-19 pandemic and its variants' waves since 2020, the world is still adapting to a new paradigm made of strong volatility and uncertainty:

- **Macroeconomic and geopolitical environments:** (i) recovery at a heterogeneous pace between developed economies who have already recovered or are about to recover to pre-COVID-19 growth levels and developing economies that in majority will not have fully caught with pre-COVID-19 output levels by 2022, (ii) expectations to see Chinese economy slowing down and knock-on effects on global economy growth outlook and supply chains, (iii) rising inflation and uncertainty on interest rates and (iv) increasing geopolitical tensions between blocks, threatening global stability and growth;
- **Increasing pressure on the insurance industry:** (i) increasing complexity and cost of regulation (*e.g.*, IFRS 17 [1], OECD global agreement on corporate taxation, SFDR [2], CSRD [3], GDPR [4], etc.) doubled with State interventionism, especially for European players (*e.g.*, restrictions on foreign cloud providers), (ii) higher frequency and severity of emerging risks (*e.g.*, natural catastrophes, cyber risks), and (iii) price pressure and claims costs inflation in Property & Casualty;
- **Growth opportunities:** (i) demand for Health insurance is still rising, (ii) new insurance needs triggered by increase in risks variety and continued evolution of global GDP's main growth drivers towards more digital, services and "asset-light" industries (*e.g.*, climate change, energy transition, cyber security), (iii) good momentum in Life & Savings to deploy innovative products and optimize legacy books, and (iv) tech & data more and more critical to bring value-for-money services to customers, differentiate from peers and optimize operations.

In this environment, we believe that "***Driving Progress 2023***" and its underlying assumptions are focused on supporting to support our business resilience and continue growing our business sustainably. As a result, in 2021, AXA has been consistently executing its strategy with strong delivery across its five strategic priorities:

1) **Expand Health and Protection:** (i) solid global growth in Health business of 5% in 2021, (ii) Digital Health Platform (DHP) providing health services within seamless end-to-end healthcare journeys deployed in 5 European countries, and (iii) on-going execution of our vertical integration strategy, organically (Italy, Egypt, Mexico, Nigeria) as well as inorganically (Spain with GIC [5] acquisition);
2) **Simplify customer experience and accelerate efficiency:** (i) NPS [6] reaching 97% above market average, (ii) digital platforms rolling out (*e.g.*, Emma app launched in 6 Asian countries, Angel.fr), (iii) ongoing digitalization of the customer journeys in all entities, (iv) turning of our proprietary distribution channels into a fully 'phygital' model, and (v) acceleration on efficiency and product simplification (*e.g.*, via cloudification, IT legacy decommissioning, straight-through processing, and organisational simplification);
3) **Strengthen underwriting performance:** (i) technical excellence with 2021 Property & Casualty combined ratio at 94.6%, improved by a strong price-increase strategy and successful re-underwriting measures at AXA XL, and (ii) AXA XL turnaround delivered with enhanced underwriting results and reduced earnings' volatility;

SNFP

4) **Sustain our climate leadership position:** (i) implementation of the "*AXA for Progress Index*" to track AXA entities' ESG impact across seven mid-to-long term engagements, covering three main fields in which AXA intends to excel as an investor, as an insurer and as an exemplary company, (ii) acceleration in ESG investments (target increased to €26 billion by 2023), (iii) extension of Oil & Gas exclusions to support the energy transition, (iv) strengthened engagement as a climate leader (co-founder and chair of Net Zero Insurance Alliance, member of TNFD [(7)], (v) launch of the AXA Climate Academy (already available to 3 million employees from a wide range of companies in 2021), and (vi) new initiatives to preserve biodiversity, including forests (DEFRA deforestation pledge) and oceans (ORRAA BackBlue commitment, Coastal Risk Index at AXA XL launched during COP26);

5) **Grow cash-flows across the Group:** (i) ongoing Group simplification program with disposals of Singapore, AXA Bank Belgium, Greece, the Gulf Region, India, and Malaysia, (ii) life in-force initiatives (reinsurance transaction in Hong Kong, transfer of statutory annuity reserves to its off-balance sheet pension fund in Switzerland, sale of a legacy savings portfolio in Belgium) resulting in a Euro 8 billion reduction of reserves, (iii) strong solvency position, above ambition's upper range, and (iv) execution of a Share Buy-Back program for up to €1.7 billion reflecting the strength of our balance sheet and demonstrating AXA Group's financial discipline.

In 2022, we will relentlessly pursue the execution of our strategic agenda across these five pillars:

- **Health and Protection:** scale up profitable growth in Health & Employee Benefits, capitalizing on services orchestrated through the Digital Healthcare Platform (DHP), to reach a strong leading position both in domestic and international markets;
- **Property & Casualty Commercial lines:** increase focus on profitability and reinsurance, leverage the transformation of AXA XL's operating model and strengthened discipline;
- **Property & Casualty Retail lines:** sustain our franchises by long-lasting differentiation through high-standard "phygital" customer experience, improve technical profitability;
- **Life & Savings:** pursue in-force books optimization and accelerate on Unit-Linked and capital-light products by further leveraging a rising demand and the capabilities of AXA Investment Managers;
- **Cash-flows:** pursue our efforts to guarantee a solid financial performance, including dividend growth and high Solvency II ratio, in a strictly regulated environment.

As expectations rise on corporates' responsibility, we aim at strengthening our leadership and engagement on ESG topics, both in terms of target setting and impact measurement, putting into practice our purpose "*act for human progress by protecting what matters*".

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

(2) SFDR = Sustainable Finance Disclosure Regulation.

(3) CSRD = Corporate Sustainability Reporting Directive.

(4) GDPR = General Data Protection Regulation.

(5) GIC = Grupo Igualatorio Cantabria.

(6) NPS = Net Promoter Score.

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

Sustainable value creation SNFP

RESOURCES

RELATIONAL	FINANCIAL	HUMAN	REPUTATIONAL	SOCIAL & ENVIRONMENTAL
We serve both corporate and individual customers. ↓ Business by geographies / Section 1.3	The funds required for our business come from our equity, as well as our shareholders and bondholders. ↓ Capital ownership / Section 2.4	Our employees' diverse range of profiles and professions enables AXA to be effective, profitable and well managed. We also work closely with our distributors: agents, brokers and bankers. ↓ Employer Responsibility / Section 4.2	We work closely with external providers of products and services. We also cooperate with the authorities that set the rules in the insurance sector. ↓ Market Environment / Section 2.2	We require the trust and support of our stakeholders to operate our business effectively. Day to day, our business consumes environmental resources. ↓ Sustainable strategy / Section 4.1

IMPACT

CUSTOMERS	SHAREHOLDERS	EMPLOYEES & DISTRIBUTORS	COMPANIES & INSTITUTIONS	SOCIETY
Our services and preventive action provide financial security and peace of mind. ↓ Premiums paid / Section 6.6 (Note 1.19 "Revenue recognition")	Our dividends and interest generate regular returns, while our long-term investments guarantee financial stability. ↓ Results / Section 6.2 ↓ Dividends paid / Section 1.1	We pay our employees fairly, while developing their skills. We pay our distributors according to our established agreements and support them throughout their careers. ↓ Employer Responsibility / Section 4.2	We are a reliable partner, helping the companies we work with and invest in to grow. We are also an ethical company, cooperating with authorities and regulators. ↓ Business conduct / Section 4.5	We generate a positive impact on society through our investments and our universally accessible products, and we help meet major environmental and societal challenges through our business, commitments and taxes. ↓ Climate change and ESG integration / Section 4.3 ↓ Inclusive insurance / Section 4.4

WE IDENTIFY, ASSESS AND POOL RISKS FOR A MORE STABLE WORLD AND HELP OUR CUSTOMERS MANAGE THEIR RISKS.

WE CREATE THE INSURANCE PRODUCTS AND SERVICES THAT ENABLE OUR CUSTOMERS TO TRANSFER THEIR RISKS.

WE COMMIT TO OUR CUSTOMERS, PARTNERS AND INVESTORS, AND REINVEST PART OF OUR PROFITS IN OUR HUMAN RESOURCES AND OUR COMMUNITIES.

WE INVEST ASSETS RESPONSIBLY ON BEHALF OF OUR CUSTOMERS AND SHAREHOLDERS.

OUR PROCESS FOR CREATING VALUE INTEGRATES EVERY SUSTAINABLE DEVELOPMENT ASPECT (SEE SECTION 4) **AND EVERY RISK FACTOR APPLIED TO OUR BUSINESS** (SEE SECTION 5)**.**

2021 Full Year Earnings

Growth across preferred segments

Revenues
€100bn
+6%

P&C COMMERCIAL
33%
of revenues
+5%

HEALTH
15%
of revenues
+5%

PROTECTION
15%
of revenues
+5%

Underlying Earnings
€6.8bn

P&C
€4.1bn

HEALTH
€0.7bn

L&S
€2.4bn

ASSET MANAGEMENT
€0.3bn

BANKING & HOLDINGS
€-0.7bn

Profitability indicators

P&C
Combined ratio
94.6%

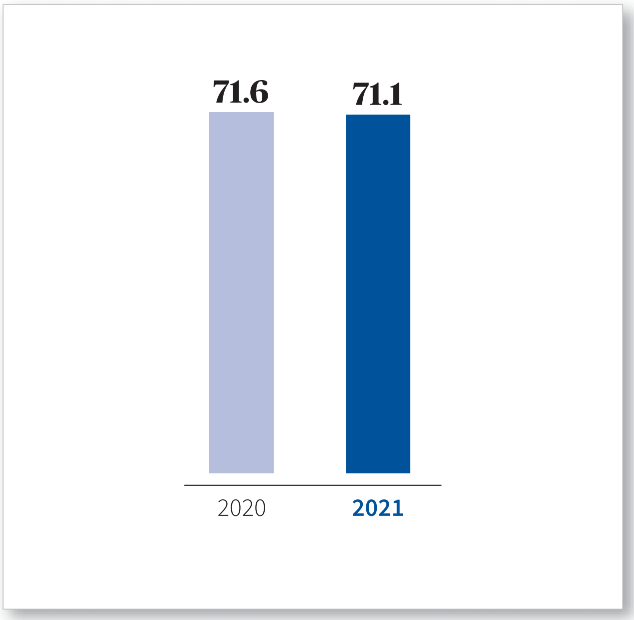
HEALTH
Combined ratio
95.1%

PROTECTION
Combined ratio
94.7%

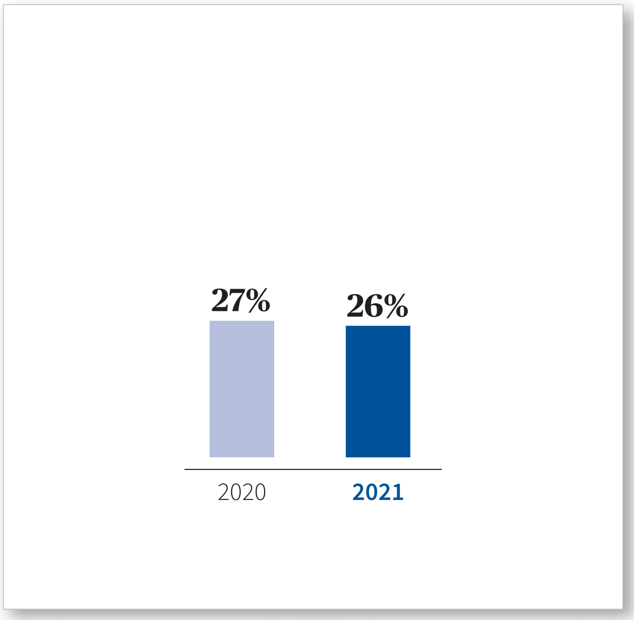
Financial strength and dividend

Shareholders' equity

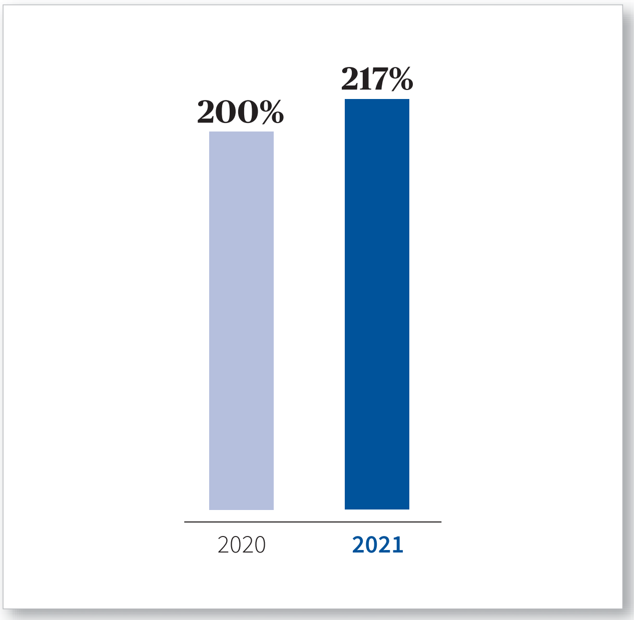
In Euro billion



Debt gearing

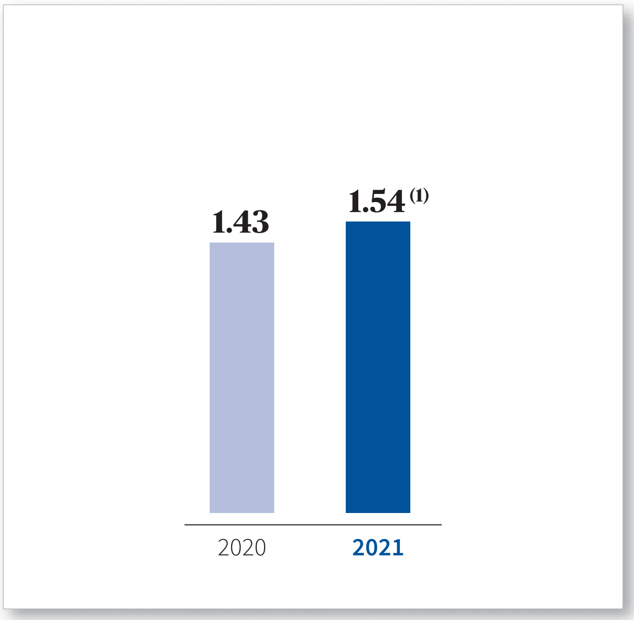


Solvency II ratio



Dividend

In Euro per share



(1) Proposed dividend, submitted for approval at the annual Shareholders' Meeting on April, 28 2022.

"Driving Progress 2023": 2021 achievements

Underlying earnings per share

+7% (1)

+3% to +7%
CAGR (2)

Cash upstream

€+4.4bn

€+14bn
2021 - 2023 cumulative

Underlying return on equity

14.7%

13% to 15%
2021 - 2023 Target range

Solvency II ratio

217%

190%
Target capital level

(1) *Based on 2020 revised Underlying earnings.*

(2) *Compound Annual Growth Rate.*

1 THE AXA GROUP

AXA SA is the holding company of AXA Group, a worldwide leader in insurance, with total assets of €775 billion for the year ended December 31, 2021.

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

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

1.1 KEY FIGURES

IFRS indicators

IFRS indicators presented below are derived from the Consolidated Financial Statements for the year ended December 31, 2021.

The table set out below is only a summary. You should read it in conjunction with the Consolidated Financial Statements for the year ended December 31, 2021 included in Part 6 – "Consolidated Financial Statements" of this Annual Report.

(in Euro million)	2021	2020	2019
Income Statement Data			
Revenues	99,931	96,723	103,532
Net consolidated income - Group Share	7,294	3,164	3,857

(in Euro million except per share data)	2021	2020	2019
Balance Sheet Data			
Total assets	775,491	804,589	780,878
Shareholders' equity - Group share	71,135	71,610	69,897
Shareholders' equity per share [(a)]	27.4	27.3	26.6
Dividend per share [(b)]	1.54	1.43	0.73

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

(b) An annual dividend is generally paid each year in respect of the prior year after the Annual Shareholders' Meeting (customarily held in April or May) and before September of that year. Dividends are presented in this table in the year to which they relate and not in the year in which they are declared and paid. A dividend of €1.54 per share will be proposed at AXA's Shareholders' Meeting that will be held on April 28, 2022. Subject to the Shareholders' Meeting approval, the dividend will be paid out on May 10, 2022, with an ex-dividend date of May 6, 2022.

Activity and Earnings indicators

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

(in Euro million, except percentages)	2021	2020	2019
Property & Casualty Gross Revenues	49,339	48,729	48,817
Property & Casualty Combined Ratio [a]	94.6%	99.5%	96.4%
Health Gross Revenues	15,222	14,711	14,000
Health Combined Ratio [a] [b]	95.1%	94.5%	94.1%
Annual Premium Equivalent (APE)	5,911	5,336	6,029
New Business Value (NBV)	2,593	2,480	2,542
Underlying earnings Group share [a]	6,762	4,264	6,451

(a) Alternative Performance Measures. For further information, refer to Section 2.3 "Activity report" and the Glossary set forth in Appendix V of this Annual Report.
(b) As a consequence of the deconsolidation of Equitable Holdings, Inc. ("EQH") as of March 31, 2019, EQH contribution was excluded from Health Combined Ratio calculation in 2019.

Assets under management

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

	At December 31,		
(in Euro million)	2021	2020	2019
AXA			
General Account assets	574,412	597,259	576,183
Assets backing contracts with financial risk borne by policyholders (Unit-Linked)	86,315	77,802	72,660
Subtotal	**660,727**	**675,062**	**648,843**
Managed on behalf of third parties [a]	390,323	357,026	320,517
TOTAL ASSETS UNDER MANAGEMENT	**1,051,050**	**1,032,087**	**969,360**

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

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

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

Dividends and dividend policy

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

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

A dividend of €1.54 per share for the 2021 fiscal year will be proposed to the Shareholders' Meeting to be held on April 28, 2022.

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

Fiscal year	Distribution *(in Euro million)*	Number of shares *(on December 31)*	Net dividend per share *(in Euro)*	Dividend per share eligible for a tax relief *(in Euro)*	Gross dividend per share *(in Euro)*
2017	3,056	2,425,235,751	1.26 (b)	1.26 (b)	1.26 (b)
2018	3,249	2,424,916,626	1.34 (c)	1.34 (c)	1.34 (c)
2019	1,765	2,417,695,123	0.73 (d)	0.73 (d)	0.73 (d)
2020	3,458	2,418,389,408	1.43 (e)	1.43 (e)	1.43 (e)
2021	3,729 (a)	2,421,568,696	1.54 (f)	1.54 (f)	1.54 (f)

(a) Proposal to be submitted to the Shareholders' Meeting to be held on April 28, 2022.

(b) The gross amount of dividends was subject to a unique withholding tax liquidated at an overall rate of 30%, unless in case of option for the progressive scale on income tax which then applied to all capital income paid in 2018. The option for the progressive scale gave right to the 40% tax relief pursuant to paragraph 2° of Article 158.3 of the French General Tax Code, i.e. €0.50 per share for fiscal year 2017.

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

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

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

(f) Proposal to be submitted to the Shareholders' Meeting to be held on April 28, 2022. The gross amount of dividends will be subject to a unique withholding tax liquidated at an overall rate of 30%, unless in case of express and irrevocable option for the progressive scale on income tax which would then apply to all capital income paid in 2022. The option for the progressive scale would give right to the 40% tax relief pursuant to paragraph 2° of Article 158.3 of the French General Tax Code, i.e. €0.62 per share for fiscal year 2021.

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

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

Ratings

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

INSURER FINANCIAL STRENGTH & COUNTERPARTY CREDIT RATINGS

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

		Insurer financial strength ratings		Counterparty credit ratings		
Agency	Date of last review	AXA's principal insurance subsidiaries	Outlook	Senior debt of the Company	Outlook	Short term debt of the Company
S&P Global Ratings	March 12, 2021	AA-	Stable	A	Stable (CreditWatch Positive)	A-1
Fitch Ratings	May 27, 2021	AA-	Positive	A	Positive (Rating Watch Positive)	F1
Moody's Investors Service	June 15, 2021	Aa3	Stable	A2	Stable (On review for upgrade)	P-1

SOCIALLY RESPONSIBLE INVESTMENT (SRI) RATINGS SNFP

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

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

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

Agency/Organisation	Scores & ratings
Standard & Poor's "Dow Jones Sustainability Index" ranking [(a)]	87/100 – *Sector average*: 40/100 Percentile ranking: 97th
Vigeo Eiris	68/100 – Sector leader
FTSE ESG	4.4/5
Sustainalytics	Rank 6/295 in sector
CDP	A-
MSCI	AAA
UN Principles for Responsible Investment	A+

(a) Note: The Dow Jones Sustainability Index is a reference performance indicator for AXA and is one of the performance metrics used to calculate long term incentives (Performance Shares) since 2016.

FURTHER INFORMATION REGARDING EXTRA-FINANCIAL RATINGS PROVIDERS

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

Vigeo Eiris is an ESG (Environmental, Social and Governance) rating agency. Its methodology leverages a number of sustainability criteria based on international standards. AXA is included in indices that use Vigeo Eiris data, including Euronext Indices.
http://www.vigeo-eiris.com/about-us/methodology-quality-assurance/https://vigeo-eiris.com/solutions-investors/esg-indices-ranking/

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

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

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

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

UN Principles for Responsible Investment (Transparency Report). The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that encourage the incorporation of ESG issues into investment practices. PRI signatories are required to report publicly on their responsible investment activities each year, using asset-specific modules in the UN PRI reporting system. Answers are then assessed and results are compiled into an annual Assessment Report.
https://www.unpri.org/signatories/reporting-and-assessment

1.2 HISTORY

AXA originated from several French regional mutual insurance companies: “*Les Mutuelles Unies*”.

1982

Takeover of Groupe Drouot.

1986

Acquisition of Groupe Présence.

1988

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

1992

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

1995

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

1997

Merger with Compagnie UAP.

2000

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

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

2004

Acquisition of the American Insurance Group MONY.

2005

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

2006

Acquisition of Winterthur Group.

2008

Acquisition of Seguros ING (Mexico).

2010

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

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

2011

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

2012

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

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

2013

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

2014

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

2015

Acquisition of Genworth Lifestyle Protection Insurance; and

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

2016

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

2017

Announcement of the intention to list a minority stake of AXA's US operations (expected to consist of its US Life & Savings business and AXA Group's interest in AB) subject to market conditions, a strategic decision to create significant additional financial flexibility to accelerate AXA's transformation, in line with Ambition 2020; and

Launch of AXA Global Parametrics, a new entity dedicated to accelerate the development of parametric insurance solutions, broaden the range of solutions to better serve existing customers and expand its scope to SMEs and individuals.

2018

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

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

2019

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

Acquisition of the remaining 50% stake in AXA Tianping.

2020

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

2021

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

Agreement to sell (i) AXA's insurance operations in Malaysia to Generali and (ii) AXA Insurance Pte Ltd (AXA Singapore) to HSBC;

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

Combination of the non-life insurance operations in India of Bharti AXA General Insurance Company Limited into ICICI Lombard General Insurance Company Limited. As the sale consideration of Bharti AXA GI, AXA and Bharti will receive a total of 35.8 million shares of ICICI Lombard; and

Sale of AXA's Belgian banking operations (AXA Bank Belgium) to Crelan Bank. AXA and Crelan have entered into a long-term P&C and Protection insurance distribution partnership which will be effective on January 1, 2022, extending the existing partnership between AXA Bank Belgium and AXA Belgium to the entire Crelan network.

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

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

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

1.3 BUSINESS OVERVIEW

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

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

The principal competitive factors are as follows:

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

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

The table set out below presents AXA Gross revenues (after inter-segment eliminations) by line of business.

	Gross revenues [a]											
	Property & Casualty		Life & Savings		Health		Asset Management		Banking		Total	
(in Euro million)	2021	2020	2021	2020 restated [b]	2021	2020	2021	2020	2021	2020	2021	2020 restated [b]
France	7,450	6,986	15,264	13,001	5,425	4,912	-	-	211	165	28,349	25,064
Europe	16,930	16,594	9,746	10,582	5,886	5,630	-	-	-	9	32,562	32,815
Asia	2,102	2,159	7,021	6,379	2,206	2,412	-	-	-	-	11,329	10,950
AXA XL	18,588	18,346	175	184	-	-	-	-	-	-	18,763	18,530
International	2,990	3,407	853	1,113	1,495	1,562	-	-	330	317	5,668	6,398
Transversal & Central Holdings	1,279	1,238	247	265	210	194	1,523	1,269	-	-	3,259	2,966
TOTAL	**49,339**	**48,729**	**33,306**	**31,524**	**15,222**	**14,711**	**1,523**	**1,269**	**541**	**491**	**99,931**	**96,723**

(a) Net of intercompany eliminations.
(b) Restated: reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.

France

GROSS REVENUES

(in Euro million)	Gross revenues [a] Years ended December 31, 2021	2020
TOTAL	**28,349**	**25,064**
Of which:		
Gross written premiums	28,138	24,896
Other revenues [b]	212	168

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

PRODUCTS AND SERVICES

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

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

NEW PRODUCT INITIATIVES

In Life & Savings, a new Unit-Linked Private Equity fund "*AXA Avenir Entrepreneurs*" was created in order to offer clients additional portfolio diversification options. Previously available to institutional investors only, the fund gives retail clients – *via* their life insurance policy – the opportunity to invest in listed and non-listed medium-sized companies. This fund was labeled "*France Relance*", reflecting its contribution to the national economic recovery plan.

AXA France also launched a new fund "*Fonds Croissance*" available for all customers. This fund offers the clients a guarantee at maturity on their investments over a 10-year horizon, combined with higher performance compared to traditional General Account products.

AXA France also enriched its offer "*Plan Épargne Retraite – PER*" with 2 new products: "*Coralis*" intended for clients of Asset Management advisors and "*Amadéo*" for Wealth clients.

Moreover, in Health and Protection, AXA France has launched several initiatives, including the "*Elle's Angel*" program to provide psychological and legal support to victims of domestic violence, and "*DATA MAP*" which helps companies to better understand absenteeism, as well as two new Health offers – a fully digitalized one and another for students.

In Property & Casualty, AXA France created a new product "*Responsabilité des Dirigeants*" that offers liability cover and legal support for company managers and also developed a single underwriting platform "*OSE*" dedicated to SMEs.

Lastly, within the Credit & Lifestyle Protection (CLP) business, AXA Partners launched *"Career help"* in 2021, which is a program supporting its claiming customers who have lost their job by providing training for job searching and access to open positions to help them find new opportunities. Piloted in Sweden, it is expected to be extended to other European countries.

Furthermore, AXA Partners signed a deal with BBVA Colombia, that will help to protect BBVA clients from Involuntary Unemployment, Temporary Disability, Critical Illness, and offer them Employment Support, Labor Legal Advice, Financial and Entrepreneurship Guidance.

DISTRIBUTION CHANNELS

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

Europe

In Europe (excluding France), AXA operates in seven countries (Switzerland, Germany, Belgium, the United Kingdom, Ireland, Spain and Italy).

GROSS REVENUES

(in Euro million, except percentages)	Gross revenues [a] Years ended December 31, 2021		2020 restated [b]	
Switzerland	5,060	16%	5,261	16%
Germany	11,344	35%	11,025	34%
Belgium	3,486	11%	3,372	10%
United Kingdom & Ireland	5,317	16%	5,170	16%
Spain	2,686	8%	2,566	8%
Italy	4,669	14%	5,422	17%
TOTAL	**32,562**	**100%**	**32,815**	**100%**
Of which:				
Gross written premiums	32,108		32,440	
Other revenues [c]	454		375	

(a) Net of intercompany eliminations.
(b) Restated: reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.
(c) Include fees and charges related to investment contracts with no participating features, net revenues from banking activities and revenues from other activities.

PRODUCTS AND SERVICES

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

Types and specificities of the products offered by AXA vary from market to market.

NEW PRODUCT INITIATIVES

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

- In Germany, the Unit-Linked regular premium pension product ("*Fondsrente*") has been revised to offer individual customers a valuable product with differentiated investment strategies *via* an extended range of funds;
- In Belgium, several initiatives have been launched in a consistent aspiration to enlarge the product offer and service portfolio, including:
  - in Property & Casualty, the Broker Business Pack for self-employed starters was successfully launched leading to an additional growth of 20% in that segment. This business pack concept is also an unicum as first online Commercial lines insurance package with beyond insurance services in the market for self-employed starters,
  - in Life & Savings, a new multi-awarded product dedicated to the Self-Employed segment. "*Pension Plan Pro*" is a multiline hybrid pension product, with optional protection covers,
  - in Health, AXA launched "*MediCheck Online by AXA*", a brand-new service in the Belgian insurance market providing online accurate self-diagnosis solution based on health questionary and symptoms checker;
- In the United Kingdom & Ireland, AXA enhanced the digitalisation of health services and client experience in the "*Doctor@Hand*" platform which has already delivered more than 300,000 virtual appointments;
- In Switzerland, several new services and partnerships were launched across all business lines with the ambition to further assist their customers which include:
  - in Property & Casualty, besides the successful introduction of a new modular SME insurance, AXA has furthermore developed its service portfolio offering with innovative

partner services in fringe benefits and employee health. This initiative offers new services bringing a combination of AXA's knowledge in Worker's Compensation and the expertise from its partners in mental health to their customers,

- in Life & Savings, the launch of "*EasyInvest*", an investment solution for their customers combining robot advisory features with their extended distribution expertise. Furthermore, the pension portal with attractive self-services and simulations is continuously being developed to answer their customers questions concerning their pension planning;

- In Spain, several initiatives have been launched to drive efficiency and improve customer experience, including:
  - the simplification of the offer to increase transparency in making products more understandable in Personal Motor and Individual Savings,
  - *Payer-to-Partner* initiatives with focus on Health services, including telemedicine as well as online symptoms checker platform to facilitate customers and non-customers self-diagnosis.

DISTRIBUTION CHANNELS

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

Asia

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

GROSS REVENUES

	Gross revenues [(a)] Years ended December 31,			
(in Euro million, except percentages)	2021		2020 restated [(b)]	
Japan	5,670	50%	5,439	50%
Hong Kong	4,073	36%	3,801	35%
Asia *High Potentials*	941	8%	1,098	10%
South Korea	645	6%	613	6%
TOTAL	**11,329**	**100%**	**10,950**	**100%**
Of which:				
Gross written premiums	11,293		10,915	
Other revenues [(c)]	37		35	

(a) Net of intercompany eliminations.
(b) Restated: reclassification of Japan Direct (previously reported with South Korea as part of Asia – Direct) to Japan.
(c) Include fees and charges related to investment contracts with no participating features, net revenues from banking activities and revenues from other activities.

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

PRODUCTS AND SERVICES

AXA operates in Asia primarily in Life & Savings and Health activities. Although recent years have seen the emergence of pan-Asian franchises, competition remains driven by local players in most of the countries.

AXA offers a full range of insurance products, including Life & Savings, Property & Casualty as well as Health. Types and specificities of the products offered by AXA vary depending on geographies:

- in Japan, AXA primarily offers Protection, Health and Savings products, notably including medical whole life and medical term insurance as well as Protection with Unit-Linked products. In Property & Casualty, product offer includes Motor insurance and other personal insurance products;
- in Hong Kong, AXA offers individual life insurance (notably traditional whole life and to a lesser extent investment-linked), as well as Protection and Health products. In Property & Casualty, product offer includes on Personal lines traditional general insurance products such as Motor, Household and Travel, as well as Commercial insurance;
- in Asia High Potentials:
  - in Thailand, Indonesia and the Philippines, AXA offers a broad range of both (i) Life & Savings and Health products including whole life, endowment, Unit-Linked, group term insurance, critical illness and hospital cash products, as well as (ii) Property & Casualty offers on both Personal and Commercial lines,
  - in China, AXA offers a whole range of general insurance products with both Personal, including Motor and Health, and Commercial lines, as well as the whole range of Life & Savings products;
- In South Korea, AXA offers Motor insurance as well as Protection & Health products.

NEW PRODUCT INITIATIVES

As in other geographies, AXA aims to become a partner for its customers, by considering the specificities of the respective markets in which it operates:

- in Japan, AXA enhanced its Health offers through (i) the launch of Premium Waiver Health Rider for designated major diseases attached on Unit-Linked products to ensure insurance coverage and investment function after diagnosis with those diseases, (ii) the release of Intensive Care Unit Lump-sum Rider for whole-life medical product in broker market (simple and affordable product released in 2020), and (iii) the start of fee-based Health services for SMEs (appointment of occupational physicians, online consultation and stress check by public health nurses). On Protection side, AXA has widened its Protection Unit-Linked offer by launching term-type Unit-Linked products to satisfy customer's diversified needs in an ageing society. On Property & Casualty side, AXA Direct Japan had introduced industry-first special premium offer for the drivers with children under 12 years old to reflect safe-driving behavior;

- in Hong Kong, AXA launched (i) a new critical illness product, providing one of the best multiple-claim coverages in the market against cancer, heart attack and stroke, as well as unique Dementia protection offering continuous annuity and lump-sum benefits, and (ii) an award-winning overseas student insurance offering home-to-home protection for students studying abroad, even for internships, part-time work and excursions. Some of the thoughtful and innovative coverages include marketing-leading medical benefit which even cover pandemics such as unexpected school closure benefit and study interruption benefit;
- in Asia High Potentials:
  - in Thailand, AXA launched a range of new Protection and Health products,
  - in Indonesia, AXA launched new endowment products and new funds attached to Single Premium Unit-Linked products, enhanced its Protection and Health proposition with the launch of a free teleconsultation app for customers in need of medical assistance during lockdowns at home and the launch of Emma, an integrated customer platform providing service touchpoints and wellness programs, for customers to actively engage in AXA journey,
  - in the Philippines, AXA launched a new medical insurance product, available in individual or family plan, that provides hospitalization benefits within the country, with option to add critical illness rider and future adjustment on the medical limit in response to increasing medical inflation. In response to the ongoing pandemic, initiatives such as special COVID-19 vaccine cover was launched for the international health plan and a cleaning and sanitizing cover was offered for retail property insurance packages, which reimburses the cleaning and sanitizing cost in case a family member living in the insured home tested positive for COVID-19,
  - in China, AXA launched a number of unique Health products that address the needs of upper middle-class segments such as signature inpatient and outpatient, short-term multi-payment critical illness, as well as mass market products including public-private-partnership schemes in several cities, and a dedicated basic inpatient medical product for cross-selling on motor base. Student and driver's Personal Accident products for commercial vehicles were also newly launched answering to market needs;
- in South Korea, AXA Korea launched an hourly-priced Motor product for the partnership with SOCAR, a leading car sharing company, as well as a new Simplified Issuance Health product, providing Health care service and premium discount for achieving the medication or walking goal, as a part of payer-to-partner initiatives.

DISTRIBUTION CHANNELS

AXA distributes its products through different distribution channels, in particular exclusive and non-exclusive agents, brokers, and partnerships and direct sales. AXA also has strong bancassurance partnerships, including joint ventures, with large international and local financial institutions.

1

AXA XL

GROSS REVENUES

(in Euro million)	Gross revenues [(a)] Years ended December 31, 2021	2020
TOTAL	**18,763**	**18,530**
Of which:		
Gross written premiums	18,698	18,454
Other revenues [(b)]	64	76

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

PRODUCTS AND SERVICES

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

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

NEW PRODUCT INITIATIVES

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

- to help clients before, during and after a cyber incident, AXA XL's North America Cyber team launched an in-house Cyber Incident Response team. Unique to the cyber insurance market, AXA XL's team of specialists – from breach coaches to forensic investigators – takes a holistic approach to assisting clients manage their cyber risks. If an incident occurs, clients have a direct line to the team and within minutes have a claim specialist working on a comprehensive response to minimize potential losses;
- AXA XL Reinsurance partnered with the Cambridge Centre for Risk Studies at Cambridge Judge Business School to help launch the new online Disaster Recovery Hub, an online resource of more than 100 major disaster case studies and covering different events in different locations. The Hub includes data visualizations and other tools to assess the role the insurance industry can play in helping communities impacted by disasters get back on their feet as quickly as possible;
- at the 2021 UN Climate Change Conference, more commonly known as COP26, AXA XL launched the Coastal Risk Index (CRI), an innovative tool that maps current and future flood hazard resulting from climate change and integrates for the first time the protective benefits of coastal ecosystems into insurance risk models. The CRI has been developed in partnership with AXA's scientific partners, IHE Delft (Netherlands) and University of California, Santa Cruz (USA) and the Government of Canada through the Ocean Risk and Resilience Action Alliance (ORRAA). It assesses coastal flooding in the context of climate change by comparing scenarios with and without coastal ecosystems, such as coral reefs and mangroves, helping to build the case for nature-based solutions;
- at the British Insurance Brokers Association (BIBA) 2021 in the United Kingdom, AXA XL and AXA Commercial demonstrate commitment to driving professional standards with the launch of new and enhanced broker learning and support programs. The Broker Academy, which runs over 8 weeks, drives professional development and further collaboration within the UK insurance market. Although solely a digital offering while COVID-19 restrictions were in force, the UK Broker Academy aims to keep interaction high, with cohorts of 30 brokers from across the UK on each program working together virtually and supported by industry experts.

DISTRIBUTION CHANNELS

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

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

International

The International markets comprise of AXA's activities in more than 20 countries, including (i) Mexico, Colombia, Turkey, Morocco, Luxembourg and Brazil that are fully consolidated, and (ii) Russia (Reso), India Life & Savings and Nigeria that are consolidated under the equity method and do not contribute to the gross revenues. Singapore and Malaysia are held for sale while Greece was included until March 2021 and the Gulf Region until June 2021.

GROSS REVENUES

(in Euro million)	Gross revenues [(a)] Years ended December 31, 2021	2020
TOTAL	**5,668**	**6,398**
Of which:		
Gross written premiums	5,305	5,968
Other revenues [(b)]	363	430

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

PRODUCTS AND SERVICES

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

NEW PRODUCT INITIATIVES

International markets continued to accelerate digital Health services capabilities and coverage in the context of the COVID-19 crisis, through the implementation of innovative tools, leveraging on already existing vertical integration set-up. International markets continued to provide an integrated ecosystem between medical assets and the insurance offer, either through onsite services in clinics, remote teleconsultation and digital services or through home services in Colombia, Egypt and Mexico. With the acceleration of teleconsultation (primary care and specialties including wellbeing and mental health) through their own network of clinics in Mexico, Egypt and Colombia, or with external partners in Turkey, Singapore, Luxembourg and Brazil, additional products/ services have been launched or piloted such as symptom checkers and triage or innovative health solutions.

In addition, International markets continued to accelerate the digitalization of processes to improve customer claims experience and to support agents, brokers or retail distribution, *e.g.* in Mexico (optimization of the pricing, and actions to minimize the average cost increase), in Colombia (online authorization, billing and payments for customers, digitalization of agents and brokers tools: trainings, reports and commercial performance model), in Brazil (digitalization of services for broker), and in Morocco (transformation project in force with higher digitalization and automatization).

DISTRIBUTION CHANNELS

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

Transversal & Central Holdings

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

GROSS REVENUES

(in Euro million, except percentages)	Gross revenues [(a)] Years ended December 31, 2021		2020 restated [(b)]	
AXA Investment Managers	1,523	47%	1,269	43%
AXA *Assistance*	1,414	43%	1,355	46%
Others [(c)]	322	10%	343	12%
TOTAL	**3,259**	**100%**	**2,966**	**100%**
Of which:				
Gross written premiums	1,284		1,242	
Other revenues [(d)]	1,975		1,724	

(a) Net of intercompany eliminations.
(b) Restated: reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.
(c) Include AXA Liabilities Managers, AXA Global Re, AXA Life Europe and Architas.
(d) Include fees and charges related to investment contracts with no participating features and revenues from other activities.

Through its operating entities located across 20 countries, **AXA Investment Managers ("AXA IM")** is a responsible asset manager, actively investing for the long-term to help its clients and its communities to thrive. Continuing in its client-centric approach whilst maintaining profitable growth, AXA IM focuses its organization *via* its key strategic platforms AXA IM Core and AXA IM Alts: Core covers Fixed Income, Equities and Multi-Assets while Alts covers Real Estate, Private Debt & Alternative Credit, Private Equity & Infrastructure and Hedge Funds. Its high conviction approach enables it to uncover the best global investment opportunities across both alternative and traditional asset classes.

AXA IM is a leading investment manager in green, socially responsible and sustainable markets, including through its commitment to becoming a net-zero investor and business by 2050, and inclusion of Environmental, Social and Governance (ESG) principles into its business, from stock selection to corporate actions and culture.

To accelerate the transition to a low-carbon world, and in seeking to position AXA IM as one of the world's leading responsible asset managers, in line with the Group's green investment target of €26 billion by 2023, it has further strengthened its climate actions: with a reinforced engagement policy and new investment policy for the oil and gas sector, and through the active decarbonization of its real estate portfolios. Within the strengthened policy, AXA IM have committed to take action by divesting from 'climate laggards', after a period, should the requisite progress not have been made. The company has also further developed its most focused ESG funds ("ACT"), increasingly invested in green assets and ensured more eligible funds and strategies are launched within Equities, Fixed Income and Multi-asset fall into Articles 8 and 9 of the Sustainable Finance Disclosure Regulation (SFDR).

AXA Assistance is the Group subsidiary providing its customers with assistance services in emergencies and everyday situations. AXA Assistance operates through six business lines (vehicle, travel, health, home, consumer electronics and legal protection) to offer customer focused services.

In 2021, AXA Assistance launched and developed several innovations:

- "*Home Manager*", a digital application that provides customers with regular updates on the progress of emergency claims. Already live in the United Kingdom and Spain, it was launched in France in 2021;
- "*Angel*", a digital medical assistant tool, that provides direct access *via* phone or chat to a "go-to" team composed of licensed healthcare professionals and care guides;
- "*TechOut*", an innovative solution leveraging Conversational Artificial Intelligence in order to help Operational Call Center employees avoid too many outbound calls on the car rental process;
- "*Augmented experience.travel*", launched to meet customers' evolving travel needs: (i) digital gateway serving as a unique entry point allowing customers to access and activate the service in just a few clicks, (ii) essential protection reinforced with pandemic-related illnesses, (iii) modular cover with personalized travel protection, (iv) 24/7 Safety hotline and medical assistance, and (v) reduction of carbon emissions;
- Club Med partnership, that aims at covering vacations in a number of destinations and includes multiple services for the club's customers, such as trip cancellation, luggage cover, cover for interrupted stays etc., *via* its flagship product, "*Ecran Total Insurance*".

2 ACTIVITY REPORT AND CAPITAL MANAGEMENT

2.1 OPERATING HIGHLIGHTS

Governance

Antoine Gosset-Grainville will succeed to Denis Duverne as Chairman of the Board of Directors of AXA SA in April 2022

On March 12, 2021, AXA announced that Denis Duverne, Chairman of the Board of Directors of AXA SA, would retire at the end of his current mandate in April 2022, as planned.

Following a comprehensive succession process led by the Compensation & Governance Committee of AXA's Board over the past two years, the Board unanimously decided to appoint Antoine Gosset-Grainville as Chairman, effective on Denis Duverne's retirement in April 2022.

AXA announced senior leadership changes to implement the new phase of its strategic journey

On March 25, 2021, then on October 28, 2021, AXA announced changes in its senior leadership team to implement its new strategic plan, "*Driving Progress 2023*", presented in December 2020.

SIMPLIFICATION OF AXA'S CORPORATE CENTER

AXA's Corporate Center moved to a simpler and more focused organization, in line with the operating model launched in 2017, and led by two Deputy CEOs:

- Frédéric de Courtois joined AXA on August 1, 2021, as Deputy CEO, in charge of Finance, Risk Management, Strategy, Ceded Reinsurance and Operations;
- George Stansfield, Deputy CEO and Group General Secretary, in charge of Legal, Human Resources, Audit, Compliance and Public Affairs, is also overseeing Communication, Brand and Sustainability.

The two Deputy CEOs are therefore managing all of the Group's central functions to ensure consistency and effectiveness in the implementation of the new strategic plan. In addition:

- Étienne Bouas-Laurent, previously Group Chief Financial Officer, became CEO of AXA Belgium, effective July 1, 2021, replacing Jef Van In. Étienne Bouas-Laurent is also overseeing activities in Luxembourg;
- Alban de Mailly Nesle, previously Group Chief Risk and Investment Officer, became Group Chief Financial Officer while continuing to lead Group Investments, effective July 1, 2021.

CHANGES IN KEY GEOGRAPHIES

Important leadership changes were also implemented in key geographies:

- Jacques de Peretti, previously Chairman and CEO of AXA France, took up a new challenge serving as a Senior Advisor to the Group CEO to help drive key strategic initiatives across the Group and as a Board member of different AXA entities. Jacques de Peretti remains a member of AXA's Management Committee;
- Patrick Cohen, previously CEO of AXA Italy, was appointed CEO of AXA France, reporting to Thomas Buberl, effective May 3, 2021;
- Benoît Claveranne, previously CEO of AXA International & New Markets (INM), decided to pursue new opportunities outside of the Group. The African and Asian operations of INM now report to Gordon Watson, CEO of AXA Asia and Africa, and the other INM operations [(1)] as well as AXA Partners and AXA Next report to Antimo Perretta, CEO of AXA Europe and Latin America.

RENEWED MANAGEMENT COMMITTEE

The Group's Management Committee was renewed with the further addition of Helen Browne, Group General Counsel, and Ulrike Decoene, Group Chief Communication, Brand and Sustainability Officer.

AXA's Management Committee is now composed of 14 members:

- led by Thomas Buberl, CEO and Director of AXA Group ;
- George Stansfield, Deputy CEO and Group General Secretary, in charge of Legal, Human Resources, Audit, Compliance, Public Affairs, Communication, Brand and Sustainability ;
- Frédéric de Courtois, Deputy CEO, in charge of Finance, Risk Management, Strategy, Ceded Reinsurance and Operations ;
- Helen Browne, Group General Counsel ;
- Patrick Cohen, CEO of AXA France ;

(1) *Scope as of February 24, 2022: Brazil, Colombia, Luxembourg, Mexico, Turkey and Russia.*

- Ulrike Decoene, Group Chief Communication, Brand and Sustainability Officer ;
- Georges Desvaux, Group Chief Strategy and Business Development Officer ;
- Scott Gunter, CEO of AXA XL ;
- Alban de Mailly Nesle, Group Chief Financial Officer ;
- Marco Morelli, Executive Chairman of AXA Investment Managers ;
- Jacques de Peretti, Senior Advisor ;
- Antimo Perretta, CEO of AXA Europe and Latin America ;
- Karima Silvent, Group Chief Human Resources Officer ;
- Gordon Watson, CEO of AXA Asia and Africa.

The implementation of these changes was subject to consultation with social partners and regulatory authorities where applicable.

Appointment of Jef Van In as CEO of AXA Next and AXA Partners, and Group Chief Innovation Officer

On April 9, 2021, AXA announced the appointment of Jef Van In, previously CEO of AXA Belgium, as CEO of AXA Next and Group Chief Innovation Officer, effective July 1, 2021. He reports to Antimo Perretta, CEO of AXA Europe and Latin America and a Member of AXA's Management Committee. Jef Van In replaced Delphine Maisonneuve who decided to take on a new role outside of AXA.

In addition to his new role as CEO of AXA Next and AXA Group's Chief Innovation Officer, Jef Van In was appointed CEO of AXA Partners, effective as of August 1, 2021.

AXA presented the results of its Shareholders' Meeting, the "AXA For Progress Index" and its 2020 Integrated Report

RESULTS OF AXA'S ANNUAL SHAREHOLDERS' MEETING

During the Shareholders' Meeting held on April 29, 2021, all resolutions recommended by the Board of Directors were approved by AXA's shareholders, including:

- the appointment as directors for a four-year term of Mr. Guillaume Faury and Mr. Ramon Fernandez;
- the re-appointment as director of Mr. Ramon de Oliveira for a four-year term;
- the payment of a €1.43 dividend per share for the 2020 fiscal year, paid on May 11, 2021 (ex-dividend date: May 7, 2021).

LAUNCH OF THE "AXA FOR PROGRESS INDEX"

During its 2020 Shareholders' Meeting, AXA presented its purpose, "Acting for human progress in protecting what matters" to express the Group's identity, to define its mission and to set a long-term strategic horizon. To make its purpose tangible and operational for all teams, the Group launched, on April 29, 2021, the "AXA For Progress Index". It aims to measure and amplify the impact of AXA's purpose on the Group's activities through precise objectives:

- Investments
  - reduction of the carbon footprint of the General Account assets by 20% by 2025,
  - development of the green investment portfolio to reach €26 billion by 2023;
- Insurance
  - strengthening the share of insurance products with a positive impact on the environment, through the guarantees or services offered,
  - promotion of inclusive insurance for vulnerable populations;
- Corporate Responsibility
  - training all employees on climate issues by 2023,
  - carbon neutrality of our activities by 2025 by reducing emissions from our operations by 20% and offsetting residual emissions.

The "*AXA For Progress Index*" will also incorporate AXA's position in the S&P Global Corporate Sustainability Assessment, which recognizes the most responsible companies in the financial sector.

PUBLICATION OF AXA'S INTEGRATED REPORT

On the same day, as it does every year at the time of its Annual Shareholders' Meeting, AXA released the new edition of its Integrated Report, which looks back on 2020 through the analysis of external experts, discusses the Group's results and strategic outlook and reports its financial, environmental and social impact. This report is available on AXA's website at: https://www.axa.com/en/about-us/2020-integrated-report.

Appointment of Clotilde Delbos as member of AXA's Board of Directors to replace Irene Dorner

During its meeting held on May 10, 2021, AXA's Board of Directors acknowledged Mrs. Irene Dorner's resignation from the Board as she wished to devote more time to her role as Chairwoman of Taylor Wimpey Plc (United Kingdom), which she assumed in February 2020.

The Board of Directors, following the recommendation of its Compensation & Governance Committee, decided to coopt Mrs. Clotilde Delbos to the Board with immediate effect for the remainder of Mrs. Irene Dorner's mandate, *i.e.* until the Shareholders' Meeting called to approve the financial statements of the 2023 fiscal year. Ratification of her cooptation will be proposed at AXA's next Shareholder's Meeting.

Mrs. Clotilde Delbos' candidacy was selected by the Board of Directors mainly due to her executive officer profile and her strong financial expertise. She is currently Deputy Chief Executive Officer and Chief Financial Officer of the Renault Group, which she joined in 2012 and where she served as interim Chief Executive Officer from October 2019 to July 2020.

Mrs. Clotilde Delbos was also appointed as a member of the Audit Committee, the Chairmanship of which has been entrusted by the Board of Directors, following the recommendation of its Compensation & Governance Committee, to Mrs. Isabel Hudson.

AXA's Board of Directors proposed the renewal of Thomas Buberl's term as Chief Executive Officer

On August 2, 2021, based on the recommendation of its Compensation & Governance Committee, AXA's Board of Directors decided to propose the renewal of Thomas Buberl's mandate as a member of AXA's Board of Directors and Group Chief Executive Officer. The renewal of his mandate as a director, for a period of 4 years, will be proposed to AXA's shareholders at their next Annual General Meeting in April 2022.

Appointment of Alexander Vollert as Group Chief Operating Officer and Thilo Schumacher as CEO of AXA Germany

On October 28, 2021, AXA announced the appointment of Alexander Vollert, previously CEO of AXA Germany, as Group Chief Operating Officer, effective December 1, 2021. He succeeds Astrid Stange and reports to Frédéric de Courtois, Group Deputy CEO and a Member of the AXA Group Management Committee.

Alexander Vollert was replaced by Thilo Schumacher, previously Head of Life, Savings and Health and a Member of the Executive Committee of AXA Germany, effective December 1, 2021. He reports to Antimo Perretta, CEO of AXA Europe and Latin America and a Member of the AXA Group Management Committee.

Appointment of Andrew Wallace-Barnett as Group Chief Compliance Officer and Anu Venkataraman as Head of Investor Relations

On February 3, 2022, AXA announced the appointment of Andrew Wallace-Barnett, currently Head of Investor Relations, as Group Chief Compliance Officer from September 1, 2022. He will succeed Ian Johnson who has decided to retire after a successful 30-year career in the Group. Andrew will report to George Stansfield, Group Deputy CEO, General Secretary, and a Member of the AXA Group Management Committee.

Andrew Wallace-Barnett will be replaced by Anu Venkataraman, who joins from AllianceBernstein L.P. where she has built a very rich and successful career. She is currently Portfolio Manager as well as Senior Research Analyst covering financial stocks in the United States and International Markets. She will take her new role on March 1, 2022. In addition, she will take on a senior role within the Group Strategy Department, with a double reporting line to Alban de Mailly Nesle, Group Chief Financial Officer, and Georges Desvaux, Group Chief Strategy and Business Development Officer, both members of AXA's Management Committee.

SIGNIFICANT TRANSACTIONS

AXA completed the sale of its insurance operations in Greece

On May 31, 2021, AXA announced that it had completed the sale of its Life & Savings and Property & Casualty businesses in Greece to Generali, for a total cash consideration of €167 million.

AXA to sell its insurance operations in Malaysia

On June 22, 2021, AXA announced that it had entered into an agreement with Generali to sell its insurance operations in Malaysia, which include its 49.99% shareholding in AXA Affin General Insurance ("AAGI") and 49% shareholding in AXA Affin Life Insurance ("AALI").

Under the terms of the agreement, AXA will sell its ownership in AAGI and AALI for total cash proceeds of RM 688 million [(1)] (or €140 million [(2)]).

The transaction is subject to closing conditions, including the receipt of regulatory approvals, and is expected to close by 2Q 2022.

AXA to sell its insurance operations in Singapore for US$ 0.5 billion [(3)]

On August 16, 2021, AXA announced that it had entered into an agreement with HSBC to sell AXA Insurance Pte Ltd ("AXA Singapore").

Under the terms of the agreement, AXA will sell AXA Singapore for a total cash consideration of US$ 529 million (or €463 million [(4)]).

The transaction resulted in a negative net income impact of €230 million for AXA Group's 2021 consolidated financial statements.

(1) Including the repayment of RM 39 million (or €8 million) subordinated debt issued by AAGI to AXA, prior to or at the closing of the transaction.

(2) EUR 1 = RM 4.9328 as of June 18, 2021 (Source: Bloomberg).

(3) Cash consideration at the time of disposal (February 11, 2022), including a price adjustment reflecting customary closing conditions.

(4) EUR 1 = US$ 1.1425 as of February 9, 2022 (Source: Bloomberg).

AXA completed the sale of its insurance operations in the Gulf Region

On September 7, 2021, AXA announced that it had completed the sale of its 50% shareholding in AXA Gulf and its 34% shareholding in AXA Cooperative Insurance Company (in Saudi Arabia) to Gulf Insurance Group, for a cash consideration of US$ 264 million (or €222 million [(1)]).

The sale of AXA's 28% shareholding in AXA Green Crescent Insurance Company (in UAE), representing cash consideration of US$ 5 million (or €4 million), was closed on September 13, 2021.

AXA and Bharti completed the combination of their non-life operations in India into ICICI Lombard

On September 8, 2021, AXA and Bharti announced that they had completed the combination of their non-life insurance operations in India, Bharti AXA General Insurance Company Limited ("Bharti AXA GI"), into ICICI Lombard General Insurance Company Limited ("ICICI Lombard"). AXA and Bharti's ownership of Bharti AXA GI was 49% and 51% respectively.

As per the terms of the disposal of Bharti AXA GI, AXA and Bharti received a total of 35.8 million shares of ICICI Lombard. On October 7, 2021, AXA sold its shares for a total cash consideration of €306 million [(2) (3)].

AXA completed the sale of AXA Bank Belgium

On December 31, 2021, AXA announced that it had completed the sale of its Belgian banking operations, AXA Bank Belgium, to Crelan Bank NV/SA ("Crelan"), for a total consideration [(4)] of €691 million, comprised of **(i)** a net cash consideration of €611 million [(5)], and **(ii)** the transfer to AXA Belgium of 100% of Crelan Insurance [(6)] (valued at €80 million). In addition, AXA and Crelan have entered into a long-term P&C and Protection insurance distribution partnership which is effective since January 1, 2022, extending the existing partnership between AXA Bank Belgium and AXA Belgium to the entire Crelan network.

The parties have amended their original agreement whereby AXA has subscribed additional Tier 1 debt [(7)] issued by Crelan for an issue price of €245 million instead of acquiring a minority equity stake of 9.9% in Crelan for €90 million, as communicated at the time of the signing of the transaction. As per the terms of the initial agreement, Crelan has also purchased for €90 million the contingent convertible bonds previously issued by AXA Bank Belgium to AXA Group. The completion of the transaction resulted in a positive impact of 5 points on AXA Group's Solvency II ratio in 4Q 2021.

PARTNERSHIPS AND INNOVATION

AXA collaborates with Microsoft to create the next generation standard of health and well-being services

On April 14, 2021, AXA announced it was collaborating with Microsoft to build a digital healthcare platform, enabling a virtual healthcare system that is open to all. The partnership will be built on AXA's global reach, extensive experience in healthcare and insurance, business and technology architecture skills, and Microsoft's deep expertise in cloud-based computing, artificial intelligence, and array of partnerships with clinical partners and third-party vendors. The new platform will rely on the extensive portfolio of technology in the Microsoft Cloud for Healthcare, including Azure API for FHIR (Fast Healthcare Interoperability Resources), that enables patient insights without compromising patient privacy.

The digital healthcare platform will link digital health services offered by AXA to support its customers at every stage of their e-health experience. The range of services offered will include a self-assessment and prevention tool, a medical concierge, a teleconsultation interface, a digital document vault, home care services (*e.g.* medicine delivery) or a directory of healthcare professionals. Furthermore, the platform will break down health service silos to improve research, treatments and prevent diseases.

A pilot program, which included a self-assessment tool, teleconsultation and a medical concierge to facilitate appointment-setting, was successfully launched in late 2020. The platform is open to all AXA customers in Germany and Italy, with tailored services. The service will be deployed by 2022 in the United Kingdom, Belgium, Spain and Switzerland to be followed by other countries around the globe.

In the long-term, the platform aims to allow integration of third-party services, with the ambition of creating an open, global service for healthcare providers and patients, regardless of whether they are AXA customers.

(1) EUR 1 = US$ 1.1890 as of September 3, 2021 (Source: Bloomberg).

(2) EUR 1 = INR 86.3917 as of October 7, 2021 (Source: Bloomberg).

(3) Based on ICICI Lombard closing share price in the National Stock Exchange (NSE) as of October 7, 2021.

(4) In cash terms, AXA S.A. received €691 million for the sale of AXA Bank Belgium and AXA Belgium paid Crelan €80 million for the purchase of Crelan Insurance.

(5) Including a price adjustment reflecting customary closing conditions.

(6) The insurance company of Crelan, providing protection insurance linked to loans originated by Crelan.

(7) Perpetual debt callable in 2027, subscribed by both AXA S.A. and AXA Belgium.

CAPITAL/DEBT OPERATIONS

AXA Ratings

On June 15, 2021, Moody's Investors Service reaffirmed the "Aa3" insurance financial strength rating of AXA's principal insurance subsidiaries, with a stable outlook.

On May 27, 2021, Fitch Ratings reaffirmed the financial strength rating of AXA's core operating subsidiaries at "AA-", changing the outlook to positive from stable.

On March 12, 2021, S&P Global Ratings reaffirmed the long-term financial strength rating of AXA's core operating subsidiaries at "AA-", with a stable outlook.

AXA announced the successful placement of €1 billion of subordinated green bonds due 2041

On April 1, 2021, AXA announced the successful placement of its first subordinated green bonds, which have been issued under AXA Group's newly established Sustainability Bond Framework.

In 2019, AXA launched a new phase of its climate strategy and doubled its green investment target to €25 billion by 2023. With this issuance, the Group further increased this target by €1 billion to €26 billion.

An amount equivalent to the proceeds of the green bond issuance will be exclusively used to finance or re-finance eligible Green Projects in the following eligible Green Categories: Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency and Natural Resources/Sustainable Forestry, as set out and defined in AXA Group's Sustainability Bond Framework.

Sustainalytics provided a third-party opinion on AXA Group's Sustainability Bond Framework, available on www.axa.com. In line with the green bond market standards (ICMA's Green Bond Principles), AXA will publish an allocation and impact report annually to track the financing of Green Projects and their associated positive environmental impacts.

FINANCIAL CONDITIONS

This issuance is consistent with the Group's expectations for debt gearing over its 2020-2023 strategic plan, as communicated at AXA's 2020 Investor Day.

This first green subordinated bond issuance placed with institutional investors in April matures in 2041. The initial fixed coupon has been set at 1.375% *per annum* until the end of the 6-month call window period (October 2031), when it will become a floating coupon based on 3-month EURIBOR plus a margin including a 100 basis points step up.

Investor demand was strong with more than 100 institutional investors participating, mainly asset managers, insurers and pension funds essentially across Europe.

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

The bonds are rated BBB+/Stable by Standard & Poor's, A3(hyb)/Stable by Moody's and BBB/Stable by Fitch. Settlement of the bonds took place on April 7, 2021.

AXA allocated €2 billion to French Recovery Participatory Loan scheme

On April 26, 2021, AXA announced a €2 billion allocation to the *Prêts Participatifs Relance* to strengthen SME capital in France.

This scheme, deployed in coordination with the French Insurance Federation (FFA) and a network of partner banks, aims to provide up to €14 billion in participative loans by June 2022 to French companies affected by the crisis linked to COVID-19. Guaranteed 30% by the State, these participative loans meet insurer investment criteria and constitute a suitable investment to finance the economic recovery.

The loans will help strengthen the balance sheet and finance the growth of nearly 12,000 SMEs in all sectors of the French economy. They will be granted to beneficiaries under simple terms and at attractive rates.

This initiative complements AXA's previous commitments to financing the economy, such as the €500 million mandate given to the CAPZA Expansion fund to support French SMEs. Deployed since July 2020, this mechanism helps strengthen the capital of companies affected by the health crisis and offers them targeted support to continue their development.

Shareplan 2021

On August 23, 2021, the AXA Group announced that it would offer to its employees, in and outside of France, the opportunity to subscribe to shares issued by way of a capital increase reserved to employees ("Shareplan 2021"). This operation, deeply rooted in AXA's culture, is a powerful lever to strengthen the existing links with our teams, by associating them even further to the Group's performance and its long-term successes. Approximately 21,000 employees in 36 countries, representing nearly 19% of the eligible employees, subscribed to Shareplan 2021.

The aggregate proceeds from the offering amount to nearly €293 million, for a total of 13,828,756 newly-issued shares, subscribed at a price of €18.86 for the classic plan and €21.98 for the leveraged plan. The new shares are created with full rights as of January 1, 2021. This offering increases the total number of outstanding AXA shares which amounts to 2,432,985,381 on November 26, 2021.

Following Shareplan 2021, AXA's employees hold 4.16% of the share capital and 5.69% of the voting rights.

Share repurchase program in relation to compensation schemes or employee share offerings

In order to meet its obligation to deliver shares and to eliminate the dilutive effect of certain share-based compensation schemes [(1)] or employee share offerings [(2)], in the course of 2021, AXA had bought back 13,551,124 shares. These shares will be delivered to the beneficiaries of share-based compensation schemes or cancelled, all in accordance with the share repurchase program [(3)].

Completion of AXA's share buy-back program of €1.7 billion [(4)] announced on November 4, 2021, and execution of a share repurchase agreement in relation to AXA's share buy-back program of up to €0.5 billion [(5)], as initially communicated on November 4, 2021, and announced on February 24, 2022

As part of the share buy-back program of up to €1.7 billion announced on November 4, 2021, AXA executed on November 26, 2021, a share repurchase agreement with an investment services provider, pursuant to which AXA completed the repurchase of own shares in an amount of €1.4 billion [(6)] in accordance with the terms of its share repurchase program (and as authorized by the General Shareholders' Meeting of April 29, 2021). Pursuant to this share repurchase agreement, shares were bought back between November 29, 2021, and February 10, 2022.

On each day during the purchase period, the price per share paid by AXA was determined on the basis of the volume-weighted average share price. The shares so repurchased came as a complement to the €0.3 billion [(7)] of own shares repurchased by AXA since November 8, 2021, as part of the up to €1.7 billion share buy-back program announced on November 4, 2021. AXA intends to cancel all repurchased shares related to this €1.7 billion share buy-back program.

In addition, on February 25, 2022, AXA has executed a share repurchase agreement with an investment services provider, whereby AXA will buy back its own shares for a maximum amount of €0.5 billion to neutralize earnings dilution from disposals [(8)] announced after December 1, 2020 [(9)], as initially communicated on November 4, 2021, and confirmed on February 24, 2022. The share repurchase agreement will be executed in accordance with the terms of the share repurchase program authorized by the General Shareholders' Meeting of April 29, 2021.

Under the share repurchase agreement announced, shares will be bought back commencing on February 28, 2022, and ending at the latest on April 27, 2022. On each day during the purchase period, the price per share to be paid by AXA [(10)] will be determined on the basis of the volume-weighted average share price.

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

Transformation of AXA SA into the Group's internal reinsurer

On February 24, 2022, the Group announced its intention to transform AXA SA, the holding company of AXA Group, into the Group's internal reinsurer. AXA SA would become a licensed reinsurer and absorb its current captive internal reinsurer, AXA Global Re, in a merger. AXA SA intends to reinsure part of its European Property & Casualty carriers through annually renewable quota share reinsurance treaties [(11)]. This initiative aims to enhance capital fungibility across the Group, in line with our capital management policy. Subject to obtaining regulatory and AXA SA's shareholders [(12)] approval, the transformation is expected to close by June 30, 2022, with retroactive effect for the new reinsurance treaties to January 1, 2022.

The Group expects €2 billion [(13)] additional cash at AXA SA by 2026 as the result of this transformation, of which €1 billion additional cash by 2023, comprising **(i)** a one-time cash impact [(14)] resulting from the merger of AXA SA with AXA Global Re, and **(ii)** accelerated cash remittance.

(1) Stock-options plans and performance shares plans.

(2) Employee share offering "Shareplan 2021".

(3) AXA share repurchase program was authorized during the Annual Shareholder's Meeting of AXA SA of April 29, 2021.

(4) €1,699,999,979.

(5) The immediate launch of share buy-back program for up to €0.5 billion is expected to start on or about February 28, 2022. AXA may mandate a bank to carry out the share buy-back program, in which case further details will be communicated at the appropriate time.

(6) €1,352,485,239.

(7) €347,514,740.

(8) Disposals announced after December 1, 2020, and either closed (Greece on May 31, 2021, and Singapore on February 11, 2022) or expected to be closed in 2Q 2022 (Malaysia, subject to closing conditions).

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

(10) The purchase price will not exceed the maximum purchase price approved by the General Shareholders' Meeting of April 29, 2021.

(11) Expected to be 25% quota-share reinsurance treaties in 2022.

(12) Such prior approval of AXA SA's shareholders, which relates to necessary changes to AXA SA's Bylaws, is expected to be sought at the Shareholders' Meeting on April 28, 2022.

(13) Assuming current operational and regulatory conditions.

(14) €+0.7 billion one-time cash impact, not booked as cash remittance and therefore not impacting "Driving Progress 2023" cash upstream targets.

OTHER

AXA deploys its smart working strategy worldwide

On January 19, 2021, AXA announced the extension of its smart working strategy to all entities worldwide. This strategy aims to implement a hybrid way of working, combining remote work and office presence by enabling employees on a voluntary basis to work remotely with two days as a general guide.

These principles will be deployed by 2023, they have been applied in the major entities employing over 70% of AXA employees. The program will include change management and training measures, adaptation of workspaces and provision of IT equipment. Particular attention will be paid to the autonomy and responsibility of teams, and to the cohesion and well-being of employees. Smart working will not preclude eligible employees to work full time in the office if they want to or need to, depending on the specificity of their job.

This decision is based on the successful implementation of remote working – with 38% of employees regularly working from home prior to the crisis, and 90% of them wishing to increase the practice of remote working in the future – as well as on the experience gained during the COVID-19 health crisis during which full remote working guaranteed operational continuity.

AXA France's settlement offer to restaurants – Group impact

On June 10, 2021, in the context of continuing judicial uncertainty, AXA France announced the launch of a settlement offer to 15,000 restaurant owners who hold non-damage business interruption policies.

AXA estimated the cost of these settlements to be ca. €0.3 billion, gross of tax and before reinsurance. The cost of the settlements, net of tax and after reinsurance, was offset in 2021 by favorable developments related to COVID-19 in France and in Europe.

AXA published its 2021 Climate Report

On June 29, 2021, AXA announced the publication of its 6th Climate Report. This report fulfils the legal requirements for non-financial reporting as well as the voluntary approach of the Task Force on Climate-related Financial Disclosures (TCFD), which AXA has supported since its creation. It describes AXA's responsible investment and insurance initiatives in the fight against climate change and measures the Group's progress in its ambition to reach the objectives of the Paris Agreement.

Among the various indicators measuring AXA's activities with regard to climate change, this report highlights the "warming potential" methodology, which measures the impact of the Group's investments on global warming by 2050. At the end of 2020, it stood at 2.7°C, significantly below the market, whose potential was 3.2°C. This indicator is key for AXA, which committed to limiting the warming potential of its investments to 1.5°C by 2050.

The report also shows that the "green" share of AXA's portfolios is increasing – driven in particular by the €26 billion green investments planned by 2023 – and that the carbon footprint of General Account Savings investments continues to decline, in line with the -20% target by 2025 set by AXA's strategic plan "*Driving Progress 2023*".

These indicators are part of a fundamental methodological effort by the financial industry to measure its climate impact, anticipate and manage climate-related risks for its business and stakeholders, and determine effective action plans.

AXA released its 2021 Future Risks Report: Climate change and cyber risk top the list of concerns

On September 29, 2021, AXA released the 8th edition of its Future Risks Report. This global study measures and ranks the evolution of the perception of emerging risks as seen by a panel of Risk Management experts as well as by public opinion. More than 23,000 people were surveyed. This report is produced in partnership with the IPSOS research institute and the geopolitical analysis consultancy Eurasia Group.

Climate change risks are back at the top of the global ranking. Awareness is highest in Europe, where experts and the public once again place this risk at the top of the list. It is only in third place in Asia and the Middle East and fourth place in Africa, where the pandemic remains the main concern.

The study reveals a strong concern about cyber risk in a context still marked by the acceleration of the digital transformation and the explosion in the number of cyber-attacks. For the first time, this risk takes the lead in the United States and the second place in all other geographies.

This edition was marked by the return of climate change as the number one risk, but also by the strong concern regarding cyber risk. In the aftermath of the health crisis, this report also reveals society's high expectations towards public and private players to offer new and collective protection to face constantly evolving risks.

AXA announced a plan to fight against deforestation to preserve biodiversity

On October 14, 2021, AXA announced new commitments to preserve biodiversity by implementing a plan to fight against the deterioration of forest ecosystems. Deforestation is one of the main causes of biodiversity loss and carbon emissions. It even represents a double loss for the climate because forests are the greatest contributors to carbon capture.

To protect these ecosystems, AXA will invest €1.5 billion to support sustainable forest management, including €500 million in reforestation projects in emerging countries, enabling a total of 25 megatons of CO_2 to be captured each year. Currently, with more than 60,000 hectares of forests in its portfolio, managed on behalf of the AXA Group, all of which are certified by the Programme for the Endorsement of Forest Certification or the Forest Stewardship Council, AXA Investment Managers is an active player in sustainable forest management.

AXA will also strengthen its investment and insurance requirements in activities that actively contribute to deforestation. This will concern certain soy, palm oil, timber, and cattle production in regions where these industries strongly contribute to deforestation.

Furthermore, AXA is joining the World Heritage Sites initiative, launched by the United Nations Principles for Sustainable Insurance and WWF, and will implement specific exclusions on its insurance activities to protect the main biodiversity reserves identified by UNESCO. Half of these sites, spread over 110 countries, are recognized as biodiversity hotspots, and play a key role in natural disaster prevention.

Lastly, AXA will continue its ongoing commitment to biodiversity conservation through its work as a founding member of the Taskforce on Nature-related Financial Disclosures. This initiative will play a key role in developing a reporting framework that will enable financial institutions to identify and analyze economic activities that have a direct and indirect material impact on biodiversity.

AXA extends its oil and gas exclusions to support the energy transition

On October 29, 2021, in the run-up to COP26, AXA extended its commitment to fight climate change and protect biodiversity. AXA announced several new milestones in its approach to the energy sector by strengthening its existing Oil and Gas exclusions, with a specific focus on unconventional activities and new greenfield explorations.

AXA's new commitments are the following [1]:

Firstly, AXA will stop investing in and underwriting new upstream oil greenfield exploration projects unless they are carried out by companies with the most far-reaching and credible transition plans.

- AXA excludes all new direct investments in listed equities and corporate bonds in developed markets in Oil and Gas companies operating in upstream and/or oilfield services and/or downstream subsectors, as well as most midstream players. AXA selects integrated Oil and Gas companies for investments based on a restrictive selection process. Less than 5% of the approximately 650 companies identified in the Global Oil and Gas Exit List by NGO Urgewald [2] meet AXA's criteria.
- From 2023, AXA will apply the same selection process, and take into account the Science-Based Targets initiative (SBTi) framework as it becomes available, for its underwriting business of new insurance coverage on new upstream oil greenfield exploration projects.

Secondly, AXA will significantly reduce its investment and insurance exposure to unconventional exploration and production from its business from 2022, as follows:

- Arctic: AXA extends the scope of its Arctic investment and underwriting restrictions beyond the Arctic circle and the 70°N zone in alignment with the Arctic Monitoring and Assessment Programme (AMAP). Only businesses with Norwegian operations in the AMAP region will be maintained, given their high environmental standards and lower operational carbon footprint. AXA will strengthen the thresholds applicable to both its investments and insurance activities in this particularly fragile region, excluding new investments and underwriting coverage for Oil and Gas extraction activities carried out in the AMAP region by companies deriving more than 10% of their production from the AMAP region or producing more than 5% of the worldwide volume of AMAP-based Oil & Gas. For underwriting, exemptions may be granted if the projects are carried out by Oil and Gas companies with the most far-reaching and credible transition plans;
- Oil sands: on top of the existing restrictions in place, AXA will adopt a more stringent policy by ceasing direct investments in companies producing more than 5% of the worldwide volume of oil sands. For underwriting, current exclusions will be extended to all lines of business;
- Fracking/shale Oil and Gas: AXA will no longer directly invest in companies, nor provide any insurance coverage to activities of companies, deriving more than 30% of their production from fracking/shale Oil and Gas.

Lastly, AXA continues to intensify its investments in green and low-carbon energies.

- The Group's green investment target increases to €26 billion by 2023, compared to €24 billion announced at the end of 2020.

(1) Please refer to AXA's memorandum entitled "AXA Group Energy Policy, Focus on the Oil and Gas Industry" for further details on AXA's new commitments (https://www.axa.com/en/about-us/climate-change-and-biodiversity-strategy).

(2) https://urgewald.org/english. As the final version of the Global Oil and Gas Exit List will expected to be released in November 2021, AXA refered to a provisional version of this list.

2.2 MARKET ENVIRONMENT

Financial Market Conditions

2021 was broadly a year of rebound as economies around the world benefited from reopenings, accommodative Central Banks' monetary policies and vaccination programs. Despite this support, markets were set back several times by the appearance of new COVID-19 variants, and towards the end of the year the economic recovery was dampened by the Omicron variant. Meanwhile, major vaccination programs supported the recovery of developed and emerging economies.

Moreover, as observed in the first half of the year, the reopening of economies created a sudden uptick in demand that the value chain and labor market supply could not meet. Some of the resulting bottlenecks and supply-chain disruptions continued into the second half of the year. In turn, this long-term disconnect led to a sustained surge in prices and therefore inflation, which, though still expected to be broadly transitory, has been higher and more persistent than initially anticipated.

While inflation prompted central banks and governmental authorities to rethink their monetary policies, most of them remained generally accommodative to economic recovery. Not all public bodies reacted in the same way. The European Central Bank (ECB) positioned itself to continue to stimulate economic growth while assuming inflation would decline, while the US Federal Reserve (Fed) and Bank of England (BoE) chose to react quicker to the inflationary pressures. The combined effect was an overall strong year of GDP growth mixed across geographies, as China and the United States more than offset their previous contractions, while the Eurozone, the United Kingdom and Japan did not.

In Europe, while vaccinations were off to a slow start, fewer and targeted restrictions along with a ramped-up vaccine roll-out gave way to overall economic recovery. Supply disruptions weighed on some economies more than others, with Germany notably suffering as car production was heavily affected. Eurozone GDP rose by 5% in 2021, with France outperforming the broader Eurozone, with GDP up 7% over the year.

The United Kingdom launched a faster vaccination program, but also had a more severe economic contraction from which to recover, as the spread of the virus in 2020 hit the country harder than other European countries. The rebound in 2021 reached +7% growth. However, a combination of the lingering pandemic and Brexit-related supply restrictions appeared likely to restrain growth outlook.

The United States posted a smaller economic contraction than Europe in 2020, and 2021 also rebounded to a growth of +6%. This dynamic resulted from the fast launch of the vaccination campaigns along with a swift easing of pandemic-related restrictions and ongoing large stimulus packages.

In Asia, China also posted a strong recovery in 2021, totalling +8% for the year, as it benefited from strong export demand. However, a zero-tolerance COVID-19 policy caused significant restrictions which dampened growth in 2021. Meanwhile, government policies surrounding energy, housing and inequality all weighed on growth throughout the year. In Japan, the vaccination campaigns started later then other major economies. However, a removal of the State of Emergency boosted the recovery and growth was up 2% for the year.

STOCK MARKETS

(main indexes)	December 31, 2021	December 31, 2021/ December 31, 2020	December 31, 2020	December 31, 2020/ December 31, 2019
CAC 40	7,153	29%	5,551	-7%
Eurostoxx 50	4,298	21%	3,553	-5%
FTSE 100	7,385	14%	6,461	-14%
Nikkei	28,792	5%	27,444	16%
S&P 500	4,766	27%	3,756	16%
MSCI World	3,232	20%	2,690	14%
MSCI Emerging	1,232	-5%	1,291	16%

Source: Bloomberg.

Optimism surrounding the vaccination and strong corporate earnings boosted most equity indexes. After a cautious first quarter, developed equity markets rose quickly in the second quarter before slowing down to levels which still achieved strong gains for the year. Continued monetary accommodation from major central banks contributed to these gains. The Eurostoxx 50 posted year-on-year gains of 21.0%, including a post-financial crisis high in November 2021. This strong performance was outpaced by the S&P 500, which rose by 26.9% over the same period, closing at a record high close to 4,800. The FTSE 100 underperformed with a less spectacular 14.3% rise over the year, yet its performance exceeded levels not seen since 2016. China's CSI 300 index dropped by 5.2% in 2021, reflecting the strong performance of last year but also concerns about the Chinese property sector and more broadly about the official position in various sectors creating headwinds to growth.

Uncertainty continued to fade in 2021 relative to the record volatility spikes witnessed in March 2020. The S&P 500 implied volatility index (VIX) trended lower in 2021 with a modest rise in mid-December associated with uncertainties surrounding the emergence of the Omicron variant. Even so, the VIX decreased from 23 points on December 31, 2020, to 17 points on December 31, 2021, yet slightly higher than the 14 points recorded on December 31, 2019.

BOND MARKETS

(in % or basis points (bps))	December 31, 2021	December 31, 2021/ December 31, 2020	December 31, 2020	December 31, 2020/ December 31, 2019
10Y French bond	0.20%	54 bps	-0.34%	-46 bps
10Y German bond	-0.18%	39 bps	-0.57%	-38 bps
10Y Swiss bond	-0.15%	40 bps	-0.55%	-8 bps
10Y Italian bond	1.17%	63 bps	0.54%	-87 bps
10Y UK bond	0.97%	77 bps	0.20%	-63 bps
10Y Japanese bond	0.07%	4 bps	0.02%	3 bps
10Y US bond	1.51%	60 bps	0.91%	-100 bps

Source: Bloomberg.

At the beginning of the year, yields rose from the anticipation that inflation and real interest rates would rise. This trend was particularly visible in the United States, where President Biden's control of Congress enabled significant fiscal stimulus in March 2021. The US 10-year Treasury yields rose to 1.74% by March 31, 2021, the highest level reached during the year. Yields subsequently retreated below 1.20% by August 2021, as the United States suffered another COVID-19 outbreak, and closed the year at 1.51%. European bond yields followed a similar pattern. For instance, the benchmark German Bund yields reached -0.10% in mid-May 2021, but then fell back to -0.50% in August 2021, to close 2021 at -0.18%. Only the 10-year gilt yields broke this pattern as they rose to around 0.90% in March and May 2021 before retracting to 0.50% in August 2021. However, with the unpredictable communication from the Bank of England on rate hikes, gilt yields first reached 1.20% in October 2021 while ending the year at 0.97%.

Corporate spreads ended the year close to the pre-COVID-19 pandemic levels and with negligible volatility. In Europe, the iTraxx Main index spread finished the year practically unchanged at 48 and iTraxx Crossover at 243. Similarly, in the United States, both the CDX IG and CDX HY index spreads remained nearly stable at 50 and at 293, respectively.

The mid-November to mid-December 2021 spread correction was triggered by a firmer position of central banks with regards to the outlook for monetary policy combined with emerging concerns about the Omicron variant. However, even this impact was modest by historical standards and the spread widening was fully resorbed by year-end as market concerns faded.

EXCHANGE RATES

	End of Period Exchange rate		Average Exchange rate	
(for €1)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
US Dollar	1.14	1.22	1.18	1.14
British Pound Sterling	0.84	0.90	0.86	0.89
Swiss Franc	1.04	1.08	1.08	1.07
Japanese Yen	131	126	130	122

Source: Bloomberg.

Although real yields remained subdued, the expectations of accelerated monetary policy tightening saw the US Dollar significantly outperform other currencies whose central banks reactions have been slower. In 2021, previsions of continued fiscal stimulus, a faster recovery and a reversal of accommodation from the US Federal Reserve supported a strong rise for the US Dollar, which rose 7.1% against the Euro. This was in contrast with the Japanese Yen which continued to drop 3.7% from a continued weak yield. The Bank of England rate hike expectations spurred the British Pound Sterling to rise 6.2%, even as broader concerns about trade agreements post-Brexit still weighed. Lastly, a traditionally safe-haven favorite, the Swiss Franc strengthened against the Euro by 4.2% by the end of the year.

Market Conditions

INSURANCE ACTIVITIES

Current Engines

In 2021, the French Savings insurance market grew by 30% to reach €151.1 billion premiums, following a year significantly impacted by the COVID-19 sanitary crisis. In fact, the industry witnessed historical records in premiums collection, especially in Unit-Linked, which represented 39% of total premiums. On the Pension savings market, French households significantly increased investments in the *Plan Épargne Retraite* (PER) product (reserves reaching ca. €50 billion) and covering more than 4 million clients.

The **French Protection & complementary Health** insurance market faced several uncertainties in 2021, such as increased medical expenses following the third and final implementation phase of the 100% Health regulation (*100% Santé*), which provides free dentures and hearing aids without co-payment, as well as higher non-urgent care postponed since 2020 due to repeated lockdowns and waves of infections.

The **French Property & Casualty** insurance market returned to relatively normal levels following the economic turmoil caused by the COVID-19 crisis. While Motor frequency came back gradually to historical levels, insurers faced challenges due to inflation on labor and material costs from inventory shortages following worldwide supply chain disruptions.

In **Europe** (excluding France), Property & Casualty insurance markets suffered from a series of severe natural events causing major property and infrastructure damage. This was notably the case in Germany and Belgium from the July floods resulting from the heavy rainfall due to the Bernd low-pressure system. Furthermore, the lingering context of the COVID-19 pandemic brought about changes in the consumers' behavior, with notably a less extensive use of personal cars due to the reduction of commute to work and vacation travels. This increased the strong market pressure on pricing in Motor Individual business. On the other hand, the other lines of businesses benefited from the recovery of the economy. Measures on tariffs were taken to cover persistent uncertainties on the economic and legal environment and the increase in damages caused by natural events. In Life & Savings, the more favorable economic context restored policyholders' confidence, leading to a recovery in activity with positive flows. Following the COVID-19 pandemic, customers have shown a high interest towards Health insurance and are now more willing to turn to private insurers for extended coverage and high quality services. This has led to an improvement of the insurance offer, notably thanks to the further acceleration in the digitalization of services, such as teleconsultation, and continuous developments of new digital partnerships for innovative services.

In **Japan**, the Life & Savings insurance market recovered from the 2020 depression and improved by 4.3% in terms of GWP while new business premiums increased by 13.3% (Life & Savings +14.2% and Health +12.9%). The market experienced another State of Emergency due to the sanitary situation and economic activity settled back to normality at the end of 2021 with the acceleration of vaccination campaigns. The relaxation of restrictions on sales activities and the development of remote sales also contributed to the market recovery in 2021. The Property & Casualty insurance market slightly decreased by 0.8% as the drop in Personal Accident, Marine and Compulsory Automobile Liability Insurance (“CALI”) businesses was almost offset by increases in Motor, Household and Casualty.

In **Hong Kong**, the Property & Casualty insurance market showed stronger price competition especially on large contracts. The travel insurance premium continued to shrink due to containment measures linked to the COVID-19 crisis. The Life & Savings insurance market continued to be impacted by border restrictions as a result of the COVID-19 outbreak, resulting in lower new business sales to Mainland Chinese Visitors. To mitigate this, short-pay products like high-guaranteed endowment plans were introduced by market participants targeting higher domestic growth. The Health insurance market experienced fierce competition while tax-deductible voluntary Health insurance certified plans were still among the key products sold during the tax season.

The **United States Property** sector endured another costly year, with weather disasters causing materially higher damage than previous years, primarily due to a very active Atlantic hurricane season with 21 named tropical storms, most notably hurricane Ida damaging New Orleans and causing flooding in New Jersey and New York City. The United States also recorded exceptional winter storms in Texas in February, as well as Tornadoes hitting 6 Central and Southeastern States, mainly Colorado, in December. After suffering material COVID-19 losses last year, the sector recovered partially in 2021, as a consequence of effective vaccination campaigns and overall lower mobility restrictions enforced by public authorities. These developments supported carriers to restore profitability through increased pricing, tighter terms and conditions, as well as more selective capacity deployment.

The **United States Casualty** sector benefited from the recovery of the economic activity following the COVID-19 crisis, although liability losses are still subject to court decisions and rulings to come. Persistent social inflation sustained the need for increased pricing and selective underwriting. With rapidly increasing Cyber threats, insurers have been implementing restrictive measures and re-assessing their risk appetite to mitigate deriving losses.

High Potentials

In **Asia High Potentials**, the insurance market benefited across geographies from the effects of economic recoveries and increasing customers’ risk awareness towards insurance protections. However, it remained challenged by regulatory changes in China, where the Property & Casualty insurance market decreased by 0.4%, penalized by the Motor price deregulation issued in September 2020 (7% decrease), but compensated by the development of Non-Motor products (13% annual growth). The Health market grew by 22%, after an average annual growth rate of 39% between 2016 and 2020. The breakthrough of the pandemic also increased consumers’ awareness of Health insurance, while the new regulatory requirement issued in August 2021 on Internet Health products constrained the growth pace during the second part of the year. The Life & Savings insurance market experienced a slowdown, negatively impacting the net profit and New Business Value of most players. In Thailand, the Life & Savings insurance market increased by 2.6% from higher in-force premiums, while new business continued decreasing by 4.5%. In Indonesia, the Life & Savings insurance market increased by 11% driven by the growth of bancassurance business (+12%), partly offset by a decrease in the agency network (-10%).

In **International markets**, the Property & Casualty insurance market showed a positive dynamic mainly in Commercial lines in Mexico and Brazil. The Health business experienced a further strong growth in Mexico in a context of high inflation environment, and was impacted significantly by a higher frequency of COVID-19 cases.

Rankings and Market shares

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

		Property & Casualty		Life & Savings		
		Ranking	Market share *(%)*	Ranking	Market share *(%)*	Sources
Current Engines	France	2	12.9	3	8.4	FFA as of December 31, 2021.
	Switzerland	1	13.3	4	7.6	Market share based on statutory premiums and market estimations by SIA (Swiss Insurance Association) figures as of February 2, 2022.
	Germany	6	5.0	9	3.3	GDV (German association of Insurance companies) as of December 31, 2020.
	Belgium	1	18.9	4	8.0	Assuralia (Belgium Professional Union of Insurance companies) based on gross written premium as of September 30, 2021.
	United Kingdom	3	8.1	n/a	n/a	*UK General Insurance*: Competitor Analytics 2020, Global Data, as of December 31, 2020.
	Ireland	1	28.8	n/a	n/a	*Insurance Ireland P&C Statistics 2020* as of December 31, 2020.
	Spain	5	5.1	6	3.2	Spanish Association of Insurance Companies. ICEA as of December 31, 2021.
	Italy	5	5.7	5	4.5	*Associazione Nazionale Imprese Assicuratrici (ANIA)* as of December 31, 2020.
	Japan	13	0.6	7	5.1	Disclosed financial reports (excluding Kampo Life) for the 12 months ended September 30, 2021.
	Hong Kong	1	6.8	8	5.1	Authority statistics based on gross written premiums as of September 30, 2021.
	XL Insurance in the United States	15	1.8	n/a	n/a	AM Best 2020 as of December 31, 2020.
	XL Reinsurance worldwide	13	2.5	n/a	n/a	AM Best 2020 as of December 31, 2020.
High Potentials	Thailand	20	1.6	6	7.4	TGIA (Thai General Insurance Association) as of December 31, 2021 and TLAA (Thai Life Assurance Association) as of November 30, 2021.
	Indonesia	n/a	n/a	5	7.7	AAJI Statistic measured on Weighted New Business Premium as of September 30, 2021.
	Philippines	n/a	n/a	2	12.7	Insurance Commission *measured on* total premium income as of March 31, 2021.
	China	26	0.4	21	0.9	CBIRC (China Banking and Insurance Regulatory Commission) as of March 31, 2021.
	Mexico	3	8.4	11	2.2	AMIS (*Asociación Mexicana de Instituciones de Seguros*) as of September 30, 2021.
	Brazil	25	0.6	n/a	n/a	SUSEP (*Superintendência de Seguros Privados*) as of September 13, 2021.

ASSET MANAGEMENT

The year continued to reflect an overall rebound, resulting from the significant financial market decline in the first semester of 2020 in the context of the COVID-19 pandemic.

Assets under management have broadly mirrored this evolution which saw positive market effects in the year, primarily resulting from the equity markets performance. In addition, positive inflows continued throughout the year as market demand remained for high volume/low margin liquid strategies (*e.g.*, money markets, 'buy & maintain' fixed income, passive investments…) and flexible, high alpha as well as private asset strategies in the search for higher returns. In this context, AXA IM continues to leverage its key strategic platforms Alts and Core to maximize yield from alternative and innovative investment strategies while meeting both short- and long-term investment needs.

Besides the impact from financial markets, assets under management continued to showcase the structural trends as observed in past years with continued pressure on management fees and a shift to passive investments.

2.3 ACTIVITY REPORT

Activity and Earnings Indicators

ACTIVITY INDICATORS

(in Euro million, except percentages)	December 31, 2021	December 31, 2020	December 31, 2021/ December 31, 2020 [(a)]
Gross revenues [(b)]	**99,931**	**96,723**	**5.8%**
Property & Casualty	49,339	48,729	3.5%
Life & Savings	33,306	31,524	8.8%
Health	15,222	14,711	5.3%
Asset Management	1,523	1,269	20.1%
Banking	541	491	12.2%
APE [(c)]	**5,911**	**5,336**	**12.9%**
NBV Margin [(d)]	**43.9%**	**46.5%**	**(1.9 pts)**

(a) Changes are on comparable basis.
(b) Net of intercompany eliminations.
(c) Annual Premium Equivalent (APE) represents 100% of new regular premiums plus 10% of single premiums, in line with EEV methodology. APE is Group share.
(d) New Business Value (NBV) Margin is the ratio of (i) New Business Value representing the value of newly issued contracts during the current year to (ii) APE.

(in Euro million, except percentages)	December 31, 2021	December 31, 2020	December 31, 2021/ December 31, 2020 [(a)]
Gross revenues [(b)]	**99,931**	**96,723**	**5.8%**
France	28,349	25,064	13.1%
Europe [(c)]	32,562	32,815	(0.2%)
Asia	11,329	10,950	8.1%
AXA XL	18,763	18,530	2.6%
International	5,668	6,398	9.2%
Transversal & Central Holdings [(c)]	3,259	2,966	14.5%

(a) Changes are on comparable basis.
(b) Net on intercompany eliminations.
(c) Reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.

Consolidated Gross revenues amounted to €99,931 million as of December 31, 2021, up 3% on a reported basis and up 6% on a comparable basis compared to December 31, 2020.

The comparable basis mainly includes the following adjustments: **(i)** the exclusion of the contribution of disposed entities (€-1.0 billion or +1.1 points) notably Central & Eastern Europe following its disposal in October 2020 (€-0.6 billion or +0.6 point) and the Gulf Region following its disposal in September 2021 (€-0.3 billion or +0.4 point) as well as **(ii)** the exclusion of the Savings portion of 2020 premiums related to the additional small foundations in Group Life that have been transformed into semi-autonomous foundations in Switzerland since January 1, 2021 (€-0.3 billion or +0.3 point).

The comparable basis also neutralizes the foreign exchange rate movements notably due to the appreciation of average Euro exchange rate against most currencies (€-1.3 billion or +1.3 points).

GROSS REVENUES

Property & Casualty gross revenues were up 3% (or €+1,667 million) on a comparable basis to €49,339 million:

- **Commercial lines** grew by 5% (or €+1,590 million) primarily driven by **(i)** AXA XL (+3%) mainly from positive price effects (+10%) across both Insurance (+11%) and Reinsurance (+8%) combined with the non-repeat of COVID-19 premium adjustments in the context of a partial recovery of clients' turnover, partly offset by selective underwriting, **(ii)** France (+11%) mainly due to higher volumes as well as tariff increases, **(iii)** Europe (+4%) driven by tariff increases combined with higher volumes in Property and Liability across most geographies, mainly in Germany, as well as in Workers' Compensation in Switzerland, **(iv)** AXA Assistance (+12%) mainly from new business across all business lines, notably Motor, Home and Travel, as well as **(v)** Turkey (+35%) from favorable higher renewals in Property and favorable price effect in Motor;
- **Personal lines** grew by 1% (or €+83 million) driven by **(i)** Non-Motor (+4%) in France (+4%) with higher volumes, in Switzerland (+6%) with volume growth in Household and Digital Device insurance, in Germany (+3%) with tariff increases and new business in Household as well as in Legal Assistance, in South Korea (+23%) from a favorable product mix effect, as well as in Colombia (+27%) with higher volumes mainly in Workers' Compensation, partly offset by **(ii)** Motor (-1%) from lower revenues in China (-26%) following the change in price regulation implemented in September 2020 as well as in Europe (-2%) due to increased market competition following the restrictions related to the COVID-19 crisis, partly offset by France (+2%) from higher new business, mainly coming from Direct Assurance.

Life & Savings gross revenues were up 9% (or €+2,736 million) on a comparable basis to €33,306 million:

- **Unit-Linked** grew by 25% (or €+1,461 million) mainly in **(i)** France (+31%) primarily driven by a strong commercial performance in Individual Savings, **(ii)** Hong Kong (+62%) from higher new business, and **(iii)** Spain (+39%) from strong commercial focus on non-guaranteed business;
- **General Account Savings** grew by 5% (or €+529 million) mainly driven by **(i)** France (+18%) from both new contracts in Group Savings and higher sales in Individual Savings notably from Eurocroissance product, and **(ii)** Japan (+60%) from the sales of a capital light Single Premium Whole Life product due to favorable market conditions, partly offset by **(iii)** Italy (-27%) due to a shift in business mix towards investment products for which premiums are not recognized as gross revenues under IFRS;
- **Protection** grew by 5% (or €+775 million) mainly in **(i)** Hong Kong (+13%) from higher new business mainly in Protection with Savings, **(ii)** Japan (+9%) from the strong sales of Protection with Unit-Linked products, and **(iii)** France (+5%) from higher volumes in both domestic and International.

Health gross revenues were up 5% (or €+771 million) on a comparable basis to €15,222 million:

- **Group business** grew by 9% (or €+565 million) primarily in **(i)** France (+12%) mainly from higher volumes in international and domestic markets, **(ii)** AXA Assistance (+14%) driven by higher new business, and **(iii)** Mexico (+7%) due to a positive price effect;
- **Individual business** grew by 3% (or €+205 million) mostly in **(i)** Germany (+4%) driven by positive price effect, and **(ii)** Mexico (+13%) driven by positive price effect and higher volumes, partly offset by **(iii)** China (-59%) from the non-repeat of a large digital partnership, partly offset by growth through branches and broker channels.

Asset Management gross revenues were up 20% (or €+255 million) on a comparable basis to €1,523 million mainly driven by **(i)** higher management fees and distribution fees both from higher average assets under management due to the financial markets recovery continuing into 2021, combined with an increase in average management fees from a change in portfolio mix, and **(ii)** higher performance fees stimulated by favorable market conditions.

Banking gross revenues were up 12% (or €+59 million) on a comparable basis to €541 million driven by **(i)** AXA Bank Belgium (+4%) from higher volumes and **(ii)** AXA Banque France (+28%) mainly due to a favorable change in the fair value of an interest rate swap hedging loans at cost.

NEW BUSINESS PERFORMANCE

New business Annual Premium Equivalent (1)

New business APE grew by 11% on a reported basis and 13% on a comparable basis to €5,911 million mainly driven by **(i)** Health in France due to higher Group business in both international and domestic markets, **(ii)** Unit-Linked driven by France from a strong commercial performance in Individual Savings, as well as **(iii)** General Account Savings notably in France in Group Pension and China (+22%) from bancassurance partnerships, partly offset by **(iv)** Protection notably in Switzerland (-29%) and France (-23%) both from the non-repeat of exceptional sales in 2020, partly offset by Japan and Hong Kong from successful commercial campaigns.

New Business Value Margin (2)

New Business Value Margin decreased by 2.6 points on a reported basis and 1.9 points on a comparable basis to 43.9%, as the decrease in **(i)** Health mainly in France from unfavorable assumption updates, and an unfavorable shift in business mix in Hong Kong was partly offset by **(ii)** Pure Protection driven by a favorable change in assumptions in France, and **(iii)** Unit-Linked from a favorable business mix, notably in France.

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

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

Underlying Earnings and Net Income Group share

(in Euro million)	December 31, 2021	Property & Casualty	Life & Savings	Health	Asset Management	Other [(a)]
Investment margin	4,551	2,521	1,885	145		
Fees & revenues	6,063		4,339	1,724		
Net technical margin	18,338	15,822	1,143	1,373		
Expenses	(20,020)	(13,146)	(4,526)	(2,348)		
Amortization of value of purchased life business in-force	(50)		(44)	(6)		
Underlying earnings before tax	**8,426**	**5,197**	**2,797**	**888**	**470**	**(926)**
Income tax expenses/benefits	(1,731)	(1,104)	(505)	(210)	(129)	216
Income from affiliates and associates	242	53	151	16	22	-
Minority interests	(176)	(87)	(63)	(11)	(14)	(0)
UNDERLYING EARNINGS GROUP SHARE	**6,762**	**4,059**	**2,380**	**684**	**348**	**(710)**

(a) Other corresponds to banking activities and holding.

(in Euro million, except percentages)	December 31, 2021	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings
Investment margin	4,551	1,588	1,648	75	855	335	51
Fees & revenues	6,063	2,483	1,195	2,138	-	175	73
Net technical margin	18,338	3,061	6,951	1,293	5,051	1,193	789
Expenses	(20,020)	(4,789)	(6,412)	(2,190)	(4,525)	(1,306)	(797)
Amortization of value of purchased life business in-force	(50)	-	(27)	(22)	-	(1)	-
Underlying earnings before tax from insurance activities	**8,882**	**2,343**	**3,354**	**1,293**	**1,380**	**396**	**116**
Underlying earnings before tax from other activities	**(456)**	**6**	**41**	**(2)**	**(86)**	**67**	**(482)**
Income tax expenses/benefits	(1,731)	(558)	(759)	(250)	(134)	(111)	82
Income from affiliates and associates	242	7	(0)	166	-	48	22
Minority interests	(176)	(3)	(104)	(8)	5	(51)	(15)
Underlying earnings group share	**6,762**	**1,795**	**2,532**	**1,199**	**1,165**	**348**	**(277)**
Net capital gains or losses	405	174	161	10	75	(4)	(10)
Profit or loss on financial assets (under fair value option) and derivatives	1,128	244	509	127	190	89	(31)
Exceptional operations (including discontinued operations)	(456)	1	(107)	(157)	(1)	(275)	84
Goodwill and other related intangible impacts	(227)	-	(33)	(30)	(155)	(8)	(2)
Integration and restructuring costs	(318)	(140)	(63)	(4)	(81)	(5)	(24)
NET INCOME GROUP SHARE	**7,294**	**2,073**	**2,999**	**1,145**	**1,192**	**144**	**(260)**
Property & Casualty Combined Ratio	94.6%	89.7%	93.3%	98.4%	97.1%	94.3%	97.8%
Health Combined Ratio	95.1%	98.8%	96.1%	76.8%	-	104.1%	99.4%
Protection Combined Ratio	94.7%	100.6%	93.2%	89.7%	-	106.6%	-

(in Euro million)	December 31, 2020	Property & Casualty	Life & Savings	Health	Asset Management	Other [(a)]
Investment margin	4,613	2,529	1,936	147		
Fees & revenues	6,332		4,471	1,861		
Net technical margin	15,913	13,486	1,105	1,322		
Expenses	(20,349)	(13,241)	(4,728)	(2,380)		
Amortization of value of purchased life business in-force	(89)		(91)	2		
Underlying earnings before tax	**5,781**	**2,775**	**2,693**	**952**	**362**	**(1,001)**
Income tax expenses/benefits	(1,643)	(1,127)	(474)	(260)	(94)	312
Income from affiliates and associates	309	91	183	17	18	-
Minority interests	(182)	(95)	(64)	(16)	(7)	(1)
UNDERLYING EARNINGS GROUP SHARE	**4,264**	**1,644**	**2,338**	**693**	**279**	**(690)**

(a) Other corresponds to banking activities and holding.

(in Euro million, except percentages)	December 31, 2020	France	Europe [(a)]	Asia	AXA XL	International	Transversal & Central Holdings [(a)]
Investment margin	4,613	1,712	1,389	77	999	368	68
Fees & revenues	6,332	2,614	1,170	2,142	-	299	107
Net technical margin	15,913	2,825	7,190	1,432	2,209	1,544	713
Expenses	(20,349)	(4,943)	(6,258)	(2,260)	(4,407)	(1,686)	(794)
Amortization of value of purchased life business in-force	(89)	-	(47)	(40)	-	(2)	-
Underlying earnings before tax from insurance activities	**6,420**	**2,208**	**3,444**	**1,351**	**(1,199)**	**523**	**93**
Underlying earnings before tax from other activities	**(640)**	**3**	**51**	**(2)**	**(98)**	**59**	**(653)**
Income tax expenses/benefits	(1,643)	(550)	(768)	(275)	(108)	(143)	200
Income from affiliates and associates	309	10	(1)	181	-	100	18
Minority interests	(182)	(3)	(100)	(8)	6	(71)	(6)
Underlying earnings group share	**4,264**	**1,668**	**2,626**	**1,247**	**(1,398)**	**469**	**(347)**
Net capital gains or losses	337	190	26	20	(12)	(3)	116
Profit or loss on financial assets (under fair value option) and derivatives	(394)	(364)	(117)	(145)	(110)	87	256
Exceptional operations (including discontinued operations)	(487)	(49)	(36)	(5)	(157)	(118)	(123)
Goodwill and other related intangible impacts	(167)	-	(35)	(28)	(52)	(23)	(29)
Integration and restructuring costs	(389)	(30)	(89)	(33)	(190)	(17)	(29)
NET INCOME GROUP SHARE	**3,164**	**1,415**	**2,375**	**1,056**	**(1,919)**	**394**	**(157)**
Property & Casualty Combined Ratio	99.5%	90.0%	90.9%	97.4%	112.2%	95.3%	101.5%
Health Combined Ratio	94.5%	99.3%	95.7%	78.2%	-	99.6%	97.6%
Protection Combined Ratio	94.4%	99.5%	93.9%	89.6%	-	99.6%	-

(a) Reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.

Alternative Performance Measures

Underlying earnings, Underlying Return on Equity, Underlying Earnings per share, Combined Ratio and Debt Gearing are Alternative Performance Measures ("APMs") as defined in ESMA's guidelines and the AMF's related position statement issued in 2015. A reconciliation from Underlying earnings and Combined Ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided in the above tables. Underlying Return on Equity and Underlying Earnings per share are reconciled to the financial statements in the table set forth on page 55 of this Annual Report, and the calculation methodology of the Debt Gearing is set out on page 52 of this Annual Report. For further information on any of the above-mentioned APMs, see the Glossary on pages 501 to 505 this Annual Report.

UNDERLYING EARNINGS

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

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

UNDERLYING RETURN ON EQUITY

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

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

UNDERLYING EARNINGS PER SHARE

Underlying earnings per share corresponds to Group share Underlying earnings net of financial charges related to undated subordinated debts (recorded through shareholders' equity as disclosed in Part 6.6 – Note 13 "Shareholders' equity and minority interests" of this Annual Report), divided by the weighted average number of outstanding ordinary shares over the period.

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

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

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

DEBT GEARING

Debt Gearing refers to the level of a company's debt related to its equity capital, usually expressed as a percentage. Debt Gearing is used by the Management to measure the financial leverage of the Group and the extent to which its operations are funded by creditors as opposed to shareholders. AXA's Debt Gearing is calculated by dividing the gross debt (financing debt as disclosed in Part 6.6 – Note 17 "Financing debt" and undated and deeply subordinated debts as disclosed in Part 6.6 – Note 13 "Shareholders' equity and minority interests" of this Annual Report) by total capital employed (shareholders' equity excluding undated and deeply subordinated debts and reserves relating to the change in the fair value of financial instruments and of hedge accounting derivatives) plus gross debt. Furthermore, mandatory exchangeable bonds into EQH shares issued by AXA in May 2018, and redeemed in May 2021 in exchange of EQH shares, were excluded from Debt Gearing since EQH had been deconsolidated.

Commentary on Group Earnings

UNDERLYING EARNINGS

Underlying earnings amounted to €6,762 million, up €2,497 million (+59%) *versus* 2020 on a reported basis. On a constant exchange rate basis (up €2,618 million or +61%) and excluding COVID-19 losses (€-1,531 million), as well as Natural Catastrophe charges above the normalized level [(1)] (€-502 million) in 2020, **underlying earnings** increased by €585 million (+9%).

Property & Casualty underlying earnings increased by €2,484 million to €4,059 million. Excluding the COVID-19 losses as well as Natural Catastrophes above the normalized level in 2020, Property & Casualty underlying earnings increased by €435 million (+12%) driven by an improved all year combined ratio (-0.7 point to 94.6%) stemming from **(i)** a favorable current year technical result excluding Nat Cat charges (-1.6 points) primarily at AXA XL from significant tariff increases and disciplined underwriting, as well as from Motor frequency benefits (-1.0 point) across Europe and in France, **(ii)** favorable prior year reserve developments (-1.0 point) primarily at AXA XL mostly driven by a release of COVID-19 IBNR reserves and in Europe despite exceptional French Business Interruption settlement costs (+0.8 point), and **(iii)** an improved expense ratio (-0.7 point) from favorable business mix combined with cost reduction initiatives across geographies, partly offset by **(iv)** higher Nat Cat charges (+2.6 points to 5.7%) in Europe (+3.2 points to 6.1%), notably in Germany, Belgium and Switzerland following the summer European floods, and at AXA XL (+4.1 points to 8.1%) driven by a very active Atlantic hurricane season (21 named storms) notably hurricane Ida in August, combined with the Texas winter storm in February and European floods in July. **(v)** Investment result increased by €49 million driven by higher funds distribution, mostly in Europe and in France, and **(vi)** income taxes decreased by €98 million as the impact of higher pre-tax underlying earnings was more than offset by a favorable geographical mix.

Life & Savings underlying earnings increased by €74 million (+3%) to €2,380 million. Excluding the disposals of the activities in Central & Eastern Europe and in Greece (€-26 million), underlying earnings increased by €99 million (+4%) mainly driven by **(i)** fees & revenues net of commissions (€+146 million) reflecting the increase in Unit-Linked management fees from the strong inflows over the past years as well as a favorable market performance combined with the positive impact from more favorable economic assumptions on Deferred Acquisition Costs and Unearned Revenues Reserve amortization pattern, partly offset by higher commissions as a result of the acceleration of business growth in 2021, and **(ii)** an improved net technical margin (€+87 million) mainly in France driven by higher volumes combined with the non-repeat of the change in annuities discount rate and the impact from the extension of disability coverage to vulnerable customers in the context of the COVID-19 crisis in the first semester of 2020, partly offset by the strengthening of actuarial assumptions in Protection business, as well as an improved mortality margin across Europe, partly compensated by the recurring impact of a reinsurance transaction on a closed book of whole-life insurance policies implemented in 2H 2021 in Hong Kong. This was partly offset by **(iii)** higher general expenses (€-57 million) as well as **(iv)** higher income taxes (€-47 million), combined with **(v)** a resilient investment margin (€-46 million) as the yield dilution was partly compensated by higher funds distribution and management actions on crediting interests.

(1) In 2020, the budgeted Natural Catastrophes load corresponded to 4.0 points of combined ratio at AXA XL.

Health underlying earnings increased by €13 million (+2%) to €684 million driven by **(i)** favorable prior year reserve developments in Hong Kong and Japan, **(ii)** the non-repeat of the exceptional tax introduced by the French government on health premiums in 2020, **(iii)** lower income taxes mainly reflecting a favorable geographical mix, partly offset by **(iv)** the non-repeat of the lower claims frequency in 2020 in the context of the COVID-19 crisis across most geographies combined with higher COVID-19 claims in Mexico in 2021.

Asset Management underlying earnings increased by €69 million (+25%) to €348 million mainly due to **(i)** higher revenues (€+184 million) mainly from higher management fees (€+113 million) and performance fees (€+47 million) from both higher average assets under management following strong market performance and improved product mix, partly offset by **(ii)** higher staff expenses (€-87 million) in line with performance, and **(iii)** taxes (€-36 million) in line with higher pre-tax underlying earnings.

Other activities underlying earnings decreased by €21 million (-3%) to €-710 million mainly in Germany Holding (€-9 million) driven by the non-repeat of an exceptional investment result in 2020.

NET INCOME

Net income amounted to €7,294 million, up €4,130 million (+131%). On a constant exchange rate basis, **net income** increased by €4,274 million (+135%) driven by:

- higher underlying earnings, up €2,618 million (+61%) to €6,762 million;
- net realized capital gains, up €71 million to €405 million mainly as a consequence of lower impairments (€-460 million to €-185 million) on equity, alternative assets and real estate due to the non-repeat of the financial markets turmoil resulting from the COVID-19 crisis, partly offset by lower capital gains as well as losses on equity forwards;
- a positive change in the fair value of Mutual funds and derivatives not eligible for hedge accounting under IAS 39, up €1,565 million to €1,128 million from:
  - the non-repeat of financial market turmoil which, in 2020, led to a significant decrease in the fair value of Mutual funds (€+264 million) and derivatives (€+129 million),
  - the strong market rebound in 2021 leading to an opposite effect on the fair value of Mutual funds (€+1,091 million) and derivatives (€+36 million);
- a less unfavorable impact from exceptional operations, up €17 million to €-456 million, mainly from:
  - the non-repeat of the 2020 negative impact linked to **(i)** the exit of unprofitable lines of business within International Financial lines (Management Liability and Financial Institutions) from both the United Kingdom and Lloyd's at AXA XL (€+156 million), **(ii)** the impairment of the participation in non-consolidated entities (€+115 million), **(iii)** the losses on the disposals of the activities in the Gulf Region, in Greece and at AXA Bank Germany (€+89 million), and **(iv)** the exceptional contributions to solidarity measures in the context of the COVID-19 crisis (€+71 million), mainly in France to support both small companies and self-employed individuals,

  partly offset by:

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

Shareholders' equity Group share

As of December 31, 2021, Shareholders' equity Group share totaled €71.1 billion. The movements in Shareholders' equity Group share since December 31, 2020, are presented in the table below:

(in Euro million)	Shareholders' equity Group share
At December 31, 2020	**71,610**
Share Capital	7
Capital in excess of nominal value	18
Equity-share based compensation	50
Treasury shares sold or bought in open market	(886)
Deeply subordinated debt (including accumulated interests charges)	(104)
Fair value recorded in shareholders' equity	(6,123)
Impact of currency fluctuations	2,032
Dividends	(3,403)
Other	27
Net income for the period	7,294
Actuarial gains and losses on pension benefits	615
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	(2)
At December 31, 2021	**71,135**

Solvency information (1)

As of December 31, 2021, the Group's Eligible Own Funds ("EOF") amounted to €62.0 billion and the Solvency II ratio to 217%, compared to €55.0 billion and 200% as of December 31, 2020.

(in Euro billion)	Group EOF December 31, 2021
Previous closing	**55.0**
Regulatory/model changes	(0.1)
Opening	**54.9**
Normalized Own Funds generation	6.4
Life & Savings	4.1
Property & Casualty	3.0
Holdings, Banking and Asset Management	(0.6)
Operating variance and change in assumptions	0.6
Operating return	**7.0**
Economic variance including foreign exchange	3.6
Total return	**10.6**
Management actions (a)	1.1
Foreseeable actions (b)	(4.4)
Subordinated debts and others (c)	(0.3)
Closing	**62.0**

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

(1) Prudential information related to solvency, including the Solvency II ratio and the Eligible Own Funds ("EOF") disclosed in the note and the table below, will be detailed in the Group's 2021 SFCR that is expected to be published at a later stage and for which Group's auditors will issue a report.

Shareholder value

EARNINGS PER SHARE ("EPS")

(in Euro, except ordinary shares in million)	December 31, 2021		December 31, 2020		December 31, 2021/ December 31, 2020	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,380**	**2,388**	**2,381**	**2,387**		
Net income (Euro per ordinary share)	2.98	2.97	1.25	1.25	137.8%	137.7%
Underlying earnings (Euro per ordinary share)	2.76	2.75	1.72	1.71	60.8%	60.7%

RETURN ON EQUITY ("ROE")

(in Euro million, except percentages)	December 31, 2021	December 31, 2020 [(a)]	December 31, 2021/ December 31, 2020 [(a)]
ROE	**14.7%**	**6.4%**	**8.2 pts**
Net income [(b)]	7,100	2,987	
Average shareholders' equity	48,449	46,411	
Underlying ROE	**14.7%**	**9.5%**	**5.1 pts**
Underlying earnings [(b)]	6,568	4,087	
Average shareholders' equity	44,787	42,866	

(a) Restated as per the new methodology effective starting 2021 as defined in the Glossary set forth on pages 501 to 505 of this Annual Report.
(b) Including adjustment to reflect net financial charges related to undated and deeply subordinated debts (recorded through shareholders' equity).

Segment information

FRANCE

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**28,349**	**25,064**
Property & Casualty	7,450	6,986
Life & Savings	15,264	13,001
Health	5,425	4,912
Banking	211	165
Underlying earnings before tax	**2,349**	**2,211**
Property & Casualty	1,191	1,117
Life & Savings	1,030	1,001
Health	122	91
Other [(b)]	6	3
Income tax expenses/benefits	(558)	(550)
Minority interests	(3)	(3)
Income from affiliates and associates	7	10
Underlying earnings Group share	**1,795**	**1,668**
Net capital gains or losses	174	190
Profit or loss on financial assets (under fair value option) and derivatives	244	(364)
Exceptional operations (including discontinued operations)	1	(49)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(140)	(30)
NET INCOME GROUP SHARE	**2,073**	**1,415**
Property & Casualty Combined Ratio	89.7%	90.0%
Health Combined Ratio	98.8%	99.3%
Protection Combined Ratio	100.6%	99.5%
New business		
APE	2,586	2,153
NBV Margin	29.1%	29.5%

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

Gross revenues increased by €3,286 million (+13%) to €28,349 million:

- **Property & Casualty** (€+464 million or +7%) to €7,450 million driven by a strong growth in Commercial lines (€+355 million or +11%) as well as in Personal lines (€+109 million or +3%) mainly due to higher volumes as well as tariff increases, most notably in Commercial lines;
- **Life & Savings** (€+2,263 million or +17%) to €15,264 million driven by **(i)** Individual Savings (€+1,467 million or +21%) from a strong sales performance in both Unit-Linked and Eurocroissance products (€+1,400 million or +41%) which contributed 56% of total Individual Savings revenues, compared to 41% in average for the market, **(ii)** Group Savings (€+568 million or +40%) mainly from two large Group contracts and reflecting the continued success of retirement products, and **(iii)** Protection (€+228 million or +5%) from higher volumes in both domestic and international markets;
- **Health** (€+513 million or +10%) to €5,425 million driven by Group business (€+494 million or +12%) mainly due to higher volumes in international and domestic markets;
- **Banking** (€+46 million or +28%) to €211 million at AXA Banque France mainly due to a favorable change in the fair value of an interest rate swap hedging loans at cost.

APE increased by €433 million (+20%) to €2,586 million mainly driven by **(i)** Health (€+335 million or +52%) due to higher Group business in both international and domestic markets, **(ii)** Unit-Linked (€+184 million or +45%) from a strong commercial performance in Individual Savings in the context of favorable financial markets, and **(iii)** General Account Savings (€+55 million or +11%) mainly from large Group contracts, partly offset by **(iv)** Protection (€-141 million or -23%) mainly from the non-repeat of large contracts in Group business within international markets.

NBV Margin decreased by 0.4 point to 29.1% driven by unfavorable financial assumptions, partly offset by a positive change in business mix towards a higher share of Unit-Linked and Eurocroissance products.

Underlying earnings before tax increased by €138 million (+6%) to €2,349 million:

- **Property & Casualty** (€+74 million or +7%) to €1,191 million mainly driven by **(i)** a favorable current year claims experience due to the non-repeat of the impact of the COVID-19 crisis in 2020, combined with frequency benefits in Motor in 2021 despite higher large losses, partly offset by **(ii)** less favorable prior year reserve developments, including the impact of the settlement offer to restaurants holding non-damage Business Interruption policies;
- **Life & Savings** (€+29 million or +3%) to €1,030 million mainly driven by **(i)** the non-repeat of the change in annuities discount rate and the impact from the extension of disability coverage to vulnerable customers in the context of the COVID-19 crisis in the first semester of 2020, and **(ii)** higher Unit-Linked management fees from both favorable financial markets conditions and net inflows from strong commercial performance, partly offset by **(iii)** lower investment margin due to lower reinvestment yields combined with **(iv)** the strengthening of actuarial assumptions in Protection business;
- **Health** (€+31 million or +35%) to €122 million mainly driven by **(i)** the non-repeat of the exceptional tax introduced by the French government on health premiums, and **(ii)** favorable prior year reserve developments, partly offset by **(iii)** higher claims frequency, up from a low level in 2020 in the context of lockdowns measures;
- **Other** (€+4 million) to €6 million mainly due to a lower cost of credit risk at AXA Banque France.

Income tax expenses increased by €9 million (+2%) to €-558 million driven by **(i)** higher pre-tax underlying earnings as well as **(ii)** a higher effective tax rate from a lower share of dividends distribution benefiting from a lower taxation, partly offset by **(iii)** the decrease in the corporate tax rate from 32% to 28%.

Underlying earnings increased by €127 million (+8%) to €1,795 million.

Net income increased by €657 million (+46%) to €2,073 million driven by **(i)** higher underlying earnings and **(ii)** the non-repeat of the effect of 2020 financial markets turmoil combined with the strong rebound in 2021, notably on the fair value of alternative investments, partly offset by **(iii)** higher restructuring costs and **(iv)** lower net realized capital gains on both real estate and equity securities.

EUROPE

(in Euro million, except percentages)	December 31, 2021	December 31, 2020 restated [(a)]
Gross revenues [(b)]	**32,562**	**32,815**
Property & Casualty	16,930	16,594
Life & Savings	9,746	10,582
Health	5,886	5,630
Banking	-	9
Underlying earnings before tax	**3,395**	**3,495**
Property & Casualty	2,038	2,272
Life & Savings	1,056	901
Health	260	270
Other [(c)]	41	51
Income tax expenses/benefits	(759)	(768)
Minority interests	(104)	(100)
Income from affiliates and associates	(0)	(1)
Underlying earnings Group share	**2,532**	**2,626**
Net capital gains or losses	161	26
Profit or loss on financial assets (under fair value option) and derivatives	509	(117)
Exceptional operations (including discontinued operations)	(107)	(36)
Goodwill and other related intangible impacts	(33)	(35)
Integration and restructuring costs	(63)	(89)
NET INCOME GROUP SHARE	**2,999**	**2,375**
Property & Casualty Combined Ratio	93.3%	90.9%
Health Combined Ratio	96.1%	95.7%
Protection Combined Ratio	93.2%	93.9%
New business		
APE	1,439	1,656
NBV Margin	45.7%	48.0%

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

EUROPE – SWITZERLAND

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**5,060**	**5,261**
Property & Casualty	3,325	3,289
Life & Savings	1,687	1,941
Health	47	31
Underlying earnings before tax	**1,088**	**1,001**
Property & Casualty	785	733
Life & Savings	316	284
Health	(13)	(16)
Income tax expenses/benefits	(207)	(171)
Minority interests	(5)	(3)
Income from affiliates and associates	-	-
Underlying earnings Group share	**876**	**827**
Net capital gains or losses	32	25
Profit or loss on financial assets (under fair value option) and derivatives	227	(58)
Exceptional operations (including discontinued operations)	(3)	5
Goodwill and other related intangible impacts	(23)	(25)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**1,110**	**775**
Property & Casualty Combined Ratio	83.1%	82.3%
Health Combined Ratio	128.0%	150.7%
Protection Combined Ratio	89.4%	90.8%
New business		
APE	505	722
NBV Margin	44.4%	50.9%
Average exchange rate: € 1.00 = Swiss Franc	*1.08*	*1.07*

(a) Net of intercompany eliminations.

On January 1, 2021, AXA Switzerland transformed its business with three additional small foundations from full insurance to semi-autonomous. As a result, the change in gross revenues on a comparable basis excludes the savings portion of the 2020 premiums related to the transformed in-force Group Life business.

Gross revenues decreased by €201 million (-4%) to €5,060 million. On a comparable basis, gross revenues increased by €117 million (+2%):

- **Property & Casualty** (€+69 million or +2%) to €3,325 million driven by **(i)** Commercial lines (€+43 million or +3%) mainly due to positive volume and price effects on Workers' Compensation, partly offset by a decrease in Motor from selective underwriting combined with strong market competition, as well as **(ii)** Personal lines (€+27 million or +2%) due to volume growth in Household and Digital Device insurance, more than offsetting the decrease in Motor from strong market competition;
- **Life & Savings** (€+31 million or +2%) to €1,687 million driven by Individual Life (€+35 million or +4%) from higher sales of a hybrid product;
- **Health** (€+17 million or +55%) to €47 million from continued portfolio growth.

APE decreased by €218 million (-30%) to €505 million. On a comparable basis, APE decreased by €212 million (-29%) driven by **(i)** Group Life (€-227 million or -35%) due to the non-repeat of the exceptional acquisition of a significant number of new clients in 2020, partly offset by **(ii)** Individual Life (€+14 million or +19%) driven by higher sales of a hybrid product.

NBV Margin decreased by 6.5 points to 44.4% mainly driven by updates in actuarial assumptions in Individual Life partly compensated by a favorable business mix in Group Life.

Underlying earnings before tax increased by €86 million (+9%) to €1,088 million. On a constant exchange rate basis, underlying earnings before tax increased by €97 million (+10%):

- **Property & Casualty** (€+60 million or +8%) to €785 million as a result of **(i)** a higher investment income (€+76 million) from higher private equity funds distribution and lower hedging costs, partly offset by **(ii)** a lower technical result (€-17 million) driven by higher Nat Cat charges following severe hailstorms in June and July, and lower claims frequency benefits mainly in Motor and Workers' Compensation in the context of the COVID-19 crisis more than offsetting both the non-repeat of Business Interruption claims linked to the COVID-19 lockdown and more favorable prior year reserve developments;
- **Life & Savings** (€+35 million or +12%) to €316 million due to **(i)** a higher investment margin (€+33 million) mainly in Individual Life, **(ii)** higher asset management fees in Group Life (€+10 million) from the growth of the semi-autonomous business, **(iii)** a lower VBI amortization (€+8 million) driven by more favorable economic assumptions, and **(iv)** an improved technical result (€+6 million) driven by Individual Life, partly offset by **(v)** an increase in acquisition expenses (€-24 million) driven by higher volumes in both Individual Life and Group Life;
- **Health** (€+2 million or +14%) to €-13 million.

Income tax expenses increased by €35 million (+21%) to €-207 million. On a constant exchange rate basis, income tax expenses increased by €37 million (+22%) driven by higher pre-tax underlying earnings and the non-repeat of the positive effect from the decrease in the corporate tax rate.

Underlying earnings increased by €49 million (+6%) to €876 million. On a constant exchange rate basis, underlying earnings increased by €58 million (+7%).

Net income increased by €335 million (+43%) to €1,110 million. On a constant exchange rate basis, net income increased by €346 million (+45%) driven by higher underlying earnings and a positive change in the fair value of Mutual funds (€+252 million) from the non-repeat of the effect of 2020 financial markets turmoil combined with the strong rebound in 2021.

EUROPE – GERMANY

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**11,344**	**11,025**
Property & Casualty	4,430	4,332
Life & Savings	3,359	3,254
Health	3,555	3,429
Banking	-	9
Underlying earnings before tax	**861**	**811**
Property & Casualty	509	557
Life & Savings	189	91
Health	115	119
Other [(b)]	48	44
Income tax expenses/benefits	(223)	(217)
Minority interests	(9)	(12)
Income from affiliates and associates	-	-
Underlying earnings Group share	**630**	**582**
Net capital gains or losses	28	12
Profit or loss on financial assets (under fair value option) and derivatives	93	(5)
Exceptional operations (including discontinued operations)	(3)	(26)
Goodwill and other related intangible impacts	(3)	(3)
Integration and restructuring costs	(12)	(47)
NET INCOME GROUP SHARE	**732**	**512**
Property & Casualty Combined Ratio	93.3%	91.3%
Health Combined Ratio	96.8%	96.6%
Protection Combined Ratio	96.8%	97.8%
New business		
APE	400	381
NBV Margin	56.1%	59.3%

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

Gross revenues increased by €319 million (+3%) to €11,344 million. On a comparable basis gross revenues increased by €329 million (+3%):

- **Property & Casualty** (€+98 million or 2%) to €4,430 million driven by **(i)** Commercial Non-Motor (€+79 million or +5%) mainly due to new business and higher average premium, especially in Property Mid-Market as well as in Liability, and **(ii)** Personal Non-Motor (€+39 million or +3%) mainly from tariff increases and new business in Household as well as in Legal Assistance, partly offset by **(iii)** Personal Motor (€-21 million or -2%) reflecting a highly competitive market;
- **Life & Savings** (€+106 million or +3%) to €3,359 million mainly stemming from higher new business in hybrid products (€+171 million or +34%), Unit-Linked (€+35 million or +8%) as well as in Pure Protection (€+27 million or +5%), partly offset by traditional General Account Savings products (€-127 million or -7%) in line with the strategy;
- **Health** (€+125 million or +4%) to €3,555 million driven by tariff increases in full benefit insurance and the continued growth in the civil servants segment.

APE increased by €20 million (or +5%) to €400 million driven by higher sales of hybrid products and in Unit-Linked from the successful re-design of the offer as well as higher sales in full benefit Health insurance.

NBV Margin decreased by 3.2 points to 56.1% mainly due to actuarial assumptions update.

Underlying earnings before tax increased by €51 million (+6%) to €861 million:

- **Property & Casualty** (€-48 million or -9%) to €509 million reflecting **(i)** a higher combined ratio (+2.0 points) driven by higher Nat Cat charges as a consequence of the summer European floods, and lower prior year reserve developments, partly offset by the non-repeat of Business Interruption and Event Cancellation claims due to the lockdown in 2020, parly offset by **(ii)** a higher investment result (€+33 million), notably from higher funds distribution;
- **Life & Savings** (€+98 million or +107%) to €189 million mainly from **(i)** a higher investment margin (€+74 million) driven by a higher investment income combined with lower crediting rates, **(ii)** the positive impact of growth in volumes on fees & revenues and on the technical margin, as well as **(iii)** a lower VBI amortization due to more favorable economic assumptions;
- **Health** (€-4 million or -4%) to €115 million as the growth in volumes was more than offset by higher profit sharing;
- **Other** (€+5 million or +11%) to €48 million from Holdings driven by lower pension costs, partly offset by the non-repeat of an exceptional investment result in 2020.

Income tax expenses increased by €5 million (+3%) to €-223 million as higher income taxes from higher pre-tax underlying earnings were partly offset by more favorable tax one-offs (up €10 million to €+55 million).

Underlying earnings increased by €48 million (+8%) to €630 million.

Net income increased by €220 million (+43%) to €732 million driven by **(i)** higher underlying earnings, **(ii)** higher net realized capital gains (€+16 million) notably on equities, **(iii)** a favorable change in the fair value of Mutual funds from the strong market rebound in 2021, **(iv)** lower restructuring costs, and **(v)** the non-repeat of the impact of the disposal of the banking activities in 2020.

EUROPE – BELGIUM

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**3,486**	**3,372**
Property & Casualty	2,187	2,087
Life & Savings	1,166	1,167
Health	133	118
Underlying earnings before tax	**309**	**504**
Property & Casualty	11	215
Life & Savings	291	281
Health	7	6
Holding	(1)	3
Income tax expenses/benefits	(66)	(113)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**243**	**391**
Net capital gains or losses	92	30
Profit or loss on financial assets (under fair value option) and derivatives	199	(19)
Exceptional operations (including discontinued operations)	(98)	-
Goodwill and other related intangible impacts	(2)	(2)
Integration and restructuring costs	(7)	(0)
NET INCOME GROUP SHARE	**426**	**399**
Property & Casualty Combined Ratio	104.8%	95.4%
Health Combined Ratio	96.2%	96.2%
Protection Combined Ratio	98.3%	97.8%
New business		
APE	66	109
NBV Margin	64.2%	37.3%

(a) Net of intercompany eliminations.

Gross revenues increased by €114 million (+3%) to 3,486 million:

- **Property & Casualty** (€+100 million or +5%) to €2,187 million driven by **(i)** Commercial lines (€+76 million or +8%) mainly in Property and Liability recovering from low level in 2020 and strong sales in the SME segment, partly offset by pruning measures in the Mid-Market segment, and **(ii)** Personal lines (€+24 million or +2%) following tariff increases in Household resulting from the regulatory indexation, combined with higher sales notably stemming from the partnership with Crelan;
- **Life & Savings** (€-1 million or 0%) to €1,166 million as the decrease in **(i)** Protection with General Account Savings products (€-22 million or -3%) notably from a change in business mix, in line with strategy, towards pure Unit-Linked investment products for which premiums are not recognized as gross revenues under IFRS, was partly offset by **(ii)** Savings (€+17 million or +5%) driven by the strong growth in Self-Employed pension products from higher single premiums as well as **(iii)** Pure Protection (€+4 million or +5%);
- **Health** (€+15 million or +13%) to €133 million driven by new Group contracts.

APE decreased by €43 million (-39%) to €66 million mainly driven by the non-repeat of a large Unit-Linked Group pension contract.

NBV Margin increased by 26.9 points to 64.2% mainly due to the non-repeat of a large Unit-Linked Group pension contract.

Underlying earnings before tax decreased by €195 million (-39%) to €309 million:

- **Property & Casualty** (€-203 million) to €11 million mainly driven by the consequences of European summer floods, as well as lower claims frequency benefits in the context of the COVID-19 crisis, partly offset by more favorable prior year reserve developments;
- **Life & Savings** (€+11 million or +4%) to €291 million driven by lower amortization of Deferred Acquisition Costs (€+10 million) due to favorable economic assumption;
- **Health** (€+1 million) to €7 million.

Income tax expenses decreased by €47 million (-42%) to €-66 million mainly driven by lower pre-tax underlying earnings.

Underlying earnings decreased by €148 million (-38%) to €243 million.

Net income increased by €27 million (+7%) to €426 million as **(i)** the decrease in underlying earnings combined with **(ii)** the loss of the expected disposal of a General Account Savings portfolio (€-98 million before the recycling of net unrealized gains upon closing of the transaction) were more than offset by **(iii)** a positive change in the fair value of Mutual funds and derivatives not eligible for hedge accounting under IAS 39 from the strong market rebound in 2021 (€+202 million), and **(iv)** higher net realized capital gains (€+62 million).

EUROPE – UNITED KINGDOM & IRELAND

(in Euro million, except percentages)	December 31, 2021	December 31, 2020 restated [(a)]
Gross revenues [(b)]	**5,317**	**5,170**
Property & Casualty	3,533	3,457
Health	1,784	1,713
Underlying earnings before tax	**448**	**418**
Property & Casualty	323	285
Health	132	128
Holding	(7)	5
Income tax expenses/benefits	(89)	(58)
Minority interests	0	(0)
Income from affiliates and associates	(0)	(1)
Underlying earnings Group share	**358**	**359**
Net capital gains or losses	(4)	(9)
Profit or loss on financial assets (under fair value option) and derivatives	3	(11)
Exceptional operations (including discontinued operations)	(3)	(14)
Goodwill and other related intangible impacts	(4)	(4)
Integration and restructuring costs	(16)	(12)
NET INCOME GROUP SHARE	**333**	**310**
Property & Casualty Combined Ratio	95.6%	96.2%
Health Combined Ratio	93.6%	93.7%

(a) Reclassification of Architas activities to Transversal & Central Holdings.
(b) Net of intercompany eliminations.

Gross revenues increased by €147 million (3%) to €5,317 million. On a comparable basis, gross revenues remained stable:

- **Property & Casualty** (€-12 million or 0%) to €3,533 million driven by **(i)** Personal Motor (€-35 million or -3%) and Commercial Motor (€-32 million or -5%) mainly from continued market softening combined with **(ii)** lower volumes in Travel in the context of the COVID-19 crisis (€-22 million or -20%), partly offset by **(iii)** Commercial Non-Motor (€+79 million or +9%) mainly in both Property (€+52 million or +8%) and Liability (€+26 million or +12%) from tariff increases;
- **Health** (€+12 million or +1%) to €1,784 million mainly driven by strong retention in the United Kingdom Group business and volume growth in the Individual business, partly offset by lower volumes in International Group business in the context of the COVID-19 crisis.

Underlying earnings before tax increased by €30 million (+7%) to €448 million. On a constant exchange rate basis, underlying earnings before tax increased by €19 million (+4%):

- **Property & Casualty** (€+31 million or +11%) to €323 million mainly driven by **(i)** the improvement in the combined ratio (-0.6 point) due to the non-repeat of Business Interruption claims partly offset by lower Motor claims frequency benefits, both in the context of the COVID-19 lockdowns, and less favorable prior year reserve developments, as well as **(ii)** higher net investment income;
- **Health** (€-1 million or -1%) to €132 million reflecting the impact of the Customer Promise commitment to payback Individual and SME policyholders excess profitability in 2020 and 2021 over the level of profit of 2019;
- **Holding** (€-12 million) to €-7 million notably from higher pension costs and lower investment income;

Income tax expenses increased by €31 million (+54%) to €-89 million. On a constant exchange rate basis, income tax expenses increased by €29 million (+50%) driven by higher pre-tax underlying earnings and adverse tax one-offs.

Underlying earnings decreased by €1 million (0%) to €358 million. On a constant exchange rate basis, underlying earnings decreased by €9 million (-3%).

Net income increased by €23 million (+7%) to €333 million. On a constant exchange rate basis, net income increased by €15 million (+5%) as **(i)** the decrease in underlying earnings was more than offset by **(ii)** a favorable change in the fair value of Mutual funds, combined with **(iii)** the non-repeat of the donations to solidarity funds.

EUROPE – SPAIN

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**2,686**	**2,566**
Property & Casualty	1,663	1,683
Life & Savings	773	650
Health	250	234
Underlying earnings before tax	**261**	**327**
Property & Casualty	158	228
Life & Savings	87	72
Health	16	27
Income tax expenses/benefits	(58)	(88)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**203**	**238**
Net capital gains or losses	(2)	(19)
Profit or loss on financial assets (under fair value option) and derivatives	(21)	(12)
Exceptional operations (including discontinued operations)	1	(2)
Goodwill and other related intangible impacts	(2)	(2)
Integration and restructuring costs	(19)	(25)
NET INCOME GROUP SHARE	**160**	**178**
Property & Casualty Combined Ratio	96.2%	91.2%
Health Combined Ratio	97.1%	90.1%
Protection Combined Ratio	92.0%	89.0%
New business		
APE	114	97
NBV Margin	52.9%	39.9%

(a) Net of intercompany eliminations.

Gross revenues increased by €120 million (+5%) to €2,686 million:

- **Property & Casualty** (€-19 million or -1%) to €1,663 million mainly due to Personal Motor (€-41 million or -5%) driven by market competition in the context of the COVID-19 crisis, partly offset by higher volumes in both Commercial lines (€+11 million or +2%) and Household (€+9 million or +4%);
- **Life & Savings** (€+123 million or +19%) to €773 million mainly due to higher sales in Unit-Linked (€+115 million or +39%);
- **Health** (€+16 million or +7%) to €250 million driven by higher volumes and tariff increases.

APE increased by €17 million (+17%) to €114 million mainly driven by higher sales in Unit-Linked products (€+14 million or +36%).

NBV Margin increased by 12.9 points to 52.9% mainly in Pure Protection and Unit-Linked driven by both actuarial and financial assumptions updates.

Underlying earnings before tax decreased by €65 million (-20%) to €261 million:

- **Property & Casualty** (€-70 million or -31%) to €158 million mainly driven by a higher combined ratio (+5.0 points) notably due to higher frequency in both Motor and Household, partly offset by lower expenses and higher investment income as a result of exceptional Mutual funds distribution;
- **Life & Savings** (€+16 million or +22%) to €87 million mainly driven by a higher investment margin and lower general expenses;

- **Health** (€-11 million or -41%) to €16 million mainly due to higher claims frequency, partly offset by higher investment income.

Income tax expenses decreased by €30 million (-34%) to €-58 million driven by lower pre-tax underlying earnings and the non-repeat of negative tax one-offs.

Underlying earnings decreased by €35 million (-15%) to €203 million.

Net income decreased by €18 million (-10%) to €160 million driven by lower underlying earnings and a negative change in fair value of Mutual funds, partly offset by lower impairments on equity securities.

EUROPE – ITALY

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**4,669**	**5,422**
Property & Casualty	1,791	1,746
Life & Savings	2,761	3,571
Health	117	105
Underlying earnings before tax	**428**	**434**
Property & Casualty	251	255
Life & Savings	173	174
Health	4	5
Income tax expenses/benefits	(116)	(120)
Minority interests	(90)	(85)
Income from affiliates and associates	-	-
Underlying earnings Group share	**223**	**230**
Net capital gains or losses	16	(13)
Profit or loss on financial assets (under fair value option) and derivatives	8	(12)
Exceptional operations (including discontinued operations)	(0)	(0)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(9)	(4)
NET INCOME GROUP SHARE	**238**	**200**
Property & Casualty Combined Ratio	90.7%	89.7%
Health Combined Ratio	98.8%	96.1%
Protection Combined Ratio	78.7%	83.6%
New business		
APE	354	347
NBV Margin	29.9%	35.2%

(a) Net of intercompany eliminations.

Gross revenues decreased by €753 million (-14%) to €4,669 million:

- **Property & Casualty** (€+46 million or +3%) to €1,746 million driven by Commercial lines (€+46 million or +9%) from new business and tariff increases and a successful renewal campaign, notably in Property and Liability;
- **Life & Savings** (€-810 million or -23%) to €2,761 million mainly in General Account Savings (€-663 million or -27%) and in Unit-Linked (€-89 million or -12%) due to a shift in business mix towards investment products for which premiums are not recognized as gross revenues under IFRS, in line with strategy, as well as in Protection with General Account Savings (€-55 million or -36%);
- **Health** (€+12 million or +11%) to €117 million driven by Group business (€+8 million or +25%) as a result of the renewal of a large contract.

APE increased by €7 million (+2%) to €354 million mainly from Unit-Linked (€+41 million or +27%) driven by higher sales of both investment and hybrid products, partly offset by a reduction in General Account Savings (€-33 million or -21%), in line with the strategy.

NBV Margin decreased by 5.4 points to 29.9% driven by both unfavorable product mix towards Unit-Linked and updates on actuarial assumptions, partly offset by a favorable product mix within Pure Protection.

Underlying earnings before tax decreased by €6 million (-1%) to €428 million:

- **Property & Casualty** (€-3 million or -1%) to €251 million due to **(i)** a higher current year combined ratio (+2.3 points) mainly driven by lower Motor claims frequency benefits in the context of the COVID-19 crisis and higher Nat Cat charges, partly offset by volumes growth, and **(ii)** a higher investment income (€+11 million) from an exceptional funds distribution;

- **Life & Savings** (€-1 million or -1%) to €173 million mainly due to **(i)** a lower investment margin driven by a decrease in investment yields partly compensated by lower interests credited, and **(ii)** higher commissions in line with higher sales of both investment and hybrid products, offset by **(iii)** higher Unit-Linked Management fees from a higher asset base;
- **Health** (€-1 million) to €4 million.

Income tax expenses decreased by €4 million (-3%) to €-116 million in line with lower pre-tax underlying earnings.

Minority interests increased by €5 million (+6%) to €-90 million as the result of the increase of AXA MPS underlying earnings.

Underlying earnings decreased by €7 million (-3%) to €223 million.

Net income increased by €38 million (+19%) to €238 million as the decrease in underlying earnings was more than offset by higher realized capital gains from equity securities combined with lower impairments, as well as a positive change in the fair value of Mutual funds and derivatives not eligible for hedge accounting under IAS 39.

ASIA

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [a]	**11,329**	**10,950**
Property & Casualty	2,102	2,159
Life & Savings	7,021	6,379
Health	2,206	2,412
Underlying earnings before tax	**1,291**	**1,349**
Property & Casualty	96	122
Life & Savings	656	673
Health	542	556
Holding	(2)	(2)
Income tax expenses/benefits	(250)	(275)
Minority interests	(8)	(8)
Income from affiliates and associates	166	181
Underlying earnings Group share	**1,199**	**1,247**
Net capital gains or losses	10	20
Profit or loss on financial assets (under fair value option) and derivatives	127	(145)
Exceptional operations (including discontinued operations)	(157)	(5)
Goodwill and other related intangible impacts	(30)	(28)
Integration and restructuring costs	(4)	(33)
NET INCOME GROUP SHARE	**1,145**	**1,056**
Property & Casualty Combined Ratio	98.4%	97.4%
Health Combined Ratio	76.8%	78.2%
Protection Combined Ratio	89.7%	89.6%
New business		
APE	1,713	1,345
NBV Margin	65.4%	73.1%

(a) Net of intercompany eliminations.

2

ASIA – JAPAN

(in Euro million, except percentages)	December 31, 2021	December 31, 2020 restated [(a)]
Gross revenues [(b)]	**5,670**	**5,439**
Property & Casualty	442	467
Life & Savings	3,796	3,454
Health	1,432	1,517
Underlying earnings before tax	**832**	**835**
Property & Casualty	46	46
Life & Savings	300	295
Health	486	495
Holding	(0)	(1)
Income tax expenses/benefits	(235)	(235)
Minority interests	(8)	(8)
Income from affiliates and associates	-	-
Underlying earnings Group share	**589**	**592**
Net capital gains or losses	9	18
Profit or loss on financial assets (under fair value option) and derivatives	164	(168)
Exceptional operations (including discontinued operations)	-	(2)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(4)	(27)
NET INCOME GROUP SHARE	**759**	**413**
Property & Casualty Combined Ratio	90.5%	90.8%
Health Combined Ratio	68.1%	69.7%
Protection Combined Ratio	88.5%	90.4%
New business		
APE	676	521
NBV Margin	123.1%	133.1%
Average exchange rate: € 1.00 = Japanese Yen	*130*	*122*

(a) Reclassification of AXA Direct Japan activities (previously reported as part of Asia – Direct).
(b) Net of intercompany eliminations.

Gross revenues increased by €231 million (+4%) to €5,670 million. On a comparable basis, gross revenues increased by €595 million (+11%):

- **Property & Casualty** (€-7 million or -1%) to €442 million mainly driven by an unfavorable change in business mix mainly in Motor;
- **Life & Savings** (€+593 million or +17%) to €3,796 million mainly from the strong sales of both Protection with Unit-Linked products (€+374 million or +36%) and a capital-light Single Premium Whole Life product (€+381 million) as a consequence of favorable market conditions mainly in 1H 2021, partly offset by lower volumes in Protection with General Account Savings (€-108 million or -6%) mainly reflecting the continuous decrease in sales of tax savings products;
- **Health** (€+9 million or +1%) to €1,432 million from in-force growth and new business of Medical rider products.

APE increased by €154 million (+30%) to €676 million. On a comparable basis, APE increased by €199 million (+38%) driven by the strong sales of both Protection with Unit-Linked products (€+162 million or +48%) and a capital-light Single Premium Whole Life product (€+38 million), combined with Medical rider products sales in Health (€+13 million or +11%). This was supported by an increased focus on hybrid distribution and SME advisory model.

NBV Margin decreased by 10.0 points to 123.1% mainly reflecting the repricing applied to Protection with Unit-Linked products at the end of 2020 in order to maintain a leading market position in the context of increased competition whereas NBV increased by 28%.

Underlying earnings before tax decreased by €3 million (0%) to €832 million. On a constant exchange rate basis, underlying earnings before tax increased by €51 million (+6%):

- **Property & Casualty** (€+3 million or +6%) to €46 million mainly driven by tariff increases, partly offset by lower prior year reserve developments;
- **Life & Savings** (€+25 million or +8%) to €300 million mainly driven by higher fees & revenues notably reflecting the strong growth in Protection with Unit-Linked products combined with cost savings, partly offset by higher commissions in line with new business growth;
- **Health** (€+23 million or +5%) to €486 million mainly driven by more favorable prior year reserve developments (€+36 million);
- **Holding** stable at €0 million.

Income tax expenses remained stable at €-235 million. On a constant exchange rate basis, income tax expenses increased by €15 million (+6%) driven by higher pre-tax underlying earnings.

Underlying earnings decreased by €3 million (0%) to €589 million. On a constant exchange rate basis, underlying earnings increased by €36 million (+6%).

Net income increased by €346 million to €759 million. On a constant exchange rate basis, net income increased by €396 million mainly driven by higher underlying earnings and the non-repeat of the effect of 2020 financial markets turmoil combined with the strong rebound in 2021, notably on the fair value of private equity funds.

ASIA – HONG KONG

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [a]	**4,073**	**3,801**
Property & Casualty	250	257
Life & Savings	3,183	2,877
Health	640	667
Underlying earnings before tax	**445**	**488**
Property & Casualty	27	44
Life & Savings	348	380
Health	70	63
Income tax expenses/benefits	(13)	(32)
Minority interests	-	-
Income from affiliates and associates	-	-
Underlying earnings Group share	**431**	**455**
Net capital gains or losses	(0)	3
Profit or loss on financial assets (under fair value option) and derivatives	3	(4)
Exceptional operations (including discontinued operations)	(129)	(2)
Goodwill and other related intangible impacts	(12)	(12)
Integration and restructuring costs	(0)	-
NET INCOME GROUP SHARE	**293**	**439**
Property & Casualty Combined Ratio	94.3%	88.4%
Health Combined Ratio	88.8%	90.5%
Protection Combined Ratio	90.7%	87.8%
New business		
APE	431	277
NBV Margin	34.9%	46.5%
Average exchange rate: € 1.00 = Hong Kong Dollar	*9.19*	*8.85*

(a) Net of intercompany eliminations.

Gross revenues increased by €273 million (+7%) to €4,073 million. On a comparable basis, gross revenues increased by €428 million (+11%):

- **Property & Casualty** (€+3 million or +1%) to €250 million mainly due to higher new business in both Workers' Compensation and Motor, partly offset by lower volumes in Travel in the context of the COVID-19 crisis;
- **Life & Savings** (€+427 million or +15%) to €3,183 million mainly driven by higher new business in Protection with Savings (€+293 million or +14%), Unit-Linked (€+144 million or +62%) and Pure Protection (€+24 million or +12%), partly offset by lower volumes in General Account Savings (€-34 million or -12%);
- **Health** (€-3 million or 0%) to €640 million mainly driven by lower renewals, broadly offset by higher new business sales.

APE increased by €154 million (+55%) to €431 million. On a comparable basis, APE increased by €170 million (+61%) driven by the strong sales momentum mostly in Protection, as well as Unit-Linked and Health.

NBV Margin decreased by 11.6 points to 34.9% mainly driven by an unfavorable change in product mix.

Underlying earnings before tax decreased by €43 million (-9%) to €445 million. On a constant exchange rate basis, underlying earnings before tax decreased by €26 million (-5%):

- **Property & Casualty** (€-16 million or -37%) to €27 million mainly driven by lower claims frequency benefits in the context of the COVID-19 crisis;

- **Life & Savings** (€-18 million or -5%) to €348 million mainly from lower technical margin reflecting the recurring impact of a reinsurance transaction on a closed book of whole-life insurance policies implemented in 2H 2021, partly offset by higher surrender margin;
- **Health** (€+9 million or +14%) to €70 million mostly driven by favorable prior year reserve developments (€+39 million), partially offset by lower claims frequency benefits in the context of the COVID-19 crisis.

Income tax expenses decreased by €19 million (-59%) to €-13 million. On a constant exchange rate basis, income tax expenses decreased by €19 million (-57%) driven by lower pre-tax underlying earnings combined with a favorable tax one-off.

Underlying earnings decreased by €24 million (-5%) to €431 million. On a constant exchange rate basis, underlying earnings decreased by €7 million (-2%).

Net income decreased by €146 million (-33%) to €293 million. On a constant exchange rate basis, net income decreased by €135 million (-31%) mainly driven by lower underlying earnings combined with the negative one-off impact of the above-mentioned reinsurance transaction on a closed book of whole-life insurance policies (€-129 million).

ASIA – HIGH POTENTIALS

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**941**	**1,098**
Property & Casualty	765	823
Life & Savings	42	48
Health	134	228
Underlying earnings before tax	**(21)**	**(11)**
Property & Casualty	(15)	(6)
Life & Savings	7	(2)
Health	(14)	(2)
Income tax expenses/benefits	9	2
Minority interests	(0)	(0)
Income from affiliates and associates	166	181
Underlying earnings Group share	**153**	**173**
Net capital gains or losses	1	-
Profit or loss on financial assets (under fair value option) and derivatives	(41)	31
Exceptional operations (including discontinued operations)	-	(0)
Goodwill and other related intangible impacts	(18)	(16)
Integration and restructuring costs	(1)	(4)
NET INCOME GROUP SHARE	**95**	**184**
Property & Casualty Combined Ratio	105.8%	104.5%
Health Combined Ratio	113.2%	103.5%
Protection Combined Ratio	105.7%	122.1%
New business		
APE	606	547
NBV Margin	22.8%	29.4%

(a) Net of intercompany eliminations.

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

Gross revenues decreased by €158 million (-14%) to €941 million. On a comparable basis, gross revenues decreased by €173 million (-16%):

- **Property & Casualty** (€-73 million or -9%) to €765 million in China (€-194 million or -21%) mainly due to lower volumes in Motor (€-144 million or -21%) following the change in price regulation implemented in September 2020, partly offset by the growth in Non-Motor in both Commercial (€+33 million or +110%) and Personal lines (€+19 million or +50%). This decrease was partly offset by Thailand (€+20 million or +23%) driven by higher volumes in both Non-Motor and Motor;
- **Life & Savings** (€+2 million or +5%) to €42 million from higher volumes in Protection in Indonesia (€+2 million or +5%);
- **Health** (€-102 million or -44%) to €134 million mainly from China due to the non-repeat of a large digital partnership, partly offset by growth through branches and broker channels.

APE increased by €59 million (+11%) to €606 million. On a comparable basis, APE increased by €58 million (+11%) driven by China (€+49 million or +16%) from higher sales of regular premium General Account Savings products, Thailand (€+10 million or +10%) from higher sales notably in Health, as well as the Philippines (€+8 million or +19%) reflecting higher volumes of Protection with Unit-Linked products.

NBV Margin decreased by 6.6 points to 22.8%. On a comparable basis, NBV Margin decreased by 6.2 points mainly driven by China (-15.7 points) notably from an unfavorable change in economic assumptions.

Underlying earnings decreased by €19 million (-11%) to €153 million. On a constant exchange rate basis, underlying earnings decreased by €15 million (-9%):

- Thailand (€-7 million or -9%) to €62 million mainly driven by **(i)** a lower net technical margin in Life & Savings (€-8 million), partly offset by **(ii)** higher volumes in Property & Casualty (€+2 million);
- The Philippines (€-6 million or -19%) to €25 million mainly driven by higher COVID-19 claims in Life & Savings;
- China (€-2 million or -10%) to €22 million driven by **(i)** Property & Casualty (€-7 million) from the negative impacts of the change in price regulation in Motor, partly offset by higher benefits from lower claims frequency, and **(ii)** Health (€-2 million). This was partly offset by **(iii)** Life & Savings (€+7 million) mainly from a higher net technical margin; and
- Indonesia stable at €44 million as lower expenses in Life & Savings (€+5 million) were offset by an unfavorable claims experience in Health (€-5 million).

Net income decreased by €89 million (-49%) to €95 million. On a constant exchange rate basis, net income decreased by €87 million (-47%) mainly driven by lower underlying earnings and an unfavorable change in the fair value of financial assets and liabilities.

AXA XL

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**18,763**	**18,530**
Property & Casualty Insurance	13,955	13,681
Property & Casualty Reinsurance	4,634	4,665
Life & Savings	175	184
Underlying earnings before tax	**1,294**	**(1,296)**
Property & Casualty Insurance	1,258	(1,104)
Property & Casualty Reinsurance	117	(108)
Life & Savings	5	13
Holding	(86)	(98)
Income tax expenses/benefits	(134)	(108)
Minority interests	5	6
Income from affiliates and associates	-	-
Underlying earnings Group share	**1,165**	**(1,398)**
Net capital gains or losses	75	(12)
Profit or loss on financial assets (under fair value option) and derivatives	190	(110)
Exceptional operations (including discontinued operations)	(1)	(157)
Goodwill and other related intangible impacts	(155)	(52)
Integration and restructuring costs	(81)	(190)
NET INCOME GROUP SHARE	**1,192**	**(1,919)**
Property & Casualty Combined Ratio	97.1%	112.2%

(a) Net of intercompany eliminations.

Gross revenues increased by €233 million to €18,763 million. On a comparable basis, gross revenues increased by €484 million (+3%) mainly driven by positive pricing effects in both Property & Casualty Insurance and Reinsurance combined with the non-repeat of COVID-19 premium adjustments in the context of a partial recovery of clients' turnover, partly offset by selective underwriting:

- **Property & Casualty Insurance** (€+408 million or +3%) to €13,955 million mainly driven by positive price effects (+11%) across the portfolio, partly offset by continued disciplined exposure reduction, as follows: **(i)** Financial lines (€+665 million or +22%) across North America Professional lines (€+720 million or +38%) driven by volume growth and tariff increases, and North America CyberTech (€+132 million or +45%) driven by tariff increases, partly offset by International Financial lines (€-186 million or -22%) due to the exit of unprofitable Management Liability and Financial Institutions lines from both the United Kingdom and Lloyd's, and **(ii)** Casualty (€+80 million or +2%) from selective underwriting more than offset by tariff increases (+10%) along with the non-repeat of COVID-19 premium adjustments, partly offset by **(iii)** Specialty (€-233 million or -7%) and Property (€-105 million or -3%) mainly in the context of selective underwriting, mostly offset by tariff increases (+5% and +13% respectively);
- **Property & Casualty Reinsurance** (€+79 million or +2%) to €4,634 million driven by **(i)** Property Treaty (€+82 million or +10%) and Property Cat (€+27 million or +3%) both primarily due to tariff increases (+9% and +8%, respectively) partly offset by the effect of continued exposure reductions, and **(ii)** Specialty and Other lines (€-27 million or -1%) as tariff increases (+8%) were more than offset by selective underwriting;
- **Life & Savings** (€-3 million) to €175 million.

Underlying earnings before tax increased by €2,590 million to €1,294 million. On a constant exchange rate basis, underlying earnings before tax increased by €2,637 million:

- **Property & Casualty** (€+2,636 million) to €1,375 million. Excluding COVID-19 losses (€1,725 million) incurred in 2020 mainly from claims in Business Interruption and Event Cancellation, and Natural Catastrophe charges above the 2020 normalized level (€543 million) and civil unrest in North America (€118 million), underlying earnings increased by €250 million (+21%) driven by **(i)** favorable current year technical results excluding Nat Cat charges (-3.6 points) across the entire portfolio coming from tariff increases and underwriting actions, as well as favorable developments on prior year losses (-2.4 points) mostly driven by the decrease of the COVID-19 IBNR reserves partly offset by higher Nat Cat charges (+4.1 points to 8.1%) driven by a very active Atlantic hurricane season (21 named storms) notably hurricane Ida in August, combined with the Texas winter storm in February and the European floods in July, partly offset by **(ii)** lower net investment income (€-112 million) mainly from lower reinvestment yields.

  As a result, the Insurance segment all year combined ratio improved by 4.4 points to 94.9%, while the Reinsurance segment all year combined ratio deteriorated by 5.2 points to 103.3%;
- **Life & Savings** (€-8 million) to €5 million;
- **Holding** (€+8 million) to €-86 million.

Income tax expenses increased by €26 million to €-134 million. On a constant exchange rate basis, income tax expenses increased by €31 million mainly driven by higher pre-tax underlying earnings, partly offset by favorable geographical mix.

Underlying earnings increased by €2,562 million to €1,165 million. On a constant exchange rate basis, underlying earnings increased by €2,604 million.

Net income increased by €3,112 million to €1,192 million. On a constant exchange rate basis, net income increased by €3,154 million driven by **(i)** higher underlying earnings, **(ii)** the non-repeat of the effect of 2020 financial markets turmoil combined with the strong rebound in 2021, notably on the fair value of alternative assets and equity derivatives net of foreign exchange impacts, **(iii)** the non-repeat of the exceptional impact related to the exit of unprofitable lines of business in 2020 within International Financial lines (Management Liability and Financial Institutions) from both the United Kingdom and Lloyd's, **(iv)** lower integration and restructuring costs, and **(v)** lower equity impairments, partly offset by **(vi)** impairments on intangibles related to transferring capacity away from Lloyd's within Reinsurance.

INTERNATIONAL

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**5,668**	**6,398**
Property & Casualty	2,990	3,407
Life & Savings	853	1,113
Health	1,495	1,562
Banking	330	317
Underlying earnings before tax	**463**	**582**
Property & Casualty	421	443
Life & Savings	13	51
Health	(38)	29
Other [(b)]	67	59
Income tax expenses/benefits	(111)	(143)
Minority interests	(51)	(71)
Income from affiliates and associates	48	100
Underlying earnings Group share	**348**	**469**
Net capital gains or losses	(4)	(3)
Profit or loss on financial assets (under fair value option) and derivatives	89	87
Exceptional operations (including discontinued operations)	(275)	(118)
Goodwill and other related intangible impacts	(8)	(23)
Integration and restructuring costs	(5)	(17)
NET INCOME GROUP SHARE	**144**	**394**
Property & Casualty Combined Ratio	94.3%	95.3%
Health Combined Ratio	104.1%	99.6%
Protection Combined Ratio	106.6%	99.6%
New business		
APE	172	181
NBV Margin	35.8%	36.2%

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

Scope: (i) Mexico, Colombia, Turkey, Morocco, Luxembourg and Brazil are fully consolidated; **(ii)** Russia (Reso), India Life & Savings and Nigeria are consolidated under the equity method and do not contribute to the gross revenues. Singapore and Malaysia are held for sale.

The Central and Eastern Europe entities (Poland, the Czech Republic and the Slovak Republic) were sold in October 2020 and therefore contributed until September 2020 for €63 million in underlying earnings and €53 million in net income.

Greece was sold in May 2021 and contributed until March 2021. The Gulf Region and India Property & Casualty were sold in September 2021 and contributed until June 2021. AXA Bank Belgium was disposed on December 31, 2021, and therefore contributed until December 2021. The contribution of disposed entities represented €106 million of underlying earnings and €93 million of net income in 2021.

Gross revenues decreased by €731 million (-11%) to €5,668 million. On a comparable basis, gross revenues increased by €492 million (+9%) mainly from Property & Casualty (€+355 million or +13%) and Health (€+129 million or +9%):

- **EME-LATAM** (€+400 million or +10%) to €4,265 million mainly driven by Property & Casualty (€+268 million or +13%) and Health (€+137 million or +11%) both across all geographies, partly offset by Life & Savings (€-19 million or -5%):
  - Turkey (€+148 million or +27%) mainly from **(i)** Commercial lines (€+102 million or €+35%) from higher renewals in Property and positive price effects in Motor, and **(ii)** Health (€+29 million or +44%) from positive volume and price effects,

- Mexico (€+129 million or +7%) driven by **(i)** Health (€+86 million or +11%) mainly due to positive price effect, and **(ii)** Property & Casualty (€+62 million or +9%) from the renewal of large multi-year accounts in Commercial Property and higher volumes in Personal Motor, partly offset by **(iii)** Life & Savings (€-19 million or -7%) from lower single premiums in Protection with Savings,
- Colombia (€+39 million or +7%) from **(i)** Property & Casualty (€+56 million or +12%) mainly from higher volumes in both Personal Non-Motor and Commercial Workers' Compensation, partly offset by **(ii)** a portfolio put in run-off in Life & Savings (€-20 million or -64%),
- the Gulf Region (€+26 million or +5%) driven by **(i)** new large accounts in Health (€+17 million or +7%) and **(ii)** higher sales in Commercial lines (€+9 million or +4%) mainly from the bancassurance channel,
- Luxembourg (€+24 million or +10%) mainly from a large contract Life & Savings, and
- Brazil (€+17 million or +18%) mainly from higher volumes from partnerships in Commercial Non-Motor;

- **Africa & Asia** (€+92 million or +7%) to €1,402 million mainly driven by Property & Casualty (€+86 million or +12%):
  - Morocco (€+64 million or +14%) from higher volumes in Commercial Non-Motor, Personal Motor, and General Account Savings, and
  - Singapore (€+37 million or +6%) mainly from a new large multi-year contract in Commercial Motor.

APE decreased by €8 million (-5%) to €172 million. On a comparable basis, APE increased by €34 million (+24%) mainly due to the non-repeat of COVID-19 negative impact on new business sales notably in **(i)** Singapore (€+19 million or +32%) mainly in Unit-Linked, and **(ii)** India (€+11 million or +36%) in Protection with General Account Savings.

NBV Margin decreased by 0.4 point to 35.8%. On a comparable basis, NBV Margin increased by 7.6 points mainly driven by Singapore (+15.3 points) due to a more favorable mix effect.

Underlying earnings before tax decreased by €119 million (-20%) to €463 million. On a constant exchange rate basis, underlying earnings before tax decreased by €100 million (-17%) mainly in **(i)** Health (€-69 million or -236%) and **(ii)** Life & Savings (€-38 million or -75%), partly offset by **(iii)** Banking activities (€+10 million or +11%):

- **EME-LATAM** (€-129 million or -25%) to €367 million driven by:
  - the disposals of the activities in Poland (€-46 million), the Czech Republic & Slovak Republic (€-28 million), the Gulf Region (€-39 million), and Greece (€-14 million),
  - Mexico (€-31 million or -26%) mainly from **(i)** Health due to higher COVID-19 claims (€-71 million), partly offset by **(ii)** Property & Casualty mainly from an improvement in current year performance notably in Commercial Property as well as more favorable prior year reserve developments,
  - Turkey (€+16 million or +31%) mainly driven by Property & Casualty with **(i)** more favorable prior year reserve developments, and **(ii)** the higher level of inflation resulting into a deterioration in current year combined ratio, largely offset by a higher net investment income, and
  - AXA Bank Belgium (€+10 million or +11%) from higher fee income driven by strong commercial performance and favorable developments on loan provisions, reflecting the good quality of the portfolio;
- **Africa & Asia** (€+30 million or +29%) to €135 million from Singapore (€+17 million or +82%) mainly driven by favorable prior year reserve developments in Health, and Morocco (€+12 million or +19%) driven by an improved net technical margin in Life & Savings, and
- **AXA Mediterranean Holdings** (€-2 million or -5%) to €-40 million.

Income tax expenses decreased by €31 million (-22%) to €-111 million. On a constant exchange rate basis, income tax expenses decreased by €27 million (-19%) driven by lower pre-tax underlying earnings.

Minority interests decreased by €20 million (-28%) to €-51 million. On a constant exchange rate basis, minority interests decreased by €16 million (-23%) linked to the disposal of the activities in the Gulf Region.

Income from affiliates and associates decreased by €53 million (-53%) to €48 million. On a constant exchange rate basis, income from affiliates and associates decreased by €45 million (-45%) mainly from Russia (€-30 million) notably from the disposal of a non-consolidated subsidiary, and India (€-13 million) from COVID-19 claims.

Underlying earnings decreased by €121 million (-26%) to €348 million. On a constant exchange rate basis, underlying earnings decreased by €102 million (-22%). Excluding the above-mentioned changes in scope, underlying earnings remained broadly stable.

Net income decreased by €250 million (-63%) to €144 million. On a constant exchange rate basis, net income decreased by €214 million (-54%) mainly due to **(i)** lower underlying earnings, **(ii)** the loss on the upcoming disposal of the activities in Singapore and Malaysia, and **(iii)** the loss on disposal of a non-consolidated subsidiary in Russia, partly offset by **(iv)** the realized gain on the disposals of the activities at AXA Bank Belgium, in Greece and in the Gulf Region, as well as **(v)** a favorable change in the fair value of equity securities reflecting the continued financial market rebound since 2H 2020.

TRANSVERSAL & CENTRAL HOLDINGS

(in Euro million, except percentages)	December 31, 2021	December 31, 2020 restated [(a)]
Gross revenues [(b)]	**3,259**	**2,966**
Property & Casualty	1,279	1,238
Life & Savings	247	265
Health	210	194
Asset Management	1,523	1,269
Underlying earnings before tax	**(366)**	**(560)**
Property & Casualty	76	33
Life & Savings	39	55
Health	2	6
Other [(c)]	(482)	(653)
Income tax expenses/benefits	82	200
Minority interests	(15)	(6)
Income from affiliates and associates	22	18
Underlying earnings Group share	**(277)**	**(347)**
Net capital gains or losses	(10)	116
Profit or loss on financial assets (under fair value option) and derivatives	(31)	256
Exceptional operations (including discontinued operations)	84	(123)
Goodwill and other related intangible impacts	(2)	(29)
Integration and restructuring costs	(24)	(29)
NET INCOME GROUP SHARE	**(260)**	**(157)**
Property & Casualty Combined Ratio	97.8%	101.5%
Health Combined Ratio	99.4%	97.6%

(a) Reclassification of Architas activities (previously reported as part of United Kingdom & Ireland).
(b) Net of intercompany eliminations.
(c) Other corresponds to asset management activities and holding.

2

AXA INVESTMENT MANAGERS ("AXA IM")

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**1,523**	**1,269**
Underlying earnings before tax	**470**	**362**
Income tax expenses/benefits	(129)	(94)
Minority interests	(14)	(7)
Income from affiliates and associates	22	18
Underlying earnings Group share	**348**	**279**
Net capital gains or losses	-	-
Profit or loss on financial assets (under Fair Value option) and derivatives	(15)	2
Exceptional operations (including discontinued operations)	(3)	(5)
Goodwill and other related intangibles impacts	(2)	(1)
Integration and restructuring costs	(16)	(7)
NET INCOME GROUP SHARE	**313**	**269**
Average Assets under Management (in Euro billion)	763	729
Asset management fee bps	16.9	16.1
Underlying cost income ratio	68.1%	71.9%

(a) Net of intercompany eliminations. Gross revenues amounted to €1,854 million before intercompany eliminations as of December 31, 2021.

Assets under Management ("**AUM**") increased by €29 billion from December 31, 2020, to €887 billion at the end of December 31, 2021, mainly driven by **(i)** positive foreign exchange and market impacts (€+19 billion), and **(ii)** positive net inflows (€+12 billion) from Third-Party clients (€+12 billion) driven by the success of both Alts and Core platforms, and Asian joint ventures (€+2 billion), slightly offset by the Main Fund (€-1 billion) as inflows were more than compensated by the Hong Kong reinsurance transaction.

Management fees increased by 0.8 bps to 16.9 bps. On a constant exchange rate basis, management fees increased by 0.7 bps due to a change in product mix stemming from higher asset values in Alternative and Equity products.

Gross revenues increased by €255 million (+20%) to €1,523 million mainly driven by **(i)** higher management fees (€+131 million) stemming from higher average assets under management, as well as **(ii)** higher distribution fees (€+61 million) coming from strong commercial momentum, and **(iii)** higher performance fees (€+47 million) in a context of favorable market conditions.

Underlying earnings before tax increased by €108 million (+30%) on both reported and constant exchange rate basis to €470 million as a result of higher revenues.

The underlying cost income ratio decreased by 3.8 points to 68.1%. On a constant exchange rate basis, the underlying cost income ratio decreased by 3.9 points.

Income tax expenses increased by €35 million (+38%) to €129 million. On a constant exchange rate basis, income tax expenses increased by €36 million (+38%) due to higher pre-tax underlying earnings as well as the non-repeat of a favorable tax one-off in 2020.

Income from affiliates and associates increased by €4 million (+22%) to €22 million. On a constant exchange rate basis, income from affiliates and associates increased by €3 million (+20%).

Underlying earnings increased by €69 million (+25%) on both reported and constant exchange rate basis to €348 million.

Net income increased by €44 million (+16%) on both reported and constant exchange rate basis to €313 million mainly driven by higher underlying earnings, partly offset by an unfavorable change in the fair value of a real estate fund (€-15 million) and higher restructuring costs due to the reorganization of Rosenberg (€-14 million).

AXA ASSISTANCE

(in Euro million, except percentages)	December 31, 2021	December 31, 2020
Gross revenues [(a)]	**1,414**	**1,355**
Property & Casualty	1,204	1,160
Health	210	194
Underlying earnings before tax	**(18)**	**(37)**
Property & Casualty	(19)	(42)
Health	2	6
Income tax expenses/benefits	(14)	(6)
Minority interests	(0)	0
Income from affiliates and associates	-	1
Underlying earnings Group share	**(32)**	**(41)**
Net capital gains or losses	0	(0)
Profit or loss on financial assets (under fair value option) and derivatives	1	(4)
Exceptional operations (including discontinued operations)	(16)	2
Goodwill and other related intangible impacts	-	(28)
Integration and restructuring costs	(3)	(6)
NET INCOME GROUP SHARE	**(50)**	**(77)**
Property & Casualty Combined Ratio	101.6%	103.7%
Health Combined Ratio	99.4%	97.6%

(a) Net of intercompany eliminations.

Gross revenues increased by €59 million (+4%) to €1,414 million. On a comparable basis, gross revenues increased by €153 million (+12%):

- **Property & Casualty** (€+126 million or +12%) to €1,204 million mainly driven by new business across all business lines, notably Motor, Home and Travel;
- **Health** (€+27 million or +14%) to €210 million driven by new business mainly in international markets.

Underlying earnings before tax increased by €19 million to €-18 million:

- **Property & Casualty** (€+23 million) to €-19 million mainly driven by favorable prior year reserve developments, and a slightly improved current year combined ratio (-0.3 point) due to a lower impact of travel restrictions in the context of the COVID-19 crisis;
- **Health** (€-4 million) to €2 million mainly reflecting a higher current year combined ratio due to an unfavorable business mix and higher frequency in France.

Income tax expenses increased by €8 million to €-14 million due to higher negative tax one-offs.

Underlying earnings increased by €10 million to €-32 million.

Net income increased by €27 million to €-50 million mainly driven by higher underlying earnings and the non-repeat of charges related to intangible assets, partly offset by the impact of the discontinuation of AXA Assistance Greece operations.

AXA SA

(in Euro million)	December 31, 2021	December 31, 2020
Underlying earnings Group share	**(762)**	**(714)**
Net capital gains or losses	(14)	3
Profit or loss on financial assets (under fair value option) and derivatives	(36)	183
Exceptional operations (including discontinued operations)	16	(145)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	-	(5)
NET INCOME GROUP SHARE	**(796)**	**(678)**

Underlying earnings decreased by €48 million to €-762 million mainly driven by **(i)** higher investments to accelerate the IT transformation strategy, and **(ii)** lower dividends received mainly following the disposal of the remaining stake in Equitable Holdings, Inc., partly offset by **(iii)** lower financial charges following the reimbursement of debt in 2020.

Net income decreased by €118 million to €-796 million mainly due to **(i)** lower underlying earnings, **(ii)** the non-repeat of a gain on equity derivatives positions in the context of the strong equity market turmoil resulting from the COVID-19 crisis, and **(iii)** the non-repeat of impairments on the participation in non-consolidated entities, partly offset by **(iv)** the non-repeat of losses on interest rates derivatives not eligible for hedge accounting reflecting the significant decrease in exposure to interest rates risk implemented last year.

2.4 LIQUIDITY AND CAPITAL RESOURCES

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

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

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

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

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

As a holding company, AXA is not subject to legal restrictions on dividend payments, provided that its accumulated profits are sufficient to cover distributions. However, regulatory or governmental authorities may recommend or request holding companies of insurance groups such as AXA to limit their dividend payments and many subsidiaries, particularly insurance subsidiaries, are subject to local regulatory restrictions on the amount of dividends they can pay to their shareholders. Furthermore, subject to the completion of the [Internal Reinsurance Transformation] as described in Section 2.1 "Operating Highlights" of this Annual Report, the ACPR, while remaining the supervising authority for the Group, will also have supervisory power over AXA as an ACPR-licensed reinsurance company. For more information on these restrictions, see Note 29.4 "Other items: restrictions on dividend payments to shareholders" in Part 6 "Consolidated Financial Statements" and paragraphs "The Group's or its (re) insurance entities failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition", "We are dependent on our subsidiaries to cover our operating expenses and dividend payments" and "The Group and our businesses are subject to extensive regulation, regulatory supervision and adverse judicial decisions in the various jurisdictions in which we operate" in Section 5.1 "Risk Factors" (1) of this Annual Report.

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

Liquidity, sources and needs for Group operating subsidiaries

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

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

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

PROPERTY & CASUALTY (INCLUDING REINSURANCE AND HEALTH)

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

LIFE & SAVINGS (INCLUDING HEALTH)

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

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

ASSET MANAGEMENT

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

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

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

Liquidity position

In 2021, AXA continued to follow a prudent approach to manage its liquidity risk. At year-end 2021, AXA had:

- a large cash position across all business lines (information on cash flows from operations is provided in Note 12 "Cash and cash equivalents" in Part 6 "Consolidated Financial Statements" of this Annual Report). As of December 31, 2021, AXA's consolidated statement of financial position included cash and cash equivalents of €25.1 billion, net of bank overdrafts of €0.7 billion;
- broad access to various markets *via* standardized debt programs: for example, at the end of 2021, this included a maximum capacity of €6.0 billion of French commercial paper, $2.0 billion of US commercial paper, €18.0 billion under a Euro Medium Term Note ("EMTN") program (of which €15 billion have already been issued) and €1.5 billion of French *titres négociables à moyen terme*;
- a debt profile characterized by debt that is mostly subordinated, with a long maturity profile. In 2021, AXA SA has issued €0.9 billion of debts [(1)] (net of repayments) and debt stands at €18.1 billion at year-end 2021. Debt gearing [(2)] has decreased (26.4% at year-end 2021, *versus* 26.8% at year-end 2020) driven by an increase in shareholders equity. The interest coverage [(3)] has increased (14.3x at year-end 2021, *versus* 10.0x at year-end 2020) driven by higher Group Underlying earnings in 2021 and given 2020 was impacted by one-off impacts related to the COVID-19 crisis.

AXA has put in place a robust liquidity Risk Management framework which is reviewed on a regular basis through a quarterly monitoring of liquidity and solvency requirements in stressed environments both at local and Group level. For additional information, please refer to Section 5.2 "Internal control and Risk Management" [(4)] and Section 5.5 "Liquidity risk" [(5)] of this Annual Report.

At year-end 2021, Group entities held, in the aggregate, more than €228 billion of government and related bonds of which €139 billion were issued by Eurozone countries, which enables them to address local liquidity needs through highly liquid assets. AXA SA also maintained broadly stable credit lines at €8.4 billion at year-end 2021 (€8.2 billion in 2020). AXA has its own liquidity requirements resulting mainly from solvency needs of entities under severe stress scenarios and collateralized derivatives held by AXA SA. The derivatives book is monitored and managed on a daily basis by the Treasury Department. For additional information on the currencies in which our cash and cash equivalents are held, please refer to paragraph "Exchange Rate Risk related to the operating activities of Group subsidiaries" in Section 5.3 "Market Risks" of this Annual Report. For additional information on the extent to which our borrowings are at fixed rates, please refer to Note 13.1.1 "Change in shareholders' equity Group share in 2021", Note 17 "Financing Debt" and Note 18.2 "Other Debt Instruments Issued, Notes and Bank Overdrafts (Other than Financing Debt) by Issuance" in Part 6 "Consolidated Financial Statements" of this Annual Report. For additional information on the use of financial instruments for hedging purposes, please refer to Note 20 "Derivative instruments" in Part 6 "Consolidated Financial Statements" of this Annual Report.

In addition, as part of its risk control framework, the Company remains vigilant regarding contractual provisions, such as rating triggers or restrictive covenants in financing and other documentation that may give lenders, security holders or other counterparties, the right to accelerate repayment, demand collateral or seek other similar remedies under circumstances that could have a material adverse effect on the Group's consolidated financial position. At year-end 2021, AXA had no rating triggers and no financial covenants in its credit facilities.

(1) Excluding Mandatory Exchangeable Bonds.

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

(3) Including interest charge on undated subordinated debt and Mandatory Exchangeable Bonds until the deconsolidation of Equitable Holding, Inc. (please refer to Note 3 – "Consolidated statement of income by segment"- Part 6 "Consolidated Financial Statements" of this Annual Report).

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

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

SUBORDINATED DEBT

On a consolidated basis, subordinated debt that qualifies as financing debt (excluding derivative instruments) amounted to €10,780 million as of December 31, 2021 (€10,449 million including derivatives) after taking into account all intra-group eliminations and excluding undated subordinated debt that qualifies as equity (Undated deeply subordinated notes and undated subordinated notes (TSS/TSDI)), which are included in shareholders' equity, as described in Note 1.13.2 "Undated subordinated debt" in Part 6 "Consolidated Financial Statements" of this Annual Report), compared to €9,486 million as of December 31, 2020 (€9,279 million including derivatives), thus showing a increase of €1,294 million mainly driven by new debt issued.

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

FINANCING DEBT INSTRUMENTS ISSUED

On a consolidated basis, AXA's total outstanding non-subordinated financing debt excluding derivatives amounted to €800 million [(1)] at December 31, 2021, a decrease of €67 million [(1)] from €866 million at the end of 2020.

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

FINANCING DEBT OWED TO CREDIT INSTITUTIONS

At December 31, 2021, the Group did not owe any financing debt to credit institutions.

OTHER DEBT (OTHER THAN FINANCING DEBT)

Other debt instruments issued

At December 31, 2021, other debt instruments amounted to €549 million (down from €897 million at the end of 2020).

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

Other debt owed to credit institutions (including bank overdrafts)

At December 31, 2021, other debt owed to credit institutions amounted to €3,696 million (including €680 million of bank overdrafts), an increase of €160 million compared to €3,536 million at the end of 2020 (including €720 million of bank overdrafts).

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

ISSUANCE OF ORDINARY SHARES

For several years, the AXA Group has offered to its employees, in and outside France, the opportunity to subscribe for shares issued through a capital increase reserved for employees. In 2021, approximately 14 million new shares were issued for a total amount of €293 million. To eliminate the dilutive impact of the newly issued shares, AXA has cancelled an equivalent number of treasury shares.

Newly issued shares arising from long term incentive plans (stock options) amounted to 3,244 million shares in 2021. To eliminate the dilutive impact of the newly issued shares, AXA is systematically cancelling an equivalent number of treasury shares.

DIVIDENDS RECEIVED FROM GROUP SUBSIDIARIES

Dividends received by the Company from its subsidiaries amounted to €3,495 million in 2021 (€3,980 million in 2020), of which €1,763 million were denominated in currencies other than Euro (€2,017 million in 2020).

(1) Excluding Mandatory Exchangeable bonds.

Uses of funds

Interests paid by the Company in 2021 amounted to €921 million (€1,030 million in 2020), of which interests on undated subordinated debt of €265 million (€269 million in 2020).

Dividends paid to AXA SA's shareholders in 2021 in respect of the 2020 financial year amounted to €3,403 million, or €1.43 per share, *versus* €0.73 per share paid in 2020 in respect of the 2019 financial year (€1,740 million in total). Those dividends were paid in cash.

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

Impact of regulatory requirements

The Group's operations are subject to a wide variety of insurance and other laws and regulations in the jurisdictions in which it operates, including regulatory capital and solvency requirements. For additional information, please refer to Section 7.3 "General Information – Regulation and Supervision" (1) of this Annual Report.

REGULATORY CAPITAL REQUIREMENTS

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

In the event that the Group or any of its (re)insurance entities fail to meet minimum regulatory capital requirements, insurance regulators would have broad authority to require or take various regulatory actions. A failure of the Group and/or any of its (re) insurance entities to meet its regulatory capital requirements and/ or a deterioration of its solvency position may also result in the need for significant amounts of new capital, which could adversely affect the Group's liquidity position. For additional information, see paragraph "The Group's or its (re)insurance entities' failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition" in Section 5.1 "Risk Factors" (2) of this Annual Report.

The Group maintained eligible own funds in excess of its Solvency Capital Requirement at all times during 2021 and monitors compliance with such requirement on a continuous basis.

CAPITAL MANAGEMENT OBJECTIVES

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

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

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

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

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

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

TIERING ANALYSIS OF CAPITAL

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

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

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

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

DATED AND UNDATED SUBORDINATED DEBT DESCRIPTION

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

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

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

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

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

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

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

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

FUNGIBILITY OF CAPITAL

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

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

Finally, own funds which cannot be deemed available at Group level are included in the Group's own funds as long as they are eligible for covering the SCR of the entity which holds them.

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

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

Subsequent events after December 31, 2021 impacting AXA's liquidity

A dividend per share of €1.54 will be proposed to the Shareholders' Meeting to be held on April 28, 2022. Subject to the Shareholders' Meeting approval, the dividend will be payable on May 10, 2022 with an ex-dividend date of May 6, 2022.

On February 10, 2022, the Group completed the execution of the €1.7 billion [(2)] share buyback program announced on November 4, 2021.

Furthermore, on March 10, 2022, the Group completed the additional share buy-back program of €0.5 billion [(3)] to neutralize earnings dilution from disposals [(4)], as initially communicated on November 4, 2021 and confirmed on February 24, 2022.

AXA intends to cancel all repurchased shares under both share buyback programs in accordance with its share repurchase programme authorized by the General Shareholders' Meeting.

On February 24, 2022, the Group announced its intention to transform AXA SA, the holding company of AXA Group, into the Group's internal reinsurer. For additional information on AXA SA's transformation, please refer to Section 2.1 "Operating highlights" of this Annual Report.

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

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

(2) €1,699,999,979.

(3) €499,999,991.

(4) Disposals announced after December 1, 2020 and either closed (Greece on May 31, 2021 and Singapore on February 11, 2022) or expected to be closed in 2Q 2022 (Malaysia, subject to closing conditions), as communicated during AXA's Investor Day on December 1, 2020.

2.5 EVENTS SUBSEQUENT TO DECEMBER 31, 2021

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

On January 6, 2022, AXA announced the successful placement of €1.25 billion of Reg S subordinated notes due 2042 to institutional investors, to be used for general corporate purposes including the refinancing of part of its outstanding debt [(1)].

The initial fixed coupon has been set at 1.875% *per annum* until the end of the 6-month call window period (July 2032), when it will become a floating coupon based on 3-month EURIBOR plus a margin including a 100 basis points step up. Investor demand was strong with a book subscribed more than 2 times.

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

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

AXA completed the sale of its insurance operations [(2)] in Singapore

On February 11, 2022, AXA announced that it completed the sale of AXA Insurance Pte Limited ("AXA Singapore") to HSBC Insurance (Asia-Pacific) Holdings Limited, for a total cash consideration of US$ 529 million (or €463 million [(3)]).

War in Ukraine

On February 24, 2022, Russia invaded Ukraine, triggering a war and worldwide geopolitical tensions, leading the United States, Europe and some other countries to impose unprecedented financial and trade sanctions on the Russian economy, including asset freezes and restrictions on individuals and institutions, notably the Russian Central Bank. As a consequence, the Ruble has significantly weakened and the Russian economy is facing a major crisis with repercussions on the global economy.

AXA insures risks of various types in Russia, Ukraine and neighboring countries that may or may not give rise to claims depending on a number of factors including the evolution of the conflict and its geographic scope, as well as the nature and scope of international sanctions imposed and the consequent damages.

AXA also holds a minority stake of 38.6% in "Reso Garantia", a Russian insurance company mainly selling motor insurance to local retail customers, for which financial information is disclosed in Section 6.6 - Note 10.3 "Main associates" of this Annual Report.

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

(2) Operations in Singapore related to AXA XL, AXA France, AXA Partners, MAXIS and AXA Global Healthcare are not within the scope of this transaction.

(3) EUR 1 = US$ 1.1425 as of February 9, 2022 (Source: Bloomberg).

2.6 OUTLOOK

After its successful transformation from a predominantly Life company to a predominantly Property & Casualty company over the period 2016-2021, AXA is now focused on cash generative, technical and fee-based business lines with reduced sensitivity to financial markets. Management believes the Group is well positioned for sustained profitable growth, notably in a continued hardening pricing cycle for Property & Casualty Commercial lines and a growing Health market.

In its current 3-year plan "*Driving Progress 2023*", AXA is focused on the delivery of five strategic actions: **(i)** expand Health and Protection, including through services and across all geographies; **(ii)** simplify customer experience and accelerate efficiency, particularly in Europe and France; **(iii)** strengthen underwriting performance, notably at AXA XL; **(iv)** sustain our climate leadership position in shaping the climate transition; and **(v)** grow cash flows across the Group through continued life in-force management and Group simplification, and disciplined capital management.

At AXA XL, the insurance portfolio was successfully re-underwritten, resulting in improved technical profitability in 2021. Focus is now shifting to disciplined growth. In Reinsurance, exposure to Natural Catastrophe risks is being substantially curtailed to further reduce associated potential earnings volatility.

Considering the strong overall operating performance delivered in 2021, resulting from the Group's successful transformation and strategic actions, and assuming current operating conditions persist, Management believes AXA is positioned to deliver underlying Earnings per share growth at the high end of the 3-7% CAGR target range over 2020 (rebased for COVID-19 and excess Nat Cat losses) and 2023, and to exceed its €14 billion cumulative cash upstream target for 2021-2023.

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

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3

CORPORATE GOVERNANCE

3.1 CORPORATE GOVERNANCE STRUCTURE

PRINCIPLES OF GOVERNANCE

Implementing sound corporate governance principles has been a priority at AXA for many years. In this context, AXA chose to adopt, in 2008, the Corporate Governance Code for French corporations *(Code de gouvernement d'entreprises des sociétés cotées)* published by the Afep *(Association française des entreprises privées)* and the Medef *(Mouvement des entreprises de France)* (the "Afep-Medef Code"). The Board of Directors believes that AXA's corporate governance practices (i) are in line with the recommendations of the Afep-Medef Code (revised in January 2020 and available on AXA's website – www.axa.com) and its accompanying guide, and (ii) have followed the evolution of corporate governance practices in France and abroad, as well as the recommendations and standards of shareholders, regulators, the French High Committee for Corporate Governance *(Haut Comité de Gouvernement d'Entreprise),* proxy advisors, rating agencies and other stakeholders.

PRESENTATION OF AXA'S GOVERNANCE

AXA's corporate governance framework

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

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

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

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

Following Mr. Henri de Castries' decision to step down from his positions of Chairman and Chief Executive Officer announced on March 21, 2016, the Board of Directors decided to split the positions of Chairman and Chief Executive Officer, appointing Mr. Denis Duverne, former Deputy Chief Executive Officer and member of the Board, as non-executive Chairman and Mr. Thomas Buberl as Chief Executive Officer on September 1, 2016.

This decision reflected the Board's conclusions that splitting the roles of Chairman and Chief Executive Officer was consistent with the interest of the Company at that time. The Board concluded that the separation of roles would ensure that the Group benefits from the mix and complementarity of the respective experiences and skills of Mr. Thomas Buberl and Mr. Denis Duverne and would lead to a smooth transition.

This governance is also in line with the recommendations issued by the *Autorité de contrôle prudentiel et de résolution* (ACPR) in July 2020 in favor of splitting the functions of Chairman and Chief Executive Officer of entities under its supervision.

Following the decision to split the positions of Chairman and Chief Executive Officer, the Board of Directors decided to maintain the position of Senior Independent Director.

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

Board of Directors

MEMBERSHIP OF THE BOARD OF DIRECTORS

Board of Directors Diversity Policy

The following policy defines the approach to diversity adopted by AXA in the composition of its Board of Directors as required by Article L.22-10-10, 2° of the French Commercial Code *(Code de commerce).*

POLICY STATEMENT

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

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

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

The members of the Board of Directors are normally appointed for a four-year term by the Shareholders' Meeting. On December 31, 2021, the Board of Directors comprised seventeen members – nine women and eight men. An overview of the Board of Directors as well as the profile, experience and expertise of each director is provided in pages 107 to 115 of this Annual Report.

The objective of this diversity policy is to ensure that, over time, the Board maintains a diverse Board composition to support the Group's Management in the development of its strategic plan and the definition of its long-term objectives.

IMPLEMENTATION AND MONITORING

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

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

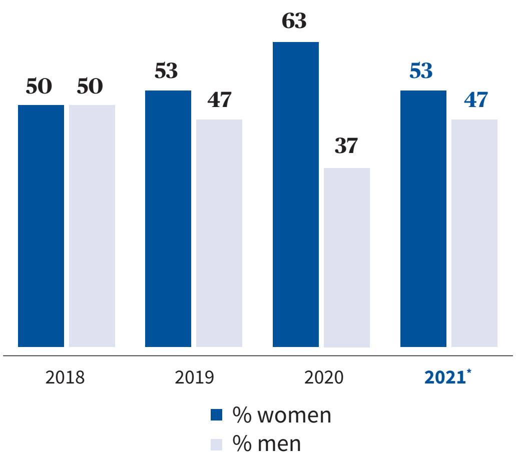
The implementation of the Board of Directors diversity policy is reviewed and monitored each year as part of the Board's self-assessment process. In this respect, the Board notably assesses the selection process for directors and measures the progress made against the predefined diversity targets. The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

RESULTS OBTAINED IN THE PAST YEAR

In 2021, the Board, having considered these diversity criteria, managed to reinforce the diversity of profiles and expertise amongst directors, while maintaining a balanced representation of men and women within the Board.

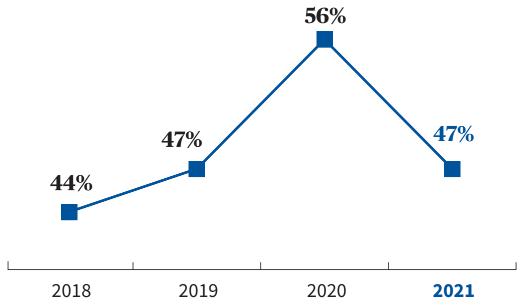
TARGETS OF THE BOARD OF DIRECTORS' DIVERSITY POLICY

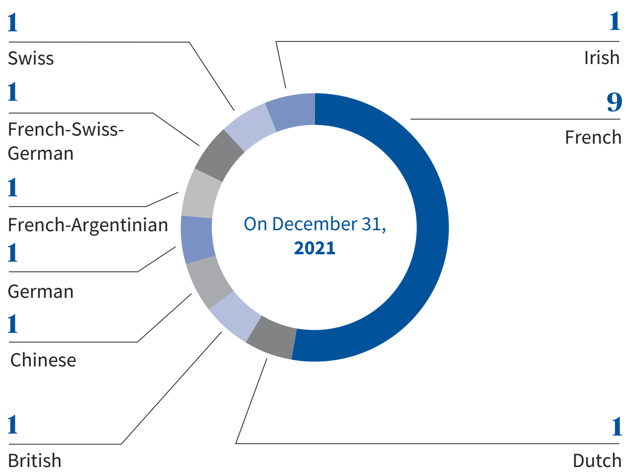
Criteria	Targets	Implementation and results obtained in past years
Gender balance	At least 40% of directors of each gender *(Target met)*	**Representation of women on the Board:** ■ 9 women (1 less than in 2020) and 8 men (2 more than in 2020)



* i.e. a rate of 43% of women and 57% of men (excluding directors representing the employees and the director representing the employee-shareholders) in accordance with legal requirements.

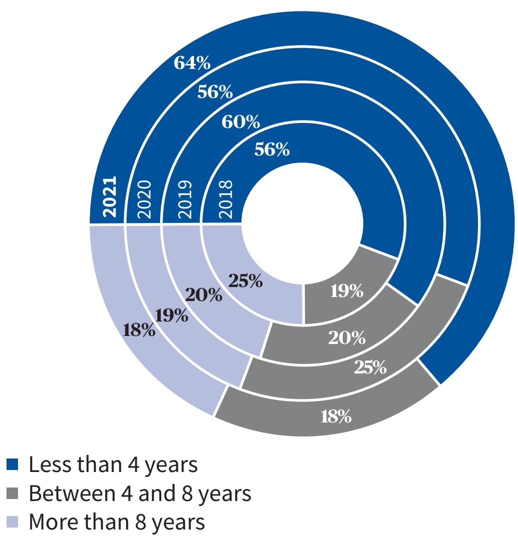
Criteria	Targets	Implementation and results obtained in past years
Nationality of directors	Balanced and complementary composition in terms of nationalities (at least four nationalities represented on the Board) *(Target met)*	**Non-French directors:** ■ 47% of directors are non-French nationals ■ 8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

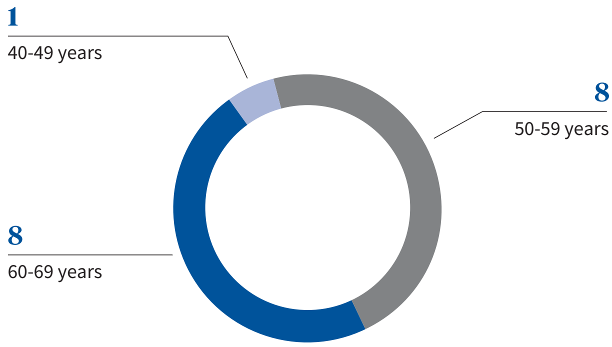




Criteria	Targets	Implementation and results obtained in past years
Tenure of directors	Balanced and complementary composition in terms of tenure (average tenure between 4 and 8 years) *(Target met)*	**Directors' tenure at December 31, 2021:** ■ Less than 4 years: 11 directors (*versus* 9 in 2020) ■ Between 4 and 8 years: 3 directors (*versus* 4 in 2020) ■ Between 8 and 12 years: 3 directors (stable compared to 2020) ■ Directors' average tenure at December 31, 2021: 4 years (stable compared to 2020)

On December 31, 2021



Criteria	Targets	Implementation and results obtained in past years
Age of directors	No more than one-third of directors over the age of 70 ***(Target met)***	■ On December 31, 2021, the directors' average age was 59 years old (stable compared to 2020) ■ No director is over the age of 70 

Criteria	Targets	Implementation and results obtained in past years
Independence of directors	At least 50% independent directors ***(Target met)***	On December 31, 2021, 12 out of 17 directors were independent, *i.e.* 71% of the members of the Board of Directors (compared to 69% on December 31, 2020). The Chief Executive Officer, the member of the Board representing the employee shareholders and the members of the Board representing the employees (*i.e.* 4 directors), are by definition not independent.

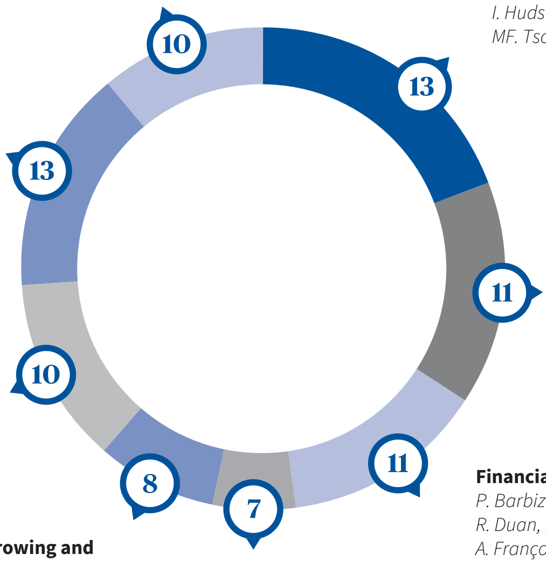
Skills and expertise of the members of the Board of Directors

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

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

Oversight of sustainability and environmental stewardship
P. Barbizet, T. Buberl, JP. Clamadieu, B. Cramm, C. Delbos, D. Duverne, G. Faury, A. François-Poncet, I. Hudson, A. Kemna

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



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

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

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

Financial expertise
P. Barbizet, T. Buberl, C. Delbos, R. Duan, D. Duverne, R. Fernandez, A. François-Poncet, A. Gosset-Grainville, I. Hudson, A. Kemna, R. de Oliveira

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

Experience of customers services and digital strategies
P. Barbizet, T. Buberl, R. Duan, D. Duverne, G. Faury, R. Fernandez, I. Hudson

Composition of the Board of Directors on December 31, 2021 (1)

NUMBER OF DIRECTORS	INDEPENDENT DIRECTOR RATIO	GENDER BALANCE WITHIN THE BOARD OF DIRECTORS	NATIONALITY	DIRECTORS' AVERAGE AGE
17	71%	53%	8	59
	12 independent directors	43% of women excluding directors representing the employees and the employee shareholders	directors out of 17 are non-French nationals – 8 nationalities are represented on the Board	

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

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Name (age) and main function [(a)] Principal business address Nationality	Position within the Board of Directors	Number of AXA shares owned on December 31, 2021 [(b)]	First appointment/ term of office
Denis Duverne (68) Chairman of the Board of Directors of AXA 25, avenue Matignon – 75008 Paris – France French nationality	Chairman of the Board of Directors	1,564,543	April 2010/2022 Annual Shareholders' Meeting
Thomas Buberl (48) Chief Executive Officer and director of AXA 25, avenue Matignon – 75008 Paris – France French, German and Swiss nationalities	Chief Executive Officer and director	670,741	September 2016/2022 Annual Shareholders' Meeting
Patricia Barbizet (66) Chairman of Temaris & Associés 40, rue François 1er – 75008 Paris – France French nationality	Independent director Member of the Compensation & Governance Committee	5,570	April 2018/2022 Annual Shareholders' Meeting
Martine Bièvre (62) Director of AXA representing the employees AXA France – 203-205 rue Carnot – 94138 Fontenay-sous-Bois – France French nationality	Director representing the employees	0	June 2018/2022 Annual Shareholders' Meeting
Helen Browne (59) Director of AXA representing the employee shareholders 25, avenue Matignon – 75008 Paris – France Irish nationality	Director representing the employee shareholders Member of the Finance Committee	110,837 [(c)]	June 2020/2024 Annual Shareholders' Meeting
Jean-Pierre Clamadieu (63) Chairman of the Board of Directors of ENGIE 1, place Samuel de Champlain – 92930 Paris la Défense Cedex – France French nationality	Senior Independent Director Chairman of the Compensation & Governance Committee	11,500	October 2012/2023 Annual Shareholders' Meeting
Bettina Cramm (58) Director of AXA representing the employees AXA Konzern AG – PX Health&Safety – Abraham-Lincoln Park 5 – 65189 Wiesbaden – Germany German nationality	Director representing the employees Member of the Compensation & Governance Committee	2,134	June 2018/2022 Annual Shareholders' Meeting
Clotilde Delbos (54) Deputy Chief Executive Officer (*Directeur Général Adjoint*) of Group Renault 13/15 quai Alphonse Le Gallo – 92513 Boulogne-Billancourt – France French nationality	Independent director Member of the Audit Committee	3,000 [(d)]	May 2021/2024 Annual Shareholders' Meeting
Rachel Duan (51) Companies' director 25, avenue Matignon – 75008 Paris – France Chinese nationality	Independent director Member of the Compensation & Governance Committee	5,600	April 2018/2022 Annual Shareholders' Meeting
Guillaume Faury (53) Chief Executive Officer of Airbus Building B80 – W410 2 Rond-point Dewoitine – BP 90112 – 31703 Blagnac Cedex – France French nationality	Independent director	2,005 [(e)]	April 2021/2025 Annual Shareholders' Meeting
Ramon Fernandez (54) Deputy Chief Executive Officer, Finance, Performance and Development of Orange 111, quai du Président Roosevelt – 92130 Issy-les-Moulineaux – France French nationality	Independent director Member of the Audit Committee Member of the Finance Committee	3,577 [(f)]	April 2021/2025 Annual Shareholders' Meeting

(a) For further information on the expertise, experience and directorships of the members of the Board of Directors, please refer to Section "Information on current members of the Board of Directors" below.
(b) AXA shares indirectly held through Mutual funds are not taken into account.
(c) On January 24, 2022.
(d) On January 19, 2022.
(e) On February 25, 2022.
(f) On January 13, 2022.
(g) On March 3, 2022.

Name (age) and main function [(a)] Principal business address Nationality	Position within the Board of Directors	Number of AXA shares owned on December 31, 2021 [(b)]	First appointment/ term of office
André François-Poncet (62) Group CEO of Wendel SE 89, rue Taitbout – 75009 Paris – France French nationality	Independent director Member of the Compensation & Governance Committee Member of the Finance Committee	7,842	December 2016/2022 Annual Shareholders' Meeting
Antoine Gosset-Grainville (55) Partner at BDGS Associés Law Firm 51, rue François 1er – 75008 Paris – France French nationality	Independent director Member of the Finance Committee	4,268	June 2020/2024 Annual Shareholders' Meeting
Isabel Hudson (62) Companies' director 25, avenue Matignon – 75008 Paris – France British nationality	Independent director Chairwoman of the Audit Committee Member of the Finance Committee	7,440[(g)]	June 2020/2024 Annual Shareholders' Meeting
Angelien Kemna (64) Companies' director 25, avenue Matignon – 75008 Paris – France Dutch nationality	Independent director Member of the Audit Committee	7,250	April 2016/2024 Annual Shareholders' Meeting
Ramon de Oliveira (67) Founder and Partner of RdeO Consulting LLC (United States) 580 Park Avenue – New York – NY 10065 – United States French and Argentinian nationalities	Independent director Chairman of the Finance Committee	58,859	April 2009/2025 Annual Shareholders' Meeting
Marie-France Tschudin (50) President of Novartis Pharmaceuticals (Switzerland) 4002 Basel – Switzerland Swiss nationality	Independent director	2,695[(d)]	June 2020/2024 Annual Shareholders' Meeting

(a) For further information on the expertise, experience and directorships of the members of the Board of Directors, please refer to Section "Information on current members of the Board of Directors" below.
(b) AXA shares indirectly held through Mutual funds are not taken into account.
(c) On January 24, 2022.
(d) On January 19, 2022.
(e) On February 25, 2022.
(f) On January 13, 2022.
(g) On March 3, 2022.

Changes within the membership of the Board of Directors and its Committees in 2021

	Term of office	Appointment	Renewal
Board of Directors	Elaine Sarsynski *(04/29/2021)* Irene Dorner *(05/10/2021)*	Guillaume Faury *(04/29/2021)* Ramon Fernandez *(04/29/2021)* Clotilde Delbos *(05/10/2021)*	Ramon de Oliveira *(04/29/2021)*
Audit Committee	Elaine Sarsynski *(04/29/2021)* Ramon de Oliveira *(04/29/2021)* Irene Dorner *(05/10/2021)*	Ramon Fernandez *(04/29/2021)* Clotilde Delbos *(05/10/2021)*	-
Finance Committee	-	Ramon Fernandez *(04/29/2021)* Isabel Hudson *(04/29/2021)*	Ramon de Oliveira *(04/29/2021)*
Compensation & Governance Committee	-	-	-

Changes to the Board at the 2022 Shareholders' Meeting

The Shareholders' Meeting to be held on April 28, 2022 will be asked to vote on (i) the re-appointment of three members of the Board of Directors whose term of office is ending (Mrs. Rachel Duan and Mr. Thomas Buberl for a proposed term of 4 years and Mr. André François-Poncet for a proposed term of 2 years), (ii) the ratification of the cooptation of a member of the Board of Directors (on May 10, 2021, the Board of Directors appointed Mrs. Clotilde Delbos as a Board member, replacing Mrs. Irene Dorner, until the 2024 Shareholders' Meeting) and (iii) the appointment of two new members of the Board of Directors.

Mrs. Patricia Barbizet, member of the Board of Directors, and Mr. Denis Duverne, Chairman of the Board of Directors, whose terms of office expire at the end of this Shareholders' Meeting, will not ask for a new mandate.

In this context, the Board of Directors proposed, based on the recommendation of the Compensation & Governance Committee:

- the appointment of Mr. Gérald Harlin as director, for a four-year term, replacing Mr. Denis Duverne; and
- the appointment of Mrs. Rachel Picard as director, for a four-year term, replacing Mrs. Patricia Barbizet.

The Board has also decided to appoint Mr. Antoine Gosset-Grainville as Mr. Denis Duverne's successor as Chairman of the Board of Directors.

Subject to the April 28, 2022 Shareholders' Meeting approval, the Board of Directors would therefore be comprised of 17 members including 9 women (53% (1)) and 11 members considered independent (65%) by the Board of Directors in accordance with the Afep-Medef Code criteria.

The composition of the Board Committees will be reviewed during the Board of Directors' meeting following the Shareholders' Meeting of April 28, 2022.

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

(1) Or a rate of 43% (higher than the minimum of 40% required by law) of women (excluding the directors representing the employees and the director representing the employee-shareholders) in accordance with legal requirements.

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

Denis Duverne

Chairman of the Board of Directors of AXA (independent)

Born on October 31, 1953

French nationality

Appointed on April 25, 2018 – Term expires at the 2022 Shareholders' Meeting

First appointment on April 29, 2010

Expertise and experience

Mr. Denis Duverne is a graduate of the *École des hautes études commerciales* (HEC). After graduating from the *École nationale d'administration* (ENA), he started his career in 1979 at the Tax Department of the French Ministry of Finance, and after 2 years as commercial counsellor for the French Consulate General in New York (1984-1986), he became director of the Corporate Taxes Department and then responsible for tax policy within the French Ministry of Finance from 1986 to 1991. In 1991, he was appointed Corporate Secretary of Compagnie Financière IBI. In 1992, he became a member of the Executive Committee of Banque Colbert, in charge of operations. In 1995, Mr. Denis Duverne joined the AXA Group and assumed responsibility for supervision of AXA's operations in the United States and the United Kingdom and managed the reorganization of AXA companies in Belgium and the United Kingdom. From February 2003 until December 2009, Mr. Denis Duverne was the Management Board member in charge of Finance, Control and Strategy. From January 2010 until April 2010, Mr. Denis Duverne assumed broader responsibilities as Management Board member in charge of Finance, Strategy and Operations. From April 2010 to August 31, 2016, Mr. Denis Duverne was director and Deputy Chief Executive Officer of AXA, in charge of Finance, Strategy and Operations. Mid-2014, Mr. Denis Duverne became a member of the Private Sector Advisory Group (PSAG), which brings together international leaders of the private sector whose shared goal is to help developing countries improve their corporate governance, co-founded in 1999 by the World Bank and the Organisation for Economic Cooperation and Development (OECD). Since September 1, 2016, Mr. Denis Duverne has been non-executive Chairman of the Board of Directors of AXA. Since September 2018, he has been Chairman of the Insurance Development Forum (IDF). The IDF is a public-private partnership led by the insurance industry and supported by the World Bank and the United Nations, aiming to enhance the use of insurance to build greater resilience against disasters and to help achieve the United Nations Global 2030 Agenda.

Directorships held within the AXA Group

Chairman of the Board of Directors: AXA*

Chairman: AXA Millésimes (SAS)

Directorships held outside the AXA Group

Chairman: Fondation pour la Recherche Médicale, Insurance Development Forum (United Kingdom)

Member of the Board: Chaîne de l'Espoir, Toulouse School of Economics

Directorships held during the last five years

Chairman of the Board of Directors: AXA Financial, Inc. (United States)

Director: AllianceBernstein Corporation (United States), AXA Equitable Life Insurance Company (United States), MONY Life Insurance Company of America (United States)

3

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

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

Thomas Buberl

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

Born on March 24, 1973

French, German and Swiss nationalities

Appointed on April 25, 2018 – Term expires at the 2022 Shareholders' Meeting

First appointment on September 1, 2016

Expertise and experience

Mr. Thomas Buberl holds a Master of Economics degree from WHU Koblenz (Germany), an MBA from Lancaster University (United Kingdom) and a Ph.D. in Economics from the University of St Gallen (Switzerland). In 2008, he was nominated as a Young Global Leader by the World Economic Forum. From 2000 to 2005, Mr. Thomas Buberl worked at the Boston Consulting group as a consultant for the banking & insurance sector in Germany and abroad. From 2005 to 2008, he worked for the Winterthur group as a member of the Management Board of Winterthur in Switzerland, first as Chief Operating Officer and then as Chief Marketing and Distribution Officer. He then joined Zurich Financial Services where he was Chief Executive Officer for Switzerland. From 2012 to April 2016, he was Chief Executive Officer of AXA Konzern AG (Germany). In 2012, he was a member of the AXA Executive Committee. In March 2015, he became Chief Executive Officer of the Global Business Line for the Health Business and joined the AXA Management Committee. In January 2016, Mr. Thomas Buberl was also appointed Chief Executive Officer of the global business line Life & Savings. From March 21, 2016 to August 31, 2016, Mr. Thomas Buberl was Deputy Chief Executive Officer (*Directeur Général Adjoint*) of AXA. Since September 1, 2016, Mr. Thomas Buberl has been Chief Executive Officer and director of AXA.

Directorship held within the AXA Group

Director and Chief Executive Officer: AXA*

Directorships held outside the AXA Group [(1)]

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

Directorships held during the last five years

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

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

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

Patricia Barbizet

Member of the Board of Directors of AXA (independent)

Chairwoman of Temaris & Associés

Born on April 17, 1955

French nationality

Appointed on April 25, 2018 – Term expires at the 2022 Shareholders' Meeting

First appointment on April 25, 2018

Member of the AXA Compensation & Governance Committee

Expertise and experience

Mrs. Patricia Barbizet graduated from ESCP-Europe Business School in 1976. Mrs. Patricia Barbizet started her career as International Treasurer in Renault Véhicules Industriels, and then as Chief Financial Officer of Renault Crédit International. In 1989, she joined the Groupe Pinault as Chief Financial Officer. She was Chief Executive Officer of Artémis, the investment company of the Pinault family, from 1992 to 2018. She was Chief Executive Officer and Chairwoman of Christie's International from 2014 to 2016. Mrs. Patricia Barbizet is Lead Independent Director of the Board of Pernod Ricard. She also served as a qualified independent member on the Boards of Bouygues, Air France-KLM, Kering and PSA Peugeot-Citroën as well as Chairwoman of the Fonds Stratégique d'Investissement Investment Committee from 2008 to 2013. Since April 2018, Mrs. Patricia Barbizet has been Chairwoman of Temaris & Associés.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chairwoman of the Board of Directors: Cité de la musique Philharmonie de Paris

Chairwoman: Temaris & Associés, Zoé SAS

Director: Colombus Holding, Pernod Ricard* *(Lead Independent Director)*, TotalEnergies*

Directorships held during the last five years

Chief Executive Officer: Artémis

Chairwoman & Chief Executive Officer: Christie's International Plc (United Kingdom)

Vice-Chairwoman: Christie's International Plc (United Kingdom)

Vice-Chairwoman of the Board of Directors: Kering

Chief Executive Officer (non-executive) and member of the Supervisory Board: Financière Pinault

Member of the Board of Managers: Société Civile du Vignoble de Château Latour

Managing Director and director: Palazzo Grassi (Italy)

Director and member of the Supervisory Board: Air France-KLM, Artémis, Bouygues, Fonds Stratégique d'Investissement, Fnac Darty, Peugeot SA, Ponant, Société Nouvelle du Théâtre Marigny, TF1, Yves Saint Laurent, Gucci Group NV (The Netherlands)

Permanent representative of Artémis to the Boards of: Agefi, Collection Pinault Paris, Sebdo le Point

(1) Mr. Thomas Buberl requested the Board of Directors' approval before accepting new directorships in companies outside the AXA Group.

Martine Bièvre

Member of the Board of Directors of AXA representing the employees

Born on September 4, 1959

French nationality

Appointed on June 13, 2018 – Term expires at the 2022 Shareholders' Meeting

First appointment on June 13, 2018

Expertise and experience

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

Directorship held within the AXA Group

Director representing the employees: AXA*

Directorship held outside the AXA Group

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

Directorship held during the last five years

Director representing the employees: AXA France IARD

Helen Browne

Member of the Board of Directors of AXA representing the employee shareholders

Born on December 30, 1962

Irish nationality

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

First appointment on June 30, 2020

Member of the AXA Finance Committee

Expertise and experience

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

Directorships held within the AXA Group

Director representing the employee shareholders: AXA*

Director: XL Insurance Company SE (Ireland)

Directorship held outside the AXA Group

Member: Haut Comité Juridique de la Place Financière de Paris

Directorships held during the last five years

Director: AXA Corporate Solutions Assurance, RESO (Russia)

Permanent representative of Société Beaujon to the Board of Directors of: Vamopar

3

Jean-Pierre Clamadieu

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

Chairman of the Board of Directors of ENGIE

Born on August 15, 1958

French nationality

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

First appointment on October 10, 2012

Chairman of the AXA Compensation & Governance Committee

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

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

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

Director: Airbus*, France Industries

Directorships held during the last five years

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

Chairman: Cytec Industries Inc. (United States)

Director: Faurecia, SNCF

Bettina Cramm

Member of the Board of Directors of AXA representing the employees

Born on May 10, 1963

German nationality

Appointed on June 20, 2018 – Term expires at the 2022 Shareholders' Meeting

First appointment on June 20, 2018

Member of the AXA Compensation & Governance Committee

Expertise and experience

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

Directorships held within the AXA Group

Director representing the employees: AXA*

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

Directorship held outside the AXA Group

None

Directorship held during the last five years

None

Clotilde Delbos

Member of the Board of Directors of AXA (independent)

Deputy Chief Executive Officer *(Directeur Général Adjoint)* of Groupe Renault

Born on September 30, 1967

French nationality

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

First appointment on May 10, 2021

Member of the AXA Audit Committee

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chairwoman of the Board of Directors: RCI Banque**

Chairwoman: Mobilize Ventures**, MAI**

Chief Executive Officer: Mobilize**

Director: Alstom*, RENAULT Espana (Spain)**

Member of the Management Board: RENAULT Nissan B.V. (The Netherlands)**

Co-manager: HACTIF Patrimoine

Directorships held during the last five years

Chief Executive Officer by interim: Renault SA

Chairwoman: MOBILIZ INVEST

Chief Executive Officer: RENAULT NISSAN B.V. (The Netherlands)

Member of the Supervisory Board: ALLIANCE VENTURES B.V. (The Netherlands)

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

3

Rachel Duan

Member of the Board of Directors of AXA (independent)

Companies' director

Born on July 25, 1970

Chinese nationality

Appointed on April 25, 2018 – Term expires at the 2022 Shareholders' Meeting

First appointment on April 25, 2018

Member of the AXA Compensation & Governance Committee

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

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

Directorships held during the last five years

President & Chief Executive Officer: GE Global Markets

Chief Executive Officer: GE China, GE Healthcare China

Guillaume Faury

Member of the Board of Directors of AXA (independent)

Chief Executive Officer of Airbus SE

Born on February 22, 1968

French nationality

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

First appointment on April 29, 2021

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Chief Executive Officer and director: Airbus SE* **

President: Airbus SAS**

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

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

President: Groupement des Industries Françaises Aéronautiques et Spatiales**

Directorships held during the last five years

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

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

Chairman of the Supervisory Board: Airbus Operations GmbH

Managing Director (Directeur Général): Airbus

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

Member of the Supervisory Board: Airbus Helicopters Deutschland GmbH

Ramon Fernandez

Member of the Board of Directors of AXA (independent)

Deputy Chief Executive Officer, Finance, Performance and Development of Orange

Born on June 25, 1967

French nationality

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

First appointment on April 29, 2021

Member of the AXA Audit Committee

Member of the AXA Finance Committee

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Deputy Chief Executive Officer: Orange* **

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

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

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

Directorships held during the last five years

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

André François-Poncet

Member of the Board of Directors of AXA (independent)

Group CEO of Wendel SE

Born on June 6, 1959

French nationality

Appointed on April 25, 2018 – Term expires at the 2022 Shareholders' Meeting

First appointment on December 14, 2016

Member of the AXA Compensation & Governance Committee

Member of the AXA Finance Committee

Expertise and experience

Mr. André François-Poncet graduated from *École des hautes études commerciales* (HEC) and holds a Master in Business Administration (MBA) from Harvard Business School. He began his career, in 1984, at Morgan Stanley in New York and then in London and in Paris, where he was in charge of the opening of Morgan Stanley's French office. After a sixteen-year career at Morgan Stanley, he joined BC Partners (Paris and London) in 2000 as Managing Partner until December 2014 and then as Senior Advisor until December 2015. From September 2016 to December 2017, Mr. André François-Poncet was employed as a Partner at French asset manager CIAM in Paris. Since January 1, 2018, Mr. André François-Poncet has been Group CEO of Wendel SE.

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Group CEO: Wendel SE* **

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

Member of the bureau: Club des Trente

Directorships held during the last five years

Chairman and Chief Executive Officer: LMBO Europe SAS

Chairman and director: Trief Corporation (Luxembourg)

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

Member of the European Advisory Board: Harvard Business School

3

Antoine Gosset-Grainville

Member of the Board of Directors of AXA (independent)

Partner at BDGS Associés Law Firm

Born on March 17, 1966

French nationality

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

First appointment on June 30, 2020

Member of the AXA Finance Committee

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

Director: Compagnie des Alpes*, Fnac Darty*

Directorships held during the last five years

Director: AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, Schneider Electric

Isabel Hudson

Member of the Board of Directors of AXA (independent)

Companies' director

Born on December 8, 1959

British nationality

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

First appointment on June 30, 2020

Chairwoman of the AXA Audit Committee

Member of the AXA Finance Committee

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorship held outside the AXA Group

Director: BT Group plc* (United Kingdom),

Directorships held during the last five years

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

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

Angelien Kemna

Member of the Board of Directors of AXA (independent)

Companies' director

Born on November 3, 1957

Dutch nationality

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

First appointment on April 27, 2016

Member of the AXA Audit Committee

Expertise and experience

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

Directorships held within the AXA Group

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

Directorships held outside the AXA Group

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

Directorships held during the last five years

Director or member of the Supervisory Board: Duisenburg School of Finance (The Netherlands), Railway Pension Investments Ltd (RPMI) (United Kingdom)

Ramon de Oliveira

Member of the Board of Directors of AXA

Founder and Partner of RdeO Consulting LLC (United States)

Born on September 9, 1954

French and Argentinian nationalities

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

First appointment on April 30, 2009

Chairman of the AXA Finance Committee

Expertise and experience

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

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

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

Director: Antin Infrastructure Partners

Member of the Investment Committee: Polish-American Freedom Fund

Directorships held during the last five years

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

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

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

Vice-Chairman: JACCAR Holdings SA (Luxembourg)

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

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

Marie-France Tschudin

Member of the Board of Directors of AXA (independent)

President of Novartis Pharmaceuticals (Switzerland)

Born on September 24, 1971

Swiss nationality

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

First appointment on June 30, 2020

Expertise and experience

Mrs. Marie-France Tschudin graduated with a Master of Business Administration from IMD business school in Switzerland, and a Bachelor of Science from Georgetown University in the United States. Before joining Novartis, Mrs. Marie-France Tschudin spent 10 years at Celgene International in a variety of leadership positions, including country manager of Switzerland from 2008 to 2009, general manager of Austria, Switzerland, the Czech Republic, Poland, Slovenia and Slovakia from 2009 to 2011, regional Vice-President of Northern Europe from 2012 to 2014 and corporate Vice-President of hematology and oncology for Europe, the Middle East and Africa from 2014 to 2016. She joined Novartis in 2017 as Europe Region Head of Novartis Pharmaceuticals. From March to June 2019, she was President of Advanced Accelerator Applications, a Novartis company. Since June 7, 2019, Mrs. Marie-France Tschudin has been President of Novartis Pharmaceuticals and a member of the Executive Committee of Novartis (Switzerland).

Directorship held within the AXA Group

Director: AXA*

Directorships held outside the AXA Group

President: Novartis Pharmaceuticals (Switzerland)

Director: IMD Foundation (Switzerland)

Directorship held during the last five years

None

DIRECTORS' INDEPENDENCE

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

The following table sets out the position of each director of the Company in consideration of the criteria of the Afep-Medef Code on December 31, 2021.

Criterion *(the criterion is considered to be met when it is identified by ✔)*	**Denis Duverne**	**Thomas Buberl**	**Patricia Barbizet**	**Martine Bièvre**	**Helen Browne**	**Jean-Pierre Clamadieu**	**Bettina Cramm**
1 Not have been an employee or executive officer of the company, or an employee, executive officer or director of a consolidated subsidiary within the previous five years	✔	0	✔	0	0	✔	0
2 Not have cross-directorships	✔	✔	✔	✔	✔	✔	✔
3 Not have significant business relationships	✔	✔	✔	✔	✔	✔	✔
4 Not be related by close family ties to a company officer	✔	✔	✔	✔	✔	✔	✔
5 Not have been an auditor of the Company within the previous five years	✔	✔	✔	✔	✔	✔	✔
6 Not have been a director of the Company for more than twelve years	✔	✔	✔	✔	✔	✔	✔
7 Not represent a major shareholder of the Company (holding more than 10% of share capital or voting rights)	✔	✔	✔	✔	✔	✔	✔
INDEPENDENT DIRECTOR AFTER ASSESSING THE AFEP-MEDEF CRITERIA	✔	**0**	✔	**0**	**0**	✔	**0**

Clotilde Delbos	Rachel Duan	Guillaume Faury	Ramon Fernandez	André François-Poncet	Antoine Gosset-Grainville	Isabel Hudson	Angelien Kemna	Ramon de Oliveira	Marie-France Tschudin
✔	✔	✔	✔	✔	✔	✔	0 *	0 *	✔
✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
✔	✔	✔	✔	✔	✔	✔	✔	0	✔
✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
✔	✔	✔	✔	✔	✔	✔	✔	**0**	✔

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

On February 23, 2022, the AXA Board of Directors determined that, on December 31, 2021, twelve of the seventeen Board members were independent after assessing the criteria of the Afep-Medef Code: Mmes Patricia Barbizet, Clotilde Delbos, Rachel Duan, Isabel Hudson, Angelien Kemna and Marie-France Tschudin and Messrs. Denis Duverne, Jean-Pierre Clamadieu, Guillaume Faury, Ramon Fernandez, André François-Poncet and Antoine Gosset-Grainville.

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

In addition, in June 2018, two directors representing the employees, Mmes Martine Bièvre and Bettina Cramm, were appointed as members of the AXA Board of Directors.

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

3

ROLE AND RESPONSIBILITIES OF THE BOARD

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

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

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

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

CHAIRMAN OF THE BOARD OF DIRECTORS

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

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

Following its decision to appoint Mr. Denis Duverne as Chairman, the Board decided, in light of his experience and expertise and knowledge of the AXA Group, to extend the role of the Chairman as follows [(2)]:

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

In this context, in 2021, the Chairman of the Board of Directors, notably:

- represented the Company at various national and international events attended by certain of the Group's main partners and strategic stakeholders;
- had discussions with the main institutional shareholders of the Company, in particular prior to the Shareholders' Meeting; and
- at the request of the Chief Executive Officer, participated in internal meetings in connection with significant events concerning the Company (*e.g.* disposal and acquisition projects…).

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

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

While the Chairman acts in close collaboration with the Chief Executive Officer, his role is contributory in nature and does not confer any executive power. Under French law, it is the Chief Executive Officer who is solely responsible for the Company's operational leadership and management.

Mr. Denis Duverne, Chairman of AXA's Board of Directors, shall retire, as planned, at the end of his current mandate in April 2022. Following a comprehensive succession process led by the Compensation & Governance Committee of AXA's Board over the past two years, AXA's Board of Directors unanimously decided to appoint Mr. Antoine Gosset-Grainville as Chairman of the Board of Directors replacing Mr. Denis Duverne.

Since the announcement of this decision, Messrs. Denis Duverne and Antoine Gosset-Grainville have been working closely together to prepare for this succession.

Mr. Antoine Gosset-Grainville, in his capacity as Chairman of the Board of Directors, will carry out similar duties to those of his predecessor.

SENIOR INDEPENDENT DIRECTOR

Following the decision to split the positions of Chairman and Chief Executive Officer, the Board of Directors decided to maintain the position of Senior Independent Director.

The Senior Independent Director (Mr. Jean-Pierre Clamadieu), replaces the Chairman of the Board of Directors in the event of temporary incapacity or death, chairs meetings of the Board in the absence of the Chairman, acts, if need be, as spokesperson for the independent directors and informs the Chairman of any potential conflict of interest identified. The Senior Independent Director also reviews, with the Chairman of the Board of Directors, the agenda of Board meetings and the quality of information provided to the Board.

In addition, the Senior Independent Director may convene meetings of independent members of the Board, without the presence of the Chairman and Executive Management, in particular, to assess the performance of the Chairman, review his compensation and prepare his succession plan. He may also request the Chairman to convene the Board on a specific agenda.

The Senior Independent Director reports on his activities to the Shareholders' Meeting.

In 2021, the Senior Independent Director, also acting as Chairman of the Compensation & Governance Committee:

- maintained regular dialogue with the Chairman of the Board and with the Executive Management (*i.e.* the Chief Executive Officer and the Deputy Chief Executive Officers *(Directeurs Généraux Adjoints)*);
- was actively involved in the preparation of Board and Committees meetings, working closely with the Chairman of the Board of Directors and the Executive Management;
- contributed to the selection process of the future members of the Board of Directors and its Committees;
- worked closely with the Chairman of the Board on the organization of the annual self-assessment of the Board;
- contributed to the review of all communications made to shareholders in particular on corporate governance topics and Executive Management compensation.

He reported on his activities at the Shareholders' Meeting of April 29, 2021.

BOARD ACTIVITIES IN 2021

In 2021, the Board of Directors met eleven times and held two executive sessions without the presence of the Executive Management.

In 2021, the Board notably focused on the review of the Group's strategy, the examination of the 2020 financial statements and the 2021 half-year financial statements, the capital management, the review of proposed significant disposals and acquisitions, the transformation of the Company into a licensed reinsurer in addition to its current activity as Group holding company, the review of the Board Committee reports, the review of the ORSA – Own Risk and Solvency Assessment – report and AXA's Internal Model as well as other written policies required under Solvency II, the Group's Pre-emptive Recovery Plan, internal control and risk management, the review of the Group's Corporate Responsibility strategy and environmental policy, the approval of non-audit services, the self-assessment of the Board of Directors, the re-appointments, appointments and cooptation as well as the independence of its members, the review of the composition of the Board and its Committees and the succession plans for the Chairman of the Board and the Executive Management.

In March 2021, the Board of Directors held its annual strategy session with presentations by Group senior executives on a variety of key strategic topics related to the implementation of the Strategic Plan.

In 2021, three training sessions were also organized by the Chairman of the Board on risk management (internal model, ORSA report), on health activity and on cyber risk.

Training sessions were also organized for new members of the Board of Directors to familiarize them with the Group's main activities and issues. These sessions mainly focused on the Group's financial structure, strategy, governance, main activities, Solvency II regulations, risk management, Group IT security, cyber risk and regulatory developments in the insurance sector.

SELF-ASSESSMENT OF THE BOARD OF DIRECTORS' ACTIVITIES

The Board of Directors conducts an annual self-assessment to review its composition, operating procedures and overall functioning. The conclusions of this self-assessment are discussed annually at the Board of Directors.

Since 2013, the Board of Directors, upon recommendation of its Compensation & Governance Committee, has periodically entrusted the annual assessment of the Board of Directors to an external consultant.

In 2019 and in 2020, the Board self-assessment was conducted internally.

In 2021 (as in 2018), the Board self-assessment was carried out by a consultant (SpencerStuart) who collected each of the individual director's inputs, views and suggestions on the Board work and its performance. Each director's view on other members' participation and contribution to the Board work was also collected.

During its meetings of December 2021 and February 2022, the Compensation & Governance Committee thoroughly reviewed (i) the conclusions of the Board self-assessment and (ii) the main areas of improvement and made recommendations to the Board of Directors which were examined and approved during the Board meeting of February 23, 2022.

The 2021 self-assessment demonstrated that perception of directors on the overall functioning of the Board of Directors had remained very positive, both regarding its dynamics and its performance.

The members of the Board of Directors nevertheless identified the following areas for improvement:

- closely monitor (i) the composition of the Board and progressively reduce its size and (ii) the selection of future Board members with the objective of appointing one director with insurance expertise and one director with digital transformation expertise;
- conduct a thorough review of the Committees' duties to reexamine their current structure and explore improvement options;
- add to the agenda of Board's meetings sessions dedicated to operational performance and competitor review;
- increase the exposure of the future Group's leaders to the Board through dedicated sessions or informal events and update annually the Board on key positions' succession;
- continue to further invest in building a Board cohesion through the organization of informal events.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN 2021

In 2021, the Board met eleven times and the average attendance rate was 98.91%. Board meetings lasted approximately four hours on average.

	Board of Directors		Audit Committee		Finance Committee		Compensation & Governance Committee	
Directors	**Number of attendance/ Number of meetings**	**Attendance rate**	**Number of attendance/ Number of meetings**	**Attendance rate**	**Number of attendance/ Number of meetings**	**Attendance rate**	**Number of attendance/ Number of meetings**	**Attendance rate**
Denis Duverne	11/11	100%	-	-	-	-	-	-
Thomas Buberl	11/11	100%	-	-	-	-	-	-
Patricia Barbizet	11/11	100%	-	-	-	-	5/5	100%
Martine Bièvre	11/11	100%	-	-	-	-	-	-
Helen Browne	11/11	100%	-	-	5/5	100%	-	-
Jean-Pierre Clamadieu	11/11	100%	-	-	-	-	5/5	100%
Bettina Cramm	11/11	100%	-	-	-	-	5/5	100%
Clotilde Delbos	6/6	100%	4/4	100%	-	-	-	-
Irene Dorner	3/4	75%	2/2	100%	-	-	-	-
Rachel Duan	11/11	100%	-	-	-	-	5/5	100%
Guillaume Faury	8/8	100%	-	-	-	-	-	-
Ramon Fernandez	8/8	100%	3/4	75%	3/3	100%	-	-
André François-Poncet	11/11	100%	-	-	5/5	100%	5/5	100%
Antoine Gosset-Grainville	11/11	100%	-	-	5/5	100%	-	-
Isabel Hudson	11/11	100%	6/6	100%	3/3	100%	-	-
Angelien Kemna	11/11	100%	6/6	100%	-	-	-	-
Ramon de Oliveira	11/11	100%	2/2	100%	5/5	100%	-	-
Elaine Sarsynski	3/3	100%	2/2	100%	-	-	-	-
Marie-France Tschudin	10/11	90.91%	-	-	-	-	-	-
TOTAL ATTENDANCE RATE		**98.91%**		**96.15%**		**100%**		**100%**

The Board Committees

The Board of Directors set up three Committees: the Audit Committee, the Finance Committee and the Compensation & Governance Committee.

To ensure a well-balanced governance, the Board's Terms of Reference go beyond the requirements of French law and specifically provide that independent directors play a major role in all Board Committees, as follows:

- all members of the Audit Committee are independent directors;
- all members of the Compensation & Governance Committee are independent directors, with the exception of the director representing the employees who sits on the Committee pursuant to the Afep-Medef recommendations;
- none of AXA's executive officers may be members of the Committees.

Each Committee issues opinions, proposals or recommendations to the Board of Directors on matters within the scope of its responsibilities with each Committee Chairman reporting to the Board at the following Board meeting. However, under French law, Board Committees do not have any formal decision-making power and are advisory only.

The Committees may request external consulting expertise if necessary. They may also invite external participants to attend their meetings.

All Committees are composed of members with expertise in the relevant areas, and their composition is regularly reviewed by the Board of Directors.

The role, organization and responsibilities of each Committee are set out in the Board's Terms of Reference and in the Audit Committee Terms of Reference available on AXA's website.

AUDIT COMMITTEE IN 2021 (1)

Composition: Isabel Hudson (Chairwoman) – Clotilde Delbos – Ramon Fernandez – Angelien Kemna

In accordance with the Afep-Medef recommendations, the Audit Committee members are notably competent in the areas of finance and/or accounting.

MEETINGS	ATTENDANCE	INDEPENDENT DIRECTORS
6	96%	100%

Main responsibilities

The scope of the Audit Committee's responsibilities is set out in its Terms of Reference which are reviewed and approved each year by the Board of Directors.

The principal missions of the Committee are to:

- monitor the financial reporting process and the integrity of the publicly reported results and disclosures made in the financial statements;
- monitor the adequacy and effectiveness of the internal control and risk management frameworks;
- form an opinion on the effectiveness, performance and independence of the Group's internal auditors;
- consider the appointment and oversee the process for selecting Statutory Auditors, monitor the Statutory Auditors' audits and review of the Group's consolidated financial statements, as well as the auditors' independence and the breakdown of their fees and make recommendations to the Board as to the appointment of the Statutory Auditors to provide non-audit services.

The review of financial statements by the Audit Committee is accompanied by a report from the Statutory Auditors on the main results of the statutory audit and the accounting methods chosen in this regard.

The Committee also receives presentations from the Group Chief Risk Officer, the Group General Counsel and the Group Chief Financial Officer describing the Company's principal risk exposures including those of a social and environmental nature, and where applicable the material off-balance-sheet commitments.

The Committee examines and issues an opinion on documents required under the Solvency II regulations.

The Committee regularly meets the Statutory Auditors and the Global Head of Internal Audit during *ad hoc* sessions.

The Chief Executive Officer, the Group Deputy Chief Executive Officer (*Directeur Général Adjoint*) & General Secretary, the Group Deputy Chief Executive Officer (*Directeur Général Adjoint*) in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations, the Group Chief Financial Officer, the Global Head of Internal Audit, the Group Chief Risk Officer, the Group Chief Accounting Officer as well as the Statutory Auditors attend each Audit Committee meeting.

Main activities in 2021

The Committee focused, in particular, on the following issues:

- the 2020 financial statements;
- the 2020 Annual Report (Universal Registration Document);
- the 2021 half-year financial statements;
- internal control and risk management (reports on the financial and operational risks, compliance, litigation, Group IT security – cyber risk, on the Group's Internal Financial Control (IFC) function, and the Group's Standards…);
- risk management, risk appetite and reporting framework;
- compliance with Solvency II regulations and the review of the ORSA, SFCR and RSR reports;
- the results of internal and external audit work;
- the review of management's draft response to requests sent by the ACPR;
- the review, for recommendation to the Board, of the non-audit services provided by the Statutory Auditors;
- the review of the Statutory Auditors' rotation process; and
- the internal and external audit plans and resources.

(1) On December 31, 2021.

FINANCE COMMITTEE IN 2021 (1)

Composition: Ramon de Oliveira (Chairman) – Helen Browne – Ramon Fernandez – André François-Poncet – Antoine Gosset-Grainville – Isabel Hudson.

MEETINGS	ATTENDANCE	INDEPENDENT DIRECTORS
5	100%	67%

Main responsibilities

The principal missions of the Committee are:

- to examine and issue an opinion on any plan to sell some or all ownership interests held by the Company, or any acquisition or strategic partnership, whatever form they may take, when their immediate or deferred value exceeds the €500 million threshold;
- to examine and issue an opinion on any sureties, guarantees, endorsements and warrantees in favor of third parties which exceed the delegations of power granted to the Chief Executive Officer by the Board of Directors;
- to examine and issue an opinion on any of the following:
  - securities issuances giving a claim, whether directly or indirectly, to the Company's share capital,
  - share repurchase programs proposed to the Ordinary Shareholders' Meeting,
  - financing operations that could substantially change the Company's financial structure;
- to examine any plan to perform a financial operation of significant size for the AXA Group;
- to examine any subject relating to the financial management of the AXA Group including:
  - the policy on financial risk management,
  - the liquidity and financing of the Group,
  - solvency and capital management;
- to examine the impact of the main orientations and limits of Asset Liability Management policy on the Group's capital and solvency; and
- to review the risk appetite framework developed by the Executive Management for financial, insurance and operational exposures.

The Group Deputy Chief Executive Officer (*Directeur Général Adjoint*) in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations, the Group Chief Financial Officer and the Group Chief Risk Officer attend each Finance Committee meeting.

The Chairman of the Board of Directors, as well as the Chief Executive Officer, although not members of the Committee, contribute to the work of the Committee and attend its meetings.

Main activities in 2021

The Committee focused, in particular, on the following issues:

- macroeconomic environment;
- capital and solvency;
- debt and liquidity;
- financial risk management;
- risk appetite and asset allocation;
- review of the 2021 investment strategy;
- the Pre-emptive Recovery Plan;
- M&A projects (above €500 million);
- review of financial authorizations including guarantees; and
- review of the proposed capital increase reserved for the employees of the AXA Group (Shareplan 2021).

(1) *On December 31, 2021.*

COMPENSATION & GOVERNANCE COMMITTEE IN 2021 (1)

Composition: Jean-Pierre Clamadieu (Chairman) – Patricia Barbizet – Bettina Cramm – Rachel Duan – André François-Poncet.

MEETINGS	ATTENDANCE	INDEPENDENT DIRECTORS (2)
5	100%	80%

Main responsibilities

The principal missions of the Committee are:

- to issue proposals to the Board of Directors on:
  - the recommendations to the Shareholders' Meeting for the appointment and the re-appointment of the members of the Board of Directors,
  - the composition of the Board Committees,
  - the appointment of the Chairman, the Senior Independent Director, the members of the Executive Management and the persons who effectively run the Company (dirigeants effectifs) as defined under the Solvency II.

  The members of the Committee are also kept informed of the appointments of the main executives of the Group, and in particular the members of the Management Committee.

  The Committee prepares, with the Chairman of the Board of Directors and the Chief Executive Officer, the succession of the Executive Management, including emergency succession, and reports regularly to the Board of Directors. It also regularly ensures the existence of succession plans, with different time horizons (short, medium, long), for each member of the Management Committee.
- to issue proposals to the Board of Directors on:
  - the compensation of the Chairman of the Board of Directors and the Chief Executive Officer and the preparation of their annual assessment,
  - the amount of directors' compensation (directors' fees) for the members of the Board of Directors to be submitted to the Shareholders' Meeting,
  - the number of Company performance shares to be granted to the Chief Executive Officer and the other members of the Management Committee;
- to formulate an opinion on the proposals of the Chief Executive Officer concerning:
  - the principles and conditions for the determination of the compensation of the main executives of the AXA Group,
  - the overall annual allocation of Company performance shares to employees of the AXA Group;

  The Chief Executive Officer also informs the Committee of the compensation of the main executives of the AXA Group;
- in depth analysis of certain Group human resources topics, including the annual review of the Company's policy with respect to professional equality and equal pay;
- to examine the Group's strategy on corporate responsibility and other related issues;
- in depth analysis certain governance matters relating to the operation and organization of the Board of Directors and the organization of the periodic self-assessment of the Board of Directors; and
- to review the AXA Compliance & Ethics Code.

The Group Deputy Chief Executive Officer (*Directeur Général Adjoint*) & General Secretary attends each Compensation & Governance Committee meeting. The Chairman of the Board of Directors, as well as the Chief Executive Officer, although not members of the Committee, contribute to the work of the Committee and attend its meetings, except when their personal situation is discussed.

Main activities in 2021

The Committee in particular focused on the following issues:

Compensation issues:

- the compensations paid to the Chief Executive Officer, the Company *dirigeants effectifs* (as defined under Solvency II regulations) and the members of the Management Committee;
- the compensation of the future Chairman of the Board of Directors;
- the 2021 and 2022 equity allocations (performance shares) and performance conditions;
- the grant of performance shares dedicated to retirement;
- the Group Remuneration policy and its evolution;
- the *ex post* and *ex ante "say-on-pay"* for corporate officers; and
- the amount and allocation of directors' compensation (directors' fees).

Governance issues:

- the selection process for future directors;
- the composition of the Board and its Committees as well as the composition of the Management Committee;
- the independence of the members of the Board;
- the self-assessment of the Board of Directors;
- the review of the Board's Terms of Reference;
- the succession plan (including the emergency succession plan) for the Executive Management; and
- the Talent Review and succession plans.

Corporate Responsibility issues:

- the review of the Company's Corporate Responsibility strategy and the Group's environmental policy; and
- the Diversity & Inclusion strategy.

(1) On December 31, 2021.

(2) All members of the Compensation & Governance Committee are independent directors, with the exception of the director representing the employees who sits on the Committee pursuant to the Afep-Medef recommendations.

Executive Management

The Chief Executive Officer is assisted in the day-to-day operational management of the Group by a Management Committee and a Partners group.

The Chief Executive Officer reports to the Board on a regular basis on the Company's financial condition and all key issues, and provides regular written updates to the Board between meetings.

THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company and to represent the Company in its relationships with third parties. He exercises these powers within the scope of the Company's corporate purpose and subject to the powers expressly assigned by law to the Shareholders' Meetings and the Board of Directors. In addition, the Board's Terms of Reference provide for specific limitations of the powers of the Chief Executive Officer and require, in addition to legal requirements, prior Board approval for certain significant transactions as indicated in Section "Board of Directors" hereinabove.

THE MANAGEMENT COMMITTEE

The Management Committee's role is to assist the Chief Executive Officer in the operational management of the Group.

The Management Committee meets fortnightly to discuss Group strategic, financial and operational matters. The Management Committee has no formal decision-making authority and is advisory in nature.

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COMPOSITION OF THE MANAGEMENT COMMITTEE ON DECEMBER 31, 2021

Name	Principal function within AXA
Thomas Buberl	Chief Executive Officer of AXA
Frédéric de Courtois	Group Deputy Chief Executive Officer (*Directeur Général Adjoint*) in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations
George Stansfield	Group Deputy Chief Executive Officer (*Directeur Général Adjoint*) & General Secretary
Helen Browne	Group General Counsel
Patrick Cohen	Chief Executive Officer of AXA France
Ulrike Decoene	Group Chief Communication, Brand and Sustainability Officer
Georges Desvaux	Chief Strategy and Business Development Officer
Scott Gunter	Chief Executive Officer of AXA XL
Alban de Mailly Nesle	Group Chief Financial Officer
Marco Morelli	Executive Chairman of AXA Investment Managers
Jacques de Peretti	Senior Advisor
Antimo Perretta	Chief Executive Officer Europe and Latin America
Karima Silvent	Group Chief Human Resources Officer
Gordon Watson	Chief Executive Officer Asia and Africa

THE PARTNERS GROUP

The Partners group is composed of the members of the Management Committee and over thirty other senior executives from across the Group. Its principal role is to assist the Chief Executive Officer and the Management Committee in the definition and implementation of key strategic initiatives in the context of the strategic plans and to contribute to a permanent strategic dialogue throughout the Group. It has no formal decision-making authority and is advisory in nature. The Partners group meets at least twice a year.

The complete list of the members of the Partners group is available on the AXA Group website (www.axa.com).

Other information

SERVICE CONTRACTS BETWEEN THE AXA GROUP AND MEMBERS OF THE BOARD OF DIRECTORS

Mrs. Helen Browne, who is the employee shareholder representative on AXA's Board of Directors, is currently an employee of the GIE AXA (France).

Mrs. Martine Bièvre, who is an employee representative on AXA's Board of Directors, is currently an employee of AXA France IARD, which is one of AXA's main French subsidiaries.

Mrs. Bettina Cramm, who is also an employee representative on AXA's Board of Directors, is currently an employee of AXA Konzern AG, which is one of AXA's main German subsidiaries.

FAMILY RELATIONSHIPS

To the best of the Company's knowledge, there are no family relationships among the members of the Board of Directors or with members of the Executive Management.

OTHER INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS

Absence of conflicts of interests

According to the Board's Terms of Reference and the recommendations of the Afep-Medef Code, each member of the Board of Directors is required to inform the Chairman of the Board of Directors and/or the Senior Independent Director of any situation concerning her/him which may create a conflict of interest with the Company or the companies of the AXA Group, and to abstain from voting on any related resolution.

The Chairman of the Board of Directors and the Chief Executive Officer do not currently carry out any professional activity or hold any directorship outside the AXA Group that the Board believes substantially interfere with or impede in any material way their availability to focus on the Group and its business. Certain members of the Board of Directors, however, are corporate officers and/or executives of companies that may have agreements or enter into transactions from time to time with the AXA Group including furnishing services or goods, providing credit facilities, purchases of securities (for their own account or for third parties), and/or underwriting of securities, and/or product and service providing. These agreements or deals are systematically negotiated and performed at arm's length terms and conditions. Consequently, AXA does not believe that any of these agreements or transactions give rise to any conflicts of interests between (i) the director's duties towards AXA and (ii) their private interests and/other duties.

To the best of the Company's knowledge, there are no agreements or arrangements that have been entered into with major shareholders, customers, suppliers or others pursuant to which a member of the Board of Directors was selected.

Absence of any conviction in relation to fraudulent offences, any official public incrimination and/or sanctions, or any responsibility in a bankruptcy for the last five years

To the best of the Company's knowledge, none of the members of its Board of Directors have been, during the last five years (i) subject to any conviction in relation to fraudulent offences or to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies), (ii) disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer, or (iii) associated as a member of the administrative, management or supervisory body with any company that has declared bankruptcy or been put into receivership, liquidation, or administration provided, however, that AXA has from time to time sold, discontinued and/or restructured certain business operations and voluntarily liquidated affiliated companies in connection with these or similar transactions and certain members of AXA's Board of Directors may have been associated with other companies that have undertaken similar solvent liquidations.

EMPLOYEES

The table below sets forth the salaried employees (full-time equivalent) of the AXA Group over the past three years broken down by segment:

Salaried employees (Full-time equivalent)	At December 31, 2021	At December 31, 2020 restated [(a)]	At December 31, 2019 restated [(a)]
France [(b)]	**16,905**	**16,892**	**16,780**
Europe	**28,396**	**29,721**	**30,088**
Of which Switzerland	4,082	4,115	4,110
Of which Germany [(c)]	8,365	8,466	8,590
Of which Belgium [(d)]	3,063	3,746	3,767
Of which United Kingdom & Ireland [(e)]	8,859	9,259	9,421
Of which Spain [(f)]	2,290	2,393	2,410
Of which Italy	1,737	1,742	1,790
Asia	**10,788**	**11,033**	**11,179**
Of which Japan [(g)]	3,951	4,138	4,019
Of which Hong Kong	1,674	1,711	1,701
Of which South Korea	1,604	1,611	1,686
Of which China	2,819	2,814	2,988
Of which Thailand	457	459	465
Of which Indonesia	283	300	320
AXA XL [(h)]	**9,136**	**9,325**	**9,179**
International [(i)]	**10,325**	**11,832**	**14,164**
Transversal & Central Holdings	**16,848**	**17,792**	**18,452**
Of which AXA Investment Managers	2,460	2,403	2,366
Of which Group Management Services	939	937	938
Of which AXA Group Operations and AXA Business Services [(j)]	6,099	6,599	6,765
Of which AXA Assistance [(k)]	6,952	7,405	7,792
Of which AXA Global Re	155	159	145
TOTAL	**92,398**	**96,595**	**99,843**

Employees of non-consolidated companies or companies accounted for using the equity method are not included in the above table.

(a) Reclassification of (i) AXA Direct Japan activities (previously reported as part of Asia – Direct), and (ii) Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.

(b) A portion of the employees of AXA's French affiliates is included in GIEs.

(c) In 2021, the decrease by 101 in Germany was driven by continued efficiency measures notably on staff costs.

(d) In 2021, the decrease by 683 in Belgium was driven by the disposal of AXA Bank Belgium. Some employees of AXA Bank Belgium provided common services for both insurance and banking activities and vice versa.

(e) In 2021, the decrease by 400 in the United Kingdom & Ireland was mainly driven by several efficiency programs.

(f) In 2021, the decrease by 103 in Spain was mainly reflecting efficiency programs.

(g) In 2021, the decrease by 161 in Japan was driven by the pre-retirement plan announced at the end of 2020.

(h) In 2021, the decrease by 189 in AXA XL was mainly attributed to the new target operating model implementation.

(i) In 2021, the decrease by 1,507 in International was driven by the disposals of the Gulf Region and Greece.

(j) In 2021, the decrease by 500 was mainly driven by AXA Business Services (-509) mainly following the disposal of Equitable Holdings, Inc. (-445).

(k) In 2021, the decrease by 453 in AXA Assistance was mainly driven by (i) a change in scope of consolidation (-627), partly offset by (ii) Colombia (+207) mainly from recruitments of agents to support hub activities and new business growth.

3.2 EXECUTIVE COMPENSATION AND SHARE OWNERSHIP

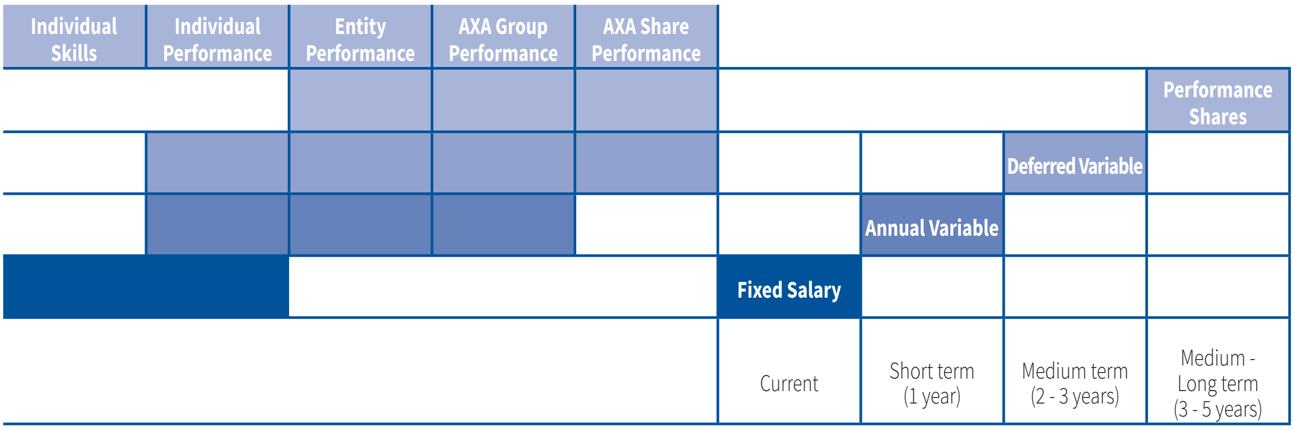
INTRODUCTION

AXA's global executive compensation policy is designed to align the interests of the executives with those of the Company and its shareholders while establishing a clear and straightforward link between performance and compensation. In this context, its main objective is to encourage the achievement of ambitious objectives and the creation of long-term value by setting challenging performance criteria.

AXA's executive compensation structure is based on an in-depth analysis of market practices in France and abroad, within the financial services sector (insurance companies, banks, asset managers, etc.) and of other international groups.

AXA Group's overall policy on executive compensation focuses on the variable part of the compensation package, which is the compensation at risk for beneficiaries. The structure of AXA's executive compensation is composed of a variable portion which represents a significant part of the aggregate compensation. This is designed to align executive compensation more directly with the operational strategy of the Group and the interests of the shareholders while encouraging performance:

- both on an individual and collective level; and
- over the short, medium and long term.



Corporate officers' and executives' compensation (1)

COMPENSATION OF THE CORPORATE OFFICERS AND MANAGEMENT COMMITTEE MEMBERS ON DECEMBER 31, 2021

Governance

The principal mission of the Compensation & Governance Committee of AXA's Board of Directors is to formulate propositions to the Board regarding, in particular, (i) the Company's compensation policy and principles, (ii) the determination of the corporate officers' compensation and performance assessment, and (iii) the grant of AXA performance shares to the Group Chief Executive Officer and the other members of the Group Management Committee.

Most of the members of the Compensation & Governance Committee are independent. Their independence is assessed annually by the Board in accordance with the criteria set forth in the Afep-Medef Code. The Senior Independent Director is the Chairman of the Committee and presents the compensation policy of the Company each year at the Shareholders' Meeting.

The Committee meets frequently with the Group Executives and the departments of the Company including Group Human Resources and Group Legal. The Committee is empowered to undertake or commission specific reviews and to use external consulting expertise to the extent deemed appropriate. Thus, during the last few years, the Committee worked several times with a compensation-consulting firm in order to benefit from an external technical expertise and an independent overview in order to compare AXA's variable compensation practices with general market practices.

Solvency II Group remuneration policy

Solvency II regulations came into force on January 1, 2016, and include a number of specific compensation and governance requirements applicable to European insurers and reinsurers. In this context, AXA has undertaken a comprehensive review of its existing compensation policies and practices against the requirements of Solvency II and has adopted a Remuneration Policy applicable to all AXA employees as of January 1, 2016. This Remuneration Policy is designed to support the Group's long-term business strategy and to align the interests of its employees with those of other stakeholders by (i) establishing a clear link between performance and remuneration over the short, medium and long term, (ii) ensuring that the Group can offer competitive compensation arrangements across the multiple markets in which it operates while avoiding potential conflicts of interest that may lead to undue risk taking for short-term gain, and (iii) ensuring compliance with Solvency II regulations and any other applicable regulatory requirements.

The AXA Group Remuneration Policy is designed to:

- attract, develop and motivate critical skills and best talents;
- drive superior performance;
- align compensation levels with business performance;
- ensure that employees are not incentivized to take inappropriate and/or excessive risks and that they operate within AXA's overall risk framework; and
- ensure compliance of the Group's practices with all applicable regulatory requirements.

It follows four main guiding principles:

- competitiveness and market consistency of the remuneration practices;
- fairness based on individual and collective performance, in order to ensure remuneration is reflecting employee's individual quantitative and qualitative achievements and impact;
- internal equity based on remuneration policies and procedures designed to ensure that employees are paid equitably based on objective and justifiable professional criteria (such as but not limited to role, skills, contribution or impact), and do not discriminate on the basis of factors irrelevant to the role duties;
- achievement of the Group's overall financial and operational objectives over the short, medium and long term as well as execution against medium and long-term strategic objectives as a prerequisite to fund any mid-to-long term award.

The requirements set out in the Group Remuneration Policy may be supplemented in order to comply with local regulatory requirements or best practices. The Policy is reviewed and updated annually to mirror, as the case may be, changes in the internal organization and the nature, scale and complexity of the risks inherent to AXA's business and to reflect exchanges with the French insurance regulator (*Autorité de contrôle prudentiel et de résolution* (ACPR)).

Remuneration structure

AXA applies a pay-for-performance approach which (i) promotes long-term sustainable performance by incorporating risk adjustment mechanisms in variable compensation schemes, and (ii) recognizes employees who bring the greatest value to the firm on the basis of financial results while demonstrating individual leadership and behaviours. The intent of this approach is to attract and retain the best skills and talents, to foster employee engagement and to strengthen AXA's leadership.

(1) The information in this Section is presented in accordance with the position-recommendation No. DOC-2021-02 of the AMF: guidance on preparing Universal Registration Documents and with the recommendations of the Afep-Medef Code.

The overall remuneration structure is based on the following components, which are designed to provide balance and avoid excessive risk taking for short-term financial gain:

- a fixed component which comprises of a base salary and any other fixed allowances. Fixed remuneration primarily reflects the relevant organizational responsibility, professional experience, technical and leadership skills required of the role, criticality or scarcity of skills, as well as the individual's capability to sustainably perform the duties of the role;
- a variable component which primarily reflects the business and individual performance, including performance in excess of that required to fulfil the role description. It comprises of an upfront cash element (annual cash bonus) and a deferred element recognizing the importance of aligning remuneration over long-term value creation. The deferred element is awarded through Performance Shares. This variable component depends on the Group's global performance, on the beneficiary's operating business performance, and on the achievement of the executive's individual objectives including demonstrated abilities for leadership. The variable portion is designed to represent a substantial component of the executive's global compensation and, where an executive attains or exceeds the set objectives, to position the compensation levels of AXA executives between the median and the third quartile (or, in certain cases, beyond the third quartile) of the market reference.

The target level of the executives' compensation and the structure of the elements which compose such compensation are based on a detailed analysis of market practices as well as potential applicable national and international regulations, and also take into consideration various other factors including the equity principles within the Group and the previous compensation level of the executive.

Each year, AXA, with the assistance of specialized firms, conducts compensation reviews in order to ensure the competitiveness and consistency of executives' compensation and to measure the suitability of the Remuneration policies. In this context, three markets are used as a reference:

- a first market composed of 12 companies in the French CAC40 index (companies selected to form the panel, which may vary from year-to-year, are comparable to AXA in terms of stock capitalization, revenues, sector, number of employees and/or geographic coverage);
- a second market composed exclusively of international financial companies comparable in size and scope to the AXA Group (mainly insurance companies and banks) which are principally based in the main European markets (France, Germany, Italy, the Netherlands, the United Kingdom, Spain and Switzerland);
- a third market composed exclusively of international financial companies comparable in size and scope to the AXA Group (mainly insurance companies and banks) which are principally based in the United States and Asia.

Annual cash compensation

TOTAL TARGET COMPENSATION

Total target compensation of the Chief Executive Officer

The Board of Directors, upon recommendation from its Compensation & Governance Committee, has decided to maintain unchanged in 2021 the total annual cash compensation target of the Chief Executive Officer, Mr. Thomas Buberl, at €2,900,000.

This total target compensation is composed of a fixed annual compensation and a target annual variable compensation.

The fixed annual compensation of the Chief Executive Officer amounts to €1,450,000 and the variable component of his compensation is set at €1,450,000, *i.e.* 100% of his fixed annual compensation.

The total amount of compensation of the Chief Executive Officer and the balance between its different components (fixed and variable) are mainly based on a study by an external advisory firm (Willis Towers Watson) on compensation practices for similar positions within a sample of CAC40 companies as well as the main European companies in the financial sector (insurance companies, banks), and follows the recommendations of the Afep-Medef Code, the G20, the European Commission and the Financial Stability Board in terms of compensation.

Total compensation of the Chairman of the Board of Directors

The Board of Directors, upon proposal of its Compensation & Governance Committee, has decided to maintain unchanged in 2021 the fixed annual compensation of the Chairman of the Board, Mr. Denis Duverne, at €1,200,000.

The Board of Directors upon recommendation from its Compensation & Governance Committee and pursuant to the recommendations of the Afep-Medef Code considered that the compensation structure best suited for the Chairman of the Board of Directors was to limit his compensation to a sole fixed annual compensation.

In order to determine the Chairman of the Board of Directors' fixed annual compensation, the Board of Directions consulted an external advisory firm (Willis Towers Watson) regarding compensation practices for similar positions within a sample of CAC40 companies as well as the main European companies in the financial sector (insurance companies, banks).

The Board of Directors also took into account Mr. Denis Duverne's expertise and experience as well as the extensive duties that it entrusted him with as Chairman of the Board of Directors as described in Section 3.1 of this Annual Report.

Furthermore, Mr. Denis Duverne, who claimed his rights to pension as of September 1, 2016, has decided to waive payment, for his entire term of office as Chairman of the Board of Directors, of the annuities which he would have received as from September 1, 2016, under the complementary pension scheme for Group executive officers in France, amounting to circa €750,000 per year. Mr. Denis Duverne has decided not to receive payment of these annuities until termination of his term of office as Chairman of the Board without retroactive payment.

Finally, no variable compensation is paid to him, nor does he receive directors' fees or performance shares or any other long-term incentive during his term of office.

ANNUAL VARIABLE COMPENSATION AND PERFORMANCE CONDITIONS

Performance conditions

The variable annual compensation is entirely subject to performance conditions and no minimum payment is guaranteed.

The determination of the variable compensation to be paid to the Chief Executive Officer, Mr. Thomas Buberl, was based in 2021 on the following two metrics:

- Group performance for 70%. This metric is measured based on (i) underlying earnings per share, (ii) cash remittance, (iii) gross revenues in P&C Commercial lines, and in Protection, Health and Unit-Linked products, (iv) Net Promoter Score (customer recommendation index), and (v) non-commission expenses. The relative weight of each indicator is, respectively, 30%, 20%, 20%, 15% and 15%.

  The selected indicators to measure the Group performance reflect objectives widely disclosed internally and externally with respect to growth, profitability, capital management, operational efficiency and proximity with clients. Thus, these indicators, directly linked to the strategic orientations of the Group, are both financial and operating criteria and rely on the achievement of a predefined budget or target;

- Individual performance for 30%, which is evaluated based on objectives specifically related to strategic initiatives set and reviewed each year.

  The individual performance of the Chief Executive Officer is assessed on the basis of various indicators and qualitative and quantifiable objectives set by the Board of Directors through a written target letter drawn up at the beginning of each calendar year, as well as on the basis of demonstrated leadership abilities by the Chief Executive Officer. This letter includes detailed objectives about the Group's progress in the elaboration of its strategic plan as well as other performance indicators and objectives designed to assess the level of achievement of global strategic initiatives and/or relating to certain geographic areas, and the evolution of certain investments contributing to the development of the Group's operations.

  In order to evaluate Mr. Thomas Buberl's individual performance in 2021, the Board of Directors assessed the achievement of the following objectives set in his target letter:

  - **Managing the COVID-19 crisis and its aftermath at AXA XL and across the Group *(achievement rate: 130%)***

    While the COVID-19 crisis continues, the Group managed to successfully navigate through the crisis with (i) AXA XL delivering on its earnings target (despite a heavy natural catastrophe charge in 2021) thanks to an extensive re-underwriting of its portfolio and restructuring of its organization to drive greater P&L focus and accountability, (ii) a settlement offer made to French restaurant owners to resolve contested business interruption claims and (iii) execution of a Group-wide project to clarify coverage terms on business interruption, cyber and other Commercial lines going forward.

  - **Expanding Health and Protection *(achievement rate: 95%)***

    AXA launched innovative and differentiating healthcare initiatives in 2021, including the deployment of a digital healthcare platform in partnership with Microsoft (live in Italy, Germany, Belgium, Spain, Switzerland and the United Kingdom) and the expansion of Emma, AXA's digital healthcare service orchestration platform in Asia, available to more than 3 million customers.

    The Group also made progress in implementing its strategic development priorities in health and protection, with the definition of an ambitious strategy for its international employee benefits business.

    The Group's health strategy in China remains an area of focus in a challenging regulatory context.

  - **Simplifying customer experience and developing cost optimization measures *(achievement rate: 80%)***

    AXA made good progress in simplifying and optimizing customer journeys, with a Net Promoter Score (NPS), above average in 97% of business lines. The Group has intensified its efforts with the deployment of common methodologies and pilot projects in key markets.

    Entities are delivering on efficiency objectives, in line with the cost base reduction targets of €0.5bn in 2023 *versus* 2019.

    The Group's cloud Program remains an area of focus and a new leadership team has been appointed at AXA Group Operations to ensure execution of this project going forward.

  - **Growing cash flow across the Group *(achievement rate: 130%)***

    The cash management strategy allowed to deliver above targets on all dimensions. The Group executed disposals of AXA Bank Belgium as well as its operations in Greece, the Gulf and P&C activities in India. It also signed transactions for the disposal of Malaysia and Singapore.

    AXA pursued its Life in-force management policy in 2021, including the conclusion of a significant reinsurance transaction in Hong Kong and proactive portfolio management across entities. At the same time, the Group has increased cash upstream, with €4.4 billion in remittances.

    Taking into consideration the strength of its balance sheet and cash flow management, AXA successfully launched a €1.7 billion share buy-back program in November 2021.

- **Sustaining AXA's climate leadership position *(achievement rate: 110%)***

  During 2021, AXA further strengthened its commitments to accelerate the energy transition and fight climate change. The Group took over the presidency of the Net Zero Insurance Alliance, a global coalition of insurers committed to achieving carbon neutrality in their insurance portfolios.

  At COP 26, AXA announced new commitments in the fight against deforestation and the strengthening of its underwriting and investment criteria in the oil and gas sectors. Finally, the Group's green investment target was raised to €26 billion by 2023.

- **Implementing selected strategic human resources initiatives *(achievement rate: 100%)***

  In January 2021, the Group announced a global smart working strategy combining remote working and office presence. The program has received positive feedback from employees and is currently being rolled out. In the challenging context of the COVID-19 pandemic, AXA offered its employees easy access to high-quality healthcare solutions wherever they are in the world.

  The Group announced several appointments to top and senior executive positions, with the appointment of a new Deputy CEO in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations, new members to the Management Committee and leadership changes in key entities. These appointments are aimed at accelerating the execution of the *"Driving Progress 2023"* strategic plan and have enabled the promotion of internal talents.

Each of these two metrics (Group Performance and Individual Performance) is evaluated separately so that overall variable payout reflects performance against two distinct components assessed independently. Each of these two metrics is in any case capped at a 150% achievement rate.

The determination of the actual amount of variable compensation to be paid to the Chief Executive Officer is based on the following additive formula: Variable compensation due = Target Variable compensation x (70% Group Performance +30% Individual Performance).

Since 2020 performance year, the weight of the Group Performance within the variable compensation assessment has increased to 70% leading to a decrease of the Individual Performance weight to 30%. With this evolution, the Board of Directors, upon recommendation from its Compensation & Governance Committee, wished to strengthen the formulaic/quantitative component of the Chief Executive Officer's variable compensation, in line with market practices in France and abroad, as well as feedback received from a number of institutional investors. Similarly, in order to take into account the comments of some institutional investors, the level of transparency of each Group Performance indicator has been improved to henceforth indicate not only the target for each criterion but also the relevant floor and cap as well as the related level of payout.

MR. THOMAS BUBERL, CHIEF EXECUTIVE OFFICER

	Weighting	Target for 100% achievement (floor/cap *versus* target)	Achievement 2021	Level of payout at floor [(a)]	Level of payout at cap [(b)]	Achievement rate
Group performance based on:	**70%**			**50%**	**150%**	**122%**
■ Underlying earnings per share	30%	€2.64 (-30%/+30%)	€2.75	50%	150%	107%
■ Cash remittance	20%	4,000 M€ (-30%/+30%)	4,392 M€	50%	150%	116%
■ Gross revenues in P&C Commercial lines and in Protection, Health and Unit-Linked products	20%	66,620 M€ (-2.5%/+5%)	71,207 M€	50%	150%	150%
■ Net Promoter Score	15%	94% (66%/100%)	97%	50%	150%	123%
■ Non-commission expenses	15%	9,996 M€ (+5%/-5%)	9,783 M€	50%	150%	122%
Individual performance based on:	**30%**				**150%**	**111.25%**
■ Manage the COVID-19 crisis and its aftermath	30%				150%	130%
■ Expand Health & Protection	15%				150%	95%
■ Simplify customer experience and develop cost optimization measures	15%				150%	80%
■ Grow cash flow across the Group	15%				150%	130%
■ Sustain AXA's climate leadership position	15%				150%	110%
■ Implement selected strategic human resources initiatives	10%				150%	100%
Global performance	**100%**				**150%**	**118.8%**

(a) Rate of 0% below the floor.
(b) Rate capped at 150% above the cap.

For the 2021 performance year, each component of the Group's performance is capped at the same 150% achievement rate. With this evolution, the Board of Directors, upon recommendation from its Compensation & Governance Committee, wished to simplify the calibration of the Group's performance, in line with market practices in France and abroad, as well as feedback received from a number of institutional investors.

The total effective variable compensation of the Chief Executive Officer may not exceed 150% of his variable target compensation, *i.e.* 150% of his fixed annual compensation.

A deferral mechanism applies to 30% of his variable compensation over a two-year period.

Pursuant to Article L.22-10-34 II of the French Commercial Code, the payment of the Chief Executive Officer's 2021 variable compensation is withheld until the approval of the Shareholders' Meeting on April 28, 2022.

Performance conditions applicable to the other members of the Management Committee

For the other members of the Management Committee, their variable compensation is also determined on the basis of an individual predefined target which is entirely based on the following formulas.

The variable compensation of the members of the Management Committee with operating business responsibilities is determined according to the following metrics: 50% * (50% Entities Scores + 50% Group STIC Score) + 50% Individual Performance Score.

The variable compensation of the members of the Management Committee with Group responsibilities is determined according to the following metrics: (50% * (50% Average of Entities Scores + 50% Group STIC Score) + 50% Individual Performance Score).

Group performance is measured by the (i) Underlying earnings per share, (ii) Cash remittance, (iii) Gross revenues in Commercial lines & Casualty and Protection, Health, and Unit-Linked products, (iv) Net Promoter Score (customer recommendation index), and (v) non-commission expenses. Individual performance is evaluated considering predetermined objectives specifically deriving from strategic initiatives.

The performance of operating businesses is determined in particular on the basis of the following performance indicators:

- Underlying earnings;
- Cash remittance;
- Property & Casualty Commercial lines Gross revenues;
- Health and Protection Gross revenues;
- Net Promoter Score;
- Non-commission expenses.

For 2021 performance year, indicators that measure the Group performance have been defined at the beginning of the year with:

- a predefined target, aligned with the strategic plan (budget), the completion of which will result in 100% achievement;
- a floor (at which the STIC pay-out is 50%), which defines the threshold below which no variable compensation for that component will be paid;
- a cap (at a STIC pay-out of 150%), which defines the threshold above which the variable compensation for that component is capped.

Individual performance is assessed both on (i) the achievement of results for each predetermined individual objective and (ii) qualitative factors, including leadership skills demonstrated by the members of the Management Committee measured against the goals listed below:

- become the global leader in the Property & Casualty Commercial lines sector;
- become the leading Health & Protection insurance and services global player;
- deliver top-tier customer satisfaction in all segments;
- increase our efficiency and accelerate our move to technology and data leadership;
- ensure stable earnings growth with a robust balance sheet and contributing to shift our portfolio;
- be positioned among the most inspiring and inclusive employers, while enhancing our positive role in society.

In the tables of this Section, compensation not paid in Euro was converted into Euro on the basis of the following yearly average exchange rates for 2021: 1 USD = 0.8455 EUR; 1 HKD = 0.1088 EUR and 1 CHF = 0.9250 EUR.

The variable compensations paid to the Management Committee members for 2019, 2020 and 2021 were:

VARIABLE COMPENSATIONS PAID TO MANAGEMENT COMMITTEE MEMBERS

VARIABLE COMPENSATIONS PAID TO MANAGEMENT COMMITTEE MEMBERS

			Variable compensation for the year 2019			Variable compensation for the year 2020			Variable compensation for the year 2021		
(in Euro)		Country	Target	Réel	% Target	Target	Actual	% Target	Target	Actual	% Target
Thomas Buberl	Chief Executive Officer	France	1,450,000	1,609,500 [(a)]	111%	1,450,000	1,036,750 [(a)]	72%	1,450,000	1,722,600 [(a)(b)]	118.8%
Total of the other Management Committee members [(c)]			9,363,562	8,017,777	99%	9,525,696	8,142,914	86%	8,738,958	10,029,609	114.8%

(a) This amount includes the part of the variable compensation with respect to 2019, 2020 and 2021 which has been deferred in accordance with the mechanism described on page 134. The total amount paid will depend on performance conditions and may then vary.

(b) Pursuant to Article L.22-10-34 II of the French Commercial Code, the payment of the Chief Executive Officer's 2021 variable compensation is withheld until the approval of the Shareholders' Meeting on April 28, 2022.

(c) As at December 31, 2021, the Management Committee was comprised of 14 (versus 13 on December 31, 2020).

ANNUAL DEFERRED VARIABLE COMPENSATION

Since 2013, the Board of Directors has implemented a deferral mechanism for 30% of for the executive officers' variable compensation over a two-year period.

Under this mechanism, the Chief Executive Officer's deferred amount of variable compensation for the 2021 fiscal year will be paid out in two tranches, in 2023 and 2024. The actual amount to be paid will vary depending on the AXA share price performance over the deferral period and will be subject to a minimum of 80% and a cap at 120% of the deferred amount; provided, however that no deferred variable compensation would be paid in the event (i) that the Group's underlying earnings are negative for the year ending immediately prior to the year of scheduled payout, or (ii) of resignation or dismissal, for gross or willful misconduct prior to the payout date.

The variable compensation deferral is subject to a malus mechanism which, while not required by applicable laws in France, is designed to further align AXA with international practices and regulations on executive compensation in the financial services industry.

At the end of February 2022, (i) the second tranche of Mr. Thomas Buberl's deferred variable compensation for the 2019 fiscal year, *i.e.* an amount of €214,241, and (ii) the first tranche of Mr. Thomas Buberl's deferred variable compensation for the 2020 fiscal year *i.e.* an amount of €186,615 were paid.

These amounts reflect the evolution of the AXA share price and were set at 89% of the deferred variable compensation granted in respect of the 2019 fiscal year and at 120% in respect of the 2020 fiscal year.

All the amounts presented in this Section 3.2 are gross amounts and before taxation.

Long-Term Incentive (LTI) annual allotment

Each year, LTIs (Performance Shares) are granted to Group executives.

In order to associate the Group executives to the creation of long-term value, these LTIs represent a significant part of their global variable compensation. In this context, the number of LTIs granted is set so that the executives are between the median and the 3rd quartile of market references considering the global amount of the variable part (comprised of one part in cash and one part in LTIs). The Compensation & Governance Committee and the Board of Directors however ensure that the Performance Shares granted to the Group executives and valued in accordance with IFRS standards are not disproportionate compared to the aggregate compensation and shares granted to the executives concerned.

These Performance Shares are integrally subject to performance conditions (please refer to pages 139 and following) and therefore do not guarantee any grant or minimal gain for the beneficiaries.

The Board of Directors, upon recommendation from its Compensation & Governance Committee, decided that Mr. Denis Duverne, as Chairman of the Board of Directors shall not receive any Performance Shares or other long-term incentive during his term of office.

SUMMARY OF COMPENSATION, OPTIONS AND PERFORMANCE SHARES GRANTED TO MANAGEMENT COMMITTEE MEMBERS

MEMBERS OF THE MANAGEMENT COMMITTEE

			Year 2020					Year 2021				
(in Euro)		Country	Compensation granted in respect of the year	Value of options granted during the year	Value of performance shares granted during the year	Value of international performance shares granted during the year	Total	Compensation granted in respect of the year	Value of options granted during the year	Value of performance shares granted during the year	Value of international performance shares granted during the year	Total
Thomas Buberl	Chief Executive Officer	France	2,490,794 [(a)]	-	1,548,189	-	4,038,983	3,176,645 [(a)]	-	1,938,986	-	5,115,631 [(b)]
Total of the other Management Committee members [(c)]			18,161,419	-	3,677,688	2,354,013	24,193,120	20,183,821	-	2,609,825	4,174,232	26,967,877

(a) This amount includes the part of the variable compensation with respect to 2020 or 2021 which has been deferred in accordance with the mechanism described on page 134. The total amount paid will depend on performance conditions and may then vary.

(b) This amount includes the payment of the Chief Executive Officer's 2021 variable compensation which will be withheld until the approval of the Shareholders' Meeting on April 28, 2022.

(c) As at December 31, 2021, the Management Committee was comprised of 14 members (versus 13 on December 31, 2020).

On each date of grant, the fair value of stock options and Performance Shares is determined in accordance with IFRS standards. This is a historical value on the date of grant, calculated for accounting purposes as described in Note 26.3.1 "Share-based compensation instruments issued by the Group" in Part 6 "Consolidated Financial Statements" of the Annual Report. This value does not represent a current market value, a current valuation of these options and performance shares, nor the actual amounts that may be paid to beneficiaries if and when the options are exercised or the Performance Shares are acquired.

On March 12, 2020, the fair value of one Performance Share was €9.18.

On March 11, 2021, the fair value of one Performance Share was €14.52.

SUMMARY OF THE MANAGEMENT COMMITTEE MEMBERS' COMPENSATION FOR THE YEAR 2021

MEMBERS OF THE MANAGEMENT COMMITTEE

			Year 2021											
			Amounts granted with respect to the year						Amounts paid during the year					
(in Euro)		Country	Fixed compen-sation	Variable compensa-tion	Excep-tional compen-sation	Board fees	Benefits in kind	Total	Fixed compen-sation	Variable compensa-tion	Excep-tional compen-sation	Board fees	Benefits in kind	Total
Thomas Buberl	Chief Executive Officer	France	1,450,000	1,205,820 [(a)(b)]	-	-	4,044	2,659,865	1,450,000	1,148,986	-	-	4,044	2,603,031
Total of the other Management Committee members			9,710,128	10,029,609	-	-	118,855	19,858,592	10,035,356	6,455,631	-	-	118,855	16,609,842

(a) This amount does not include the part of the variable compensation with respect to 2021 which has been deferred in accordance with the mechanism described on page 134.
(b) Pursuant to Article L.22-10-34 II of the French Commercial Code, the payment of the Chief Executive Officer's 2021 variable compensation is withheld until the approval of the Shareholders' Meeting on April 28, 2022.

SUMMARY OF THE MANAGEMENT COMMITTEE MEMBERS' COMPENSATION FOR THE YEAR 2020

MEMBERS OF THE MANAGEMENT COMMITTEE

			Year 2020											
			Amounts granted with respect to the year						Amounts paid during the year					
(in Euro)		Country	Fixed compen-sation	Variable compensa-tion	Excep-tional compen-sation	Board fees	Benefits in kind	Total	Fixed compen-sation	Variable compensa-tion	Excep-tional compen-sation	Board fees	Benefits in kind	Total
Thomas Buberl	Chief Executive Officer	France	1,450,000	725,725 [(a)]	-	-	4,044	2,179,769	1,450,000	1,631,350	-	-	4,044	3,085,394
Total of the other Management Committee members			8,487,887	8,150,253	-	-	120,568	16,758,708	9,890,598	6,955,298	-	-	120,568	16,966,464

(a) This amount does not include the part of the variable compensation with respect to 2020 which has been deferred in accordance with the mechanism described on page 134.

The corporate officers do not receive Board fees from AXA SA.

The only "benefit in kind" for Messrs. Thomas Buberl and Denis Duverne is a company car.

COMPENSATION RATIOS

As required by the regulation in force and in accordance with the Afep guidelines updated in February 2021, the table below sets out the ratios comparing, on the one hand, the Chief Executive Officer's and the Chairman's compensation paid or granted in 2021 and, on the other hand, the mean and median 2021 compensation of employees of the holding company in France (AXA SA) [(1)] and, on a voluntary basis, of employees of the Group's France-based entities [(2)].

2021 Fiscal Year *(Compensation paid or granted during the 2021 fiscal year)* [(a)]	**Ratio against the mean compensation of AXA SA employees**	**Ratio against the median compensation of AXA SA employees**	**Ratio against the mean compensation of AXA employees in France**	**Ratio against the median compensation of AXA employees in France**
Chief Executive Officer's Compensation	2.36	2.16	55.93	72.39
Chairman's Compensation	0.64	0.59	15.22	19.70

(a) The elements of compensation selected for the purpose of the table above are: the fixed and variable compensation, LTIs (in IFRS value), Board fees, benefits in kind and collective profit sharing, paid or granted to each relevant executive or employee during the fiscal year. These elements of compensation are in gross (employer charges excluded).

As required by the regulation in force, the annual evolutions over the five most recent fiscal years of (i) the executive officers' compensations of the Company (AXA SA), (ii) the performance of AXA, (iii) the mean compensation of employees of the Company and, on a voluntary basis, (iv) of the employees of the Group's France-based entities, and (v) the hereinabove mentioned ratios, are disclosed in the table below.

	Evolution *(as %)* **between 2017 and 2018**	**Evolution** *(as %)* **between 2018 and 2019**	**Evolution** *(as %)* **between 2019 and 2020**	**Evolution** *(as %)* **between 2020 and 2021**
Chief Executive Officer's Compensation (CEO) [(a)]	+4.44% [(c)]	+6.7%	-14.07%	-3.95%
Chairman's Compensation [(b)]	0%	0.00%	-25.00% [(d)]	+25.00% [(d)]
AXA SA perimeter information				
AXA SA employees' mean compensation	+16.28%	-6.05%	-20.35%	-0.82%
Ratio between AXA SA CEO's compensation and the mean compensation of AXA SA employees	-10.19%	+13.57%	+7.88%	-3.15%
Ratio between AXA SA Chairman's compensation and the mean compensation of AXA SA employees	-14.01%	+6.44%	-5.68%	+34.16%
Ratio between AXA SA CEO's compensation and the median compensation of AXA SA employees	-5.73%	+4.51%	+39.59%	-20.69%
Ratio between AXA SA Chairman's compensation and the median compensation of AXA SA employees	-9.74%	-2.06%	+22.04%	+9.86%
French entities perimeter information				
AXA entities in France employees' mean compensation	+3.51%	+2.52%	+1.21%	+3.44%
Ratio between AXA SA CEO's compensation and the mean compensation of employees of AXA in France	+0.89%	+4.08%	-15.1%	-7.14%
Ratio between AXA SA Chairman's compensation and the mean compensation of employees of AXA in France	-3.4%	-2.45%	-25.78%	+28.64%
Ratio between AXA SA CEO's compensation and the median compensation of employees of AXA in France	+1.57%	+3.68%	-15.68%	-6.40%
Ratio between AXA SA Chairman's compensation and the median compensation of employees of AXA in France	-2.75%	-2.83%	-26.29%	+29.65%
AXA's performance information				
Underlying earnings per share	+3.00%	+5.00%	-33.98%	+60.82%

(a) The CEO was appointed on September 1, 2016.
(b) The Chairman was appointed on September 1, 2016.
(c) The variable compensation granted to the CEO in 2017 has been annualized for the purpose of the table above.
(d) It should be noted that during the 2020 fiscal year, given the context of the sanitary crisis and in solidarity with the Group's executive teams, Mr. Denis Duverne decided to renounce 25% of his fixed compensation. The compensation that was no paid to Mr. Denis Duverne was donated by AXA to charity.

(1) Which has less than five employees.

(2) Around 18,000 employees (including salaried sales force).

In accordance with the feedback received from a number of institutional investors, and on a voluntary basis, the ratios between, on the one hand, the remuneration paid or granted to the Chief Executive Officer and Chairman of the Board of Directors and, on the other hand, the average remuneration paid or granted to employees of all entities of the Group during the year 2021 [1], are presented in the table below:

2021 Fiscal year *(Compensation paid or granted during the 2021 fiscal year)* [(a)]	**Ratio with the average compensation of the AXA Group's entities employees**
Compensation of the Chief Executive Officer	72.57
Compensation of the Chairman of the Board of Directors	19.75

(1) Entities included in AXA's scope of consolidation as defined in Section 4.2 "Employer Responsibility" of this Annual Report.

(a) For the purposes of this table, the compensation components are: fixed and variable compensation, LTI (at IFRS value), Board fees, benefit in kind and incentives/share ownership, paid or granted to each director or employee with respect to the fiscal year. These compensation components are gross (excluding employer's charges and contributions).

DIRECTORS' FEES

Directors' fees

During the fiscal year 2021, the members of the Board of Directors, except for the corporate officers, only received directors' fees as compensation from the Company. The amount of directors' fees paid to each AXA Board member is indicated in the table below.

(gross amounts in Euro)	**Directors' fees paid in 2022 for 2021**	**Directors' fees paid in 2021 for 2020**
Current members of the Board of Directors		
Denis Duverne – Chairman of the Board of Directors	0	0
Thomas Buberl – Chief Executive Officer	0	0
Patricia Barbizet	99,017.20	108,639.23
Martine Bièvre [(a)(b)]	74,663.04	84,285.07
Helen Browne	98,033.11	50,878.00
Jean-Pierre Clamadieu – Senior Independent Director	203,371.37	212,993.40
Bettina Cramm [(a)]	99,017.20	108,639.23
Clotilde Delbos	76,461.22	-
Rachel Duan	99,017.20	108,639.23
Guillaume Faury	52,506.17	-
Ramon Fernandez	99,290.98	-
André François-Poncet	122,387.28	139,732.00
Antoine Gosset-Grainville	98,033.11	50,878.00
Isabel Hudson	184,281.11	61,928.83
Angelien Kemna	131,651.79	135,600.73
Ramon de Oliveira	140,399.44	194,106.59
Marie-France Tschudin	70,566.81	31,103.55
Former members of the Board of Directors		
Irene Dorner	60,149.36	171,272.42
Stefan Lippe	-	56,419.96
François Martineau	-	34,783.21
Doina Palici-Chehab	-	64,499.83
Elaine Sarsynski	41,153.11	135,600.73
TOTAL	**1,750,000.00**	**1,750,000.00**

(a) Mmes Martine Bièvre and Bettina Cramm, members of the Board of Directors representing the employees, are employed by subsidiaries of the Company and as such, receive a compensation that has no link with their directorship. Their compensation as employees is therefore not published.

(b) Directors' fees due to Mrs. Martine Bièvre, member of the Board of Directors representing the employees, were, at her request, directly paid by the Company to the "Fédération des Banques et des Assurances CFDT" (French trade union organization.

Criteria of directors' fees allocation

The total annual maximum amount of directors' fees to be allocated to the members of the Board of Directors was set by the Shareholders' Meeting of April 25, 2018, at €1,900,000.

No directors' fees are paid by the Company to the corporate officers (*i.e.* Chairman of the Board of Directors and Chief Executive Officer).

The total maximum amount of directors' fees is determined by the Shareholders' Meeting, in accordance with applicable laws, and apportioned by the Board of Directors to its members in accordance with its Terms of Reference (in accordance with the recommendations of Afep-Medef Code, a minority part of the fees is distributed evenly among the members of the Board of Directors as a fixed fee):

- a fixed amount determined by the Board of Directors shall be paid annually to the Senior Independent Director (set to €80,000);
- 65% of the remaining amount shall be allocated to the Board as follows: 40% shall be divided equally among Board members and paid as a fixed fee, and 60% shall be paid according to Board attendance;
- the remaining 35% shall be allocated by the Board of Directors to the Board Committees as follows: 25% to the Finance Committee, 25% to the Compensation & Governance Committee, and 50% to the Audit Committee. Each Committee shall then allocate such amount to its members as follows: 40% shall be divided equally among members and paid as a fixed fee, and 60% shall be paid according to Committee attendance, with the Chair of the Committee receiving in each case a double fee.

Mrs. Helen Browne, member of the Board of Directors representing the employee shareholders of the AXA Group, received in 2021 an annual gross cash compensation of €691,005 in connection with her position as Group General Counsel. This compensation consists of €442,130 of fixed compensation and €248,875 of variable compensation.

Mrs. Angelien Kemna received in 2021 directors' fees of €90,000 in respect of her non-executive mandate in a Group subsidiary (AXA Investment Managers SA).

Shares subject to performance conditions (Performance Shares and international Performance Shares, Restricted Shares and international Restricted Shares)

Shares subject to performance conditions are designed to recognize and motivate the Group's best talents and core skills by aligning the individuals' interests with the overall performance of the AXA Group, and the corresponding operational Entity/Business Unit as well as with the stock performance of the AXA share over the medium-long term. Shares subject to performance conditions generally result in low shareholder dilution due to the possibility to deliver existing shares, this choice being the one made up to this date.

From 2022, the Board of Directors, upon recommendation of its Compensation and Governance Committee, may grant Performance Shares to Senior Management [1], including members of the Management Committee and Restricted Shares to other beneficiaries.

Performance Shares and Restricted Shares are usually granted to beneficiaries residing in France, while International Performance Shares and international Restricted Shares are generally granted to beneficiaries residing outside of France.

GRANT PROCEDURE

Within the multi-annual cap authorized by the Shareholders' Meeting, the Board of Directors approves all programs of shares subject to performance conditions prior to their implementation.

Each year, the Board of Directors, acting upon recommendation from its Compensation & Governance Committee, approves a pool of global performance shares subject to performance to be granted.

The recommendations for grants of shares subject to performance conditions are made by the management of each operating business and by the Group's functional department heads. These recommendations are reviewed by the Executive Management to ensure a global coherence and respect of the Group's internal equity principles. The amount and nature of individual grants (in the form of Performance Shares or Restricted Shares) of shares subject to performance conditions are then decided by the Board of Directors, provided that individual grants to the

(1) Performance Shares are granted to approximately 250 senior managers as well as employees who are subject to specific local regulations on the date of grant.

Chief Executive Officer and other members of the Management Committee are preceded by a proposal of the Compensation & Governance Committee of the Board of Directors, which takes into consideration their aggregate compensation elements as well as the market studies carried out by the Group together with an independent compensation-consulting firm. Furthermore, the grant to AXA executive officers shall depend on the level of achievement of the strategic objectives previously defined by the Board of Directors.

The Company, in line with market best practices, applies a regular and consistent formula to determine the number of shares to be granted each year to the beneficiaries.

The Board of Directors also decided that the total number of performance shares granted to the Company's executive officers each year may not exceed 10% of the aggregate number of shares subject to performance conditions (Performance Shares and Restricted Shares) granted during the same year, to avoid an excessive concentration of performance shares granted to the executive officers.

Since 2020, the annual grant of shares subject to performance conditions occurs in March in order to simplify the structure of the senior executives' total variable remuneration, so that they are granted (i) a variable remuneration in the form of cash (annual bonus), and (ii) shares over the same month.

RULES REGARDING SHARES SUBJECT TO PERFORMANCE CONDITIONS AND PERFORMANCE CONDITIONS

Each beneficiary receives an initial preliminary allocation of shares subject to performance conditions (Performance Shares or Restricted Shares) which is then used as a reference to calculate the number of shares that will be definitely granted at the end of a 3-year performance period.

During the performance period, all shares subject to performance conditions initially granted, are integrally subject to performance criteria regardless of the beneficiary's status.

Performance Shares SNFP

For Performance Shares granted in 2021, the Board of Directors has reviewed, upon recommendation from its Compensation & Governance Committee, the nature and the weight of performance conditions as well as the level of corresponding targets, allowing an alignment with the new strategic orientations of the Group whilst meeting with regulatory requirements, including a greater consideration of non-financial criteria.

The Group performance weights for 40% of the total performance while the operating business performance weights for 60%. For beneficiaries in Group functions (including AXA executive officers) as well as Heads of Control Functions, the considered operating business is the AXA Group.

For Performance Shares granted in 2021, the global performance rate is calculated based on the performance achievement on:

- one criterion linked to cash remittance by the operating business, weighting for 30%;
- one criterion linked to underlying earnings of the operating business (for beneficiaries in Group functions, the considered indicator is the underlying earnings per share), weighting for 30%;
- one relative criterion linked to Sustainability strategy based on the DJSI weighting for 10%. Accordingly, the average of the scores achieved by AXA according to the DJSI during the performance period will be compared to the average of the scores achieved by the other companies included in the DJSI over the same period. Consequently, under this indicator, 100% of the shares will be granted if AXA's score is equal to the 95th percentile [(1)] (compared to 85th percentile beforehand);
- one criterion linked to Sustainability strategy based on the reduction in Group operations carbon emissions, weighting for 10%;
- one criterion linked to Sustainability strategy based on reduction in Group carbon footprint in Group's General Account assets, weighting for 10%;
- one relative criterion meant to compare the growth of the total return of the AXA share (TSR) with the growth of the TSR of the stock reference index of the insurance sector (SXIP index [(2)]) (the "TSR criterion"), weighting for 10%.

Regarding each afore mentioned criterion (except the TSR criterion for the members of the Management Committee), should the performance be:

- lower than 70% of the performance required to reach the target (the "floor"), no share would be delivered to the beneficiaries at the end of the acquisition period; consequently, the beneficiaries are not guaranteed a minimal grant/gain;
- equal to 70% of the performance required to reach the target, the number of shares definitively granted would be equal to 50% of the number initially granted for the members of the Management Committee and 70% for all other beneficiaries;
- equal to 100% of the performance required to reach the target, the number of shares definitively granted would be equal to 100% of the number initially granted and for all beneficiaries;
- equal to or higher than 130% of the performance required to reach the target, the number of shares definitively granted would be equal to 130% of the number initially granted and for all beneficiaries.

(1) The percentile represents the percentages of other companies with lower score in the index.

(2) SXIP Index (STOXX Insurance Index): weighted capitalization index of European companies in the insurance sector. On December 31, 2021, this index included 30 companies in the sector.

Regarding the TSR criterion for the members of the Management Committee, should the performance be:

- lower than 100% of the performance required to reach the target (the "floor"), no share would be delivered at the end of the acquisition period;
- equal to 100% of the performance required to reach the target, the number of shares definitively granted would be equal to 100% of the number initially granted;
- equal to or higher than 130% of the performance required to reach the target, the number of shares definitively granted would be equal to 130% of the number initially granted.

The performance target setting set by the Board of Directors is therefore directly aligned with the targets of the strategic plan over the performance period. Thus, only in the event of achievement at a level of 100% of the performance conditions, the beneficiary will acquire definitively the number of Performance Shares initially granted. For each criterion, between the different level of performance (floor, target and cap), the number of shares definitely granted is calculated on a linear basis depending on the achieve performance.

For Performance Shares granted in 2021, the global performance rate is calculated as follows: 30% performance of the operating business (cash remittance) +30% performance of the operating business (underlying earnings) +10% Sustainability Strategy (DJSI) +10% Sustainability Strategy (operations carbon emission) +10% Sustainability Strategy (carbon footprint in assets) +10% Group financial relative performance, all capped at 130%.

Some indicators are also used to determine the annual variable compensation (underlying earnings per share and cash remittance), underlining the intention to align some performance criteria of the short and long term compensation with the objectives of the strategic plan, and measure them over different time horizons through different acquisition schedules.

Performance conditions granted in 2021 are summarized in the chart below:

FOR 100% OF THE PERFORMANCE SHARES 2021

			% granted	
Operating business performance (60%)		**Performance achievement**	**Executive officers & Management Committee**	**Other beneficiaries**
Cash generation (30%)	Floor	70% of the target	50%	70%
	Target	Cash generation target [(a)]	100%	100%
	Cap	130% of the target	130%	130%
Underlying earnings (or Underlying earnings per share for the Group) (30%)	Floor	70% of the target	50%	70%
	Target	UE (or UEPS) target [(b)]	100%	100%
	Cap	130% of the target	130%	130%

Sustainability (30%)		**Performance achievement**	**Executive officers & Management Committee**	**Other beneficiaries**
Score AXA versus DJSI (10%)	Floor	AXA score = 90^{th} percentile	50%	70%
	Target	AXA score = 95^{th} percentile	100%	100%
	Cap	AXA score ≥ 99^{th} percentile	130%	130%
Reduction in operations carbon emission (10%)	Floor	Cumulated reduction = 11.6%	50%	70%
	Target	Cumulated reduction = 16.6%	100%	100%
	Cap	Cumulated reduction ≥ 21.6%	130%	130%
Decrease the carbon footprint of the Group's General Account assets (10%)	Floor	Cumulated reduction = 8.4%	50%	70%
	Target	Cumulated reduction = 12%	100%	100%
	Cap	Cumulated reduction ≥ 15.6%	130%	130%

Group financial relative performance (10%)		**Performance achievement**	**Executive officers & Management Committee**	**Other beneficiaries**
Score AXA TSR versus SXIP TSR	Floor	AXA score = 70% of the index	-	70%
	Target	AXA score = 100% of the index	100% (Floor)	100%
	Cap	AXA score ≥ 130% of the index	130%	130%

Calculation of the global performance rate = 30% performance of the operating business (cash generation) +30% performance of the operating business (underlying earnings) +10% sustainability (DJSI) +10% sustainability (operations carbon emission) +10% sustainability (carbon footprint in assets) +10% Group financial relative performance (TSR)

Performance rate divided by two should no dividend be proposed by the Board of Directors for any of the fiscal years of the performance period. The total number of shares definitively acquired is capped at 130% of the initial grant.

(a) In line with the objectives of the Group's strategic plan.
(b) Target performance corresponding to a 5% compound annual growth rate, in line with the objectives of the Group's strategic plan.

For the Performance Shares granted in 2022, the Board of Directors has reviewed, upon recommendation from its Compensation & Governance Committee, the nature of performance conditions as well as the level of corresponding targets. Therefore, the Board of Directors resolved to replace the performance criterion relating to the carbon footprint of the Group's General Account assets, now being used as a performance condition for the Chief Executive Officer's variable cash compensation, with a new criterion, also counting for 10%, and related to Inclusion and Diversity (portion of women within the Group's executives population) [(1)].

For Performance Shares granted in 2022, the global performance rate shall be calculated as follows: 30% performance of the operating business (cash remittance) +30% performance of the operating business (underlying earnings) +10% sustainability strategy (DJSI) +10% sustainability strategy (operations carbon emission) +10% sustainability strategy (Inclusion and Diversity – portion of women within the Group's executive population) +10% Group financial relative performance (TSR), all capped at 130%

Performance conditions for the grant in 2022, are summarized in the chart below:

FOR 100% OF THE PERFORMANCE SHARES 2022

			% granted	
Operating business performance (60%)		**Performance achievement**	**Executive officers & Management Committee**	**Other beneficiaries**
Cash generation (30%)	Floor	70% of the target	50%	70%
	Target	Cash generation target [(a)]	100%	100%
	Cap	130% of the target	130%	130%
Underlying earnings (or Underlying earnings per share for the Group) (30%)	Floor	70% of the target	50%	70%
	Target	UE (or UEPS) target [(b)]	100%	100%
	Cap	130% of the target	130%	130%

Group Sustainability (30%)		**Performance achievement**	**Executive officers & Management Committee**	**Other beneficiaries**
Score AXA versus DJSI (10%)	Floor	AXA score = 90th percentile	50%	70%
	Target	AXA score = 95th percentile	100%	100%
	Cap	AXA score ≥ 99th percentile	130%	130%
Reduction in operations carbon emission (10%)	Floor	Cumulated reduction = 14.7%	50%	70%
	Target	Cumulated reduction = 21%	100%	100%
	Cap	Cumulated reduction ≥ 27.3%	130%	130%
Increase the proportion of women in the Group's executive population (10%)	Floor	Cumulated reduction = +4.2 pts	50%	70%
	Target	Cumulated reduction = +6 pts	100%	100%
	Cap	Cumulated reduction ≥ +7.8 pts	130%	130%

Group financial relative performance (10%)		**Performance achievement**	**Executive officers & Management Committee**	**Other beneficiaries**
Score AXA TSR versus SXIP TSR	Floor	AXA score = 70% of the index	-	70%
	Target	AXA score = 100% of the index	100% (Floor)	100%
	Cap	AXA score ≥ 130% of the index	130%	130%

Calculation of the global performance rate = 30% performance of the operating business (cash generation) +30% performance of the operating business (underlying earnings) +10% sustainability (DJSI) +10% sustainability (operations carbon emission) +10% sustainability (Inclusion and Diversity) +10% Group financial relative performance (TSR)

Performance rate divided by two should no dividend be proposed by the Board of Directors for any of the fiscal years of the performance period. The total number of shares definitively acquired is capped at 130% of the initial grant.

(a) In line with the objectives of the Group's strategic plan.
(b) Target performance corresponding to a 5% compound annual growth rate, in line with the objectives of the Group's strategic plan.

(1) Around 2,000 employees, in accordance with Group's executives population defined in the Section 4.2 "Employer Responsibility" of this Annual Report.

The Performance Shares and International Performance Shares granted to the Management Committee members' (except for the Chief Executive Officer) will be acquired after a 3-year acquisition period, corresponding to the performance measurement period, and 50% of the shares acquired will be subject to a further 2-year holding period. The Performance Shares granted to the Chief Executive Officer will remain acquired at the end of a 3-year acquisition period, with the entirety of the acquired share restricted from sale during a 2-year holding period.

The amounts corresponding to International Performance Shares and International Restricted Shares are expensed each year under the variable accounting method. They do not create any dilution for shareholders since no new shares are issued. The payment is made in shares. Should this type of payment not be possible for legal, tax or any other reason, the payment could be made in cash.

Restricted Shares

From 2022, the Board of Directors, upon the recommendation of its Compensation and Governance Committee, may grant Restricted Shares to Group employees who are not senior managers. For Restricted Shares beneficiaries, the sole performance condition is the achievement of an average result of AXA's score in the DJSI index, calculated over the performance period, greater than or equal to the 75th percentile. In the event of AXA's average score, calculated over the performance period, equals to the 50th percentile, only half of the shares initially granted would be acquired. Finally, in the event the AXA's average score, calculated over the performance period, is lower than the 50th percentile, no shares would be granted. Therefore, this scheme does not guarantee a minimum gain to the beneficiaries. Among the different performance levels, the number of shares definitively granted is calculated on a linear basis depending on the achieved performance.

For Performance Shares and Restricted Shares, the achievement rate of the performance criterion (performance rate) is used to determine the number of AXA shares which will be definitively acquired by the beneficiaries at the end of the acquisition period, under the condition that the beneficiary is still employed by the AXA Group. The number of AXA shares definitively granted shall therefore be equal to the number of rights to AXA shares initially granted multiplied by the performance rate, which may not exceed 130% for the Performance Shares and 100% for the Restricted Shares. Furthermore, for the Performances Shares and Restricted Shares, in the event that no dividend would be proposed for payment (outside regulatory constraint) by the Board of Directors to the Company shareholders for any of the fiscal years of the performance period, the number of shares definitively acquired shall be automatically divided by two.

SHARES PLANS SUBJECT TO PERFORMANCE SUMMARY

International Performance Shares and International Restricted Shares plans

Grant date (Board of Directors)	21/06/2017	27/06/2018	19/06/2019	12/03/2020	11/03/2021	15/03/2022
Total number of beneficiaries of International Restricted Shares	-	-	-	-	-	2,674
% of women's beneficiaries	-	-	-	-	-	33%
Total number of International Restricted Shares granted	-	-	-	-	-	2,993,626
Total number of beneficiaries of International Performance Shares	5,200	4,507	4,279	3,978	4,207	927
% of women's beneficiaries	32%	32.5%	33.8%	34.0%	34.2%	35.4%
Total number of International Performance Shares granted	5,759,830	4,531,764	4,514,526	6,314,782	5,819,786	2,015,382
Number granted to corporate officers:						-
Thomas Buberl	-	-	-	-	-	-
Denis Duverne	-	-	-	-	-	-
Helen Browne	-	-	-	-	-	-
Acquisition date of International Performance Shares	21/06/2021	27/06/2022	19/06/2022 (a)	12/03/2023 (c)	11/03/2024 (c)	15/03/2025 (c)
Number of International Performance Shares and International Restricted Shares acquired at 31/12/2021	4,612,258	17,036 (b)	17,829 (b)	16,112 (b)	394 (b)	-
Number of International Performance Shares and International Restricted Shares cancelled	1,428,758	995,116	711,797	916,602	298,805	-
Balance at 31/12/2021 of International Performance and International Restricted Shares	-	3,241,145 (d)	3,789,294 (d)	5,384,490	5,512,197	5,009,008

(a) The members of Management Committee have a 1-year deferred acquisition period.
(b) Acquisition by anticipation following death or disability events.
(c) 50% of International Performance Shares of the Management Committee members have a 2-year holding period.
(d) The conversion rate of the shares initially granted to the Management Committee members for 2019 and 2020 plans is capped to 80%, in accordance with the dispositions approved by General Shareholders' Meeting of April 29, 2021.

Performance Shares and Restricted Shares plans

Date of the Shareholders' Meeting	27/04/2016	27/04/2016	24/04/2019	24/04/2019	24/04/2019	24/04/2019
Grant date (Board of Directors)	21/06/2017	27/06/2018	19/06/2019	12/03/2020	11/03/2021	15/03/2022
Total number of beneficiaries of Restricted Shares	-	-	-	-	-	2,093
% of women's beneficiaries	-	-	-	-	-	42%
Total number of Restricted Shares granted	-	-	-	-	-	1,761,859
Total number of beneficiaries of Performance Shares	2,673	2,812	2,793	2,623	2,508	232
% of women's beneficiaries	39.7%	39.7%	40.2%	42.9%	41.3%	36.2%
Total number of Performance Shares granted	2,486,368	2,979,171	2,961,225	4,020,077	3,102,813	1,363,552
Number granted to corporate officers:						
Thomas Buberl	100,526	112,211	133,458	168,648	133,539	116,987
Denis Duverne	-	-	-	-	-	-
Helen Browne	-	-	-	-	15,107	19,143
Acquisition date of the shares	21/06/2020 (b)	27/06/2021 (c)	19/06/2022	12/03/2023	11/03/2024	15/03/2025
End of restriction	21/06/2022	27/06/2023	19/06/2022 (d)	12/03/2023 (f)	11/03/2024 (f)	15/03/2025 (f)
Number of Performance Shares and Restricted Shares acquired at 31/12/2021	2,382,965	2,393,099	3,223 (e)	3,947 (e)	3,236 (e)	-
Number of Performance Shares and Restricted Shares cancelled	259,997	287,561	162,856	111,189	32,137	-
Balance at 31/12/2021 of Performance Shares and Restricted Shares	0	112,121 (g)	2,795,890 (g)	3,903,325	3,067,884	3,125,411

(a) The number of Performance Shares granted to Mrs. Helen Browne before her nomination as director representing the employee shareholders is not disclosed.

(b) Twenty-four employees have chosen the 4+0 vesting calendar (acquisition at June 21, 2021 with no restricted period), based on the plan rules due to moves out of France during the acquisition period.

(c) Thirty-four employees have chosen the 4+0 vesting calendar (acquisition at June 27, 2022 with no restricted period), based on the plan rules due to moves out of France during the acquisition period.

(d) The members of the Management Committee (including the Chief Executive Officer of AXA) have a 2-year holding period.

(e) Acquisition by anticipation following death or disability events.

(f) 100% of the Performance Shares for the Chief Executive Officer of AXA as well as 50% of the Performance Shares for the other members of the Management Committee have a 2-year holding period.

(g) The conversion rate of the shares initially granted to the Management Committee members for 2019 and 2020 plan is capped to 80%, in accordance with the dispositions approved by General Shareholders' Meeting of April 29, 2021.

In the table above all dates that are indicated are in the format of day/month/year.

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PERFORMANCE SHARES/INTERNATIONAL PERFORMANCE SHARES GRANTED TO CORPORATE OFFICERS DURING 2021 AND 2022

Corporate officers		Plan date	Nature of the plan	Number of shares granted	% of capital	Value *(in Euro)*	Acquisition date	End of restriction	Performance conditions
Thomas Buberl	Chief Executive Officer	11/03/2021	*Performance Shares*	133,539	0.006%	1,938,986	11/03/2024	11/03/2026	- Underlying earnings per share - Cash generation - Corporate Responsibility - Financial relative performance
		15/03/2022	*Performance Shares*	116,987	0.005%	1,910,398	15/03/2025	15/03/2027	- Underlying earnings per share - Cash generation - Sustainability - Financial relative performance
Denis Duverne	Chairman of the Board of Directors	-	-	-	-	-	-	-	-
Helen Browne	Representative of employee shareholders to the Board of Directors	11/03/2021	*Performance Shares*	15,107	0.001%	236,878	11/03/2024	11/03/2024	- Underlying earnings per share - Cash generation - Corporate Responsibility - Financial relative performance
		15/03/2022	*Performance Shares*	19,143	0.001%	323,517	15/03/2025	15/03/2025 [(a)]	- Underlying earnings per share - Cash generation - Sustainability - Financial relative performance

(a) 50% of the Performance Shares will be available on 15/03/2025 and 50% of the Performance Shares will be available after a 2-year holding period, i.e. on 15/03/2027.

In the table above all dates that are indicated are in the format of day/month/year.

The fair value of shares subject to performance conditions (Performances Shares and Restricted Shares) is determined in accordance with IFRS standards. It corresponds to a historical value at the date of grant, calculated for accounting purposes as described in Note 26.3.1 "Share-based compensation instruments issued by the Group" in Part 6 "Consolidated Financial Statements" of this Annual Report. This value does not represent a current market value, a current valuation of these performance shares or the actual proceeds if and when the shares subject to performance conditions are acquired.

Under the AXA Group Compliance & Ethics Code, all employees (including the executive officers of the Company) are prohibited from engaging in any transaction designed to hedge the value of equity-based compensation awards (shares subject to performance conditions) granted under any plan or arrangement maintained by AXA or any of its subsidiaries. This restriction applies from the date of grant until such time as the beneficiary receives the securities underlying the award upon, for example, the lapse of restrictions on shares subject to performance conditions or similar events. In accordance with the recommendations of the Afep-Medef Code, the executive officers of the Company make a formal commitment to not resort to such hedging transactions.

PERFORMANCE SHARES/INTERNATIONAL PERFORMANCE SHARES ACQUIRED BY CORPORATE OFFICERS DURING 2021

Corporate officers		Plan date	Nature of the plan	Number of shares granted	Acquisition date	Shares acquired during the year	Performance rate over the acquisition period	End of the restriction period
Thomas Buberl	Chief Executive Officer	27/06/2018	*Performance Shares*	112,211	27/06/2021	66,068	58.88% [(a)]	27/06/2023
Denis Duverne	Chairman of the Board of Directors	-	-	-	-	-	-	-
Helen Browne	Representative of employee shareholders to the Board of Directors	27/06/2018	*Performance Shares*	13,983	27/06/2021	13,099	93.68% [(b)]	27/06/2023

*(a) The performance rate of 58.88% is composed of: [50%*101.76% (average of Adjusted earnings and Underl ying earnings) +40% x 0% (Adjusted earnings per share) +10%*130% (Corporate Responsibility)] – 5% (Total Shareholding Return – TSR).*

*(b) The performance rate of 93.68% is composed of: [50%*101.76% (average of Adjusted earnings and Underlying earnings) +40% x 87% (Adjusted earnings per share) +10%*130% (Corporate Responsibility)] – 5% (Total Shareholding Return – TSR).*

In the table above all dates that are indicated are in the format of day/month/year.

PERFORMANCE SHARES/INTERNATIONAL PERFORMANCE SHARES BECOMING UNRESTRICTED DURING 2021 FOR EACH CORPORATE OFFICER

Corporate officers		Plan date	Number of shares becoming unrestricted during the year	Date of availability
Thomas Buberl	Chief Executive Officer	-	-	-
Denis Duverne	Chairman of the Board of Directors	-	-	-
Helen Browne	Representative of employee shareholders to the Board of Directors	06/06/2016	9,266	06/06/2021

In the table above all dates that are indicated are in the format of day/month/year.

Stock options

From 1989 to 2018, AXA granted stock options to its corporate officers and its employees in France and abroad. The purpose of these grants was to associate them with AXA's share price performance and encourage their performance over the long term. In 2019, after having progressively reduced the number of stock options beneficiaries over the past few years, AXA's Board of Directors, upon recommendation from its Compensation & Governance Committee, in order to simplify AXA's compensation policy and in line with market practice and feedback received from a number of institutional investors, decided to cease awarding stock options to corporate officers and AXA employees.

Previous plans are still valid until their expiration (maximum duration period of 10 years). They were granted at market value, with no discount, and become exercisable by tranches, generally in thirds between 3 and 5 years following the grant date.

Pursuant to the stock option plan rules, beneficiaries who resign from the Group lose the right to exercise their options.

On December 31, 2021, 180 AXA employees held a total of 9,988,710 outstanding options, representing 0.41% of the Company's share capital on the same date.

PERFORMANCE CONDITIONS

All options granted to all members of the Management Committee until 2018 were subject to performance condition. This performance condition also applied to the last tranche of each option grant (*i.e.* the last third of the options granted) for all other beneficiaries of options.

Pursuant to this performance condition, the options become fully exercisable only if the AXA share price performs at least as well as the stock reference index of the insurance sector [1]. No option submitted to such performance condition can be exercised as long as this criterion has not been reached. This external performance condition subjects the acquisition of the right to exercise the options to the achievement of a fully objective and public performance and allows to measure the relative performance of AXA compared to its main European competitors over a period of at least three years.

If the performance condition has not been met at the expiry date of the options, these options are automatically cancelled.

Furthermore, the Board of Directors decided that a second performance condition would apply to the all options granted in 2017 and 2018, pursuant to which beneficiaries would not be able to exercise their stock options in the event the net income of the Group share is negative, and for as long as it remains.

(1) SXIP index (STOXX Insurance Index): a capitalization-weighted index, which includes European companies that are involved in the insurance sector. As at December 31, 2021, the index included 30 companies of the sector.

STOCK OPTIONS PLAN SUMMARY

Date of the Shareholders' Meeting	22/04/2008	22/04/2008	22/04/2008	27/04/2011	27/04/2011	27/04/2011
Grant date (Board of Directors or Management Board)	18/03/2011	18/03/2011	04/04/2011	16/03/2012	13/06/2012	22/03/2013
Total number of beneficiaries	6,372	423	170	467	1	162
Total number of shares to be subscribed [(a)]	8,598,469	154,705	375,988	4,508,380	76,089	3,480,637
or purchased, from which to be subscribed						
or purchased by:						
Corporate officers:						
Thomas Buberl	-	-	-	-	-	-
Denis Duverne	247,500	-	-	192,000	-	169,000
Helen Browne [(b)]	-	-	-	-	-	-
The first 10 employees beneficiaries [(c)]	980,684	21,412	183,500	693,745	-	789,382
Start date of exercise	18/03/2013	18/03/2015	04/04/2013	16/03/2014	13/06/2014	22/03/2015
Expiry date of options	18/03/2021	18/03/2021	04/04/2021	16/03/2022	13/06/2022	22/03/2023
Subscription or purchase price of options [(a)]	14.73	14.73	14.73	12.22	9.36	13.81
Exercise schedule of options	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y
Number of options exercised at 31/12/2021	6,919,072	119,621	266,840	3,853,612	76,089	2,966,495
Options cancelled at 31/12/2021	1,679,397	35,084	109,148	561,339	-	282,014
Options outstanding at 31/12/2021	-	-	-	93,429	-	232,128

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b) The number of options granted to Mrs. Helen Browne before her nomination as director representing the employee shareholders is not disclosed.
(c) "Employees" other than corporate officers at grant date.

In the table above all dates that are indicated are in the format of day/month/year.

Date of the Shareholders' Meeting	27/04/2011	23/04/2014	23/04/2014	26/04/2017	26/04/2017
Grant date (Board of Directors or Management Board)	24/03/2014	19/06/2015	06/06/2016	21/06/2017	27/06/2018
Total number of beneficiaries	158	148	158	144	117
Total number of shares to be subscribed [(a)] or purchased, from which to be subscribed or purchased by:	3,100,000	3,014,469	3,323,259	3,070,397	2,730,217
Corporate officers:					
Thomas Buberl	48,800[(d)]	50,272 [(d)]	70,598 [(d)]	175,917	196,366
Denis Duverne	155,000	145,381	-	-	-
Helen Browne [(b)]	-	-	-	-	-
The first 10 employees beneficiaries [(c)]	661,900	683,100	813,477	787,665	761,168
Start date of exercise	24/03/2017	19/06/2018	06/06/2019	21/06/2020	27/06/2021
Expiry date of options	24/03/2024	19/06/2025	06/06/2026	21/06/2027	27/06/2028
Subscription or purchase price of options [(a)]	18.68	22.90	21.52	23.92	21.60
Exercise schedule of options	33% after 3 y 66% after 4 y 100% after 5 y	33% after 3 y 66% after 4 y 100% after 5 y	33% after 3 y 66% after 4 y 100% after 5 y	33% after 3 y 66% after 4 y 100% after 5 y	33% after 3 y 66% after 4 y 100% after 5 y
Number of options exercised at 31/12/2021	1,735,968	636,614	966,868	369,700	157,179
Options cancelled at 31/12/2021	319,246	361,639	566,803	349,499	111,673
Options outstanding at 31/12/2021	1,044,786	2,016,216	1,789,588	2,351,198	2,461,365

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b) The number of options granted to Mrs. Helen Browne before her nomination as director representing the employee shareholders is not disclosed.
(c) "Employees" other than corporate officers at grant date.
(d) Options were granted to Mr. Thomas Buberl prior to his appointment as AXA Chief Executive Officer.

In the table above all dates that are indicated are in the format of day/month/year.

Under the AXA Group Compliance & Ethics Code, all employees (including the corporate officers of the Company) are prohibited from engaging in any transaction designed to hedge the value of equity-based compensation awards (stock options and shares subject to performance conditions) granted under any plan or arrangement maintained by AXA or any of its subsidiaries. This restriction applies from the date of grant until such time as the beneficiary receives the securities underlying the award upon, for example, the exercise of a stock option or the lapse of restrictions on shares subject to performance conditions. In accordance with the recommendations of the Afep-Medef Code, the executive officers of the Company make a formal commitment to not resort to such hedging transactions.

STOCK OPTIONS HELD BY CORPORATE OFFICERS THAT BECAME EXERCISABLE DURING 2021

Corporate officers		Plan date	Nature of options	Number of options that became exercisable during the year [(a)]	Exercise price *(in Euro)*	Expiry date of options	Performance conditions
Thomas Buberl	Chief Executive Officer	27/06/2018	subscription or purchase	65,456	21.60	27/06/2028	100% of options: SXIP index
		21/06/2017	subscription or purchase	117,278	23.92	21/06/2027	100% of options: SXIP index
		6/06/2016	subscription or purchase	47,065	21.52	6/06/2026	100% of options: SXIP index
		19/06/2015	subscription or purchase	16,756	22.90	19/06/2025	100% of options: SXIP index
Denis Duverne	Chairman of the Board of Directors	19/06/2015	subscription or purchase	48,459	22.90	19/06/2025	100% of options: SXIP index
Helen Browne	Representative of employee shareholders to the Board of Directors	27/06/2018	subscription or purchase	8,157	21.60	27/06/2028	Last third of options: SXIP Index
		21/06/2017	subscription or purchase	6,522	23.92	21/06/2027	Last third of options: SXIP Index
		6/06/2016	subscription or purchase	5,376	21.52	6/06/2026	Last third of options: SXIP Index
		19/06/2015	subscription or purchase	4,806	22.90	19/06/2025	Last third of options: SXIP Index

(a) Stock options vested (according to the vesting calendar) for which the performance conditions have been met during the year or no performance condition is applicable.

In the table above all dates that are indicated are in the format of day/month/year.

STOCK OPTIONS EXERCISED BY CORPORATE OFFICERS DURING 2021

		AXA options				ADS AXA options			
Corporate officers		Date of grant	Number of options exercised during the year	Exercise price *(in Euro)*	Date of exercise	Date of grant	Number of options exercised during the year	Exercise price *(in USD)*	Date of exercise
Thomas Buberl	Chief Executive Officer	27/06/2018	8,856	21.60	16/12/2021	-	-	-	-
		21/06/2017	117,278	23.92	16/12/2021	-	-	-	-
		19/06/2015	16,756	22.90	16/12/2021	-	-	-	-
Denis Duverne	Chairman of the Board of Directors	22/02/2013	58,199	13.81	20/12/2021	-	-	-	-
Helen Browne	Representative of employee shareholders to the Board of Directors	-	-	-	-	-	-	-	-

In the table above all dates that are indicated are in the format of day/month/year.

STOCK OPTIONS EXERCISED BY THE TOP 10 BENEFICIARIES (OUTSIDE THE CORPORATE OFFICERS) DURING 2021

	Number of options exercised	Weighted average price *(in Euro)*
Stock options of AXA or any eligible AXA Group subsidiaries, exercised during the year by the ten employees, outside management bodies' members of the Company or of eligible AXA Group subsidiaries, who exercised the highest number of stock options (aggregate information)	1,019,638	20.23

STOCK OPTIONS HELD BY CORPORATE OFFICERS (OPTIONS GRANTED BUT NOT EXERCISED AS OF DECEMBER 31, 2021)

		Balance of options at December 31, 2021	
Corporate officers		AXA	ADS AXA
Thomas Buberl	Chief Executive Officer	293,214	-
Denis Duverne	Chairman of the Board of Directors	313,794	-
Helen Browne	Representative of employee shareholders to the Board of Directors	74,586	-

Share ownership policy for executives of the Group

AXA implemented a shareholding policy applicable to the main senior executives of the Group. This policy imposes that each executive hold, during the entire duration of his/her functions, a minimum number of AXA shares (the "Minimum Shareholding Requirement") representing a multiple of the annual fixed compensation received for his/her functions within the Group:

- the Chief Executive Officer is required to hold the equivalent of his annual fixed compensation multiplied by 3;
- Management Committee members are required to hold the equivalent of their annual fixed compensation multiplied by 2;
- Partners group members are required to hold the equivalent of their annual fixed compensation multiplied by 1.

AXA shares, ADS AXA or shares of listed Group subsidiaries, held directly or indirectly through Mutual funds or similar investment vehicles, regardless of their acquisition procedure, are taken into account for the purposes of calculating this Minimum Shareholding Requirement.

Each concerned senior executive is required to meet this Minimum Shareholding Requirement within a period of 5 years as from the date of her/his first appointment.

Pursuant to Articles L.22-10-59 II and L.22-10-57 of the French Commercial Code, the Board of Directors has decided that, as long as the Chief Executive Officer has not met his Minimum Shareholding Requirement, all Stock Options and Performance Shares granted to him will be subject to the following restrictions:

- upon each exercise of these stock options granted, the Chief Executive Officer must continue to hold in registered form a number of shares obtained upon exercise equal in value to at least 25% of the pre-tax capital gain realized upon exercise. These shares shall be held during his entire term of office as Chief Executive Officer;
- for Performance Shares granted, the Chief Executive Officer must, at every Performance Share acquisition date, hold in registered form at least 25% of the Performance Shares acquired during his entire term of office as Chief Executive Officer.

These restrictions do not apply if the Chief Executive Officer complies with his Minimum Shareholding Requirement.

CHIEF EXECUTIVE OFFICER

On December 31, 2021, based on the AXA share value on that date (€26.185), the Chief Executive Officer meets his Minimum Shareholding Requirement such as described in the above Section "Share ownership policy for executives of the Group".

	Shareholding requirement				Shareholding on 31/12/2021			
	Fixed compensation	Number of years	Amount	Target date	Number of years	Amount	AXA shares	AXA Shareplan units
Thomas Buberl	€1,450,000	3	4,350,000	01/09/2021	12	€17,585,688.89	670,741	853

MEMBERS OF THE MANAGEMENT COMMITTEE

On December 31, 2021, based on the AXA share value on that date (€26.185), the members of the Management Committee held, on average, 2.1 time the equivalent of their fixed annual compensation, it being specified that all members of the Management Committee are still within the 5-year time following their nomination date allowing them to comply with their minimal shareholding requirement.

MEMBERS OF THE BOARD OF DIRECTORS

To the best knowledge of the Company and based on information reported to it, each AXA Board of Directors member held, on December 31, 2021, the number of AXA shares or ADS AXA indicated in the table below.

	Number of shares (a) owned on December 31, 2021	
	AXA shares	ADS AXA
Denis Duverne – Chairman of the Board of Directors	1,545,809	18,734
Thomas Buberl – Chief Executive Officer	670,741	-
Patricia Barbizet	5,570	-
Martine Bièvre (b)	0	-
Helen Browne	110,837 (c)	-
Jean-Pierre Clamadieu	11,500	-
Bettina Cramm (b)	2,134	-
Clotilde Delbos	3,000 (d)	-
Rachel Duan	5,600	-
Guillaume Faury	2,005 (e)	-
Ramon Fernandez	3,577 (f)	-
André François-Poncet	7,842	-
Antoine Gosset-Grainville	4,268	-
Isabel Hudson	7,440 (g)	-
Angelien Kemna	7,250	-
Ramon de Oliveira	38,234	20,625
Marie-France Tschudin	2,695 (d)	-

(a) AXA shares which could be indirectly held through Mutual funds are not taken into account.
(b) The holding of AXA shares by directors representing the employees (Mmes Martine Bièvre and Bettina Cramm) is not mandatory.
(c) On January 24, 2022.
(d) On January 19, 2022.
(e) On February 25, 2022.
(f) On January 13, 2022.
(g) On March 3, 2022.

Transactions involving Company securities completed in 2021 by the members of the Board of Directors

To the best of the Company's knowledge and based on the information reported to it, several members of the Board of Directors made the following disclosures in the course of 2021 concerning their transactions involving Company securities. Detailed information about all of these transactions, as well as individual disclosures filed in accordance with Article L.621-18-2 of the French Monetary and Financial Code and Articles 223-22 A to 223-26 of the AMF General Regulations, are published on the Company's website (www.axa.com) and on the AMF website (www.amf-france.org).

						Options			Subscription of stock options		Subscription and sale of stock options		Transfer of units of AXA Group Mutual funds	Equity issue reserved for employees *(Shareplan)*
Name	**Sale of AXA shares** *(Number)*	**Purchase of AXA ADS** *(Number)*	**Purchase of AXA shares** *(Number)*	**Acquisition of performance shares (end of acquisition period)** *(Number)*	**Automatic reinvestment into the Company Savings Plan of dividends attached to shares held in the Company Savings Plan** *(Number of units)*	**Sale of call options** *(Number)*	**Acquisition of put options** *(Number)*	**Options that became exercisable** *(Number)*	**Subscription to AXA share** *(Number)*	**Subscription to AXA ADS** *(Number)*	**AXA shares** *(Number)*	**Sale of units of AXA Group Mutual funds invested in AXA shares** *(Number)*	**invested in AXA shares to other AXA Group Mutual funds** *(Number of units)*	**Subscription to units of AXA Group Mutual funds invested in AXA shares** *(Number of units)*
Patricia Barbizet			1,000											
Helen Browne				13,099 3,166 (a)	1,492.9277			4,806 6,522 8,157 5,376						1,060.4454 682.4386
Thomas Buberl				66,068 24,936 (a)				16,756 23,533 58,639 65,456 23,532 58,639	16,756 (c) 117,278 (c) 8,856 (c)			118,436.5311		34,451.0472
Jean-Pierre Clamadieu			2,500											
Bettina Cramm														53.3212
Rachel Duan			1,650											
Denis Duverne	29,212 (b) 25,000 (b) 29,192 (b) 25,000 (b)				20,274.8573			48,459	58,199 (b)(c)			36,139.8168 (b)	5,500.1037	17,700.5000
Isabel Hudson			1,100 791 1,205 1,007 610											
Marie-France Tschudin			1,595											

(a) Retirement performance shares.
(b) Transaction performed by an independent financial intermediary pursuant to a discretionary mandate.
(c) AXA shares locked it under the AXA employee-stock purchase plan (plan d'épargne d'entreprise du Groupe).

Pursuant to the AXA Group Compliance & Ethics Code, corporate officers and other employees of the Company must refrain from any purchase or sale of AXA securities during specific time periods ("blackout periods") prior to the earnings releases. These blackout periods generally begin about 30 days before its annual or half-year earnings releases and 15 days before its quarterly financial information. Depending on the circumstances, these blackout periods could be declared at other times or be extended.

Commitments made to executive officers

PENSION COMMITMENTS

Mr. Denis Duverne as former Deputy Chief Executive Officer of the Company participated, as all other executive employees *(directeurs)* of AXA Group entities in France, in a mandatory and collective supplementary pension scheme with defined benefits on the condition that they terminate their career in the AXA Group in accordance with the provisions of Article L.137-11 of the French Social Security Code.

Mr. Denis Duverne, who retired from his position as Deputy Chief Executive Officer on August 31, 2016, and was appointed Chairman of the Board of Directors as of September 1, 2016, claimed his pension rights according to the collective defined benefit pension scheme as of September 1, 2016. However, Mr. Denis Duverne decided to waive payment of the annuities amounting to circa €750,000 per year before taxes and social security charges, until termination of his term of office as Chairman of the Board without any retroactive payment.

This collective defined benefits pension scheme has been closed to any new beneficiary as of December 31, 2016. As a result, no executive employees *(directeurs)* or executive officer appointed after this date shall benefit from it.

The Directive 2014/50/UE/of the European Parliament and of the Council of April 16, 2014, provides that, as from January 1, 2020, future pension rights must be portable and consequently can no longer be acquired in the existing defined benefit pension scheme. The collective defined benefits pension scheme was amended in 2020 in order to ensure compliance with European Directive.

Mr. Thomas Buberl, AXA's Chief Executive Officer does not benefit from the collective defined benefits pension scheme described above.

The Chief Executive Officer of the Company. Mr. Thomas Buberl, as well as all other employees of AXA Group entities in France, participate in a mandatory and collective supplementary pension scheme with defined contributions (collective insurance contract – *contrat d'assurance de Groupe* as defined in Article L.141-1 of the French Insurance Code). This AXA pension fund was implemented in 2011 and benefits to the employees of AXA Group entities in France falling within the scope of the Collective Agreement of December 18, 2009. The individual employer contribution rate is set at 0.75% of the total gross compensation, which is not capped (the contribution base is the same as the one used for contributions related to the Social Security General Scheme). Contributions are subject to 9.7% social charges (9.2% for CSG and 0.5% for CRDS).

Retirement performance shares

Since December 2016, AXA has implemented a retirement performance shares plan which benefits to all executive employees *(directeurs)* of AXA Group entities in France including for the Chief Executive Officer, Mr. Thomas Buberl.

It provides beneficiaries with portable pension benefits until retirement in line with Directive 2014/50/UE/of the European Parliament and of the Council of April 16, 2014, on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights.

These performance shares are subject to (i) an acquisition period of three years, and (ii) an obligation to hold the shares until retirement, provided that the beneficiaries may sell all or part of their shares for diversification purposes (following the three-year acquisition period), as long as the sale proceeds are invested in a long-term savings plan until the beneficiary's retirement.

The definitive acquisition of these performance shares is subject to (i) the beneficiary's presence in the AXA Group on December 31 of the year during which the grant is decided, and (ii) the achievement of a performance condition related to the average AXA Group Solvency II ratio calculated during the performance period.

For all beneficiaries, to benefit from the totality of performance shares initially granted, the average AXA Group Solvency II ratio calculated during the performance period must be greater than or equal to 170%. However, if the average ratio is 150%, only half of the shares initially granted will be acquired. No shares will be acquired if the average ratio is below 150%. No minimum number of shares is guaranteed.

Between these performance levels, the number of shares definitely acquired is calculated, on a linear basis depending on the achieved performance.

In the event that no dividend would be proposed for payment (outside regulatory constraint) by the Board of Directors to the Company shareholders for any of the fiscal years of the performance period, the number of shares definitively acquired shall be automatically divided by two.

The Board of Directors also decided that no more than 10% of the total number of shares granted during any fiscal year should be granted to AXA's executive officers, to avoid an excessive concentration of retirement performance shares granted to the executive officers.

On December 14, 2021, the Board of Directors approved a grant of retirement performance shares. Accordingly, 627,864 retirement performance shares were granted to 503 officers, which represent 0.026% of the outstanding share capital on the date of the grant, of which 14,276 retirement performance shares were granted to AXA's Chief Executive Officer representing 2.3% of the total grant.

All retirement performance shares granted are subject to the performance conditions described above and calculated over a three-year period beginning on January 1, 2021, and ending on December 31, 2023.

TERMINATION PROVISIONS

Executive officers	Employment contract		Supplementary pension scheme		Indemnities or advantages due or likely to be due upon termination of functions		Indemnities due for non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Thomas Buberl Chief Executive Officer Beginning of current mandate: 25/04/2018 Term of office: 2022	–	X	X (a)	–	X	–	–	X
Denis Duverne Chairman of the Board of Directors Beginning of current mandate: 25/04/2018 Term of office: 2022	–	X	X (b)	–	–	X	–	X

(a) Mr. Thomas Buberl is a beneficiary of the retirement performance shares plans.
(b) Mr. Denis Duverne decided to waive payment of the annuities he is entitled to under the collective defined benefit pension scheme, until termination of his term of office as Chairman of the Board without any retroactive payment. He does not benefit from additional pension schemes as Chairman of the Board.

In accordance with the recommendations of the Afep-Medef Code, Mr. Thomas Buberl has decided to renounce his employment contract as of the date of his appointment as Chief Executive Officer.

In connection with this decision, the Board of Directors upon recommendation from its Compensation & Governance Committee undertook a review of the consequences of this renunciation including with respect to the continuity of the social benefits (Health insurance, Life insurance, Disability insurance, etc.) to which Mr. Thomas Buberl was entitled as an employee. In this context, the Board of Directors was concerned that the decision of Mr. Thomas Buberl to renounce his employment contract in accordance with the recommendations of the Afep-Medef Code would jeopardize the continuity of his accrued and future social benefits.

As a result, on August 2, 2016, the Board of Directors took the following decisions:

- the Board of Directors authorized that, following the termination of his employment contract, Mr. Thomas Buberl would continue to have social benefits (Health insurance, Life insurance, Disability insurance, etc.) on terms equivalent to those of all other Group senior employees of the AXA Group in France;
- the Board of Directors authorized a contractual severance benefit for Mr. Thomas Buberl designed to replicate the benefits to which he would have been entitled as AXA employee under the 1993 collective agreement covering director-level employees of the insurance sector, but with the addition of performance conditions in accordance with the Afep-Medef recommendations. A severance benefit would be applicable, except in the case of gross or willful misconduct, solely in the event of dismissal or non-renewal further to the Board of Directors' decision. The payment of the severance benefit would be subject to the three following performance conditions as determined by the Board of Directors during its August 2, 2016, meeting: (i) achievement, for at least 2 of the 3 preceding fiscal years, of the objectives set for the beneficiary's variable compensation and corresponding to the payment of at least 60% of his variable compensation target, (ii) evolution of the AXA share price at least equal to the stock reference index of the insurance sector (SXIP) (in percentage) over a 3-year period preceding the termination of the term of office, and (iii) the average consolidated adjusted ROE over the 3 preceding years higher than or equal to 5%.

The amount of severance benefit to be paid to the beneficiary would be adjusted in accordance with the level of achievement against these performance conditions: 100% of the severance benefit will be paid if at least two of the three performance conditions are met; 40% of the severance benefit will be paid if only one performance condition is met; and no severance benefit shall be paid if none of the performance conditions are met. Notwithstanding the foregoing, if only two of the three performance conditions are met, the amount of severance benefit will be reduced by 50% if performance condition (i) above is not met or if AXA's consolidated net income for the preceding fiscal year is negative.

No severance benefit will be paid if the beneficiary is entitled to a pension scheme within the 6 months following his termination.

The initial amount of the severance benefit is equal to 12 months of the average compensation (fixed and variable) paid during the 24-month period preceding termination. One month should then be added to the initial amount of the severance benefit for each additional year of future service up to a maximum cap of 24 months.

These commitments were approved by AXA' Shareholders' Meeting of April 25, 2018. They took effect upon Mr. Thomas Buberl's effective renunciation of his employment contract on September 1, 2016 and will continue as such for the duration of his mandate and under any potential renewed mandates.

Compensation policy of the Company's corporate officers (Ordinary and Extraordinary Shareholders' Meeting of April 28, 2022)

This policy was prepared in accordance with Articles L.22-10-8 and R.22-10-14 of the French Commercial Code and presents the principles and criteria for determination, distribution and allocation of all elements of compensation of the corporate officers of the Company as approved by the Board of Directors during its meeting held on February 23, 2022, upon recommendation from its Compensation & Governance Committee.

The Compensation & Governance Committee, of which role and composition are presented in detail in Section 3.1 of this Annual Report, is responsible for, among others, formulating propositions to the Board of Directors regarding the Company's principles and policy on corporate officers' compensation.

The Compensation & Governance Committee is entirely composed of independent members, with the exception of the director representing the employees sitting on the Committee pursuant to the Afep-Medef recommendations, who exchange frequently with the Group's management and the departments of the Company including Group human resources and Group Legal. This Committee is also empowered to undertake or commission specific reviews by external experts when deemed appropriate. Such reviews allow the Committee to benefit from a technical expertise and independent insights in comparing AXA's compensation practices with general market practice.

COMPENSATION POLICY FOR THE CHIEF EXECUTIVE OFFICER

Guiding principles of axa's compensation policy

AXA's compensation policy is designed to support the Company's long-term business strategy and to align the interests of its management with those of its shareholders and all other stakeholders by (i) establishing a close relation between performance and compensation over the short, medium and long term, (ii) ensuring that the Group can offer competitive compensation that is consistent with the various markets in which it operates while avoiding potential conflicts of interests that may lead to undue risk taking for short-term gain, and (iii) ensuring compliance of the Company's practices with all applicable regulatory requirements.

AXA's compensation policy aims to, among others:

- attract, develop and motivate unique skills and best talents;
- incentivize superior performance;
- align compensation levels with the Company's results.

Structure and criteria for determination of the Chief Executive Officer's compensation

In this context, the compensation policy for the Chief Executive Officer is based on a pay-for-performance approach which (i) requires the achievement of challenging financial and operational targets that are defined and aligned with the Group's strategy, (ii) promotes long-term sustainable performance while incorporating risk adjustment measures in performance metrics, and (iii) determines the effective amount of the actual individual compensation on the basis of both financial and non-financial results.

Thus, the "at-risk" portion of the Chief Executive Officer's total compensation (variable cash compensation and share-based compensation) represents a significant component of his compensation structure, with a view to aligning his compensation more directly with the operational strategy of the Group and the interests of the shareholders.

The different components of the Chief Executive Officer's total compensation are presented in detail hereafter:

FIXED ANNUAL COMPENSATION OF THE CHIEF EXECUTIVE OFFICER (UNTIL APRIL 28, 2022)

The determination of the amount of the Chief Executive Officer's fixed compensation is based on an in-depth analysis of market practices as well as applicable national and international regulations. It also takes into consideration various other factors such as experience, skills, as well as criticality and scarcity of such skills, and the Group's fairness principles or the individual's compensation history.

The Board of Directors, upon recommendation from its Compensation & Governance Committee, decided to maintain unchanged, until April 28, 2022, which is the date of the Shareholders' Meeting called to decide on the renewal of Thomas Buberl as director, the amount of the Chief Executive Officer's fixed annual compensation, at €1.45 million. This fixed annual compensation will be adjusted on a *pro rata temporis* basis.

VARIABLE ANNUAL COMPENSATION OF THE CHIEF EXECUTIVE OFFICER (UNTIL APRIL 28, 2022)

The Chief Executive Officer's variable annual compensation is subject in its entirety to challenging performance conditions and closely aligned with the Group's strategy. No minimum payment is guaranteed to the Chief Executive Officer.

In order to determine the Chief Executive Officer's target annual variable compensation, the Board of Directors sought to establish a balanced structure between the fixed part and the variable part of his cash compensation.

Thus, the Board of Directors, upon recommendation from its Compensation & Governance Committee decided to maintain unchanged, until April 28, 2022, which is the date of the Shareholders' Meeting called to decide on the renewal of Thomas Buberl as director, the Chief Executive Officer's target annual variable compensation, at €1.45 million, *i.e.* 100% of the amount of his annual fixed compensation. This variable annual compensation will be adjusted on a *pro rata temporis* basis.

The Chief Executive Officer's total effective variable compensation will not exceed 130% (compared to 150% beforehand) of his variable compensation target, *i.e.* 130% of his annual fixed compensation.

The evaluation of the Chief Executive Officer's individual performance with respect to the 2022 fiscal year will be based on the following two components, each of them capped at a 130% achievement rate:

- The Group's performance, evaluated on the basis of (i) underlying earnings per share, (ii) cash remittance, (iii) sustainability indicator (reduction in Group carbon footprint in General Account assets) and (iv) Net Promoter Score (customer recommendation index). The relative weight of each indicator will, respectively, be 45%, 25%, 15% and 15%. Each of the indicators will be capped at a 130% achievement rate;

  The evolution of the choice and weight of the financial and extra-financial indicators of the Group performance is part of a global review of the measurement of this performance with the objectives of a greater simplification and a closer alignment with the Group's strategic orientations, while taking into account regulatory constraints, including a growing weight of extra-financial elements.

  The financial and extra-financial indicators chosen to measure the Group performance are directly linked to the Group's strategic orientations. They reflect objectives for growth, capital management, sustainability and customer proximity. Some of these indicators (underlying earnings per share and cash remittance) are the same than the indicators related to the share-based compensation, underlining the intention to align part of the performance criteria of the short and long term compensation with the objectives of the strategic plan and to measure them on different time scales by submitting them to different acquisition schedules.

- Individual performance, assessed on the basis of various indicators and qualitative and quantifiable objectives determined by the Board of Directors in a target letter drawn up at the beginning of the year, as well as on the basis of demonstrated leadership abilities by the Chief Executive Officer. The target letter includes detailed objectives with regards to the Group's progress in the implementation of its strategic plan as well as other performance indicators and objectives designed to assess the level of achievement of global strategic initiatives or relating to certain geographic areas, as well as progress on investments that are expected to contribute to the development of the Group's operations (*e.g.* execute strategic business priorities, design of post *"Driving Progress 2023"* strategic plan, people leadership, personal development…).

Each of these two components will be evaluated separately so that the Chief Executive Officer's overall variable pay-out reflects his performance against two distinct components assessed independently.

With respect to the 2022 fiscal year, the determination of the actual amount of variable compensation to be paid to the Chief Executive Officer will therefore be based on the addition of two components: the Group performance for 70% and the individual performance for 30%.

In order to ensure that AXA remains aligned with current market practice and regulations, both in France and abroad, within the financial industry, the Board of Directors has decided to continue to use a deferral mechanism with respect to the Chief Executive Officer's annual variable compensation.

Under this mechanism, the payment of 30% of his annual effective variable compensation will be deferred over a 3-year period (compared to 2-year previously) paid out in 3 tranches and will remain subject to performance condition. The deferred amount effectively paid out will vary accordingly depending on the AXA share price performance over the deferral period, *i.e.* 3-year, within the limit of a cap at 130% of the deferred amount (compared to 120% previously) but without floor (compared to a 80% deferred amount-floor previously). Besides, no deferred variable compensation would be paid in the event (i) that the Group's underlying earnings are negative for the year ending immediately prior to the year of scheduled payout or (ii) of resignation or dismissal, for gross or willful misconduct prior to the payout date.

Should a significant change affecting the calculation of the Group's economic parameters emerge (significant patrimonial transaction approved by the Board of Directors, change in accounting standards…), the Board will be able to calculate the parameters *mutatis mutandis*, *i.e.* without taking into account extraordinary external elements.

The Board of Directors also reserves the right to exercise its discretionary power regarding the determination of the Chief Executive Officer's compensation pursuant to legal provisions and in accordance with Articles L.22-10-8 and L.22-10-34 of the French Commercial Code, should any particular circumstance arise and justify an exceptional adjustment, either upwards (within the limit of 130% of the target variable compensation) or downwards, of one or several of the criteria composing the Chief Executive Officer's compensation, to ensure that the application of the abovementioned criteria fairly reflect the Chief Executive Officer's performance as well as that of the Group.

This adjustment may apply to the Chief Executive Officer's variable annual compensation following a justified decision of the Board of Directors, upon proposal by its Compensation & Governance Committee.

Payment of the Chief Executive Officer's variable cash compensation for 2022 is subject to the approval by the Shareholders' Meeting to be held in 2023 of the compensation elements paid during or granted with respect to the 2022 fiscal year to the Chief Executive Officer.

SHARE-BASED COMPENSATION GRANTED TO THE CHIEF EXECUTIVE OFFICER

Each year, the Board of Directors, upon recommendation from its Compensation & Governance Committee, decides to grant Long-Term Incentives (LTI) to the Chief Executive Officer in the form of performance shares.

In order to give the Chief Executive Officer a stake in long-term value creation, these performance shares represent an important part of his compensation. However, the value of the performance shares granted to the Chief Executive Officer as determined in accordance with the IFRS standards may not in any event exceed half of his total compensation.

The Board of Directors has also decided that the number of performance shares allocated to the Company's corporate officers may not exceed 10% of the total number of performance shares granted to all beneficiaries within the Group.

The performance shares granted to the Chief Executive Officer are entirely subject to demanding internal and external performance conditions (the details of which are presented in Section 3.2 of this Annual Report), which are assessed over a period of three years (followed by a two-year holding period), and do not guarantee a minimum grant or gain. Moreover, the performance shares plan rules provide that in the event the Chief Executive Officer leaves his position [1] at any time before the end of the performance period, any performance shares initially granted are irremediably lost, unless otherwise decided by the Board of Directors in a motivated decision disclosed at the time of the officer's departure (in such case, all or part of the performance shares could be maintained and the vesting calendar and performance conditions of the performance shares set at the grant date would remain unchanged).

Given the principles presented above, the Board of Directors, upon proposal of its Compensation & Governance Committee has decided that the total value of the performance shares to be granted to the Chief Executive Officer during 2022, shall not exceed 150% of the amount of his annual variable compensation target.

EXCEPTIONAL COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The Board of Directors does not contemplate granting any exceptional compensation to the Chief Executive Officer.

CHIEF EXECUTIVE OFFICER'S DIRECTORS' FEES

The Chief Executive Officer, who also is a member of the Board of Directors of the Company, is not entitled to payment of any directors' fees from the Company.

BENEFITS IN KIND GRANTED TO THE CHIEF EXECUTIVE OFFICER

The only benefit in kind granted to the Chief Executive Officer is the use of a company car.

ELEMENTS OF COMPENSATION RELATING TO THE CHIEF EXECUTIVE OFFICER'S RETIREMENT

The Chief Executive Officer does not participate in any pension schemes with defined benefits.

As all other executives of AXA Group entities in France, he participates in the retirement performance shares plan, under which grants are made on an annual basis.

The performance shares granted under such plan are subject to (i) an acquisition period of three years, and (ii) an undertaking not to sell the performance shares before the date on which the beneficiary retires, subject to the option offered to the beneficiaries, for diversification purposes, to sell their shares (after the end of the acquisition period of three years) as long as the proceeds of such sale are invested in a long-term savings plan until the beneficiary retires.

Definitive acquisition of the performance shares is subject to the satisfaction of a performance condition (the details of which are set out in Section 3.2 of this Annual Report), linked to the average AXA Group Solvency II ratio calculated over the performance period. No minimum grant or gain is guaranteed to the Chief Executive Officer under this scheme.

The Board of Directors, upon recommendation from its Compensation & Governance Committee, has decided that the total value of the retirement performance shares to be granted to the Chief Executive Officer during 2022 shall not exceed 15% of his annual fixed and cash variable compensation.

REGULATED COMMITMENTS MADE TO THE CHIEF EXECUTIVE OFFICER

The commitments made to the benefit of the Chief Executive Officer regarding social benefits and unemployment benefits are presented in more detail in this Annual Report.

(1) Except in the event of death, invalidity or retirement.

ELEMENTS OF COMPENSATION OF THE CHIEF EXECUTIVE OFFICER (AS OF APRIL 28, 2022)

In accordance with the Afep-Medef Code, the Compensation & Governance Committee regularly reviews the Group's compensation policy to ensure it is adapted to evolving business, market and regulatory conditions including the Group's ability to (i) attract, develop and motivate critical skills and best talents by ensuring a competitive offer in line with industry practices, (ii) align compensation levels with the Company's performance and incentivize superior performance, and (iii) align the interests of executives with those of shareholders over the long term.

In connection with the renewal of Mr. Buberl's mandate as a director, unanimously approved by the Board of Directors in August 2021 and submitted for the approval of the Shareholders' Meeting of April 28, 2022, the Compensation & Governance Committee and the Board of Directors reviewed the compensation package of and the compensation policy applicable to the Chief Executive Officer in order to ensure alignment with the objectives indicated above.

The amounts and structures, which have remained unchanged since September 1, 2016, the date of Mr. Buberl's first appointment as AXA's Chief Executive Officer, were subject to a thorough review. In this regard, the Board of Directors considered numerous parameters, including:

- The development of the Group's profile: The significant transformation of the Group's profile since the appointment of Mr. Buberl (reduction of exposure to financial market volatility, refocusing on technical risks), notably following the acquisition and integration of the XL group in 2018, making AXA the global leader in the Commercial Property & Casualty sector and the associated increase in complexity as well as the increase in the responsibilities of the Chief Executive Officer;
- Operational performance and value creation: The clear and ambitious strategy implemented by Mr. Buberl has resulted in strong operational performance since 2016 in a challenging economic environment: (i) return on equity increased from 12.9% in 2015 to 14.7% in 2021, with a solvency ratio of 217% as of December 31, 2021, well above the target level of 190%, (ii) gross revenues grew 1.6% per year on average between 2015 and 2021, (iii) AXA' underlying earnings per share and dividend per share went up respectively 4.3% and 5.8% (1) per year over the same period and (iv) AXA share price increased by 49% between September 1, 2016 and February 1, 2022;
- Mr. Buberl's profile, experience and expertise: A European executive (having held executive positions in Germany, Switzerland and France), with abilities and accomplishments during his tenure as Group CEO recognized across Europe and beyond;
- Analysis of the compensation practices of comparable companies: The study carried out by an independent external consultant (Willis Towers Watson) on compensation practices for similar positions within various CAC40 companies as well as AXA's main European and international competitors (2), revealed that Mr. Buberl's current total target compensation is lower (by approximately 25%) (3) than that of the chief executive officers of AXA's three main European competitors (Allianz, Generali and Zurich Insurance). This study also revealed that the annual target variable compensation and the share-based compensation of AXA's Chief Executive Officer are (i) below the median of the CAC12 companies, (ii) at the lower end of AXA's three main European competitors (Allianz, Generali and Zurich Insurance), and (iii) below the bottom quartile of the main international companies in the insurance sector. It therefore highlighted the lack of competitiveness of Mr. Buberl's current compensation compared to his main peers; and
- Feedback from institutional investors on pay structure: who have expressed a preference for a greater proportion of long-term, at-risk, shared-based components, as well as more extra-financial criteria (also in line with regulations).

(1) Based on the dividend proposed to the Shareholders' Meeting to be held on April 28, 2022.

(2) This study included:

- a panel of the 12 main European companies in the insurance sector (Generali, Zurich Insurance, Prudential Plc, Allianz, Swiss Re, Munich Re, Aviva, Swiss Life, Standard Life Aberdeen, Aegon, NN Group, Mapfre) with a particular focus on the three main continental European companies (Allianz, Generali and Zurich Insurance),

- a panel of the 7 main international (non-European) companies in the insurance sector (Ameriprise Financial Inc., American International Group Inc., Chubb Ltd, Metlife Inc., Prudential Financial Inc., Manulife Financial Corporation, AIA) that are also active in the markets in which AXA operates, and

- the practices of 12 CAC40 companies that are comparable to AXA in terms of market capitalization, revenues, sector, number of employees and/or geographic coverage (L'Oréal, Sanofi, LVMH, Air Liquide, Schneider Electric, TotalEnergies, Vinci, Airbus, Danone, BNP Paribas, Société Générale and Engie) – (CAC12)), were also studied.

The composition of these panels may change in order to account for changes in the structure or activity of the group or the companies that comprise it.

(3) The gap in relation to the current average total target compensation is 24%, including 16% for annual fixed compensation, 11% for annual target variable compensation and 35% for share-based compensation.

In view of these various elements, the Board of Directors, on the recommendation of its Compensation & Governance Committee, decided to modify, as of the date of his renewal of term of office, certain components of the Chief Executive Officer's compensation as follows:

- Increased the annual fixed compensation to €1.65 million (from €1.45 million, representing a 2.2% annual increase since 2016 and a 13.8% increase overall);
- Increased the amount of annual target variable compensation (to €1.75 million [(1)] from €1.45 million previously);
- Reduced the variable ceiling from 150% to 130% [(2)], thereby allowing an alignment of the ceiling of all the different cash- and share-based elements of compensation [(3)];
- Modified the deferral mechanism to further align with shareholders' interests by (i) extending the payout period from 2 to 3 years, (ii) eliminating the payout floor (previously 80% of the deferred amount) in order to emphasise the "at risk" nature of this component, and (iii) increasing the payout cap (from 120% to 130%) in the event of superior share price performance;
- Increased weighting of the long-term component paid in AXA shares (ceiling raised from 150% to 180% of annual target variable compensation [(4)]), subject to stringent performance conditions, in line with investors' expectations and enabling total compensation to be aligned with that of AXA's main peers [(5)] in the event of superior performance. Through this change, the Board of Directors sought to (i) give significant importance to share-based compensation, which will represent almost 50% of the Chief Executive Officer's total compensation, and (ii) strengthen the at-risk portion of the Chief Executive Officer's total compensation (variable cash-based compensation and share-based compensation) so that it represents the vast majority (approximately 75%) of his total compensation. The Board's objective is thus to align the Chief Executive Officer's compensation more directly with the Group's long-term performance and the interests of shareholders.

Finally, the Board of Directors decided that, in accordance with the Company's past practice, this new compensation package should remain unchanged for the duration of the Chief Executive Officer's next term as a director (*i.e.* until April 2026 [(6)]). The Board therefore paid particular attention to establishing a new compensation package that is balanced, aligned with the interests of shareholders and that can remain sufficiently competitive throughout this period.

Other components of the Chief Executive Officer's compensation described hereabove remain unchanged.

Appointment of a new Chief Executive Officer after the Shareholders' Meeting to be held on April 28, 2022

For purposes of this policy only, and in accordance with applicable regulations, the Board of Directors has also considered the hypothetical appointment of a new Chief Executive Officer following the Shareholders' Meeting to be held on April 28, 2022.

Under such circumstances, the compensation structure applicable to a new Chief Executive Officer would comply with this policy and the Board of Directors would perform a comprehensive review of the situation of the relevant executive, provided that:

- the amount and criteria of his compensation would be determined in accordance with existing practices within the Company by reference to compensation practices for similar functions in a sample of CAC40 companies and in the main European companies in the financial sector; and
- the experience, skills and individual compensation history of the executive would also be taken into account.

(1) i.e. 106% of his fixed annual compensation.

(2) i.e. 138% of his fixed annual compensation.

(3) Each of the variable compensation performance criteria will also be capped at the same 130% achievement rate.

(4) As from the Shareholders' Meeting of April 28, 2022. The first grant following the 2022 Shareholders' Meeting is not expected to take place until March 2023.

(5) The proposed changes to the Chief Executive Officer's compensation, in terms of structure and amount, will enable to:

- position his fixed annual compensation (i) slightly below the average level of the fixed compensation of the executives of the three main European companies in the insurance sector (some of whose terms of office will be renewed in 2022), (ii) above the median of the 12 main European companies in the insurance sector, and (iii) in the high range of the main international companies in the insurance sector and the CAC12;

- position his total target compensation (i) at the same level as that of the executives of the three main European companies in the insurance sector, (ii) in the high range of the 12 main European companies in the insurance sector and of the CAC12, and (iii) below the bottom quartile of international insurance companies, and

- pay a significant portion of his total compensation in the form of shares and/or indexed to share performance compared to his peers in the European insurance sector and the CAC12.

(6) Corresponding to an annual increase of his fixed compensation of 1.3% over the 2016-2026 period.

Finally, in the event that the Chief Executive Officer is recruited externally, the Board of Directors retains the right to grant to the newly appointed executive a lump sum (in cash and/or in shares) the amount of which, in accordance with the recommendations set forth in the Afep-Medef Code, may not under any circumstances exceed the amount of the benefits the executive would have had to forego by resigning from his previous position.

For further information on the Chief Executive Officer's compensation, please refer to Section 3.2 of this Annual Report.

COMPENSATION POLICY FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS

The mandate of Mr. Denis Duverne, Chairman of the Board of Directors, expires at the end of the Shareholders' Meeting of April 28, 2022. The Board of Directors, upon recommendation from its Compensation & Governance Committee, decided to appoint Mr. Antoine Gosset-Grainville as his successor in the capacity of Chairman of the Board of Directors. Are detailed hereinafter the elements of compensation of Mr. Duverne until April 28, 2022 and the elements of compensation of Mr. Gosset-Grainville as of April 28, 2022.

Structure and criteria for determination of the Chairman of the Board of Directors' compensation (until April 28, 2022)

The Board of Directors, upon recommendation from its Compensation & Governance Committee, and in accordance with the recommendations set forth in the Afep-Medef Code, has considered that the most appropriate compensation structure for the Chairman of the Board of Directors would be the payment of a sole fixed compensation.

In determining the fixed annual compensation of its Chairman, the Board of Directors has consulted an external advisory firm (Willis Towers Watson) in order to identify compensation practices for similar functions in a sample of CAC40 companies and in the main European companies in the financial sector.

The Board of Directors has also taken into account the experience and expertise of Mr. Denis Duverne, as well as the extensive role it decided to entrust him with as Chairman of the Board of Directors. This role is presented in detail in the Board's Terms of Reference as well as in Section 3.1 of this Annual Report and goes beyond the statutory duties of a Chairman under French law.

In addition, the Board of Directors has taken into account the fact that Mr. Denis Duverne, who claimed his pension rights on September 1, 2016, has decided to waive, for the duration of his term of office as Chairman of the Board of Directors, payment of his benefits (approximately €750,000 per year) under the supplementary pension scheme for executives within the AXA Group in France, to which he was entitled as from September 1, 2016. Mr. Denis Duverne has decided that he would claim such benefits only after the end of his term of office, without application of any retroactive payment.

Accordingly, the Board of Directors has decided, upon recommendation from its Compensation & Governance Committee, to maintain unchanged, until April 28, 2022, the expiry date of its mandate, the amount of the fixed annual compensation of the Chairman of the Board of Directors at €1.2 million. This annual fixed compensation shall be adjusted *pro rata temporis.*

Having considered that the most appropriate compensation structure for the Chairman of the Board of Directors would be a fixed compensation only, the Board of Directors has resolved, as a consequence, that the Chairman of the Board of Directors will not benefit from any variable compensation, any directors' fees, any performance shares grants, or of any other long-term compensation elements.

In addition, the Board of Directors does not contemplate granting any exceptional compensation to the Chairman of the Board of Directors.

Finally, there is no employment contract between the Company and the Chairman of the Board of Directors, and the Chairman is not entitled to any severance benefits or any allowance relating to any non-compete clause in the event that he ceases to be Chairman of the Board of Directors.

The only benefit in kind granted to the Chairman of the Board of Directors is the use of a company car.

REGULATED COMMITMENTS MADE TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

The commitments made to the benefit of the Chairman of the Board of Directors regarding social benefits are presented in more detail in the Statutory Auditors' special report.

Structure and criteria for determination of the Chairman of the Board of Directors' compensation (as of April 28, 2022)

The mandate of Mr. Denis Duverne, Chairman of the Board of Directors, expires at the end of the Shareholders' Meeting of April 28, 2022. The Board of Directors, upon recommendation from its Compensation & Governance Committee, decided to appoint Mr. Antoine Gosset-Grainville as his successor in the capacity of Chairman of the Board of Directors.

The Board of Directors, upon recommendation from its Compensation & Governance Committee, has set the compensation structure and the criteria of the future Chaiman of the Board of Directors.

In accordance with the recommendations set forth in the Afep-Medef Code and the Company's practice, the Board of Directors considered that the most appropriate compensation structure for the future Chairman of the Board of Directors would be a fixed compensation only.

In order to determine the fixed annual compensation of its future Chairman, the Board of Directors has consulted an external advisory firm (Willis Towers Watson) to identify compensation practices for similar functions in CAC40 companies and in the main European companies in the financial sector [(1)]. The Board of Directors has also taken into account the experience and expertise of Mr. Antoine Gosset-Grainville, as well as the extensive role it decided to entrust him with as Chairman of the Board of Directors. This role shall be similar to the one of his predecessor and is presented in detail in the Board's Terms of Reference as well as in Section 3.1 of this Annual Report and goes beyond the statutory duties of a Chairman under French law.

Consequently, the Board of Directors has decided, upon recommendation from its Compensation & Governance Committee, to set, as of April 28, 2022, the amount of the fixed annual compensation of the Chairman of the Board of Directors at €925,000 [(2)]. This annual fixed compensation shall be adjusted *pro rata temporis*.

Having considered that the most appropriate compensation structure for the Chairman of the Board of Directors would be fixed compensation only, the Board of Directors has resolved, as a consequence, that the Chairman of the Board of Directors will not benefit from any variable compensation, any directors' fees, any performance shares grants, or of any other long-term compensation elements, nor any company car.

In addition, the Board of Directors does not contemplate granting any exceptional compensation to the Chairman of the Board of Directors.

Finally, there is no employment contract between the Company and the Chairman of the Board of Directors, and the Chairman is not entitled to any severance benefits or any allowance relating to any non-compete clause in the event that he ceases to be Chairman of the Board of Directors.

Appointment of a new Chairman of the Board of Directors after the Shareholders' Meeting to be held on April 28, 2022

For purposes of this policy only, and in accordance with applicable regulations, the Board of Directors has also considered the hypothetical appointment of a new Chairman of the Board of Directors following the Shareholders' Meeting to be held on April 28, 2022.

Under such circumstances, the compensation structure applicable to a new Chairman of the Board of Directors would comply with this policy and the Board of Directors would perform a comprehensive review of the situation of the relevant executive, provided that:

- the amount and criteria of his fixed compensation would be determined in accordance with existing practices within the Company by reference to compensation practices for similar functions in a sample of CAC40 companies and in the main European companies in the financial sector; and
- the experience and skills of the executive as well as the scope of his assignments as defined by the Board of Directors in connection with his appointment would also be taken into account.

* * *

For further information on the compensation of the Chairman of the Board of Directors, please refer to Section 3.2 of this Annual Report.

(1) *This study included a panel of the main European companies in the financial sector (Swiss Re, Zurich Insurance, Swiss Life, Generali, Prudential, Aviva, Scor, Standard Life Aberdeen, Allianz, Munich Re, UBS, Credit Suisse, HSBC, Standard Chartered, BNP Paribas, Société Générale, Deutsche Bank, Barclays, Intesa Sanpaolo, Natwest group, Unicredit, Crédit Agricole, ING) and the practices of CAC40 companies.*

(2) *This positions his fixed annual compensation (i) slightly above the median of the main European companies in the financial sector, and (ii) in the high range of the CAC40 companies.*

COMPENSATION POLICY OF THE OTHER MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors [1] other than the corporate officers (*dirigeants mandataires sociaux)* are paid directors' fees as sole compensation from the Company.

Criteria for allocation of directors' fees (compensation in accordance with Article L.22-10-14 of the French Commercial Code)

The total annual maximum amount of directors' fees is determined by the Shareholders' Meeting, in accordance with applicable laws, and apportioned by the Board of Directors to its members in accordance with its Terms of Reference (pursuant to the recommendations of Afep-Medef Code, a minority part of the fees is distributed evenly among the members of the Board of Directors as a fixed fee):

- a fixed amount determined by the Board of Directors shall be paid annually to the Senior Independent Director (set at €80,000);
- 65% of the remaining amount shall be allocated to the Board as follows: 40% shall be divided equally amongst Board members and paid as a fixed fee and 60% shall be paid depending on Board attendance;
- the remaining 35% shall be allocated by the Board of Directors to the Board Committees. Each Committee shall then allocate such amount to its members as follows: 40% shall be divided equally amongst members and paid as a fixed fee and 60% shall be paid depending on Committee attendance, with the Chairman of the Committee receiving in each case a double fee.

The total annual maximum amount of directors' fees to be allocated to the members of the Board of Directors was set by the Shareholders' Meeting of April 25, 2018 at €1,900,000.

It will be proposed to the Shareholders' Meeting to be held on April 28, 2022 to set the total annual maximum amount of directors' fees to be allocated to the members of the Board of Directors at €2,100,000, corresponding to an increase of 10.5% compared to the amount previously set by the Shareholders' Meeting of April 25, 2018.

This proposal takes into account the increased workload of the Board of Directors and its Committees as a result of the Company becoming, in addition to a Group holding company, a licensed reinsurer (subject to the approval of the amendment of the Company's corporate purpose and the Company being granted its reinsurance license by the *Autorité de contrôle prudentiel et de résolution* (ACPR)).

No directors' fees are paid by the Company to the corporate officers (*i.e.* Chairman of the Board of Directors and Chief Executive Officer).

* * *

For further information on the members of the Board of Directors' compensation, please refer to Section 3.2 of this Annual Report.

(1) *Who, in principle, have a four-year term of office.*

3

3.3 CORPORATE GOVERNANCE CODE OF REFERENCE

In December 2008, AXA adopted all of the Afep-Medef recommendations, including the recommendations on the compensation of corporate officers of October 2008, as its Corporate Governance Code of Reference.

These recommendations were consolidated in a Corporate Governance Code of Listed Corporations published by the Afep *(Association française des entreprises privées)* and the Medef *(Mouvement des entreprises de France)* in April 2010 and revised in January 2020 (hereafter the "Afep-Medef Code"), which is available at AXA's registered office or on its website (www.axa.com) under the "Corporate governance" Section.

AXA complies with the recommendations of the Afep-Medef Code that are in line with the long-established corporate governance principles initiated by the Company. Details are presented in Sections 3.1 "Corporate governance structure" and 3.2 "Executive compensation and share ownership" of this Annual Report describing corporate governance mechanisms and containing information about executives' compensation.

The Company implements all the recommendations of the Afep-Medef Code. However, in order to take into account certain specificities of its business and governance practices, AXA has decided, while remaining in line with the principles of the Afep-Medef Code, to adapt the following provision of the Code:

- Section 9.5.1 of the Afep-Medef Code relating to the independence of parent company directors holding a directorship in a Group subsidiary: although certain members of the AXA Board of Directors hold or have held during the last five years non-executive directorships in one or more Group subsidiaries owned directly or indirectly by AXA, the Company considers that this does not automatically (i) place them in a situation of conflict of interest, or (ii) impair their independence in any way. The Board believes that allowing its members to sit on the Boards of certain Group subsidiaries is beneficial to the Board's overall knowledge and appreciation of the activity, operations, strategy and risk profile of the entire Group. Indeed, directors who hold directorships in subsidiaries may, where appropriate, provide the Board with useful insights and a precise and practical vision of the strategy, operational activities, processes and teams of the concerned subsidiaries, and more generally, of the Group's business and organization. Directors who also serve on the Boards of Group subsidiaries, however, are required to abstain from participating in the debates and decisions of the AXA Board which could affect the interests of the entity in which they hold a directorship to prevent any conflict of interest or potential independence issues.

3.4 RELATED PARTY TRANSACTIONS

For further information concerning related-party transactions, please see Note 28 "Related-party transactions" included in Part 6 "Consolidated Financial Statements" of this Annual Report.

DESCRIPTION OF THE PROCEDURE FOR ASSESSMENT OF ORDINARY AGREEMENTS CONCLUDED AT ARM'S LENGTH TERMS AND CONDITIONS AND ITS IMPLEMENTATION

At its meeting of February 19, 2020 and in accordance with Article L.22-10-12 of the French Commercial Code, the Board of Directors adopted a procedure to regularly assess whether agreements relating to ordinary transactions concluded at arm's length terms and conditions actually meet these conditions. The assessment procedure has been implemented within AXA since that date.

This procedure, which is reviewed by the Board of Directors annually, provides for the Group Legal Department to be informed prior to the conclusion, amendment, renewal, extension or termination of any agreement falling within the scope of Article L.225-38 of the French Commercial Code, regardless of the ordinary nature of the transaction or the arm's length basis of the agreement. This information enables the Group Legal Department to carry out a prior review of the agreement in order to determine whether it should be subject to the "regulated" agreements procedure provided for under Articles L.225-38 *et seq.* of the French Commercial Code or whether it is exempt from such procedure. To this end, the Group Legal Department may seek the advice of the AXA Group's other relevant departments and of the Company's Statutory Auditors.

In addition, the Group Legal Department annually assesses whether ordinary agreements concluded at arm's length terms and conditions continue to meet the conditions for such qualification, in cooperation with AXA Group's relevant departments and the Company's Statutory Auditors where necessary. If the Group Legal Department considers that an agreement initially qualified as ordinary and concluded at arm's length terms and conditions constitutes a "regulated" agreement, the Board of Directors decides on the qualification of the said agreement and on the actions to be taken on it according to the qualification adopted.

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

Mazars
61, rue Henri-Régnault
92400 Courbevoie

Statutory Auditors' special report on regulated agreements

(Shareholders' Meeting of April 28, 2022 for the approval of the financial statements for the year ended December 31, 2021)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting

AXA SA
25, avenue Matignon
75008 Paris
France

Ladies and Gentlemen,

In our capacity as Statutory Auditors of AXA, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code *(Code de commerce),* it is your responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These standards consisted in the verification of the consistency of the information we received with the basis documentation from which they are extracted.

AGREEMENTS TO BE APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreements authorized and concluded during the year to be submitted for approval at the Shareholders' Meeting in accordance with Article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved during prior years

In accordance with Article R.225-30 of the French Commercial Code, we were advised of the following regulated agreements, approved during previous years, which remained in force during the past year.

AGREEMENT WITH MR. THOMAS BUBERL (CHIEF EXECUTIVE OFFICER)

Nature, purpose, terms and conditions

On August 2, 2016, the Board of Directors acknowledged the effective renunciation by Mr. Thomas Buberl, in accordance with the Afep-Medef recommendations, of his employment contract from September 1, 2016, the date on which he became Chief Executive Officer of AXA.

Consequently, the Board of Directors proceeded to a full review of the future social status of Mr. Thomas Buberl, once the renunciation of his employment contract will be effective in accordance with the Afep-Medef recommendations.

In this context, the Board of Directors, in view of the seniority of Mr. Thomas Buberl in his employee status and from the significance of his services provided to the Company, confirmed its wish to maintain social benefits (health and disability insurance, etc.), as an executive director, in the same conditions than the ones applicable to AXA Group director-level employees in France.

AGREEMENT WITH MR. DENIS DUVERNE (CHAIRMAN OF THE BOARD OF DIRECTORS)

Nature, purpose, terms and conditions

On February 17, 2010, the Supervisory Board acknowledged the effective renunciation by Mr. Denis Duverne of his employment contract as of the Shareholders' Meeting of April 29, 2010 during which the former dual structure consisting of a Management Board and a Supervisory Board was replaced by a unitary Board of Directors structure.

The Supervisory Board was concerned that the decision of Mr. Denis Duverne to renounce his employment contract, in accordance with the Afep-Medef recommendations, would not jeopardize the continuity of his accrued and future social benefits.

Consequently, the Supervisory Board authorized the Company to take all appropriate commitments to ensure that, as a corporate officer, Mr. Denis Duverne would continue to have social benefits (health and disability insurance, etc.) identical or on terms equivalent to those applicable to AXA Group director-level employees in France, including by amending Group benefit plans in terms of health and disability insurance.

Neuilly-sur-Seine and Courbevoie, March 21, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bénédicte Vignon – Grégory Saugner	Gilles Magnan – Maxime Simoen

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4

SUSTAINABILITY SNFP

4.1 AXA SUSTAINABILITY STRATEGY

This chapter describes AXA Group's sustainability strategy. It includes an extra-financial performance statement that AXA publishes in accordance with the provisions of the EU Directive 2014/95 related to extra-financial reporting (1) and French law (2). This statement includes the AXA Group's business model and information on its main extra-financial risks ("sustainability risks") related to environmental, employer responsibility, society, human rights, tax evasion and corruption matters. For more information on the Group's risks exposure, please refer to Section 5.1 "Risk factors" of this Annual Report.

Further detailed information on the AXA Group's sustainability-related policies and practices is also available in the "Integrated Report", "Climate/TCFD Report", in the online "Group Human Capital Report" (3) and on the AXA Group's website (www.axa.com), in the sustainability Section.

AXA's purpose entails sustainable value creation

Our sustainability strategy is a key driver of employee engagement, customer trust and brand image. Sustainability is viewed as both a risk and opportunity for the management: it enables AXA to reduce certain operational costs and risks (social and environmental), while providing market opportunities in emerging business segments or driving innovation. Also, sustainability is an increasingly regulated area: in 2021, AXA notably began the implementation of the new European Union Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy regulation (refer to Section 4.3, paragraphs "Climate, biodiversity and ESG-related "outreach" and engagement" and "EU Taxonomy Regulation" of this Annual Report).

AXA is also committed to being a responsible employer, striving to keep employee engagement at the heart of its strategy, and as inspired by its values, to create a workplace that fosters diversity and equal opportunity for all, promotes engagement, encourages professional development, and supports employee well-being.

Since 2020, our sustainability strategy has also been impacted by the unprecedented COVID-19 pandemic crisis: remote work for almost all our employees, AXA's commitment to protect jobs, investments in scientific research, mobilization of staff to support medical frontline helpers, development of telemedicine services contributing to alleviate emergency medical services. AXA was also involved in supporting the economy and the subsequent green recovery with substantial investments.

Stimulated by the crisis to reaffirm its societal values, AXA formulated its purpose to encompass its role in the economy and commitments as a responsible company serving society. Through a collaborative process with external representatives from civil society and a large consultation and involvement from all employees, the proposed purpose was submitted to the Board of Directors of the Group and launched during the Annual Shareholders' Meeting, in June 2020.

AXA's purpose *"Act for human progress by protecting what matters"* entails sustainable value creation with the aim to protect the environment and society in an inclusive manner. The essence of its insurance profession – pooling risks – makes AXA a critical link in mutual support and social ties. The Group understanding of risks enables all its stakeholders to anticipate the future and become more resilient. AXA enables individuals and communities to move forward by protecting their basic needs: environmental protection, access to healthcare, prosperity, and quality of life. We strive to take decisions and commitments based on objective scientific data while looking at things in an inclusive manner.

For more information on AXA's business model, please refer to the Section "Certain preliminary information about this Annual Report", sub-Section "Sustainable value creation".

(1) Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014, amending Directive 2013/34/EU as regards disclosure of non-financial information and information relating to diversity by certain large companies and groups.

(2) Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

(3) No information, documents or items contained in AXA's 2021 Integrated Report or the 2021 Group Human Capital Report or AXA's Climate Report, or available on the Company's website in connection therewith, is incorporated by reference in this Annual Report.

2021 marks a new stage in AXA's sustainable development strategy

In 2021, we started a new strategic cycle at AXA, with the plan *"Driving Progress 2023"*. Considering both the level of maturity reached and anticipating the acceleration of ESG topics in all the Group's activities, the Management Committee has decided to dedicate a pillar of its strategy, entitled *"Sustain our Climate leadership position"*, aligned with our purpose – please refer to Section "Certain preliminary information about this Annual Report", sub-Section "Strategic orientations" of this Annual Report. This means that all lines of business are now concerned by this priority. AXA uses various levers related to its expertise and activities to achieve its objectives in this context: investment, insurance, its partnerships and its philanthropic activities, as well as its international footprint.

The framework of AXA Sustainability Strategy has been updated accordingly. It is now focused around 2 priorities: climate change and inclusive protection. Thus, AXA Sustainability Strategy aims to fulfill two main goals: act as a leading force against climate change and expand our health and protection businesses as an inclusive insurer.

To make this new strategic cycle and our purpose concrete for all its stakeholders, AXA has implemented a set of indicators to measure and track its progress in every aspect of its activities: *"AXA for Progress Index"*. Launched in April 2021 during the Annual Shareholders' Meeting, this Index is a set of seven commitments, translated into targets and shared across the Group to further embed sustainable development in our activities: as an investor, as an insurer and as an exemplary company.

2021: AXA For Progress Index

As an **Investor**	As an **Insurer**	As an **Exemplary company**
Reduce the carbon footprint of AXA's portfolio (General Account assets) by 20% by 2025 **Increase AXA's Green investments** to reach €26 billion by 2023	**Strengthen the share of insurance products** with a positive impact on the environment through the guarantees or services offered **Promote inclusive insurance for vulnerable populations**	**Lead transformation by people:** upskill AXA's employees on climate by 2023 **Achieve carbon neutrality:** reduce the carbon footprint of AXA's own operations by 20% (energy, car fleet, business travel, digital) by 2025 & offset the residual emissions

A transversal consolidated indicator: the DJSI / Corporate Sustainability Assessment (CSA) ranking

Specific working groups have been set up with key stakeholders at local entities and Group level to define the action plans to achieve our commitments for 2023 and beyond as some issues require a more long-term view. AXA is currently setting objectives for green insurance and Inclusive Protection products. The results of the seven commitments within the Index will be published on an annual basis.

Means or key performance indicator for monitoring	Unit	Results and Objectives				
		Result 2021	Result 2020	Result 2019	Target	Timeline
Reduce the carbon footprint of AXA's portfolio (General Accounts assets)	t CO_2/EV €m	Calculation in progress [a]	66.06	69.84	-20%	2019–2025
Increase AXA's Green investments	€ billion	22.6	16.1	11.7	26	2023
Strengthen the share of insurance products with a positive impact on the environment through the guarantees or services offered	€ billion Revenue	Calculation in progress [a]	1.1	n/a	Target in progress	2023
Promote inclusive insurance for vulnerable populations	Million customers	10.6	n/a	n/a	target in progress	2023
Reduce the carbon footprint of AXA's own operations (energy, car fleet, business travel, digital) and offset the residual emissions	t CO_2 eq	84,945	110,017	216,536	-20%	2019–2025
Lead transformation by people: upskill employees on climate by 2023	Share of current permanent employees [b]	n/a	n/a	n/a	100%	2023
The DJSI/The Corporate Sustainability Assessment (CSA) ranking	Percentile ranking in DJSI	97th	99th	97th	95th – 99th	Annually

NA: Not Available
(a) The result of this indicator will be available in AXA's 2022 Climate/TCFD Report.
(b) According to SDR scope.

In 2021, the following three key performance indicators were included among the criteria which are used to calculate the performance that determines the acquisition of performance shares to executives and approximately 7,000 employees from AXA Group as a starting point (please refer to Section 3.2 "Executive compensation and share ownership - Shares subject to performance conditions (Performance shares and international performance shares, restricted shares and international restricted shares) - Rules regarding shares subject to performance conditions and performance conditions - Performance Shares"):

- the DJSI/Corporate Sustainability Assessment (CSA) ranking;
- reduction of operational carbon emissions;
- reduction of investment-related carbon footprint (General Account assets).

AXA's contribution to the Sustainable Development Goals of the United Nations

In 2018, the Group developed a strategic framework to identify its commitments to the UN Sustainable Development Goals (17 SDGs – see sustainabledevelopment.un.org) building on its risk analysis expertise. Commitments have been identified based on AXA's capacity to have a real impact through its activities and operations. In 2019, the Group aligned its sustainability strategic objectives with the 8 main SDGs on which the Group's initiatives have a significant impact.

This alignment has been approved in 2019 by the Stakeholder Advisory Committee and is still in place for 2021. AXA's purpose captures our commitments towards the SDGs (see paragraph "AXA's purpose entails sustainable value creation" above).

AXA Sustainability Strategy contributes significantly to the 8 following SDGs:

Climate and environment	SDG n°13 – Climate Action	As described in Section 4.3 “Climate Change and ESG Integration - Biodiversity” of this Annual Report AXA is incorporating climate change measures into its policies, strategies, and planning (SDG 13.2). Through the nature of its insurance activities, AXA contributes to strengthen resilience and adaptive capacities in the face of climate hazards and climate-related natural disasters (SDG 13.1). As a risk expert, AXA is active in improving education, awareness, and individual and institutional capacities regarding climate change adaptation, mitigation, and early warning systems (SDG 13.3). The launch of the AXA Climate Academy in 2021 (please refer to Section 4.2 “Employer responsibility” of this Annual Report) has reinforced the contribution to this goal.
	SDG n°14 – Life below water	Since 2019, AXA has initiated actions to better take biodiversity into account. The Ocean program developed by its subsidiary AXA XL contributes directly to manage and protect marine and coastal ecosystems on a sustainable basis (SDG 14.2) and minimize ocean acidification and combat its effects (SDG 14.3). By adhering to the UNPSI-Oceana global declaration, AXA also contributes to effectively regulate fishing, put an end to overfishing and illegal fishing (SDG target 14.4). The Biodiversity action plan is presented in Section 4.3 “Climate Change and ESG Integration - Biodiversity” of this Annual Report.
	SDG n°15 – Life on land	The WWF partnership and the Climate and Biodiversity Impact Fund (described in Section 4.3 “Climate Change and ESG Integration” of this Annual Report) initiate AXA’s contribution to “mobilize financial resources from all sources and significantly increase them to preserve biodiversity and ecosystems” (SGD 15.a). Biodiversity action plan has been reinforced in 2020 and 2021 strengthening AXA’s contribution to SDG 15, notably through €1.5 billion investment in forests (please refer to Section 4.3 “Climate Change and ESG Integration” of this Annual Report)
	SDG n°7 – Affordable and clean energy	AXA “green” investment target of €26 billion by 2023 as described in Section 4.3 “Climate Change and ESG Integration” of this Annual Report contributes directly to significantly increase the share of renewable energy in the global energy mix by 2030 (SDG 7.2).
Social inequalities and inclusion	SDG n°1 – No poverty	AXA Hearts in Action volunteers provide assistance to people living in extreme poverty (SDG 1.1 and 1.2). These actions are described in Section 4.4 “Inclusive insurer” of this Annual Report.
	SDG n°3 – Good health and well-being	AXA’s initiatives to exclude the cigarette industry from its investment and insurance activities (refer to Section 4.4 “Inclusive insurer” of this Annual Report) are in line with the objective of implementing the WHO Framework Convention on Tobacco Control. In addition, AXA’s Health initiatives are strongly focused on the prevention of non-communicable diseases. The UNICEF partnership (described in Section 4.4 “Inclusive insurer” of this Annual Report) aims at fighting the dual global epidemic of obesity and diabetes (SDG 3.4). In 2020 and 2021, AXA has also focused its efforts on the COVID-19 pandemic (access to vaccination with Covax) and to mental health (these actions are described in Section 4.2 “Employer responsibility” of this Annual Report).
	SDG n°5 – Gender equality	For many years now, AXA has been pursuing a proactive inclusion and diversity policy (described in Section 4.2 “Employer Responsibility” of this Annual Report): ending discrimination against women and girls (SDG 5.1), guaranteeing the equal participation of women in management positions (SDG 5.5). The initiative “Women in Insurance” (described in Section 4.4 “Inclusive Insurance” of this Annual Report) constitutes the “business” component of the program, providing women with adapted financial protection solutions.
	SDG n°10 – Reduced Inequalities	Programs towards inclusion, including “Women in Insurance” initiative and AXA Emerging Customers (described in Section 4.4 “Inclusive Insurer” of this Annual Report) are helping to empower all people and promote their social, economic, and political integration, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status (SDG 10.2). These programs provide a better access to financial protection for vulnerable communities and reduce protection gaps. AXA philanthropy partnerships and AXA Hearts in action activities also contribute to the reduction of inequalities. These actions are described in Section 4.4 “Inclusive insurer” of this Annual Report.

Sustainability governance & Stakeholder dialogue

AXA has established a solid governance framework to develop and implement its sustainability strategy. Each year, the Compensation & Governance Committee of the Board of Directors reviews this sustainability strategy. It is also presented several times a year to the Group Management Committee for status and decision making.

Across the local entities, a network of Corporate Responsibility Executives oversees the implementation of the sustainability strategy and promotes best practices.

With the start of the *"Driving Progress 2023"* strategic cycle, this governance has evolved in line with AXA's ambition. The "Role in Society Steering Committee" (RISSC), which is co-chaired by the Group Chief Risk Officer, Group Investment Officer, and Group Chief Communication, Brand and Sustainability Officer, has been put in place in June 2020. This Committee ensures coordination across all internal stakeholders in formulating AXA's overall sustainability strategy which it submits to the Group Management Committee for review and approval. In 2021, a new governance body has been set up to ensure the success of the strategic plan: a dedicated Acceleration Team is now in place for ESG, with members of the Management Committee and representatives of Strategy functions and Markets (Europe, Asia). The ESG Acceleration Team is oriented towards the implementation within the entities and the anticipation of next horizon challenges to tackle. AXA's sustainable business strategy and initiatives are also presented at least once a year to the Company's social partners.

Dialogue with NGOs is also regular through meetings or responses to requests (*e.g.* questionnaires). In addition, AXA participates in more than 50 coalitions, working groups and pledges, gathering both NGOs and public authorities, around climate and inclusion themes (please refer to Sections 4.3 "Climate Change and ESG Integration" and 4.4 "Inclusive insurer" of this Annual Report). External stakeholders are also regularly invited to dialogue sessions with the members of the different governances described above. Through these numerous exchanges, AXA can integrate major and emerging challenges into its strategy.

Sustainability risk assessment

In accordance with the requirements of Directive 2014/95/EU related to extra-financial reporting, AXA has conducted an internal risk assessment to identify its main sustainability risks.

SUSTAINABILITY RISKS ASSESSMENT METHODOLOGY

The sustainability risk assessment was updated in 2021 to consider changes in the risk universe. The implemented approach is still based on collaborative work between Risk Management and Corporate Responsibility teams, as well as other involved departments [(1)]. Risk factors for each area related to sustainability (employer responsibility, respect for human rights, environment, society impact and business behavior) are identified, based on sustainability risks studied in prior years and in the 2021 Future Risks survey, which outlines major prospective emerging risks for society at large (see Section 5.8, paragraph "Emerging risks" of this Annual Report and www.axa.com/en/magazine/2021-future-risks-report). Interests expressed by our internal and external stakeholders are also included. Those risks have also been cross-referenced with the AXA Group Operational Risk Profile (for more information refer to Section 5.7 "Operational risk") and compared to the Corporate Sustainability Assessment (CSA).

These risks are internally assessed by an expert panel. The assessment is conducted, using the Group Operational risks guidelines to rate potential frequency and severity. Impacts of each risk on stakeholders' interests and expectations have been considered. In the first instance, those risks are assessed by Risk experts, identified based on their knowledge of specific sustainability risks. Then, cross-sectoral experts assess the relevance of those ratings during the first stage. Those internal experts are identified based on their transversal knowledge of the non-financial risk universe.

(1) Most notably, human resources, Compliance, Consumer protection, Life Savings & Health Standards, Risk & Value, Data protection, Security & Awareness, Vender risk & Responsible procurement, Tax, Reputation, Corporate development, and Communication.

In 2021, the impact of the COVID-19 pandemic on the materiality of our main sustainability risks has been estimated. This specific assessment has not significantly changed AXA's sustainability risk profile.

The sustainability risk mapping has been approved by the Group Audit Risks & Compliance Committee (the ARCC [(1)]) with 18 sustainability risks considered as material for AXA.

From this year's update, the following emerged:

- the analysis of climate-related risks was completed with the double materiality perspective [(2)] for AXA's activities as an insurer, as an investor and as a company, recognizing that climate-related impacts are material and therefore require disclosure (refer to Section 4.3 "Climate Change and ESG Integration" and the sub-Section "Climate Risk: the question of double materiality" of this Annual Report);
- the "Employer responsibility" theme was structured around "Employer of choice and future of work", "Employee development" and "Inclusion and diversity breeding talent and innovation" risks. In 2021, those risks were rephrased to "Safe environment", "Inclusion & Diversity" and "Talent Management/ Loss of key staff". The objective was to allow better alignment with the Group Risk Management (GRM) risk analysis.

As a result, 18 sustainability risks were identified as material in 2021 around four main themes:

- **governance:** stakeholders engagement;
- **responsible employer:** safe environment, inclusion & diversity, talent management/loss of key staff;
- **climate change and biodiversity:** AXA's impact on climate change as an investor, impact of climate change on AXA as an investor, AXA's impact on climate change as an insurer, impact of climate change on AXA as an insurer, AXA's impact on biodiversity, AXA's own operations' impact on climate change, impact of climate change on AXA's own operations;
- **inclusive insurer:** inclusive insurance, partnership & philanthropy;
- **business behavior:** anti-bribery & fight against corruption, business conduct, responsible data use, data privacy, and data security, responsible procurement and tax policy.

In the following chapters, risks are defined, policy and mitigation initiatives are described, and indicators (KPI or qualitative results) exposed. The "*AXA for Progress Index*" framework replaces the correspondence table issued in 2020 focusing on Climate risks that are more specifically monitored as part of the strategic plan *"Driving Progress 2023"* implementation.

ESG Ratings

The Group's Environment, Social and Governance (ESG) performance is evaluated by specialized rating agencies. The Group generally ranks close to the top in its industry and is also included in main international sustainability indexes. These ratings are described in further detail in Section 1 "The AXA Group" of this Annual Report.

(1) The ARCC is a Committee of Senior executives that reviews most material risks at Group level.

(2) Double-materiality covers the information needed to understand the impact of the Company on sustainability issues, and the information needed to understand how sustainability issues affect development, performance and position of the Company.

Third party verification

PricewaterhouseCoopers Audit, one of AXA SA Statutory Auditors, appointed as an independent third-party, presents in its report, featured in Section 4.7 of this Annual Report, a moderated opinion on the compliance of the extra-financial performance statement with the provisions of French regulations (Article R.225-105 of the French Commercial Code) and on the sincerity of the information provided.

Reporting methodology

An assessment of the employer responsibility, environmental, societal, business behavior and human rights impacts of the Group's activities has enabled the appropriate performance indicators to be defined in accordance with the requirements of the French Commercial Code.

SCOPE OF SOCIAL, ENVIRONMENTAL, AND SOCIETAL REPORTING

For the perimeters defined below, indicators are fully consolidated, unless otherwise indicated:

Scope of social indicators

The social data provided in Section 4.2 "Employer responsibility" of this Annual Report are collected from 253 active entities of the AXA Group, in which AXA holds, directly or indirectly, management's control, as of December 31, 2021, included in the consolidation scope of AXA.

Scope of environmental indicators

Environmental reporting's scope is based on the same scope as Social reporting except AXA sites with less than 50 FTEs which are not included in the data collection process. These sites are part of an extrapolation process. In 2021, environmental indicators were collected for 94,885 FTEs working on AXA sites (unless otherwise indicated) and were then extrapolated, continent by continent, to cover all 114,749 FTEs (all types of contracts – average annual personnel) working at AXA Group in 2021.

Scope of societal indicators

Our Community Investment Survey, as described in Section 4.4 "Inclusive Insurer" of this Annual Report, covers 99% of AXA's FTEs in 2021.

PERIOD

The indicators cover the period from January 1, to December 31, 2021, unless mentioned otherwise. To facilitate collection and processing, some data may be collected early in the year. The data for any remaining months (maximum 6 months) is then estimated in accordance with the Group's defined methodology.

DATA REPORTING

Social data reporting

The social data provided in Section 4.2 "Employer responsibility" of this Annual Report are collected through a reporting process defined by procedures associated with a list of indicators shared with all entities of the AXA Group. This process is updated and communicated to each entity on a yearly basis. Social data are provided by local correspondents into an IT tool dedicated to the social data reporting process. Consistency checks and quality controls are carried out before and during the data collection process, as well as evaluations by a third-party body on some legal entities and overall process. A validation process of this reporting is also performed locally. There is no estimation or extrapolation made on data provided. Regarding data published in ratios and percentages, numerator and denominator are realigned for each calculation to exclude entities with empty data points.

Environmental data reporting

Environmental data has been collected since 2002, through a dedicated reporting tool filled out by the network of more than 300 environmental managers from AXA sites with more than 50 FTEs and data centers owned by AXA. The reporting procedure includes guidelines for reporting and controlling, and calculation rules. AXA monitors its environmental footprint reduction towards its targets. The reporting procedure is updated annually, and contributors are trained each year. For each site, contributors specify whether the data has been measured or estimated based on the calculation rules defined in the Group's reporting procedures. In 2021, environmental data was collected for 83% of total FTEs, and the remaining 17% has been extrapolated. Reported data is validated locally by the entity CFOs. For more information, please refer to Section 4.3 "Climate Change and ESG Integration" of this Annual Report and to the footnotes of environmental data tables.

Societal data collection

Societal engagement data which is presented in Section 4.4 "Inclusive Insurer – Corporate philanthropy and engagement" of this Annual Report is collected through a dedicated reporting tool with specific definitions for engagement practices. The number of unique volunteers is an estimate based on local entity knowledge of volunteering activities.

LIMITATIONS

Reporting on certain indicators may have limitations due to:

- the absence of nationally and/or internationally recognized definitions, concerning the different categories of employment contracts;
- the necessary estimates, the representativeness of the measurements or the limited availability of external data required for calculations as the required annual update of emission factors;
- the practical procedures for collecting and entering this information.

Therefore, whenever possible, definitions, methodologies and, where applicable, the associated margins of uncertainty are specified for the concerned indicators.

The sustainability themes "circular economy", "food waste", "fight against food insecurity", "respect of animals' well-being" and "sustainable food" are not considered as main ESG risks for AXA and are not included in AXA's statement on non-financial performance.

USE OF INTERNATIONAL BENCHMARKS

To develop its Sustainability strategy and report on its extra-financial performance, AXA voluntarily complies with certain international benchmarks, as described in this chapter. These include, for example, the United Nations SDGs (as developed above), the Greenhouse Gas Protocol (ghgprotocol.org) for the calculation of CO_2 emissions, and the Science Based Target Initiative for the reduction of our carbon footprint. Other benchmarks are highlighted in the relevant sections, where appropriate.

4.2 EMPLOYER RESPONSIBILITY

Foreword

Over the past year, AXA's people and culture have both been decisive in enabling the Group to continue successfully navigating through the pandemic. AXA has continued increasing employee engagement and has accelerated the implementation of its people strategy focusing on empowerment & smart working, employee health & wellbeing and inclusion & diversity.

In 2021 AXA's people and culture strategy focused on:

- protecting the health & wellbeing of AXA employees by providing continued support through the pandemic and implementing *"Healthy You",* AXA's global health and wellbeing benefits program;
- reinforcing AXA's culture of empowerment through its Smart Working policy that enables every employee to work remotely 2 days a week on average, and provides change support for both managers and employees to adapt to working in a hybrid environment;
- launching the Group-wide *"Inclusion Survey"* in September 2021 to assess employees' perception of inclusion & diversity within the Company. AXA has been a frontrunner both in launching an Inclusion Survey at scale and in committing to capitalizing on this tool to define local and global action plans.

The following pages detail AXA's 2021 achievements in: (i) smart working & hybrid ways of working, (ii) inclusion & diversity, (iii) health & wellbeing and (iv) employee experience & learning and development. AXA is proud to continue engaging and empowering its more than 110 thousand employees who bring its purpose to life in each of AXA's entities. AXA is now well positioned to continue in 2022 to progress in the implementation of its people and culture strategy.

HIGHLIGHT AND KEY FIGURES: GEOGRAPHICAL FOOTPRINT DISTRIBUTION [(a)] AND AVERAGE AGE [(b)]

Continents	Headcount	Distribution	Evolution	Average age
Europe	64,057	58.0%	(+0.4 pt)	43.3
Asia-Pacific	27,932	26.8%	(-1.5 pts)	38.4
Americas	12,035	10.9%	(+0.6 pt)	39.2
Africa	6,453	5.8%	(+0.5 pt)	33.9
TOTAL	**110,477**	**-**	**-**	**41.1**

(a) Open-ended and fixed-term contract headcount.

(b) Open-ended contract average age.

AXA's overall salaried workforce on December 31, 2021, was 110,477 employees (open-ended and fixed-term contracts), which represents a decrease of almost 4% compared to 2020. This decrease is mainly due to the disposals of the businesses in the Gulf Region, in Greece, in AXA Bank Belgium and Kamet.

Implementing smart working: AXA's flagship approach to hybrid working

SMART WORKING SUPPORTS AXA'S CULTURE OF EMPOWERMENT

At the beginning of 2020, 38% of AXA's employees had already experienced working in part from home and from the office. With the COVID-19 outbreak in 2020, AXA successfully transitioned to full remote working at scale for all employees. This was thanks to tried-and-tested experience, the previous years' investments in technology and the strong engagement of its teams. To build up a working culture that maximizes its potential and empowers AXA employees while improving their wellbeing, AXA adopted in January 2021 a global Smart Working program combining remote and in-office work across all entities.

Teams in the AXA Group are empowered to define the best combination of remote and in-office work that maximizes its team's productivity, creativity and individual wellbeing. Smart working allows all employees to work an average of two days per week from home.

To foster cultural change and execute AXA's vision to empower its people, a robust change management plan was put into place.

In 2021, AXA designed and launched the AXA Managers Academy with the first module focused on developing leadership and role-modelling in a new hybrid working culture. By helping managers adopt the cultural mindset shift and embrace their role as internal influencers, the AXA Managers Academy was at its core designed to equip managers to be effective leaders throughout the transition. To date, over 4,500 managers across 18 entities have benefitted from this social and collaborative learning experience that will continue to be rolled out in 2022.

SMART WORKING: GLOBAL PROGRAM WITH CUSTOMISATION AT ENTITY AND TEAM LEVEL

AXA's Smart Working policy enables every AXA entity to customise the approach to its local market specificities while committing to the same basic principles. At team level, smart working is implemented through team agreements. Every team decides how to best balance remote and office work, to ensure the customer and team's interests are met.

Accelerating AXA progress on inclusion and diversity

IMPLEMENTING THE AXA INCLUSION SURVEY

Furthering inclusion and diversity at AXA will always be a top priority. 2021 marked a major step forward with the launch of AXA's first Inclusion Survey for all Group employees. As inclusion is at the heart of AXA's strategy, this has been set up to be a yearly survey to measure employees' perception of inclusion and diversity. On a voluntary and confidential basis, the survey gives employees the opportunity to identify with one or more of the AXA Inclusion & Diversity pillars: gender, age, origins, LGBT+, disability and mental wellbeing. Much care was taken to ensure that every question respects and reflects the nuances and cultural sensitivities of each country in which the survey was conducted.

AXA is proud to report that the survey had a 56% response rate and that although all questions were optional, 97% of respondents answered every question. 86% of respondents said they feel included, and AXA global inclusion net promoter score (iNPS) [1] reached 37. 16,000 individual comments were also made. Supported by AXA's updated Inclusion & Diversity policy, the results of the survey provide the foundation for local and global action plans.

(1) The inclusion Net Promoter Score (iNPS) is measured by asking employees one question, "How likely are you to recommend AXA as an inclusive and diverse workplace?". The answer scale is from 0 to 10, and the iNPS is calculated by taking the percent of promoters (answers of 9-10) and subtracting the percent of detractors (answer of 0-5). The percent of neutrals (answers 6-8) is not counted. This then produces a metric on a scale from (-100) to (+100).

PROGRESS ON GENDER EQUALITY AND PAY EQUITY

Gender balance in the AXA Global Leadership Network (GLN) has continued its positive trajectory now reaching 36% of women (34% last year). The number of women on AXA's Management Committee has also increased and is now at 21%, up from 15% in 2020. Women in GLN now make up 37% of GLN CEO roles, up from 30% in 2020 and 21% in 2019. While there is still room for improvement, AXA is confident to secure a sustainable path to progress with the succession pipeline now in place, and the renewed recruitment, compensation, and promotion processes. AXA is committed to reaching gender parity amongst the GLN by the end of 2023. All Management Committee members and entity CEOs have objectives with a clear focus on improving gender diversity within their respective organizations.

	Management Committee [(a)]			Partners group [(b)]			Global Leadership Network [(c)]		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Women	21%	15%	15%	27%	27%	23%	36%	34%	32%
Men	79%	85%	85%	73%	73%	77%	64%	66%	68%
TOTAL	**14**	**13**	**13**	**45**	**48**	**47**	**243**	**253**	**263**

(a) Please refer to Section 3.1 "Corporate governance structure" of this Annual Report for more information.
(b) The Partners group is composed of the members of the Management Committee and over thirty other senior executives from across the Group. Please refer to Section 3.1 "Corporate governance structure" of this Annual Report for more information.
(c) The Global Leadership Network is made up of CEO and Executive Committees of AXA's largest markets, growth engines and major transversal entities, as well as senior leaders from the corporate functions, markets and some country CEOs.

AXA's definition of *"fair and equal pay"* now goes beyond gender. To ensure every employee is paid equitably based on objective, justifiable and professional criteria and that no discrimination is made on factors irrelevant to one's professional duties, the Group Remuneration Policy and AXA Group Standards signed by every CEO have been accordingly amended.

Back in 2019, AXA set 2023 as the target year to close all pay gaps across all geographies. At the end of 2021, both women and men in AXA GLN are paid higher than the market, based on the benchmark data provided by Willis Tower Watson for each GLN role. Also, significant progress had been made in closing unjustified pay gaps for the rest of the AXA employee workforce. As part of AXA's commitment to removing all unjustified pay gaps, entities are annually monitoring and addressing the situation with dedicated budgets to reach full pay equity by 2023. All relevant processes (recruitment and promotions) are being reinforced to ensure further gaps are not created in the future.

Championing employees' health and wellbeing

IMPLEMENTATION OF AXA *"HEALTHY YOU"* PROGRAM WITH ADDITIONAL SERVICES

In November 2020, AXA launched a global *"Healthy You"* program to improve employees' health and wellbeing. In 2021, this program was extended to include additional care and support services with the objective of fully implementing these by the end of 2023. AXA Group partnered with employee representatives to roll out the program and signed a Charter with its European Works Council.

Across AXA, the *"Healthy You"* program provides a complete in-person medical check-up every four years for all employees aged 40 and above and a digital check-up for all employees every two years. In September, the first global digital check-up campaign was launched and 33,000 employees in 49 countries participated. Global physical health risks have been identified and AXA is now working on an action plan to address these at Group and entity levels.

To promote prevention, every employee now benefits from on-site annual flu vaccinations and participation in *"Health days"* organized to foster awareness and better prevent health-related risks. AXA also provides employees with access to medical teleconsultation services bringing doctors closer to patients. To further support employees affected by critical illness, going forward AXA will offer a second medical opinion service to ensure employees receive the best treatment. In the event of cancer, AXA will provide financial support with a minimum coverage of 75% of medical expenses as well as a psychological assistance service across all geographies. Employees will also find all the information they need in one single place: from benefits and services to their entitlements in their country.

REINFORCING MIND HEALTH SUPPORT

Since 2020, AXA has reinforced its mental health programs for employees. Through *"Healthy You"*, AXA now offers Employee Assistance Programs (EAPs), with 24-hour mental health and psychological support across all geographies. AXA is undertaking to remove the stigma and bias on mental health issues through open discussions and shared stories. Successful initiatives from this past year include mental wellbeing training for managers through LinkedIn Learning modules designed to raise awareness to common conditions and to explain how to provide support. More than 5,500 AXA managers have gone through this training and the program will continue in 2022. Among the other 2021 initiatives, were the dedicated conference on mental health and the *"Walk and Talk"* campaign promoting the benefits of walking while catching-up with co-workers to support health and wellbeing. Another highlight was the Mental Health Leadership Program designed for the Group Partner members (the top 50 leaders) in partnership with Columbia University Mailman School of Public Health. Thanks to these educational sessions, 12 Partners across entities are now ambassadors raising awareness by sharing personal and inspiring stories at global and local events.

Strengthening the employee experience

LAUNCH OF A NEW EMPLOYER PROMISE

Another significant achievement of 2021 was the launch of AXA's new Employer Promise. To become the most inspiring and inclusive employer, increase employee advocacy, and attract top talent, it was essential to convey how AXA is there for its employees and to define what is special about working for AXA. While many organizations rushed to reimagine their employer branding post-COVID-19, AXA was already working on the new promise prior to the pandemic, in line with *"Driving Progress 2023"*.

The promise, *"Realize your potential to drive progress"*, and its supporting pillars, *"Grow your potential"*, *"Shape the way you work"*, *"Thrive within a diverse community"*, and *"Move the world forward"*, sprung from internal and external focus groups talking about everyday life across AXA. Together, these helps bring together the wide range of initiatives and policies available to all employees and to provide a framework to propel the transformation of the employee experience across the organization. Supported by a LinkedIn campaign featuring video testimonials from ambassadors across AXA sharing their very stories, the launch was a success.

	2021	2020	2019	2018	2017
eNPS [(a)] target	37	25	14	0	-
eNPS [(a)] result	36	35	21	7	(5)
EMPLOYEE COVERAGE	**100%**	**100%**	**90%**	**85%**	**82%**

(a) The employee Net Promoter Score is measured by asking employees one question: "How likely are you to recommend AXA as a place to work?". The answer scale is from 0 to 10, and the result is calculated by taking the percent of promoters (answers of 9-10) and subtracting the percent of detractors (answer of 0 – 5). This then produces a metric on a scale from (-100) to (+100).

2021 also brought into being the new external AI-powered careers' website, with additional CRM features to create a seamless internal employee and external candidate experience. In parallel, AXA France crafted a communication plan for all the entities in France through its 16 digital presences. To attract and recruit the best talents, it put out new tips and tutorials on AXA's mobility platform "MOVE", expert articles on blogs, webcasts, numerous posts, videos and games on social networks. As a result, AXA has acquired over 200,000 followers across social media platforms with 1,100 posts and +25 million impressions for all the entities on the French territories. Moreover, AXA France upgraded its entire applicant onboarding experience this year to provide the right information, at the right time and through the right channel. AXA Mexico initiated *"Perfilando tu Futuro"* to nurture young talents through four programs tailored specifically for its dual students, junior trainees, trainees, and existing employees.

GLOBAL MOBILITY PLATFORM AND CAREER MANAGEMENT PROGRAMS

AXA continues to focus on career development and internal mobility across the Group. In 2021, internal mobility between and within entities was at 8.3%, higher than in 2020. To drive cultural change and provide guidelines to foster an internal mobility that is equally accessible to all, the new *"MOVE"* mobility platform was launched for 30,000 employees in six entities and 40+ countries. As the GIE AXA employees' 50% sign-up rate within the first week attests, the platform has been very well received. Internal mobility continues at the same rate as previous years despite the pandemic, with an average employee tenure between 10 and 12 years.

Learning and development is a top priority

LIFELONG LEARNING FOR ALL

While the pandemic triggered AXA to rethink its approach to learning and development, it also acted as a catalyst for innovation underlining the teams' great resilience, flexibility and agility. The *"learning for all"* ethos remains central to the AXA approach, where every employee has access to learning opportunities in a continuous and self-directed manner, thus empowering all to upskill at scale and speed. For example, LinkedIn Learning, which is available in seven languages with video modules on 16,000 topics, has been available since 2020 to all AXA employees. Over 56,000 employees activated their account and over 42,000 began at least one module in 2021. The adoption of LinkedIn Learning by AXA's entities resulted in an increase of 2.7% in the total number of training days from 2020 to 2021, that is 335,268.7 days in 2020 *versus* 344,195.3 days in 2021. LinkedIn Learning enabling employees to continuously upskill is further enhanced with specific local on-site programs. On average, across the Group, an employee dedicates 3 days a year to development and training.

TRAINING ALL AXA EMPLOYEES ON CLIMATE AND INTEGRATING ESG CRITERIA IN AXA COMPENSATION FRAMEWORKS

As part of its sustainability agenda, AXA has committed that all its employees will complete climate training by the end of 2022. As part of AXA Learning Week in October 2021, AXA launched the AXA Climate Academy, a learning program designed to heighten the awareness and understanding of the science behind climate change, why climate is a growing concern for companies and customers, the main types of climate change risks, and its impact all along the value chain for insurance and investments. It also focuses on how employees can contribute to reducing the Company's carbon footprint through professional and personal practices and behaviours. During the 2021 AXA Learning Week over 11,400 AXA employees joined remotely or in person the global live event *"Real Talk: How climate change has reshaped our insurance business"* broadcast on LinkedIn. More than 14,400 AXA employees were certified at the end of 2021, meaning that they completed all the learning path included in the Climate Academy training.

As part of its *"AXA for Progress Index"* mentioned in Section 4.1 "AXA's sustainability strategy" of this Annual Report and as announced, at the 2021 General Meeting of Shareholders, AXA made some commitments. In addition to its carbon neutrality commitments, AXA has decided to integrate ESG criteria into compensation. By 2023, 30% of achievements will be linked to ESG criteria in all entities with a profit-sharing scheme. The criteria being recommended relates to carbon neutrality and climate change awareness and is quantified by the percentage of employees successfully completing ESG training. Entities are to define their own criteria in function of their profile and local priorities. In 2021, AXA France, GIE AXA, AXA Investment Managers and AXA Partners SAS incorporated criteria linked to climate training in their profit-sharing agreement. AXA France and AXA IM additionally included criteria for carbon emissions reduction.

Employer responsibility performance and social risks mitigation

Reporting on its non-financial social performance allows AXA to monitor and assess how HR policies and practices contribute to mitigating the Group's potential social risks. The three main risks falling within employer responsibility are monitored through key indicators and targets. 2021's results demonstrate the positive impact of HR's efforts in mitigating these risks.

■ Fostering a safe environment

This risk relates to potential breaches to employees' health and safety including workers' compensation and emerging risks affecting employees. The risk is mitigated thanks to:

- AXA's investment in the *"Healthy You"* program and prevention policy. The sickness absenteeism rate is stable compared to 2020 and lower than in 2019 (from 3.3% in 2019 and 2.8% in 2020 to 3.0% in 2021),
- the fact that AXA has in many entities doctors support with occupational health,
- the significant increase in employee engagement over the years, reaching its highest eNPS score of 36 in 2021,
- AXA Pulse Survey allowing AXA to measure employees wellbeing and connection with dedicated questions,
- the fact that AXA has open and constant social dialogue across entities on those topics.

■ Strengthening inclusion and diversity

Risk within this area is defined as difficulties encountered in deploying AXA's anti-discrimination policy, especially with regard to gender diversity, equal pay, and the employment of people with disabilities. Mitigation is measured through:

- objective setting to foster diversity: inclusion and diversity are top priorities for leaders as part of their annual objectives. AXA is committed to gender parity at GLN level by 2023,
- AXA's Inclusion Survey: after a successful pilot, this survey will be implemented annually to monitor employees' feedback and refine action plans at entity and Group levels,
- a commitment to fair pay: across the organization, a significant progress has been made in closing unjustified pay gaps and at the end of 2021, both women and men in AXA GLN are paid higher than the market. As part of AXA's commitment to removing all unjustified pay gaps, entities annually monitor and address the situation with dedicated budgets to strive towards full pay equity across all geographies by 2023,
- creating an environment free from harassment. In 2021, AXA took an important step by publishing an AXA Group Policy on Harassment. This policy, supported by AXA leaders and adopted across the Group's entities and geographies, provides a set of principles and behaviours that guide the Group and its employees in their everyday conduct.

■ Supporting career development and employee mobility

Managers and HR devoting time to recognize and nurture employee development and to motivate and retain talent while, in parallel, improving internal mobility across the Group.

Mitigation is measured through:

- the Group's investment in learning represented more than €77.5 million in 2021. This investment supports AXA's commitment to developing and training all its people at least once a year which has been achieved for the past 3 years. On average, across the Group, an employee dedicates 3 days a year to development and training,
- AXA continues being attentive to career development and internal mobility across the Group. In 2021, internal mobility between and within entities stood at 8.3%, higher than in 2020,
- internal mobility continues with an average tenure of employees between 10 and 12 years, the same rate as previous years, despite the pandemic.

Group Social Indicators

Workforce Structure [a]	2021		Evolution	2020		2019	
Total headcount of salaried workforce as of December 31	**110,477**	**emp.**	**-3.6%**	**114,625**	**emp.**	**120,869**	**emp.**
Headcount of salaried workforce with fixed-term contract	4,349	emp.	+0.05%	4,347	emp.	5,799	emp.
Headcount of salaried workforce (open-ended contract only)	106,128	emp.	-3.8%	110,278	emp.	115,070	emp.
■ Proportion of All Executives [b]	1.9	%	-	2.7	%	2.8	emp.
■ Proportion of all Professionals	45.6	%	-	43.1	%	43.6	emp.
■ Proportion of Associates	52.5	%	-	54.1	%	53.5	emp.
Women representation	**54.1**	**%**	**+1.1 pts**	**53.5**	**%**	**53.6**	**%**
■ Proportion of Executives women	33.3	%	+1.5 pts	31.7	%	30.9	%
■ Proportion of all Professional women	46.2	%	+0.6 pt	45.6	%	46.1	%
■ Proportion of Associates women	61.6	%	-	60.9	%	60.9	%
Average Full-time equivalent (headcount converted into full-time equivalent) of salaried workforce	**103,985.2**	**FTE**	**-3.7%**	**107,998.9**	**FTE**	**110,701.9**	**FTE**
■ Average FTE of salaried non-sales force	89,269.3	FTE	-	92,356.8	FTE	94,558.6	FTE
■ Average FTE of salaried sales force	14,715.9	FTE	-	15,642.1	FTE	16,143.3	FTE
Average FTE of temporary non-salaried staff	**13,564.5**	**FTE**	**+40.9%**	**9,623.9**	**FTE**	**10,634.8**	**FTE**
■ Non-salaried temporary staff and contingent workers	10,763.5	FTE	-	6,802.6	FTE	7,594.0	FTE
■ Trainees/Apprentices	2,801.1	FTE	-	2,821.3	FTE	3,040.8	FTE
Employee Profile							
■ Average age of salaried workforce	41.1	yrs	+0.6%	40.9	yrs	40.5	yrs
■ Average length of service of salaried workforce	10.6	yrs	-	10.6	yrs	10.3	yrs
■ Average number of working days per year	226.8	days	-0.3%	227.4	days	226.7	days
■ Proportion of part-time salaried workforce	9.4	%	-	9.5	%	9.3	%
■ Proportion of Teleworkers	75.5	%	-	52	%	32	%
Number of employees with disabilities – concerns entities operating in France only	**776**	**emp.**	**-**	**727**	**emp.**	**760**	**emp.**

(a) The rates and ratio within this section are the Headcounts as of December 31 of the reporting year.
(b) A global and consistent definition of Executives was implemented in 2021, resulting in a reduction of the global Executives population.

Workforce Dynamics [a]	2021		Evolution	2020		2019	
Movements of salaried workforce: net headcount evolution (entries *versus* departures)	**(4,130)**	**emp.**		**(4,640)**	**emp.**	**(8369)**	**emp.**
Entries	14,142	emp.	+22.8%	11,516	emp.	17,199	emp.
■ Number of external recruitments (incl. Rehires)	12,508	emp.	-	10,329	emp.	15,170	emp.
■ Number of fixed-term contracts transformed into open-ended contracts	1,517	emp.	-	1,163	emp.	1,968	emp.
■ Number of entries following external mergers and acquisitions	117	emp.	-	24	emp.	61	emp.
Departures	18,272	emp.	+13.1%	16,156	emp.	25,568	emp.
■ Number of resignations	10,597	emp.	-	7,840	emp.	11,521	emp.
■ Number of economic/collective layoffs	1,266	emp.	-	1,253	emp.	1,330	emp.
■ Number of individual layoffs	1,611	emp.	-	1,845	emp.	2,145	emp.
■ Number of retirements/pre-retirements	1,474	emp.	-	1,549	emp.	1,498	emp.
■ Number of departures due to external transfers	3,135	emp.	-	3,473	emp.	8,860	emp.
■ Number of other departures	189	emp.	-	196	emp.	214	emp.
Internal mobility rate of salaried workforce	**8.3**	**%**	**+0.6 pt**	**7.7**	**%**	**8.2**	**%**
Turnover rate of salaried workforce	**14.1**	**%**	**+2.7 pts**	**11.4**	**%**	**15.0**	**%**
■ Involuntary (layoffs/dismissals)	2.7	%	-	2.8	%	3.1	%
■ Voluntary (resignations)	9.9	%	-	7.1	%	10.4	%
■ Other reasons (pre/retirements and miscellaneous)	1.5	%	-	1.6	%	1.5	%

(a) External transfers: salaried workforce who have left AXA because of an activity/job transfer to an external company or due to disposal of businesses, are no longer under a contract with AXA.
The rates and ratio within this section are the Average Headcounts of the reporting year.

Compensation, absenteeism and training [a]	2021		Evolution	2020		2019	
Compensation cost of salaried workforce	**7,999.9**	**M€**	**-1.8%**	**8,145.6**	**M€**	**8,151.6**	**M€**
■ Proportion of fixed pay (related to wages)	80.7	%	-	81.3	%	81.2	%
■ Proportion of variable pay (related to wages)	19.3	%	-	18.7	%	18.8	%
Absenteeism rate of salaried workforce	**4.4**	**%**	**+0.3 pt**	**4.1**	**%**	**4.7**	**%**
■ Sickness absenteeism rate	3.0	%	-	2.8	%	3.3	%
■ Work-related accidents absenteeism rate	0.0	%	-	0.1	%	0.1	%
■ Maternity/paternity leave absenteeism rate	1.4	%	-	1.2	%	1.3	%
Number of training days of salaried workforce	**344,195.3**	**days**	**+2.7%**	**335,268.7**	**days**	**362,448.3**	**days**
Average number of training days per salaried workforce	3.2	days	-	3.0	days	3.2	days
■ Average number of training days per salaried non-sales force	2.7	days	-	2.4	days	2.7	days
■ Average number of training days per salaried sales force	6.5	days	-	6.5	days	6.1	days
Percentage of salaried workforce having received at least one training course	100	%	-	100	%	100	%
Training cost of salaried workforce	**77.5**	**M€**	**+9.4%**	**70.9**	**M€**	**91.9**	**M€**

(a) As per the definition of compensation, it includes the individual fixed pay, the individual variable pay, employer social contribution and collective profit sharing (if any) and excludes equity based compensation (stocks options, performance shares, AXA Miles).
Compensation and absenteeism: the rates and ratio of those categories are the average salaried FTEs of the reporting year.
Training: the rates and ratio of those categories are the Average Headcounts of the reporting year.
Training costs include external costs: such as (1) the external trainer cost and external instructional designer, (2) the external annual licensing for on the shelves e-learning content, or external unitary cost of acquisition of e-learning modules, (3) the logistics cost; and internal costs: such as (1) The salaries/wages of internal Learning and Development teams employees, and (2) the Learning Management System cost.

4.3 CLIMATE CHANGE AND ESG INTEGRATION

As described above in the Sections 4.1 "AXA Sustainability strategy" and "Certain preliminary information about this Annual Report – Sustainable value creation" of this Annual Report, environmental protection – including the interconnected issues related to climate change and biodiversity loss – is a strategic pillar for the AXA Group's sustainability as an insurer, as an investor and as an exemplary company. This Section covers all three dimensions and provides a broader view on the ESG integration process across the activities of the AXA Group.

In 2021, the impacts of AXA as an investor and as an insurer on climate change are identified as two of the main sustainability risks as described in Section 4.1 "AXA Sustainability strategy – Sustainability risk assessment". AXA has developed several policies and defined indicators to track its progress in reducing negative impacts.

AXA follows the guidance of the voluntary disclosure recommendations of the "Task Force on Climate-related Financial Disclosures" (TCFD) [1], which focus exclusively on climate factors and the mandatory disclosure requirements set out in the French decree implementing Article 29 of Law No. 2019-1147 of November 8, 2019 regarding Energy and Climate or any of its implementing measures, which focuses more broadly on ESG. This is why the text below extends beyond purely environmental factors. Furthermore, this text is an overview of AXA's more detailed annual "Climate/TCFD Report" [2], to be published on www.axa.com in the second quarter of 2022.

AXA's position on climate change and biodiversity

Insurers are well positioned to mitigate climate-related risks. They have claims loss data, as well as models and tools to analyze and conduct forward-looking approaches. Their core business involves disseminating knowledge about new risks and creating adequate insurance products and investment policies. Finally, through their significant investments, they send the right signals to the investment community and to the specific companies they invest in.

The COP21 Paris Agreement sets out a global framework to reach "net-zero" carbon emissions by 2050 in order to limit global warming to well below +2°C and pursue efforts to limit it to +1.5°C above pre-industrial levels during this century.

As part of the strategic plan *"Driving Progress 2023"* (please refer to Section "Certain preliminary information about this Annual Report", sub-Section "Strategic orientations" of this Annual Report), AXA's climate strategy, which includes biodiversity as an extension of its climate efforts, features the following developments:

- the development of a "warming potential" concept for its investments, aligned with a +1.5°C trajectory by 2050. This long-term target is complemented, since December 2020, by an intermediate -20% investment-related carbon footprint target between 2019 and 2025 (part of the "AXA for Progress Index");
- a green investment target of €24 billion by 2023 and increased in 2021 to €26 billion, to make use of new opportunities in this field (part of the "AXA for Progress Index");

(1) https://www.fsb-tcfd.org

(2) No information, document or item contained in AXA's annual "Climate/TCFD Report", or available on the Company's website in connection with AXA's annual "Climate/TCFD Report", is incorporated by reference in this Annual Report.

- the launch of the "Transition Bond" asset class, with two issuances of €100 million each in 2019 and 2020;
- an exit from the coal industry backed by strict investments and underwriting restrictions, as well as on other carbon-intensive industries;
- a commitment to address biodiversity loss through investment and underwriting policies;
- a target to reduce its direct environmental footprint by 20% between 2019 and 2025 and achieve carbon neutrality for its operations in offsetting the remaining emissions (part of the "AXA for Progress Index").

In addition, in the autumn of 2021:

- the AXA Climate Academy was launched to train employees (part of the "AXA for Progress Index" – please refer to Section 4.2 "Employer responsibility" of this Annual Report);
- the AXA Group reinforced its energy policy with a specific focus on new oil "greenfield" explorations and unconventional activities, and an alignment of climate and biodiversity ambitions;
- new biodiversity commitments were announced, by implementing a plan to fight against the deterioration of forest and ocean ecosystems, investing €1.5 billion to support sustainable forestry management.

Achieving the objectives of the COP21 Paris Agreement requires a whole economy transition. To this end, the Glasgow Financial Alliance for Net Zero (GFANZ) [(1)] was launched in April 2021, ahead of COP26. This global coalition of leading financial institutions brings together "net-zero" finance initiatives in the UN-backed "Race to Zero" committed to accelerating the decarbonization of the economy. As of November 2021, GFANZ membership includes more than 450 financial firms, including AXA, from 45 countries, responsible for assets of over US$130 trillion of private capital committed to transforming the economy for "net-zero" [(2)].

In addition, AXA leverages its full expertise as an investor and as an insurer to accelerate the transition to a "net-zero" global economy, as a founding member of the Net-Zero Asset Owner Alliance (NZAOA – please refer to Section "Investments – Climate-related portfolio alignment" below) [(3)], as Chair of the Net-Zero Insurance Alliance (NZIA – please refer to Section "Insurance" below) since February 2021, and a signatory of the "Net Zero Asset Managers Initiative" (NZAMI) [(4)].

Climate risk: the question of double materiality

It is now widely accepted within financial markets that the potential impacts of climate change on a company can be material and therefore require disclosure. Conversely, a company can have a material impact on climate change. This is the concept of double materiality. The impact of climate change on AXA and AXA's impact on climate change are identified as main sustainability risks in 2021 as described in the Section 4.1 "AXA Sustainability strategy – Sustainability risk assessment" of this Annual Report.

Climate change may have a negative impact on AXA's assets and investment activities as well as on AXA's liabilities and insurance activities. Assessing the risks related to climate change is a priority for AXA as part of its internal Risk Management framework. It supports and enriches AXA's overall understanding of climate-related risks and enables the development of climate scenario analyses.

Indeed, Risk Management frameworks require being adapted to climate risk specificities. Insofar as climate change risks arise over medium to very long-term periods, their trajectories and impacts are particularly uncertain. Moreover, changes in climate will generate structural changes with broad effects on the economic and financial activities that are not fully reflected in historical data. In this respect, scenario analysis and stress testing based on different trajectories of future climate, macro-economic and financial conditions might be relevant tools to conduct forward-looking assessment of potential vulnerabilities and opportunities related to climate change risks.

While it still raises many challenges, the development of climate scenario analyses and stress testing has been accelerating, particularly through the "pilot climate exercise" launched in June 2020 by the ACPR [(5)]. AXA has actively contributed to this exploratory exercise and sees the use of climate scenario analysis as an opportunity to further understand the long-term implications of climate change on its investment portfolios and insurance business. Through this cooperation with supervisory authorities and industry peers, AXA aims to improve the methodological framework to better address climate change risks.

(1) https://www.gfanzero.com/

(2) https://www.gfanzero.com/press/amount-of-finance-committed-to-achieving-1-5c-now-at-scale-needed-to-deliver-the-transition/

(3) https://www.unepfi.org/net-zero-alliance/

(4) https://www.netzeroassetmanagers.org/

(5) Similarly, the Bank of England and the "Prudential Regulation Authority" (PRA) ran their "Climate Biennial Exploratory Scenario" (CBES) exploratory exercise in 2021 with the objective of testing the resilience of current business models of the largest banks and insurers to the financial risks associated with climate change.

As part of AXA's ORSA (Own Risk and Solvency Assessment), the ACPR scenarios have been supplemented to better reflect AXA's own risk profile. In particular, Property & Casualty (P&C) physical risks have been assessed through modular approaches (from simple to sophisticated modeling) allowing to encompass the three drivers of natural risks (changes in hazard, exposure, and vulnerability) and assess worldwide potential impacts (*i.e.* evolution of Modelled Average Annual Losses (AAL) of forward-looking scenarios in a range of uncertainty (pessimistic *versus* optimistic views).

Based on representative risks of the Group (flooding in Europe, hurricanes in the U.S.A., urban atmospheric pollution and vector-borne diseases in France, climate-related financial risks), the estimated impacts using ACPR and AXA's ORSA scenarios are relatively limited:

- investments: low impact of financial market scenarios given the low exposure to carbon-intensive sectors of AXA's portfolio (General Account assets) and considering the first results from the ACPR pilot stress tests;
- Property & Casualty (P&C) business: due to AXA's worldwide footprint of exposures creating a high natural diversification, evolution of AXA P&C natural catastrophes ("NatCat") claims remain mainly driven by changes in AXA's future underwriting strategy (demographical evolution, wealth growth) rather than the hazard increase by itself;
- Health & Protection: ACPR's climate pilot exercise showed that the main impact stems notably from higher mortality due to the deterioration of air quality. Based on AXA's ORSA urban pollution scenario, the increase of death guarantees related claims between 2020 and 2050 are deemed very moderate.

AXA has already started exploring the potential impacts of climate change on its investments by leveraging a model developed by Carbon Delta MSCI (applicable only to corporate assets, and not to sovereign debt) where risks and opportunities are combined and translated into a "Climate Value-at-Risk" indicator (*nota bene:* the term used in the 2020 Annual Report was "Cost of Climate" – please refer to AXA's annual "Climate/TCFD Report" and to the Section "Investments" below).

Beyond this approach, AXA seeks to prevent or mitigate its adverse impacts on climate change as an investor and as an insurer, namely by:

- applying its analytical framework to identify its potential impacts on climate and incorporating ESG (including those related to climate) into its business processes as well as into its investment strategy;
- committing to align its investments and underwriting activities with the COP21 Paris Agreement, to limit the "warming potential" of +1.5°C above pre-industrial levels by 2050;
- implementing policies in its investments and underwriting activities for sectors that are particularly sensitive from an ESG perspective (including on climate);
- developing green investments and transition financing;
- offering customers insurance solutions that promote environmentally friendly behavior;
- developing active stewardship.

These policies and initiatives are described in the Sections "Investments" and "Insurance" below.

Investments

DEFINITIONS AND GOVERNANCE

AXA defines Responsible Investment (RI) as the integration of Environmental, Social and Governance (ESG) considerations into investment processes, including ownership practices. AXA's objective is to align investments with AXA's Sustainability agenda of protecting people over the long term and creating stronger and more sustainable societies. This agenda is in line with its interests as a global insurer and investor.

AXA's conviction is that ESG integration may impact long-term investment performance by offering an enhanced understanding of risk drivers. This conviction is derived from academic research and empirical market data. Within ESG, climate change deserves special attention. AXA actively pursues measures to manage climate-related risks and opportunities.

AXA has developed a comprehensive RI strategy covering the Group's General Account assets, including its Unit-Linked investments, where relevant. The implementation of this strategy is overseen by a specific RI governance. AXA's Group-level Responsible Investment Committee (RIC) is chaired by the Group Chief Investment Officer, and includes representatives from AXA's Asset Management entity, Sustainability, Risk Management and Communication teams. The RIC reports to the Group Investment Committee, chaired by the Group Chief Financial Officer, and sensitive and/or strategic climate finance-related decisions debated in the RIC are ultimately approved by the RISSC (please refer to Section 4.1 "AXA Sustainability Strategy – Sustainability governance & Stakeholder dialogue" of this Annual Report). AXA's RI policy is supported by the RI Center of Expertise, a transversal working group from AXA's local investment teams interacting with the Sustainability network.

RESPONSIBLE INVESTMENT STRATEGY

AXA's Responsible Investment strategy is embodied in its Group Responsible Investment policy (published on the Group's website: www.axa.com/en/about-us/responsible-investment). The policy's six pillars are as follows:

- **ESG integration:** AXA integrates ESG analysis into investment processes, using KPIs and qualitative research across most assets;
- **climate-related investment portfolio alignment with COP21 Paris Agreement objectives:** Carbon metrics are integrated into investment decisions. AXA continues to develop metrics for measuring the climate-related impact of its investments, in particular the contribution of its investments to the objective of the COP21 Paris Agreement to limit global warming to well below +2°C;
- **exclusions and sensitive ESG investments:** sector-based restrictions apply to sectors or companies that face acute social, human rights, ethical or environmental challenges. These sector restrictions are published on AXA Group's website (www.axa.com/en/about-us/responsible-investment) and currently include: controversial weapons; coal mining and coal-based power generation; oil & gas; ecosystem conversion and deforestation; food commodity derivatives; and tobacco;
- **a green investment target and transition financing:** to increase the allocation of green assets across various asset classes and to support companies shifting towards less carbon-intensive business models;
- **impact investing:** investments that create intentional, positive, measurable, and sustainable impacts on society (both social and environmental issues) while simultaneously delivering financial market returns;
- **active stewardship:** through voting and engagement on a range of ESG or sustainability issues.

The AXA Group as well as its in-house Asset Management entity AXA Investment Managers and its multi-asset manager Architas are signatories of the UN-backed principles for Responsible Investment (UN PRI).

ESG integration

AXA integrates the analysis of ESG criteria (including those related to climate) into investment processes and steers the ESG performance of its investments. In 2021, AXA strengthened its ESG scoring methodology. Previously, AXA combined data from three providers. AXA has now adopted a single-provider ESG scoring model which is coupled with an overlay of AXA Investment Manager's own analysis. Entitled Q^2, this new enhanced qualitative and quantitative approach offers increased coverage as well as fine-tuned fundamental analysis. AXA's ESG framework provides scores per asset class, KPIs (such as the carbon footprint) and qualitative research across most of its assets. ESG integration is coordinated centrally, with active input from Asset Management teams (portfolio managers, fund managers and analysts) that include ESG metrics in their investment analysis across asset classes and regions. This includes ESG "minimum standards" based on ESG scores and controversies to review and potentially exclude underperforming issuers from AXA's portfolios. This framework covers AXA's General Account assets (sovereign and corporate bonds, equity, real assets (direct property, infrastructure debt and equity, and commercial real estate loans)):

- **for corporate issuers (equity and debt):** the ESG assessment emphasizes impact and materiality. It draws on fundamental principles, such as the United Nations Global Compact, the OECD Guidelines, the International Labour Organisation conventions, and other international principles and conventions that guide companies' activities in the field of sustainable development and social responsibility;
- **for sovereign issuers:** AXA's ESG scoring uses public data sources such as the World Bank, the OECD, and the UN (*e.g.* environment, social and political risks), and the criteria are adapted to the development levels of countries;
- **for real assets (direct property, commercial real estate loans and infrastructure debt and equity):** AXA's analysis framework is based on proprietary questionnaires covering criteria such as energy efficiency, environmental certificates, and accessibility.

In addition, ESG considerations as well as the transparency of the issuers are integrated in the internal credit risk analysis.

Finally, "carbon footprinting", which is applied to AXA's equities, corporate fixed income and sovereign debt assets, complements the ESG metrics. See also further climate-related KPI development in the following section.

Climate-related investment portfolio alignment

As described in the Section 4.1 "AXA Sustainability strategy – Sustainability risk assessment" of this Annual Report, AXA has identified the impact of climate change on AXA's investments and the impact of AXA as an investor on climate change as two main sustainability risks. Climate change risks are usually understood to comprise these two main risk drivers (1) (2) impacting companies' valuation and profitability:

- **"transition risks":** transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements

(1) *Source: European Central Bank.*

(2) *Corporations might also be exposed to liability risks stemming from legal claims to compensate losses due the physical or transition risks. Risks associated with climate change litigations are among the emerging risks monitored and assessed by Group Risk Management.*

related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations. The "transition risk" can be measured in financial risk terms (in euros) or purely "climate impact" terms (in temperature rise);

- **"physical risks":** resulting from climate change, those risks can be event-driven (acute) or longer term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption. Organizations' financial performance may also be affected by changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting organizations' premises, operations, supply chain, transport needs, and employee safety.

To manage these risks, AXA is progressively evolving its investment portfolios by integrating carbon metrics into its internal decision-making processes. While various metrics exist, such as the "warming potential" and carbon footprint described below, more convergence is currently needed. AXA's contribution to supporting methodology convergence is developed in AXA's annual "Climate/TCFD Report".

CLIMATE VALUE-AT-RISK: CLIMATE RISK ON AXA'S CORPORATE CREDIT INVESTMENTS

In 2021, AXA leveraged a model developed by Carbon Delta MSCI for its corporate assets only, based on:

- **"transition risks" (or "regulation") risks:** the low carbon transition, both *via* market and regulated evolutions, may significantly impact business models. This will likely create economic losses in the form of "regulation costs" for those who fail to adequately adapt. "Transition risks" for each company represent how much a reduction of their CO_2 emissions by 2030 (the NDC [(1)] horizon) will cost them, relying notably on their sector/activities and on the countries where they operate. It is expressed as a proportion of revenues negatively affected by this cost;
- **"physical risks":** for each company, the costs of potential future extreme weather events (five "chronic" hazards – extreme heat, extreme cold, heavy precipitation, heavy snowfall, wind gust – and three "acute" hazards – coastal flooding, fluvial flooding, tropical cyclones) by 2030 [(2)] is assessed (*via* asset damages and business interruption), relying on their activities and location, and combined with expected vulnerability factors. This is also expressed as a proportion of revenues negatively affected by this "cost";
- **"green revenues":** for each company, the revenues future green technologies developments by 2030 [(2)] will generate for the Company are assessed, using company-level patent databases to estimate future revenue flows from green and low carbon technologies. While certainly not the only factor to be considered to estimate future "green revenues", a statistically relevant correlation has been established between "green patents" and "green revenues". This third KPI is expressed as a proportion of revenues that are "green".

The combination of the aforementioned items translates into a "Climate Value-at-Risk" indicator [(3)]. According to this methodology, the loss of turnover for companies AXA invests in, notably due to regulation costs and extreme weather events losses, represents an aggregated cost of 7.4% of AXA's market value investments at end of 2020, which can be described as a "Climate Value-at-Risk". These losses have increased since the previous year as the methodology, similarly to the "warming potential", now includes Scope 3 emissions [(4)]. Although currently AXA does not leverage this complex and evolving KPI in its day-to-day investment decisions, this metric provides insight on the possible climate-related financial risks that may be incurred by investors should its underlying assumptions suddenly occur (for additional information, please refer to AXA's annual "Climate/TCFD Report" for more information).

"PHYSICAL RISKS": CLIMATE IMPACTS ON AXA'S REAL ASSETS PORTFOLIO

In addition to the aforementioned "Climate Value-at-risk" for its corporate credit investment portfolio, AXA has a significant amount of claims-related data to conduct a "physical risks" analysis on its real estate portfolio. AXA's Investments and Group Risk Management teams collaborate to evaluate the financial impact of floods, windstorms and hail on buildings assets.

(1) *The estimations of greenhouse gas emission reductions of carbon intensities are based on "Nationally Determined Contributions" (NDCs) for the time horizon 2030 but the risks and opportunities linked to the "Climate Value-at-Risk" are calculated over 15 years.*

(2) *Ibid.*

(3) *These figures may not be compared with those disclosed in AXA's 2020 "Climate/TCFD Report". Here also, methodology changes have occurred.*

(4) *AXA depends on the availability and reliability of data. In this respect, AXA is working with its external partners, such as Carbon Delta MSCI, to progressively better take into account Scope 3 emissions in carbon metrics.*

AXA's "physical risks" assessment for real estate uses "NatCat" models – generally only used to assess the impact of natural catastrophes on insured exposure – combining stochastic events (windstorms, floods, hail) and a geolocalized portfolio of real assets. Specific "destruction rates", which factor location, building/infrastructure type and construction materials are then used to determine potential damage rates and derive a loss for every building/infrastructure. According to in-house risk modelling, the financial impacts of climate-related "physical risks" on these assets appears limited.

Moreover, for corporate bonds and equities, the costs of "physical risks" have been assessed by modelling the expected financial impacts of extreme weather events on companies' physical assets. The "physical risks" cost estimates factor in vulnerability to business interruption risk and asset damage, based on the exposure of facility locations to extreme weather events.

"WARMING POTENTIAL": IMPACT OF AXA'S INVESTMENTS ON CLIMATE

In 2021, AXA continued its investigation of the concept of an "investment temperature" to develop its knowledge of the impact of AXA's investments on climate change (climate impact). This approach labelled "warming potential" in Carbon Delta MSCI's methodology, captures the climate-related aspects of a company's activities, including its direct and indirect greenhouse gas emissions, technology developments, and "green revenue" opportunities. This is derived from the carbon intensity alignment of each company relative to the sectoral carbon intensity target needed to reach the global climate target of the COP21 Paris Agreement. This produces a "warming potential" indicator per company and sector, and ultimately for AXA's investments.

TCFD-related modelling shows that AXA's investments (corporates and sovereigns) had a +2.7°C "warming potential" at the end of 2020 [(1)]. This is below the benchmark of +3.21°C but nonetheless shows that investors are operating in a carbon-intensive economy that is not aligned with the COP21 Paris Agreement. A vast energy transition effort is required. All companies must evolve, and we believe it is incumbent on investors to identify and support relevant transition strategies.

CARBON FOOTPRINT

Since 2016, AXA strives to translate international climate objectives derived from the COP21 Paris Agreement into quantitative investment targets. These efforts are reflected in its engagement within the Net-Zero Asset Owner Alliance (NZAOA).

Since 2019, AXA is part of the NZAOA, a coalition of institutional investors (insurers, pension funds, etc.), convened under the auspices of the UN Principles for Responsible Investment, and launched during the September 2019 UN Climate Summit. Its members collectively commit to transition their investment portfolios to "net-zero" greenhouse gas emissions by 2050, with united investor action to align portfolios with a +1.5°C scenario.

A carbon footprinting approach was chosen by NZAOA members as emissions reporting methodologies are currently considered more robust, and data availability is higher. As part of its participation in the NZAOA, AXA commits to publish intermediate targets every five years to track progress towards "net-zero" by 2050.

In December 2020, AXA announced its "intermediate target", a 20% reduction in the carbon footprint of AXA's General Account assets between 2019 and 2025 (*e.g.* aggregated 20% reduction across corporate debt & equity excl. emerging market issuers and entities; and real estate assets where possible), using the NZAOA 2025 Target Setting Protocol. Per this protocol:

- carbon intensity has been identified as a useful tool for the decision-making process towards decarbonizing investment portfolios and for monitoring progress of carbon emissions;
- the Enterprise Value (EV) approach is recommended to companies invested in equity portfolios and corporate bonds, enabling allocation of emissions to the relevant parts of their balance sheet.

This explains why the carbon footprint target set by AXA is measured and tracked with a carbon intensity-based metric, expressed in t.eq.CO_2/EV €million (normalized per Enterprise Value). In 2021, AXA has worked on including financial issuers in data to be aligned with the scope defined by the NZAOA members. According to this reporting methodology, the carbon footprint of AXA's investment portfolio (General Account assets) decreased by 5.4% between 2019 and 2020 (coming down from 69.84 tCO_2/EV €m in 2019 to 66.06 tCO_2/EV €m in 2020).

This target is part of the "AXA for Progress Index" and is presented in further detail in the annual "Climate/TCFD Report".

Exclusions and sensitive ESG investments

Certain activities and products are deemed to be inconsistent with AXA's climate strategy and broader sustainability goals. In this context, AXA has developed over time specific "sector guidelines" that seek to address those issues and entities are required to annually certify their compliance therewith. These guidelines are applicable to investments and underwriting activities (please refer to Section "Insurance" below).

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(1) The "warming potential" at the end of 2021 will be available in AXA's 2022 Climate/TCFD Report.

These currently include the following sectors:

- coal;
- oil & gas (please refer to Section "Climate-related exclusions: coal and oil & gas" below);
- "controversial weapons" manufacturers that are banned by international conventions (antipersonnel landmines, cluster munitions/cluster bombs chemical, biological and depleted uranium weapons, nuclear weapons proliferation);
- tobacco manufacturers, whose products conflict with AXA's role as one of the world's largest health insurers;
- ecosystem conversion and deforestation, Natural World Heritage Sites (applicable to underwriting activities only – please refer to Section "Biodiversity" below);
- soft commodity derivatives which may be responsible for inflating the price of basic food commodities (applicable to investments only).

These policies are published on AXA Group's website (www.axa.com/en/about-us/responsible-investment).

Since 2007, AXA's investment restrictions have applied to approximately €7.5 billion of assets, including listed equity assets, with any related corporate bond holdings being left in run off (no new direct investments). The remaining exposure to applicable policies in AXA's portfolio amounted to less than €400 million at the end of 2021. These figures will evolve with the entry into force in 2022 of the following policies: oil & gas (please refer to Section "Climate-related exclusions: coal and oil & gas" below), ecosystem conversion and deforestation, Natural World Heritage Sites (applicable to underwriting activities only – please refer to Section "Biodiversity" below).

CLIMATE-RELATED EXCLUSIONS: COAL AND OIL & GAS

From the start, AXA adopted a balanced approach to contribute to the transition towards a more sustainable and less carbon-intensive economy. Carbon emissions require significant curbing in order to reduce the risk of climate change, which may place business constraints on carbon-intensive industries, leaving some assets "stranded", which in turn may lead to reduced valuations. Current valuation models may not account for such risks adequately.

Coal

Coal is by far the most carbon-intensive form of energy and as such coal-based power generation is seen as the industry the most at risk in terms of such "asset stranding".

AXA acted early in May 2015 with a pioneering coal divestment, later strengthened in 2017 with underwriting restrictions, and extended these to its new entity AXA XL in 2018. In November 2019, this approach was amplified and complemented with a long-term perspective [(1)].

AXA bans investments, for General Accounts and in Unit-Linked assets in fully controlled mandates, in the following companies:

- power generation companies with coal share of power production (energy mix) over 30% and/or coal "expansion plans" producing more than 300 MW and/or over 10 GW of coal-based power installed capacity;
- mining companies with coal share of revenues over 30% and/or with annual coal production over 20 million tons and/or developing new coal mines;
- certain coal industry partners, defined as manufacturers (*e.g.* equipment suppliers) and infrastructure players (*e.g.* port terminals, dedicated railways) developing significant new coal assets.

In addition, AXA is committed to a long-term "exit" strategy reducing exposure to the thermal coal industry to zero by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world, as suggested by the main climate scenarios (such as the IEA "Beyond +2°C" scenario). This approach is applied both to its investments and underwriting activities (please refer to Section "Insurance" below).

The database used since 2017 is the "Global Coal Exit List" (GCEL) [(2)].

Oil & gas

Since 2017, AXA has divested from oil sands-related businesses (defined as companies deriving more than 20% of their revenue from oil sands, including pipeline operators).

In 2021, AXA revised its Oil and Gas policy [(3)] driven by two principles:

- AXA believes it is critical to accelerate the transition of the energy sector towards a more sustainable model, consistent with "net-zero" trajectories. This transition can only happen by enabling Oil and Gas companies to implement ambitious transition plans. AXA's role, as a financial and underwriting player, is to focus its support to the Oil and Gas companies with the most far-reaching and credible transition plans;

(1) https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/7c51bab4-4266-42b6-aa8a-a6b209ᵉe6ᵉ33_2019ClimateStrategy.pdf

(2) https://coalexit.org/

(3) https://www.axa.com/en/press/press-releases/axa-extends-its-oil-and-gas-exclusions-to-support-the-energy-transition; https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/dfa080ca-e1c5-4851-8a40-5d3c1ᵉ9de78d_axa_energy_policy_oil_and_gas_industry_2021.pdf

- despite significant differences between investment and underwriting when it comes to decarbonizing its activities, AXA will continue to strive for progressive alignments between its decisions as an asset owner and as an underwriter.

As an asset owner, AXA has stopped investing in new upstream oil greenfield exploration projects unless they are carried out by companies with the most far-reaching and credible transition plans. AXA excludes all new direct investments in listed equities and corporate bonds in developed markets in Oil and Gas companies operating in upstream and/or oilfield services and/or downstream subsectors, as well as midstream players. AXA selects integrated Oil and Gas companies for investments based on a restrictive selection process. Less than 5% of the approximately 650 companies identified in the "Global Oil and Gas Exit List" by NGO Urgewald (1) meet AXA's criteria.

Furthermore, AXA reduces its investment exposure to unconventional exploration and production, as follows:

- Arctic: AXA extends the scope of its investment restrictions to the Arctic Region (in alignment with the Arctic Monitoring and Assessment Programme (AMAP)). Only companies with Norwegian operations in the AMAP Region will be maintained, given their high environmental standards and lower operational carbon footprint. AXA will exclude new direct investments in companies deriving more than 10% of their production from the AMAP Region or producing more than 5% of the worldwide volume of AMAP-based Oil & Gas;
- oil sands: on top of the existing restrictions in place, AXA will adopt a more stringent policy by ceasing direct investments in companies producing more than 5% of the worldwide volume of oil sands;
- fracking/shale Oil and Gas: AXA will no longer directly invest in companies deriving more than 30% of their production from fracking/shale Oil and Gas;

The main database used is the "Global Oil & Gas Exit List" (GOGEL) (2) released in 2021.

A green investment target and transition financing

GREEN INVESTMENTS

AXA strives to support the transition to a low-carbon economy by supporting companies shifting towards less carbon-intensive business models and by increasing the allocation of "green" assets across various asset classes. To support its green investment strategy, AXA has developed an internal framework to define "green" investments based on external labels, certifications and environmental standards as appropriate. Green investments are defined as: green bonds, infrastructure debt & equity, impact investments, real estate, and commercial real estate loans. AXA's green investment strategy is further developed in AXA's annual "Climate/TCFD Report". In addition to "temperature" targets and divestments, green investments encourage various sectors to strengthen their climate strategy.

In November 2019, AXA committed to invest €24 billion in green investments by 2023. In 2021, this target was increased to €26 billion following a €1 billion Green Bond issuance by AXA SA (3) in April and a €1 billion commitment to intensify its investments in green and low-carbon energies (4) in October. In December 2021, AXA's green investments reached €22.6 billion (€16.1 billion end of 2020).

TRANSITION BONDS

Green or climate bonds are a recent but successful instrument designed to support projects with climate or environmental added value. However, it is also important to support carbon-intensive players that are actively decarbonizing but have not yet reached the "greenness" that makes these efforts eligible to green bonds. This is why, since 2019, AXA Investment Managers (AXA IM) has worked to develop the concept of "transition bonds". In November 2019, AXA announced the launch of a first €100 million "transition bond" in partnership with Crédit Agricole CIB (5). In 2020, AXA announced a second transition bond of €100 million in partnership with BPCE (6). The proceeds will be used to finance Natixis' assets, being project and/or corporate loans from sectors with high emissions reduction potential as well as their contribution to a low carbon economy. The details of this project are available online. Throughout 2020, AXA IM acted as co-chair of the Climate Transition Finance Working Group of the International Capital Markets Association (ICMA) which published the *Climate Transition Finance Handbook,* the first global effort to frame the concept of transition finance.

(1) https://urgewald.org/english. As AXA's Oil & Gas policy was released before the final version of the Global Oil and Gas Exit List in November 2021, AXA refers to a provisional version of this list.

(2) https://gogel.org/

(3) https://www.axa.com/en/press/press-releases/axa-announced-the-successful-placement-of-Euro-1-billion-of-subordinated-green-bonds-due-2041

(4) https://www.axa.com/en/press/press-releases/axa-extends-its-oil-and-gas-exclusions-to-support-the-energy-transition

(5) https://www.axa.com/en/magazine/forming-a-bond-supporting-the-energy-transition

(6) https://www.axa-im.com/media-centre/bpce-issues-e2-82-ac100-million-of-transition-bonds-invested-by-axa-im-to-finance-natixis-assets-contributing-to-the-energy-transition

Impact investing

Impact investing means investing with the clear intention of generating positive, measurable social and environmental outcomes, as well as competitive financial returns. AXA's impact investing strategy is designed to align with this traditional definition of impact investing. This approach is aligned with the Operating Principles for Impact Management sponsored by the International Finance Corporation. AXA IM is a founding signatory to these Principles and a Member of the Advisory Board. Since 2013, AXA has committed €922 million to impact investing, with the value of the invested amount standing at €418 million at September 30, 2021. In 2021, AXA approved a new "Natural capital" target (please refer to Section "Biodiversity" below). AXA also launched a new Fund dedicated to Health and Inclusion (please refer to Section 4.4 "Inclusive insurer").

Active stewardship

As a shareholder and bondholder, AXA has the possibility to engage with the management of companies in which it invests in order to help catalyze positive change on certain issues (such as climate change, health, governance, market practices, etc.). These engagement activities are carried out either directly by the Group or by AXA Investment Managers (AXA IM) on behalf of the AXA Group and third-party clients. Climate change is one of the most material themes for which AXA conducts engagement. AXA's key climate engagement objectives and indicators are detailed in AXA's annual "Climate/TCFD Report".

On behalf of the Group, AXA IM holds constructive and challenging discussions directly with investee companies, and as part of a coalition of investors, engaging with companies in key sectors. In the specific case of coal, AXA notably encourages the transition through active shareholder engagement, as an investor, and client communication, as an insurer, with the concerned companies in order to encourage them to develop and disclose an exit or closure plan.

In 2021, AXA IM reinforced its stewardship policy with a focus on climate laggards [1]. From 2022, AXA IM will engage with a selection of companies which do not have net-zero commitments, or have quantified emissions reduction targets deemed to be not credible or demanding enough. This more forceful engagement policy, with a "three strikes and you're out" principle, aims at applying sufficient pressure to effect timely change, and is applied on behalf of third party clients. Clear objectives are defined for each of those companies, tailored to their activities, and communicated to their management. AXA IM will regularly engage with those companies to steer them to achieve progress on those objectives, using escalation techniques when necessary (*e.g.* voting against management). If the objectives have not been achieved after three years, AXA IM will divest.

Voting at General Meetings is performed in favor of environmental, climate-related, social and governance issues including sustainability disclosures.

For more information, please refer to AXA IM's annual Active Ownership and Stewardship report [2].

Insurance

GOVERNANCE

Insurance-related ESG risks and opportunities also benefit from a specific governance, notably the Group Underwriting Committee (GUC), which defines underwriting restrictions. Similarly to investments, sensitive and/or strategic climate-related decisions debated in the GUC are ultimately approved by the RISSC (please refer to Section 4.1, "AXA Sustainability strategy – Sustainability governance & Stakeholder dialogue" of this Annual Report). In addition, a dedicated team within Group Risk Management analyzes Emerging Risks which often relate to long term ESG issues, and monitor their potential impact (please refer to Section 5.8 "Other material risks – Emerging risks" of this Annual Report). The Group Emerging Risk Committee issues recommendations to adapt its business offer and underwriting policies.

AXA is a signatory of the UN-backed principles for Sustainable Insurance (UN PSI).

CLIMATE-RELATED INSURANCE PORTFOLIO ALIGNMENT

In December 2020, for the fifth anniversary of the COP21 Paris Agreement, AXA called for a significant new development in its underwriting business. AXA actively supports coalitions that bring collective solutions to issues that require industry-wide cooperation. This is why AXA publicly supported the creation of the Net-Zero Insurance Alliance (NZIA) to collectively extend its investment commitment to "net-zero" to its insurance business.

Chaired by AXA since February 2021, the NZIA revealed its commitments at the G20 in July 2021, with the main commitment to transition insurance and reinsurance underwriting portfolios to "net-zero" greenhouse gas emissions by 2050. Since its launch, the NZIA has been building on the work that the eight founding members have already begun as investors through their membership to the NZAOA (Net-Zero Asset Owner Alliance – please refer to Section "Investments – Climate-related portfolio

(1) *https://www.axa-im.com/axa-im-further-strengthens-its-climate-actions-accelerate-its-contribution-low-carbon-world*

(2) *https://www.axa-im.com/who-we-are/stewardship-and-engagement*

alignment" above). The NZIA launched a working group in September 2021 in collaboration with the Partnership for Carbon Accounting Financials (PCAF) to develop the first global standard to measure and disclose insured emissions. This is a true challenge as the methodologies and metrics are less developed in the insurance space than for investments. The upcoming months will serve to build the target-setting protocol by January 2023 so that AXA can test various metrics to set its intermediate target, towards the end goal of transitioning its underwriting portfolio to be "net-zero" by 2050. By the end of 2021, the Alliance has grown to 13 members.

UNDERWRITING RESTRICTIONS

Beyond commitments in coalitions, AXA strives to incorporate ESG criteria (including those related to climate) in its underwriting activities, in consistency with its investment strategy. Over time, AXA has developed specific "sector guidelines" that entities are required to annually certify their compliance therewith. These guidelines are applicable to investments and underwriting activities (please refer to Section "Investments" above). A business referral process is in place to monitor the implementation of these guidelines. The details of these policies are published on AXA Group's website.

Since 2017, the underwriting restrictions ban Property and Construction covers for: coal mines, coal plants, oil sands extraction sites and related transportation (pipelines) and drilling in the Arctic Region [(1)]. In November 2019, AXA had already strengthened these restrictions by adding the coal-related restrictions at client-level, mirroring divestment criteria (please refer to Section "Climate-related exclusions: coal and oil & gas" above).

In 2021, AXA revised its Oil & Gas policy [(2)]. AXA will cease underwriting new upstream oil greenfield exploration projects unless they are carried out by companies with the most far-reaching and credible transition plans. AXA's selection of these companies with credible transition plans will be finalized by the end of 2022. Once completed, the cessation of new contracts of new upstream oil greenfield exploration projects will come into force with a 12-month grace period ending on January 1, 2024.

In addition, AXA will significantly reduce its insurance exposure to unconventional exploration and production from its business from 2022, as follows:

- Arctic: AXA extends the scope of its Arctic underwriting restrictions beyond the polar circle and the 70°N zone in alignment with the Arctic Monitoring and Assessment Programme (AMAP). Only Norwegian operations in the AMAP Region will be maintained, given their high environmental standards and lower operational carbon footprint. AXA will strengthen the thresholds applicable to insurance activities in this particularly fragile region, excluding new underwriting coverage for Oil and Gas extraction activities carried out in the AMAP Region by companies deriving more than 10% of their production from the AMAP Region or producing more than 5% of the worldwide volume of AMAP-based Oil & Gas. Exemptions may be granted if the projects are carried out by Oil and Gas companies with the most far-reaching and credible transition plans;
- oil sands: on top of the existing restrictions in place, AXA will adopt a more stringent policy by extending current restrictions to all lines of business for underwriting activities;
- fracking/shale Oil and Gas: AXA will no longer provide any insurance coverage to activities of companies, deriving more than 30% of their production from fracking/shale Oil and Gas.

The main database used is the "Global Oil & Gas Exit List" (GOGEL) [(3)] released in 2021.

GREEN PRODUCTS AND BUSINESS

In addition to the underwriting restrictions described above, the Group seeks to minimize its impact on climate change by offering insurance solutions that promote environmentally friendly behavior:

- AXA XL underwriters have significant expertise and capacity for insuring clients in the energy industry, with a strong focus on renewable energy;
- some local entities also develop motor and car fleet insurance policies encouraging low CO_2 emission vehicles, Home insurance policies encouraging energy efficiency, renewable power installations, and environmentally friendly claims strategies. For instance, in case of a car accident, AXA France promotes the use of second-hand parts instead of new ones, and AXA Switzerland encourages repairing damaged parts ("micro-repair") rather than replacing them with new ones;
- AXA Climate offers parametric insurance products which, for example, accompany the recovery of agricultural crops after climate-related natural disasters (notably drought or flooding) and can help improve the capacity of the insured to become more resilient. Please refer to Section 4.4 "Inclusive insurer" of this Annual Report, and to AXA's annual "Climate/TCFD Report".

(1) Defined as operations situated above 70°N.

(2) https://www.axa.com/en/press/press-releases/axa-extends-its-oil-and-gas-exclusions-to-support-the-energy-transition https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/dfa080ca-e1c5-4851-8a40-5d3c1e9de78d_axa_energy_policy_oil_and_gas_industry_2021.pdf

(3) https://gogel.org/

To leverage these existing best practices, AXA started developing in 2021 a more proactive and comprehensive Green Business strategy to support local entities in deploying offers with a positive impact on the environment (notably on climate change mitigation and adaptation). This framework will be complemented by the definition of a "green premiums" target (applicable to its Commercial lines, SMEs and Retail P&C business) to measure progress, as well as promote product innovation. It is expected to be launched in Q2 2022.

In 2020, AXA's entities have generated €1.1 billion of revenues on Green Business offers.

Also refer to Sections "Biodiversity" on innovative "nature-based solutions" and 4.4 "Inclusive insurer" of this Annual Report, to complement the view on ESG insurance products, and AXA's annual "Climate/TCFD Report".

SFDR: CLIMATE AND ESG INTEGRATION IN SAVINGS

Since March 2021 and the entry into force of the Sustainable Finance Disclosure Regulation (SFDR) [(1)], the European in-scope companies of the Group (*e.g.* life insurance companies, insurance intermediaries, asset managers) must publish on their websites and in product precontractual client documentation, information on how they take into account Sustainability Risks [(2)] and Principal Adverse Impacts [(3)] in their investment decision-making processes and/or their investment advisory processes.

In this context, AXA provides end clients with information on AXA's green investments and carbon emission reduction targets.

All in all, hundreds of savings, retirement and protection products have been impacted by the SFDR. For example, AXA France Vie has reinforced the transparency of its approach to Sustainability Risks for over 50 financial products.

The entity and product disclosures will be supplemented with the implementation of the Delegated Regulations of the SFDR and of the EU Taxonomy Regulation.

Biodiversity

Limiting the loss of ecosystems is a priority to maintain economic stability and to mitigate climate change. Biodiversity loss endangers "ecosystem services", which threatens both society and businesses that depend on them, and in turn investors and insurers that rely on a well-functioning economy. Addressing biodiversity-related risks and opportunities is a natural extension of AXA's climate efforts. Indeed, climate change also severely compounds the destruction of ecosystems around the world, adding pressures related to drought, ocean acidification, and more intense natural catastrophes. As a result, the main identified nature-related risk is the impact of AXA's activities on biodiversity.

Impacts on biodiversity can adversely affect the integrity of a geographic area, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species part of the habitat cannot be sustained [(4)]. Biodiversity has been identified as a main ESG risk in 2021 as explained in the Section 4.1 "AXA sustainability strategy – Sustainability risk assessment" of this Annual Report.

In 2021, AXA has made significant progress in reducing exposure to nature-negative activities, and driving nature-positive solutions, to mitigate the frequency and severity of its impacts on biodiversity. AXA's sustainability strategy currently includes the following developments.

RISK IDENTIFICATION – UNDERSTANDING AXA'S IMPACT ON BIODIVERSITY

While biodiversity loss and its main drivers are well documented, the quantification of business impacts on biodiversity is still a quite new field, and the risks incurred by companies are to be precisely defined. This is why AXA is working with peers to accelerate the quantification of risks and impacts related to biodiversity.

Following the release of the AXA-WWF "Into the Wild" report, during the G7 in 2019, the Taskforce on Nature-related Financial

(1) *Regulation (EU) 2019/2088 dated November 27, 2019, on sustainability-related disclosure in the financial services sector (the "SFDR").*

(2) *Pursuant to the SFDR, a Sustainability Risk (SR) is an environmental, social or governance-related event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.*

(3) *Pursuant to the SFDR, a Principal Adverse Impact (PAI) is the impact of an investment decision or advice that results in negative effects on sustainability factors (environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters).*

(4) *https://www.globalreporting.org/standards/media/1011/gri-304-biodiversity-2016.pdf*

Disclosures (TNFD) was officially launched in June 2021 [(1)] (please refer to Section "Climate, biodiversity and ESG-related outreach and engagement" below).

In 2021, AXA and 3 peers (BNP Paribas, Mirova and Sycomore) selected external data provider Iceberg Datalab to develop biodiversity impact metrics. This provider has developed its own metric – the Corporate Biodiversity Footprint (CBF) – based on the concept of MSA (Mean Species Abundance), to calculate the degradation of ecosystems caused by business activities across AXA's investment portfolio. Iceberg Datalab is delivering data on a sectoral basis. In 2021, coverage included all high- and medium-stake sectors, with agri-food, electricity, oil & gas, real estate, and mining & metals. This will allow AXA to identify the most biodiversity-intensive activities and issuers within a sector or within a universe. In March 2021, the Article 29 of the French Law on Energy and Climate extended reporting requirements to biodiversity. For more information, please refer to the annual "Climate/TCFD Report".

GROUP POLICIES & INITIATIVES – REDUCING AXA'S IMPACT ON BIODIVERSITY

AXA did not wait for a precise quantification of its impact on biodiversity to start reducing it. The Group released a series of initiatives, aimed at protecting ecosystems, investing in natural capital and impact funds, focusing on forests and oceans, the two main carbon sinks.

A new Forest policy in 2021

In October 2021, AXA announced a new policy on Ecosystem protection, Deforestation and Natural World Heritage Sites. It seeks to address risks related to deforestation and protected areas of key biodiversity value, and to halt support for firms negatively impacting ecosystems that house critical biodiversity. Curbing deforestation conserves water resources, prevents flooding, controls soil erosion, and preserves habitats, in addition to preserving key carbon sinks. In 2013, AXA had divested from "unsustainable" Palm Oil producers and banned illegal logging from its underwriting. AXA's new policy builds on previous work to address other levers of deforestation, resulting in a more comprehensive approach [(2)].

On the investment side, as an asset owner, AXA bans companies in three cases:

- palm oil producers who have not achieved "sustainable palm oil" production certifications and/or have significant unresolved land rights conflicts [(3)] and/or conducting illegal logging (pre-dates the policy released in October 2021 and remains in place);
- companies in any sector facing "high" and "severe" controversies related to Land use and biodiversity [(4)];
- companies producing palm oil, soy, cattle and timber that face "significant" Land use and biodiversity controversies and that have a "critical" impact on deforestation [(5)].

AXA will engage, as a shareholder, individually where needed, and *via* coalitions wherever possible, with a selection of companies of the following type: palm oil, soy, cattle, and timber producers; traders and buyers of those commodities; and other companies on an *ad hoc* basis. A particular attention will be paid regarding controversies, production, and procurement practices.

On insurance underwriting, AXA focuses more on the activities at risk of causing deforestation. AXA restricts Commercial Lines Property and Construction Insurance Underwriting in four cases:

- illegal logging (pre-dates the policy released in October 2021 and remains in place);
- companies that are excluded by the investment policy screening are to be referred to the Group Risk Management and the critical activity will likely be banned from Construction and Property covers;
- businesses that operate in "high-risk countries" [(6)] and commodities (palm oil, beef, soy, timber) and facing high or severe deforestation controversies [(7)] are also to be referred to the Group Risk Management with a view to restrict the critical activity;
- traders of soy, beef, palm oil and timber operating in "high-risk countries" and facing high or severe deforestation controversies are also to be referred to the Group Risk Management and the critical activity will likely be banned from marine cargo covers.

In line with the UNPSI-UNESCO classification, AXA also commits to protect World Heritage Sites by ensuring it does not support, through Property and Construction insurance underwriting, businesses in sensitive sectors that are developing activities incompatible with ecosystem preservation in these vital sites.

AXA reinforced its Energy policy (please refer to Sections "Investment" and "Insurance"), released in October 2021, by aligning its climate and biodiversity ambitions. Unconventional oil is a large driver of ecosystem degradation. Oil sands extraction can present heightened spill risk, excessive water use, polluted wastewater, and deforestation. Exposure to the Arctic Region can degrade critical ecosystems, and fracking requires extensive use of water, and chemicals, which can contaminate groundwater and affect the health of residents and ecosystems. In order to reduce the biodiversity impact of investments in and underwriting of energy activities, AXA will align its definition of the Arctic Region with the Arctic Monitoring & Assessment Programme (AMAP), based on the respect of critical ecosystems.

(1) https://www.unepfi.org/news/themes/ecosystems/tnfd-launch/

(2) https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/e1251692-7ᵉce-478ᵉ-b9c5-e41b3c4d03a8_AXA_Deforestation_and_World_Heritage_Sites_detailed_policies_20211020.pdf

(3) According to Sustainalytics Palm oil-related controversies levels 3-4-5 (Land use & biodiversity, human rights, community relations).

(4) According to Sustainalytics' controversies database. "Significant", "High" and "Severe" correspond to levels 3, 4 and 5. According to Sustainalytics Palm oil-related controversies levels 3-4-5 (Land use & biodiversity, human rights, community relations).

(5) According to the "CDP Forest" database.

(6) Determined with support from the WWF experts. LATAM: Brazil, Bolivia, Peru, Ecuador, Colombia, Venezuela, Guyana, Suriname, French Guiana, Paraguay, Argentina. Congo Basin: Cameroon, Central African Republic, Democratic Republic of Congo, Republic of the Congo, Equatorial Guinea, Gabon. South-East Asia: Cambodia, China (Yunnan and Guangxi), Lao PDR, Myanmar, Thailand, Vietnam, Papua New Guinea, Indonesia, Malaysia, Brunei, Australia.

(7) According to Sustainalytics' controversies database.

In addition, AXA committed to a new "Natural Capital" target of €1.5 billion dedicated to reforestation. This figure is broken down into two different approaches: €1 billion to support forestry management projects in developed markets and €500 million to support natured-based solutions through initiatives such as afforestation, restoration and avoided deforestation, largely in emerging markets, where the outcome of the initiative can often be measured through the production of carbon credits.

To better select projects for internal and external clients to offset CO_2 emissions, AXA Investment Managers acquired ClimateSeed, an innovative marketplace connecting businesses seeking carbon credits with project developers offering carbon offsetting projects. ClimateSeed's portfolio includes 36 projects in 24 countries totaling an aggregated capacity of over four million verified carbon credits.

An AXA XL program to protect Oceans

Another way of conserving biodiversity is to mitigate risk of loss through innovative insurance mechanisms. With a particular focus on aquatic and coastal ecosystems – also essential reservoirs of biodiversity – in 2021, AXA XL launched its Coastal Risk Index, an innovative tool that maps current and future flood hazard resulting from climate change and integrates for the first time the protective benefits of coastal ecosystems into insurance risk models. Alongside this announcement, AXA XL also put in place additional safeguards to support the detection of Illegal, Unreported, and Unregulated (IUU) fishing by requiring International Maritime Organization (IMO) numbers for all fishing vessels and refrigerated cargo vessels that it insures and adding further explicit checks on IUU fishing to its Marine Underwriting Rules and Guidelines. Through AXA Climate, AXA XL is already providing risk capacity for coral protection against tropical cyclones at four sites along the Mesoamerican reef in Mexico, Belize, Guatemala, and Honduras. Research is underway to expand this solution to mangroves and identify new sites to protect.

The AXA Research Fund reiterated its investment of €1 million for research into coastal livelihoods with the Intergovernmental Oceanographic Commission of UNESCO as part of the UN Decade for Ocean Science and Sustainable Development. The Fund is also partnering with the IPBES, to support the production of two reports over two years: The Nexus Assessment, which examines the links between biodiversity, climate and food, and the Transformative Change Assessment, which investigates the profound causes of biodiversity loss.

Climate, biodiversity and ESG-related "outreach" and engagement

In addition to the GFANZ, NZIA and NZAOA described previously, AXA supports various initiatives related to climate, biodiversity and ESG. These include the following:

- **TCFD:** AXA co-presided the global industry-led Task Force on Climate Related Financial Disclosures (TCFD) upon its launch in December 2015. The TCFD was set up by the Financial Stability Board (FSB) and chaired by Michael Bloomberg and Mark Carney (former Governor of the Bank of England, now UN Special Envoy for Climate Action). The TCFD provides guidance on how to disclose climate change risk and opportunities. In 2019, the FSB approved AXA's renewed membership of the TCFD, notably with an ambition to investigate the relevance of "investment temperature" metrics;
- **TNFD:** the Taskforce on Nature-related Financial Disclosures (TNFD) was officially launched in June 2021 [(1)]. AXA is one of 34 members, comprising both financial institutions and corporates, that will develop an industry standard for identifying and mitigating impacts, dependencies, and risks related to nature. A beta framework is set for release in March 2022, after which will take place a testing and improvement phase until mid-2023, in consultation with key knowledge partners. AXA is more specifically contributing to the landscape analysis of standards and metrics, to identify the best existing approaches. Participation in the TNFD offers AXA access to best practices on identifying and mitigating biodiversity-related risks;
- **NZAMI:** The Net Zero Asset Managers initiative brings together an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to +1.5°C; and to supporting investing aligned with net zero emissions by 2050 or sooner. It currently includes 128 signatories managing US$43 trillion of assets under management;
- **CEO Action Group for the European Green Deal:** this coalition, initiated by the World Economic Forum (Davos) in 2020, strives to help finance the EU "Green Deal" in the wake of the COVID-19 crisis. The Chief Executive Officer of AXA chairs this group;
- **Biodiversity-related pledges** supported by AXA include: Act4Nature, Act4Nature International, Business for Nature and Finance for Biodiversity;
- **Climate Finance Leadership Initiative:** the CFLI, which was launched in September 2018 by the UN Secretary General, and is presided by Michael Bloomberg, seeks to develop standardized and securitized investments at scale to tackle climate change;
- **Alliance of CEO Climate Leaders:** this is a group of 50 CEOs set up by the World Economic Forum (Davos) to actively engage in global efforts to create market opportunities for tackling climate change. Its goals are to promote strong climate action including a commitment to reduce carbon emissions, to support

(1) *https://www.unepfi.org/news/themes/ecosystems/tnfd-launch/*

the TCFD, to support low-carbon solutions and finance, and to promote adequate regulation. AXA joined in 2018;

- **IDF:** The Insurance Development Forum (IDF), chaired by AXA's Chairman since 2018, is an insurance industry-led public-private partnership dedicated to closing the insurance protection gap in countries vulnerable to the impacts of Climate Change. It is supported by the United Nations and the World Bank, gathering members from the public sector, multilateral organizations, NGOs and civil society.

  In 2021, the IDF undertook many new initiatives, with the cooperation of AXA and many other industry teams and organizations. Notably for the Tripartite Agreement signed in 2019 with the German Federal Ministry for Economic Cooperation and Development (BMZ) and the United Nations Development Program (UNDP), for which an IDF project team is designing an insurance program for up to 50,000 public schools in Peru. Another project being funded by the Tripartite Agreement is in Mexico, designing a program that will enable insurance protection for the most vulnerable small holder farmers. Other similar projects are being developed for the Colombian city of Medellin, Ghana and Nigeria. These programs will help to protect millions of vulnerable people from natural disasters and the effects of climate change.

  At COP26, the IDF launched a partnership with the V20 Group of Ministers of Finance from the Climate Vulnerable Forum, representing the world's 55 most climate vulnerable countries. This paves the way for the establishment of the IDF's Global Risk Modelling Alliance, a public-private technical assistance program, which will provide more and better access to the risk data and analytics that is crucial to building resilience in these countries. BMZ has committed €11 million to finance this critical work. Also in November 2021, in Glasgow, the Global Resilience Index Initiative (GRII) was launched: it is a multi-partner IDF initiative for reference data on climate and natural hazard risks to inform and mobilise investment, needed to meet the Paris goals on climate resilience, across all sectors and geographies;

The Group has also signed a three-year partnership with the **WWF France.** Please refer to the "Biodiversity" paragraph above.

AXA supports many Investor and Insurance-led coalitions over the years in the fields of ESG, RI and CR: UN PRI, UN PSI (notably supporting its "Pilot project" to adapt the TCFD guidelines to the insurance business), UN Global Compact, CDP, ORSE, EpE, Finance for Tomorrow.

EU Taxonomy Regulation

Regulation (EU) 2020/852 dated June 18, 2020 on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy Regulation" [1]) and the Commission Delegated Regulations supplementing the EU Taxonomy Regulation [2] set out new reporting requirements for companies which are already within the scope of the EU Non-Financial Reporting Directive (the "NFRD") [3].

Article 8.1 of the EU Taxonomy Regulation requires such companies to disclose in their non-financial statements *(déclaration de performance extra-financière)* information on how and to what extent their activities are associated with Taxonomy-aligned economic activities.

The EU Taxonomy introduces the concepts of eligibility and alignment:

- An economic activity is said to be eligible if it is identified in the delegated acts as having a high potential to contribute to at least one of the environmental objectives, irrespective of whether the activity meets the technical criteria set out in those delegated acts;
- The second of these concepts is alignment, which confirms the significant contribution of this eligible economic activity to at least one of the environmental objectives on the basis of technical criteria specified through a delegated regulation.

Article 8.1 of the EU Taxonomy Regulation applies from January 1, 2022, with respect to the environmental objectives set forth in Articles 9 (a) and (b) of the Taxonomy Regulation (*i.e.*, (i) climate change mitigation and (ii) climate change adaptation).

The reporting obligations under the other four environmental objectives set out in Articles 9(c) to (f) (*i.e.* sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) will come into force on January 1, 2023.

(1) Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

(2) (i) Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives ("Commission Delegated Regulation (EU) 2021/2139"), and (ii) Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation ("Commission Delegated Regulation (EU) 2021/2178").

(3) Directive (EU) 2014/95 of the European Parliament and of the Council of October 22, 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

However, Article 10 of Commission Delegated Regulation (EU) 2021/2178 introduced a 2-year transitional period (beginning on January 1, 2022, and ending on December 1, 2023) applicable to financial undertakings and during which financial undertakings must disclose, among other information, (i) the proportion of exposures to Taxonomy-eligible activities in the undertaking's total relevant investments, (ii) the proportion of exposures to Taxonomy non-eligible economic activities [(1)] in the undertaking's total relevant investments.

The following provides information with respect to the extent that AXA's Non-Life insurance activities and investments may qualify as contributing substantially to the objectives of climate change mitigation and/or climate-change adaptation, as defined in Articles 10 and 11 of the EU Taxonomy respectively.

In addition to the mandatory quantitative disclosures that need to be disclosed by insurance undertakings for the period starting from January 1, 2022, until December 31, 2023, further information has been provided on a voluntary basis to enhance the general understanding of these new disclosures. They mainly consist of values in monetary amounts, breakdowns of the amounts used to calculate the indicators and estimated eligibility based on third party data.

PROPORTION OF TAXONOMY-ELIGIBLE/TAXONOMY NON-ELIGIBLE NON-LIFE INSURANCE ECONOMIC ACTIVITIES ("UNDERWRITING RATIO")

(in Euro million)	Net premiums written	% to Total non-life premiums
Activities eligible to EU Taxonomy	19,234	38.6%
Activities not eligible to EU Taxonomy	30,612	61.4%
TOTAL NON-LIFE INSURANCE ACTIVITIES	**49,846**	**100%**

Pursuant to Commission Delegated Regulation (EU) 2021/2139, only the provision of Non-Life insurance and reinsurance services related to the underwriting of climate-related perils are considered as contributing to climate-change adaptation [(2)].

As a result, only Non-Life insurance lines of business [(3)] that include policy terms related to the underwriting of climate-related perils are considered as eligible in accordance with the EU Taxonomy[(4)]. In this regard, AXA has identified three Taxonomy-eligible lines of Non-Life insurance business: (i) Motor insurance (other than third party liability insurance), (ii) Marine, Aviation and Transport insurance and (iii) Fire and Other Property Damage insurance.

In these lines of business, insurance products generally include coverage of risks related to climate-related perils. While certain products may not cover such perils, it has been assumed for the first year of reporting that the total amount of net premiums written by these three lines of business would be recognized as eligible to the Taxonomy. The reported amounts are net of reinsurance.

Products in other Non-Life lines of business may consist in underwriting of climate-related perils, but, as such coverage may not be systematic and further assessment is needed, no further eligibility to the Taxonomy was recognized at this stage on other Non-Life insurance activities.

Finally, it is important to note that the eligibility to EU Taxonomy does not indicate whether, or to what extent, the Non-Life insurance activities contribute substantially to climate-change mitigation or adaptation.

PROPORTION OF INVESTMENTS EXPOSED TO TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES ("INVESTMENT RATIO")

The following Investment Ratio represents the weighted average value of (a) invested assets directed at funding, or associated with, Taxonomy-eligible economic activities relative to (b) the value of total invested assets included for the purpose of the calculation of the Investment Ratio (the "Covered Assets").

The Covered Assets are the total on-balance sheet invested assets minus those assets that are excluded from the calculation of the Investment Ratio. This means that the Covered Assets are all invested assets in the balance-sheet, excluding exposures to central banks, supranational issuers and central governments, as set out in Article 7.1 of the Commission Delegated Regulation (EU) 2021/2139.

(1) The term "Taxonomy-non-eligible economic activities" is defined in Article 1 (6) of Commission Delegated Regulation (EU) 2021/2178.

(2) A non-exhaustive list of climate-related perils is available in Appendix A, Annex 2 of Commission Delegated Regulation (EU) 2021/2139.

(3) The term "lines of business" is defined in Annex I, Section A, of Commission Delegated Regulation (EU) 2015/35 of October 10, 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive).

(4) Section 10.1 of the Annex 2 to the Commission Delegated Regulation (EU) 2021/2139 restricts Taxonomy-eligible economic activities to the following Non-Life insurance services: (a) Medical Expense insurance; (b) Income Protection insurance; (c) Workers' Compensation insurance; (d) Motor Vehicle Liability insurance; (e) other Motor insurance; (f) Marine, Aviation and Transport insurance; (g) Fire and Other Damage to Property insurance; (h) assistance.

(in Euro million)	Value	% to total investments
Covered Assets	420,345	65%
Exposures to central governments, central banks and supranational issuers	225,669	35%

The Covered Assets include exposure to investments in properties, equity securities, debt instruments (excluding sovereign exposures), non-consolidated investments funds, derivatives, loans, cash and cash equivalents. Asset backed contracts where the financial risks are borne by policyholders are also included in the denominator of the Taxonomy eligible disclosures.

(in Euro million)	Value	% to Covered Assets
Derivatives	(2,698)	-1%
Exposures to undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU	116,677	28%
Exposures to undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	55,964	13%
Investments in real estate properties	33,921	8%
Mortgage loans	29,582	7%
Other loans	6,715	2%
Other exposures held direct that could not be assessed for eligibility to EU Taxonomy	26,147	6%
Other exposures through investment funds that could not be assessed for eligibility to EU Taxonomy	126,149	30%
Cash and cash equivalents	27,889	7%
TOTAL ASSETS COVERED BY THE INVESTMENT RATIO ("COVERED ASSETS")	**420,345**	**100%**

In accordance with the list of economic activities eligible to EU Taxonomy, investments in real estate properties and mortgage loans have been fully recognized as Taxonomy-eligible based on actual information. In the absence of actual data on debt and equity instruments, the portion of exposures to activities not eligible for the investment taxonomy is deemed to be nil.

(in Euro million)	Value
Taxonomy-eligible exposure based on actual information (*i.e.* investment properties and mortgage loans)	63,503
Covered Assets	420,345
INVESTMENT RATIO *(IN % TO COVERED ASSETS)*	**15%**

An additional amount of investments directed at funding, or being associated with, Taxonomy-eligible activities could be determined based on an assessment performed by an external ESG data provider and is disclosed voluntarily in the table below. In this case, eligibility has been measured based on the turnover of the counterparties.

The external ESG data provider assessment is predominantly based on information available in companies' public disclosures and uses the most recently available data of their respective exposure(s), corresponding generally to revenues for the financial year ended on December 31, 2020. It should be noted that such estimates do not cover the entire exposure to undertakings that are subject to Taxonomy reporting and they may differ significantly from the actual information, once provided by the counterparties. The Investment Ratio will thus adjust over time as actual information become available.

In the absence of information on the actual use of proceeds for sustainable activities, green bonds issued by undertakings subject to Taxonomy reporting have been fully recognized as eligible to EU Taxonomy and are included below in the amount of Taxonomy-eligible exposures to undertakings subject to Articles 19a and 29a of Directive 2013/34/EU based on third party assessment. No eligibility was recorded for greens bonds issued by other counterparties.

(in Euro million)	Value
Taxonomy-eligible exposures based on actual information (*i.e.* investment properties and mortgage loans)	63,503
Taxonomy-eligible exposures to undertakings subject to Articles 19a and 29a of Directive 2013/34/EU based on third party assessment	12,682
Covered Assets	420,345
INVESTMENT RATIO INCLUDING ESTIMATED ELIGIBILITY (IN % TO COVERED ASSETS)	**18%**

The value of total invested assets that are covered by the Investment Ratio, but could not have their eligibility determined (*i.e.,* notably most of the exposures held through investment funds) have been recognized as not eligible for purposes of the EU Taxonomy.

Finally, it is important to note that the eligibility to EU Taxonomy does not indicate whether, or to what extent, the investments are associated with activities that contribute substantially to climate-change mitigation or adaptation.

Own operations' impact on climate change

AXA, as a responsible company, is committed to address climate change through its core operations. The impact of AXA's internal operations on climate change is identified as one of the main ESG risks in 2021 as explained in Section 4.1 "AXA Sustainability strategy – Sustainability risk assessment" of this Annual Report. AXA's own operations may have a negative impact on climate through its GHG emissions from heating and cooling, IT equipment and data centers, car fleet and business travel. To reduce its impact and make sure it actively reduces its CO_2 emissions, AXA has been setting up an environmental management system for the entire Group. The environmental reporting, done every year, enables to track the progress made against a set of targets that are regularly updated to reflect the Group's ambition. Entities are coordinated and led with assigned targets but also regular training, best-practice sharing calls and guidelines. The results of this policy are displayed in detail in the following section with the CO_2 emissions from energy, car fleet, business travel and IT (Scope 3).

PERFORMANCE TARGETS 2019-2025

AXA continues to work on the deployment of its action plan to achieve its objectives by 2025. With this new cycle, AXA aims at reducing the footprint of its operations on all the "Scopes" of its greenhouse gas emissions [(1)]:

- Scope 1: emissions related to fuel combustion on AXA's sites (gas, heating oil…) as well by vehicle fleet;
- Scope 2: emissions from purchased energy (mainly electricity consumed in AXA buildings);
- Scope 3: emissions from business travel and IT activities.

These objectives are based on the approach promoted by the Science Based Targets initiative (SBTi), which AXA joined in 2015. More specifically, AXA has chosen the "Sectoral Approach to Decarbonization" to define its 2019-2025 objectives, aimed at achieving the goals of the Paris agreements. AXA has submitted to the SBTi a target of -31% for Scope 1 and 2 perimeters. These targets have been set for each entity of AXA to help them steer their emissions at the local level. Moreover, internal operations-related carbon footprint reduction is now a criterion in the Long-Term Incentive (LTI), for profit-sharing attribution and entities' CEO target letters – please refer to Section 3.2 "Executive compensation and share ownership" and Section 4.2 "Employer Responsibility" of this Annual Report.

(1) As defined by the "Greenhouse Gas Protocol": www.ghgprotocol.org.

This objective is part of a broader framework that integrates the new measures related to AXA's IT activities and which translates into an overall reduction of the Group's CO_2 emissions of -20% by 2025 compared to 2019 (Scope 1, Scope 2 and Scope 3 business travel and IT equipment manufacturing and services). In the final objective to become carbon neutral by 2025, AXA's CO_2 reduction target is part of the "*AXA for Progress Index*" as explained in the Section 4.1 "AXA Sustainability strategy – 2021 marks a new stage in AXA's sustainable development strategy" of this Annual Report.

	Unit	Target 2025/2019
Reduce AXA's *CO_2* emissions (Energy, car fleet and business travel and IT activities) [(a)]	t. eq. CO_2	-20%
Reduce CO2 emissions for internal operations – submitted to SBTi [(c)]	t. eq. CO_2	-25%
CO_2 emissions due to energy consumption	*t. eq. CO_2*	*-35%*
CO_2 emissions due to car fleet	*t. eq. CO_2*	*-20%*
CO_2 emissions due to business travel	*t. eq. CO_2*	*-18%*
Reduce energy consumption	KWh	-10%
RE100 commitment to renewable electricity (AXA-buildings and data centers) [(b)]	%	100%
Reduce unsorted waste per FTE	kg/FTE	-10%
Reduce water consumption per FTE	m^3/FTE	-10%
Reduce office and marketing paper consumption per FTE	kg/FTE	-20%

(a) As CO_2 emissions linked to paper consumption become less material for AXA, they are excluded from CO_2 targets.
(b) In line with AXA's "RE100" commitment for Electricity. RE100 is a coalition of companies that commit to purchasing 100% of their electricity from renewable sources.
(c) It translates into -25% Scope 1 (direct energy and fuel); -35% Scope 2 (electricity and other indirect energies); -18% Scope 3 (business travel).

Please note that AXA has not set targets for Scope 3 employee commuting to and from work given that AXA does not control commuting constraints (employee's personal choice, location, infrastructure…).

2021 ENVIRONMENTAL PERFORMANCE

CO_2 emissions

CO_2 emissions related to energy consumption, car fleet and business travel decreased by 30% between 2020 and 2021 and amount to 59,225 tons equivalent CO_2 (t eq CO_2) *versus* a 2021 target of 173,981 t eq CO_2.

In 2021, 65% of the Group's CO_2 emissions were related to energy consumption, 7% to business travel (air and rail), and 29% to AXA's vehicle fleet.

SCOPE 1 CO_2 EMISSIONS

AXA's Scope 1 emissions include the CO_2 emissions generated by gas and heating oil burned on site, as well as the fuel used by the Group's automobile fleets. The calculation of CO_2 emissions related to primary energy consumption for buildings is done using ADEME emission factors or those communicated by the supplier for renewable energies such as biogas. For car fleet emissions, an emission factor per kilometer is applied based on the vehicle's emission range. To consider regulatory changes and new WLTP standards [(1)] ("Worldwide harmonized Light vehicles Test Procedure"), vehicles acquired or leased from 2020 onwards are classified according to the WLTP standard.

Scope 1 CO_2 emissions amounted to 23,362 t eq CO_2 in 2021, a decrease by 11% compared to 2020. AXA's 2021 target was 34,458 t eq CO_2 (target is -25% between 2019 and 2025). This result was mainly due to a decrease in heating due to the COVID-19 crisis, but also to the replacement of natural gas with biogas for AXA France. The use of the vehicle fleet was also down in 2021 compared to 2020 with a 5% decrease in CO_2 emissions.

SCOPE 2 CO_2 EMISSIONS

CO_2eq emissions related to electricity consumption are calculated based on consumption in kilowatt-hour (kWh). If the primary source of electricity is known, ADEME emission factors are used. Otherwise, we either use the emission factor provided by the electricity suppliers (market-based) or the average emission factor for electricity in the country also called location-based (sourcing ADEME or the European Environment Agency for European countries).

For other secondary energies (heating and cooling networks) we use the emission factors provided by ADEME or directly by the supplier if it is produced from a primary renewable source.

(1) The WLTP (World harmonized Light-duty vehicles Test Procedure) is a global harmonized standard for determining the levels of pollutants, CO_2 emissions and fuel consumption of traditional and hybrid cars, as well as the range of fully electric vehicles.

Scope 2 emissions amount to 31,997 t eq CO_2 in 2021, a decrease of 22% compared to 2020. AXA's 2021 target was 54,459 t eq CO_2 (target is -35% between 2019 and 2025). This decrease was mainly due to lower consumption resulting from the reduced use of buildings due to the COVID-19 situation that continued into 2021 and the switch to green power at some sites.

SCOPE 3 CO_2 EMISSIONS

AXA's Scope 3 emissions include CO_2 emissions related to business travel, consumption of digital equipment (computers, fixed and cell phones, storage tools, cloud storage servers) and employee commuting. However, the target set by AXA on Scope 3 for the period 2019-2025 includes only business travel.

AXA's Scope 3 business travel emissions were 3,866 t eq CO_2 in 2021, a decrease of 78% compared to 2020. The target for AXA was 84,870 t eq CO_2 for 2021, excluding COVID-19 effect (target is -18% between 2019 and 2025). The COVID-19 crisis was the main driver of this significant decline in 2021. New remote working habits were adopted, and travels banned due to the sanitary situation. The emission factors are those of ADEME and of the UK Department for Environment, Food and Rural Affairs (DEFRA).

AXA also measures the carbon emissions related to its employee commuting, even though such indirect emissions may be outside of the scope of the Group's responsibilities. In 2021, results are based on responses collected from 30 entities and extrapolated to the whole Group. It is estimated that AXA employees commuted a total of 775.5 million of kilometers, out of which 47% travelled by public transport, 5% by company cars, and 36% by personal vehicles and the rest by foot or bicycle. Scope 3 employee commuting emissions are estimated at 78,846 t eq CO_2 in 2021, a decrease of 36% *versus* 2019. Employee commuting-related CO_2 emissions per FTE decreased by 32% compared to 2019 (representing 0.69 tons eq. CO_2 per FTE in 2021). This decrease in emissions was linked to a decrease of commuting due to hybrid work mode scheme put in place in most AXA entities – refer to Section 4.2 "Employer Responsibility".

IT Scope 3 emissions (equipment manufacturing and services) amount to 25,720 t eq CO_2 in 2021. Scope 3 related to AXA's IT impacts is part of a broader program aiming at steering the impact of AXA's digital activities (refer to paragraph "Environmental impact related to the use of digital equipment").

Total AXA's Scope 3 emissions (business travel, commuting and digital equipment and services) amounted to 108,432 t eq CO_2 in 2021.

Environmental indicators AXA Group [(a)]	Unit	2021	2020	2019	Evolution 2020/2021	Target 2019/2025	Evolution 2021/2025
Number of group FTEs from HR [(a)]	FTE	114,749	117,623	121,337	-2%		
Internal area: occupied and vacant	m^2	1,441,136	1,538,964	1,629,198	-6%		
Revenue	€ million	99,931	96,723	103,532			
CO_2 EMISSIONS							
KPI: Total CO_2 energy, car fleet and business travel	**T. eq. CO_2**	**59,225**	**84,647**	**191,238**	**-30%**	**-25%**	**-69%**
Total CO_2 per person (energy, car fleet and business travel)	T. eq. CO_2/FTE	0.52	0.72	1.58	-28%	n/a	-67%
Total CO_2 emissions per revenue	t. eq. CO_2/€ million	0.59	0.88	1.85	-33%	n/a	-68%
Scope 1 CO_2 emissions (energy [(b)] and car fleet [(d)])	t. CO_2eq	23,362	26,292	37,889	-11%	-25%	-38%
Scope 2 CO_2 emissions (energy [(c)])	t. CO_2eq	31,997	40,894	62,765	-22%	-35%	-49%
Scope 2 CO_2 emissions (energy-location based calculation [(g)])	t. CO_2eq	53,492	63,914	88,558	-16%	n/a	-40%
Scope 3 CO_2 emissions (business Travel [(e)])	t. CO_2eq	3,866	17,460	90,584	-78%	-18%	-96%
CO_2 emissions: power consumption [(b) (c)]	t. CO_2eq	38,437	49,415	73,431	-22%	-35%	-48%
CO_2 emissions: AXA vehicle fleet [(d)]	t. CO_2eq	16,922	17,771	27,223	-5%	-20%	-38%
CO_2 emissions: business travel airplane and train [(e)]	t. CO_2eq	3,866	17,460	90,584	-78%	-18%	-96%
CO_2 emissions: home/workplace commute [(f)]	t. CO_2eq	78,846	60,316	123,094	31%	n/a	-36%
CO_2 emissions: home/workplace commute per person [(f)]	t. CO_2eq/ETP	0.69	0.50	1.01	38%	n/a	-32%

Data collected from 90 entities. Key Performance Indicators (KPIs) highlighted in bold. AXA sites with fewer than 50 FTEs are not included in data collection but are part of extrapolation process.

(a) In 2021, environmental indicators were collected for 94,885 FTEs working on AXA sites (unless otherwise indicated in these footnotes), and were then extrapolated, continent by continent, to cover all 114,749 salaried FTEs (all types of contracts), working at the AXA Group in average in 2021.

(b) natural gas, biogas, heating oil.

(c) Includes electricity, steam and chilled water.

(d) The AXA vehicle fleet data was collected from entities representing 94,885 FTEs.

(e) Business travel data have been collected from entities representing 104,150 FTEs.

(f) Does not include company cars, to avoid double counting with the AXA vehicle fleet data.

(g) Location based: using average electricity emission factor in the country.

Analysis per consumption items

2021 was marked by an increase in hybrid working schemes within all AXA entities, resulting from a combination of smart working implementation and COVID-19 measures. This shift had an impact on all our consumption indicators.

ENERGY CONSUMPTION

AXA's energy consumption includes the total energy consumed by its corporate sites (heating, cooling, daily operations electricity) and data centers during the reporting year. In 2021, total energy mix consisted of electricity (72%), gas (10%), carbon neutral/renewable steam (8%), steam (4%), chilled water (3%), biogas (2%) and heating oil (1%).

AXA's total energy consumption is 233,927 MWh for 2021, a decrease of 10% compared to 2020. This consumption was lower than the 2021 target of 294,957 MWh for this year (AXA target is -10% between 2019 and 2025).

In 2021, the COVID-19 crisis continued to reduce buildings' usage with a lower occupancy rate, even though they have been maintained to heat and cool for minimum accessibility. However, 2021 achievements also resulted from continued efforts to save energy at our sites. In 2021, 74 AXA sites out of the 222 office sites (33% *versus* 31% in 2020) included in the environmental reporting received an environmental certificate under building certification programs such as BREEAM (Building Research Establishment Environmental Assessment Methodology), LEED (Leadership in Energy and Environmental Design), HQE (High Quality Environmental Standard), etc.

Alongside building certification, entities are also implementing energy saving actions in their buildings to reduce their GHG emissions. On the one hand, most entities are better managing their heating/cooling system by implementing a centralized air conditioning system, lowering the heating/cooling when needed and including threshold for minimum and maximum temperature. On the other hand, they are also investing in more energy efficient equipment such as low energy lighting with LED and double gazing to reduce heat loss as well as light motion sensors to save electricity and to only use lights when needed.

In 2021, 64% of the electricity consumed by AXA was coming from renewable energy sources (hydro, wind, solar, geothermal, biomass) which show an increase of 12% compared to 2020 (57%). AXA's "RE100" objective is to reach 100% by 2025 and 7 entities have already achieved 100% renewable electricity in 2021.

BUSINESS TRAVEL

Business travel measured in kilometers decreased by 68% between 2020 and 2021, from 88.3 million km in 2020 to 28.1 million km in 2021, mainly impacted by the COVID-19 context (as explained in "Scope 3 Business travel" above). Some entities such as AXA XL and AXA Climate have initiated a carbon pricing on business travels.

Some entities such as AXA Germany offset all their air and train business travel emissions. On the one hand, for their business travel by train, AXA Germany has a compensation partnership with Deutsche Bahn for long-distance travel since 2013 and short-distance travel as well since 2019. On the other hand, for their business travel by plane, AXA Germany initiated in 2021 a partnership with Lufthansa to compensate all flight emissions since 2020. AXA Germany is the first corporate partner who joined their corporate program *"Compensaid* [(1)]*"*. Compensaid is one of the first providers to offer sustainable CO_2 neutralization for all flights by using "Sustainable Aviation Fuel" (SAF, synthetic kerosene) and reforestation.

VEHICLE FLEET

AXA's fleet is made up of commercial and corporate vehicles. The standards for calculating vehicle emissions are evolving with the deployment of the WLTP standards. Vehicles acquired or leased from 2020 onwards are classified according to these new standards.

In 2021, the total distance traveled by the Group's vehicle fleet was 142 million of km, down 3% from 2020.

AXA entities are striving to reduce the impact of the car fleet. Some entities are increasing the efficiency of their vehicle fleet by offering a wide range of low-emission/electric vehicles.

As a result, in 2021, 25.2% of the kilometers traveled by AXA's vehicle fleet were covered by hybrid and electric cars, compared to 23.6% in 2020, an increase of nearly 7%.

PAPER

AXA's paper usage concerns office paper (measured per employee) and marketing and distribution paper (brochures, etc., measured per client). AXA's total paper consumption was 61.8 kg/FTE in 2021 *versus* 47.7 kg/FTE in 2020, *i.e.,* an increase of 30%. 2021 target was 57.6 kg/FTE (AXA target is -20% between 2019 and 2025 target). This result comes from:

- AXA's office paper consumption per FTE was 4.8 kg/FTE in 2021 *versus* 9.2 kg/FTE in 2020, a decrease of 48%. Many entities have implemented a printing policy that includes reducing the number of printers and installing a badge system to collect all printed documents;
- AXA's consumption of marketing and distribution paper per client is 0.07 kg/client in 2021 *versus* 0.04 kg/client in 2020, an increase by 64%. This increase is mainly related to higher sales activity across the Group and to an improvement in the consumption measurement of marketing and distribution paper in Japan.

AXA also strives to increase the volume of paper from recycled sources or sustainably managed forests. In 2021, 64% of office paper was procured from recycled sources compared to 48% in 2020. At the same time, 65% of marketing and distribution paper was received from recycled sources in 2021 compared to 80% in 2020. This decrease is explained by a lower traceability of origin.

WATER CONSUMPTION

AXA's water consumption was 3.23 m^3/FTE a decrease of 33% compared to 2020. The target for 2021 was 6.8 m^3/FTE (target is -10% between 2019 and 2025). This reduction in water consumption reflects better water management initiatives (double flush toilets, automatic shut-off of taps, aerators on water taps, leak detection, etc.) by the entities and the buildings' lower occupancy rate in the context of a continuing COVID-19 crisis.

WASTE MANAGEMENT

AXA contributes to waste reduction and sorting for recycling.

The quantity of unsorted waste was 18.8 kg/FTE in 2021 decreasing by 18% compared to 2020, mainly due to COVID-19, waste reduction initiatives, and the development of selective sorting in the entities. The target for 2021 was 37 kg/FTE (reduction target is -10% between 2019 and 2025).

The total amount of waste generated by AXA was 4,289 tons in 2021 *versus* 5,430 tons in 2020, a decrease of 21% and a constant recycling rate (sorted waste/total waste) of 50% as in 2020.

In order to better tackle their waste management, AXA sites are installing sorting garbage cans on each floor and having recycling awareness campaigns for employees throughout the year in order to foster engagement from their employees.

(1) https://www.axa.de/presse/co2-neutrale-geschaeftsfluege

Carbon neutrality and offsetting

As of 2021, AXA's operations became carbon neutral by offsetting full year 2020 CO_2 emissions (105,900 t.eq.CO_2). AXA selected a wetland forest restoration project: the Sumatra Merang Peatland project in Indonesia. Contributing to the restoration of 23,000 ha of peatland rainforest in the Merang biodiversity zone, the project generates "Verified Carbon Credits" in recognition of its contribution to climate change mitigation and ecosystem services. AXA's involvement and support for the Sumatra Merang project started in 2017, with contribution to the funding of the restoration and conservation of this critical ecosystem as part of the Impact Investing initiative managed by AXA IM Alts.

AXA Group environmental indicators [(a)]	Unit	2021	2020	2019	Evolution 2021/2020	Target 2025/2019	Evolution 2021/2019
Number of group FTEs from HR	FTE	114,749	117,623	121,337	-2%	n/a	n/a
Internal area: occupied and vacant	m^2	1,441,136	1,538,964	1,629,198	-6%	n/a	n/a
Energy							
KPI: total energy consumption [(b)]	**MWh**	**233,927**	**260,992**	**305,500**	**-10%**	**-10%**	**-23%**
Electricity consumption	MWh	168,312	193,113	203,335	-13%	n/a	-17%
Share of renewable electricity	**%**	**64%**	**57%**	**59%**	**+7 pts**	**100%**	**+5 pts**
Transportation							
Business travel: train and airplane	Thousands of km	28,086	88,276	393,322	-68%	n/a	-93%
AXA's car fleet	Thousands of km	141,881	146,765	220,173	-3%	n/a	-36%
Home/workplace commute (round trip) [(c)]	Thousands of km	775,498	683,788	976,840	13%	n/a	-21%
Water [(d)]							
KPI: water consumption per person	**m^3/FTE**	**3,23**	**4,81**	**7,01**	**-33%**	**-10%**	**-54%**
Water	m^3	370,300	566,155	850,506	-35%	n/a	-56%
Paper [(e)]							
KPI: office, marketing and distribution paper per person	**kg/FTE**	**61,8**	**47,7**	**62,1**	**30%**	**-20%**	**-1%**
Office paper consumption	T	552	1,082	1,384	-49%	n/a	-60%
Office paper per FTE	kg/FTE	4,8	9,2	11,4	-48%	n/a	-58%
Recycled paper and/or guaranteeing sustainable management: office	%	64%	48%	58%	34%	n/a	10%
Marketing and distribution paper consumption	T	6,538	4,528	6,153	44%	n/a	6%
Paper marketing and distribution per customer [(f)]	kg/Client	0.07	0,04	0,06	64%	n/a	17%
Recycled and/or sustainably managed paper: marketing and distribution	%	65%	80%	72%	-19%	n/a	-10%
Total recycled and/or sustainably managed paper	%	65%	74%	n/a	-12%	n/a	n/a
Waste							
KPI: unsorted waste per person	**kg/FTE**	**18,8**	**23,1**	**38,3**	**-18%**	**-10%**	**-51%**
Total waste	T	4,289	5,430	n/a	-21%	n/a	n/a
Unsorted waste [(g)]	T	2,159	2,712	4,646	-20%	n/a	-54%
Share of waste recycled (total sorted/total waste)	%	50%	50%	n/a	-1%	n/a	n/a

(a) Data collected from 90 entities. Key Performance Indicators (KPIs) highlighted in bold. AXA sites with fewer than 50 FTEs are not included in data collection, but are part of extrapolation process.
(b) Includes electricity, natural gas, heating oil, steam, chilled water.
(c) Without company car to avoid double counting with AXA vehicles fleet.
(d) This data has been collected from entities representing 94,885 FTEs. Some sites in Asia and America are nont equipped with water meters, which prevents accurate measurement and excludes the from the reporting scope before extrapolation.
(e) Paper data collected from entities representing 94,885 FTEs.
(f) The Group had 94.86 millions customers in 2021.
(g) Unsorted waste data collected from entities 94,885 FTEs.

4

2021 ENVIRONMENTAL IMPACT RELATED TO THE USE OF DIGITAL EQUIPMENT

The transformation of our way of working and of our internal processes through digitalization has been accelerated by the COVID-19 pandemic and the deployment of the smart working environment throughout the Group. However, digitalization has a growing environmental impact, from using energy to first build the tools, including the usage of raw materials, and to then exchange and store the data. Therefore AXA, with its dedicated entity AXA Group Operations, launched in 2020 a Digital Sustainability program and published a first measure of its Digital equipment's and services CO_2 footprint. In 2021, the program has been pushed further to:

- integrate more purchased services like Google Cloud Platforms, Orange, and Microsoft O365, in addition to Amazon, Microsoft Azure and Salesforce, and update 2019/2020 data accordingly;
- drive the transformation in the major entities with the nomination of a "Digital Sustainability Leader", the execution of a Digital Sustainability maturity assessment to identify best practices and areas of improvement relying on entity level footprint;
- secure the contribution to the -20% reduction of AXA's CO_2 emissions (Energy, car fleet and business travel, and IT equipment and services).

The digital sustainability action plans focus on:

- improving the Group processes such as adapting architecture patterns (application development data management practices), monitoring AXA's activities (data volumes, network traffic, electricity consumption…), securing timely cloud migration and decommissioning and assessing potential CO_2 impact of new projects;
- embarking IT suppliers (transparency, from volume-based to service-based, Total Environmental Cost of Ownership (TECO) through a Digital Sustainability Manifesto and metrics;
- expanding equipment lifetime and minimizing the number of devices per employee;
- developing climate change awareness among employees leveraging AXA Climate Academy (refer to Section 4.2 "Employer Responsibility" of this Annual Report);
- developing outreach and partnerships: Cigref, French government "*Mission Numérique des grands groupes/chantier numérique et environment*", Boavizta, The Shift Project, The Open Group®.

AXA's digital footprint was 31,226 t eq CO_2 in 2021 market-based with a slight 2% decrease compared to 2020 and stable compared to 2019, while the measure was more precise in 2021 with more accurate desktop inventory and more complete with a wider scope of purchased services. This footprint divides into four main categories:

- 31,910 MWh corresponding to 1, 882 t eq CO_2 market-based [1] related to the electricity consumption of the servers directly used and operated by AXA Group Operations in its data centers. This category is a subset of Scope 2 electricity of AXA (please refer to paragraph "Scope 2 CO_2 emissions" above for calculation methods). A 3% decrease was observed on electricity consumption 2020/2021 due to the transfer of services from AXA data centers to the cloud. Electricity purchasing has also shifted to less CO_2 intensive sources like hydraulic, driving a 24% decrease in the market-based footprint;
- 9,939 MWh corresponding to 3,624 t eq CO_2 location-based [1] linked to the electricity consumption of the terminals used by employees and service providers involved in AXA operations (computers, monitors, cell phones, tablets). The calculation method is based on internal inventories and manufacturers' data. The measurement includes a subset of Scope 2 (for consumption in AXA buildings) as well as a Scope 3 part in the case of remote work. The proportion of consumption inside and outside AXA's premises has not yet been determined. A 3% decrease is observed on electricity consumption 2020/2021 due to a significant replacement of desktop workstations by laptops that are less energy intensive;
- 16,931 t eq CO_2 related to the manufacturing of digital equipment that have been purchased by AXA. The calculation method is based on inventories, manufacturers, and public data as well as equipment average lifespan (Scope 3 emissions). A 4% increase was observed mainly due to more accurate inventory on desktops;
- 8,789 t eq CO_2 in connection with AXA's purchases of services like cloud computing (Scope 3 emissions). Volumes of purchased digital services were globally increasing and tracking their environmental impact remains a challenge and requires different methodology to cover the scope monitored here. Maturity of our providers on this topic is still low and should evolve quickly toward a tracking of both electricity consumption, CO_2 location based, and market based, including emissions due to manufacturing of equipment's' and digital waste to allow accurate tracking of environmental impact and avoid any misinterpretation. In the current measure, we observed a 6% increase of CO_2 market based due to consumption increase between 2019 and 2021 and a 4% decrease between 2020 and 2021 that will have to be confirmed.

(1) *With the Scope 2 methodology defined by Green House Gaz Protocol https://ghgprotocol.org/*

AXA Information System Environmental footprint indicators[a]	Unit	2021	2020	2019	2020/2021	2019/2021
Electricity consumption: data centers [b]	**MWh**	**31,910**	**32,874**	**32,146**	**-3%**	**-1%**
Scope 2 emissions: electricity of data centers [c]	*Market-based –* T. eq. CO_2	1,882	2,492	2,488	-24%	-24%
Electricity consumption: terminals [d]	**MWh**	**9,939**	**10,456**	**10,646**	**-5%**	**-7%**
Scope 2 and 3 emissions: electricity of terminals [d]	*Location-based –* T. eq. CO_2	3,624	4,099	3,350	-12%	8%
Scope 3 emissions: purchased IT equipment's manufacturing [e]	T. eq. CO_2	16,931	16,234	16,972	4%	0%
Scope 3 emissions: purchased Services market based [f]	*Market-based –* T. eq. CO2	8,789	9,136	8,326	-4%	6%
TOTAL MARKET-BASED [f]	**MARKET-BASED – T. EQ. CO_2**	**31,226**	**31,962**	**31,136**	**-2%**	**0%**
Scope 2 emissions: electricity of data centers [c]	*Location-based –* T. eq. CO_2	5,883	5,947	5,992	-1%	-2%
Scope 3 emissions: purchased Services location based [f]	*Location-based –* T. eq. CO_2	11,386	11,331	9,964	0%	14%
TOTAL LOCATION-BASED [f]	**LOCATION-BASED – T. EQ. CO_2**	**37,825**	**37,611**	**36,278**	**1%**	**4%**

(a) Full scope of the AXA Group, except AXA XL & US. We provide the best estimate we have but since the beginning of Digital Sustainability program, we improve data accuracy and there are still improvements to come that may impact the measures.

(b) We are in the process of consolidating our digital footprint. The reported energy consumption concerns our main data centers in Europe, Asia. Until the end of this consolidation program, the energy consumption of certain equipment is not isolated, and the Scope 3 of this equipment is not monitored.

(c) With the Scope 2 methodology defined by Green House Gaz Protocol https://ghgprotocol.org/

(d) Calculation relies on in-used inventory of Laptop, Desktop, Smartphones, Tablets, Monitors, and usage hypotheses. It assumes similar consumption in AXA offices and at employees' when they work from home. It represents 256,025 items of IT equipment's for AXA workforce in 2021.

(e) Calculation of the manufacturing of equipment such as servers, laptops, desktops, smartphones, etc. are based on equipment inventories, average holding time and equipment manufacturing published by suppliers (or the best available estimate based on the public databases of ADEME (https://www.bilans-ges.ademe.fr/) and the REN of The Shift project (https://theshift project.org/wp-content/uploads/2019/04/Lean-ICT-Materials-REN-2018-updated-in-April-2019.xlsx)).

(f) Purchased services emissions related to 1/the manufacture of equipment used in the servers of external data centers and 2/emissions related to the energy consumption of these external data centers for the data processed for AXA – in market-based and location-based (ADEME emission factors for the country or provider data). Emission sources are either based on information from service providers or emissions reported through CDP Supply Chain or on estimates/extrapolations when no measured data is available, in particular on emissions related to the manufacturing of equipment. At this stage, only the major service providers are tracked: Amazon, Microsoft Azure, Google Cloud Platform, Microsoft O365, Orange, and Salesforce. The calculation provides the best estimate we have but due to diverse methodologies and providers refining their calculation it is subject to change while becoming more accurate in the year to come.

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Climate change impact on AXA's own operations

Climate change may also impact AXA's own operations mostly *via* the physical risks incurred by its buildings and the disruption in activities they can cause. Climate hazards can also impact the health and safety of AXA employees. This risk has been identified as material in the ESG risk assessment conducted in 2021 as explained in the Section 4.1 "AXA Sustainability strategy – Sustainability Risk Assessment" of this Annual Report. Information in this Section should be read in conjunction with the Section 5.7 "Operational Risk" of this Annual Report as physical risks are part of the broader Operational Risks.

Specific actions are identified at Group and local levels to mitigate these risks. Also, the implementation of the Internal Control framework will contribute to a better integration of controls in activities required to mitigate the risks.

The following paragraphs detail the initiatives and policies taken by AXA to prevent those risks and to ensure appropriate level of readiness to effectively respond to specific crises scenarios including climate hazards, should the risks materialize:

- governance for the management of crisis events is in place across the Group with identified roles and responsibilities and are reviewed following our experience of responding to events;
- a monitoring dashboard of natural disasters in areas where AXA operates has been created. Its purpose is to better identify the different types of natural disasters threatening our operations to implement the relevant protection measures;
- clear guidelines and controls are implemented across AXA in order for entities to understand what are the critical business processes, dependencies (both internal and with third parties) and associated resources that must be maintained throughout a crisis, to ensure continuity of operations and mitigate the impact on our customers;
- entities have business critical process recovery plans to address the effects of disruptive events such as the loss of buildings, people, technology and critical third parties;
- AXA entities are equipped with High Risk Scenario Plans for the top risks they are exposed to, addressing both tactical and strategic considerations required to respond effectively;
- 5 Global Readiness Guidelines have been developed and issued, including Pandemics, Ransomware, Data Breach, Social Unrest and Earthquake. Flood readiness guidelines are expected to be delivered in 2022. These guidelines provide internal teams with understanding of the risk from climate events, and relevant guidance in order to ensure an appropriate level of readiness to respond;
- AXA entities Incident and Crisis Management Teams are trained on regular basis and conduct exercises to ensure teams are well rehearsed to respond effectively and protect our employees, customers, operations, regulatory compliance, our finance and reputation.

Further security and operational resilience enhancements take place:

- coordination and enhancement of multi-entity Crisis planning for Group High Risk Scenarios: pandemic, catastrophic event impacting a business critical operation, flood, cyberattacks & civil unrest;
- implementation of crisis information management tool in order to ensure an effective crisis response, even in a scenario where our communication infrastructure may be impacted.

4.4 INCLUSIVE INSURER

This Section encompasses AXA's inclusive protection side. As a responsible insurer, AXA aims at addressing the protection gap of vulnerable communities, through business opportunities adapted to local conditions. Our goal is to (i) foster integration of more inclusive criteria and practices in our different business lines, (ii) share best practices and (iii) develop an impact measurement methodology.

Building on AXA's purpose *"Act for human progress by protecting what matters",* AXA strengthened in 2021 its ESG approach and Sustainability strategy, with a pillar dedicated to Inclusive Protection and the integration of a dedicated indicator in the *"AXA for Progress Index"* (Refer to Section 4.1 "AXA Sustainability Strategy" of this Annual Report). This new target will be made public in 2022.

As an inclusive insurer, AXA has also pursued its COVID-19 solidarity response, notably through access to healthcare and vaccinations.

The risks related to *"Inclusive insurer"* and *"Partnership and Philanthropy"* are material for AXA according to the Sustainability Risk assessment conducted in 2021. Please refer to Section "4.1. AXA Sustainability Strategy – Sustainability risk assessment" of this Annual Report. The policies, initiatives and indicators associated with these risks are detailed in the following paragraphs.

Business-related societal challenges

As a responsible insurer, AXA strives to make insurance accessible to all. Insurance is a major catalyst for economic development and progress in society. The pooling of risks, which is at the heart of insurance, creates a system of mutual support and reinforces a sense of community. AXA aims at extending the scope of insurance by enabling populations who have traditionally been less well-protected to access insurance innovatively, through the following initiatives:

- developing a new "inclusive protection" program, in line with AXA's strategic plan;
- being actively engaged in financial inclusion with AXA Emerging Customers;
- providing insurance solutions and opportunities for women with the "Women in Insurance" initiative;
- proposing parametric insurance solutions to protect vulnerable populations from the effects of climate change, along with AXA Climate;
- ensuring access to health and disease prevention, in the context of the pandemic and beyond, through dedicated products and services;
- integrating ESG criteria in the product range through dedicated product labels such as "*Assurance citoyenne*" ("Citizen insurance").

INCLUSIVE PROTECTION

As an inclusive insurer, the main risk is the inability or difficulty to provide insurance services to the society at large, including underserved communities, while positively impacting society and fighting against poverty and inequalities, notably related to gender (refer to Section 4.1 "AXA Sustainability Strategy – Sustainability Risk Assessment" of this Annual Report). Social inclusion and the "insurance for all" are strong principles of the Company, notably after a global pandemic that worsen the protection gaps and put more vulnerable people at risk than before.

To mitigate these risks, AXA has developed in 2021 an Inclusive Protection program to deploy, with AXA's entities around the world, offers (insurance coverage or service) to better protect the underserved population. A key pillar of this program is AXA's capacity to address clients and beneficiaries' inherent characteristics such as financial situation, age, gender, sexual orientation, health, geographical location or insurance awareness, that can result in significant protection gaps. As such, AXA is taking a wider approach on inclusive protection that is both locally relevant and considers customers' evolving needs.

AXA defines an inclusive protection offer as a product (*e.g.,* design or customized) or a related service that addresses a vulnerability to meet the needs of the underserved population, to bridge a protection gap. Vulnerabilities can be caused by 1) structural or 2) occupational situations:

- structural vulnerabilities: monetary/revenues, territorial disparities, gender and age, chronic diseases, lack of access to health and protection;
- occupational vulnerabilities: micro-entrepreneurs, gig economy workers and migrant workers.

Within this context, a framework has been developed with AXA entities in 2021 with the objective of robustly defining the vulnerabilities to be addressed, leveraging existing initiatives and expanding them within the Group: solutions developed by AXA Emerging Customers, AXA Climate, "Women in Insurance", as well as developing inclusive offers for people excluded due to income, status, health, or gender. This Inclusive Protection program is transversal to tackle key vulnerabilities in mature and emerging markets, covering both individual clients as well as businesses, in all business lines.

In 2021, AXA already gathered a total of 10.6 million customers in its new Inclusive protection Program. This figure includes the scope of AXA Emerging customers (9.5 milion) and AXA Climate, "Women in Insurance" and local inclusive offers.

EMERGING CUSTOMERS AND INITIATIVES TO FOSTER MORE RESILIENCE

Through the development of its Emerging Customers' insurance solutions across the world, AXA addresses financial exclusion by enabling vulnerable segments of the population, including self-employed workers, micro, small and medium enterprises, migrant workers, blue-collar workers, women, and smallholder farmers to access insurance products and services that accompany them in their economic progression and provide a safety net that prevents them from falling into poverty. This approach requires the design of proposals that are accessible, affordable, and relevant to the reality of these otherwise unserved customers. The product and services from the entity AXA Emerging Customers are designed leveraging technology and involve co-creation with customers as well as distribution partners, including mobile network operators, banks, and microfinance institutions, FMCG companies, and remittance companies.

In 2021, AXA Emerging Customers protected nearly 9.5 million customers. Business activities spanned more than 15 markets in Asia, Africa, Latin America, and Europe. These results represent a circa +60% growth *versus* the pro-forma 2020 results of 5.9 million customers – not considering the portfolio from Bharti AXA General Insurance following AXA's disposal of its stake in the Company in 2021 (22.3 million total AXA Emerging Customers clients reported in 2020).

As described in Section "Inclusive Protection" below, AXA Emerging Customers figures are also consolidated within the new Inclusive Protection program.

Achievements include the geographic expansion in 2021 into new markets, including Brazil, Turkey, Colombia and France. The focus of the year was on protecting segments that were hard hit by the COVID-19 crisis, including independent workers, migrant workers, and micro, small and medium enterprises through insurance and other related services. Some examples of this include coverage to microfinance borrowers to Egypt, Indonesia, Colombia, and Mexico, and protection for independent workers in Turkey, France and Mexico.

A project incubated in the Business for Inclusive Growth (B4IG) coalition, coordinated by AXA Emerging Customers, AXA Climate and L'Oréal was launched in 2021. Insurance Net for Smallholders (INES) aims to provide a comprehensive risk protection package (Health insurance, Parametric Climate insurance coverage and value-added services) to smallholder farmers/pickers and their families as part of L'Oréal Solidarity Sourcing programs. In 2021, two pilots were launched in Burkina Faso with L'Oréal's suppliers notably OLVEA and AXA's local partner Sonar for shea butter (21,000 women) and India with Solvay for guar (2,000 farmers and their families).

WOMEN AND INSURANCE

Women, particularly in emerging countries, are less well-insured than men, despite being a powerful force in the economy. Back in 2014, AXA published a report, "SheForShield", which looked at women's attitudes towards insurance, as well as their needs and expectations. Since then, AXA has implemented the "Women in Insurance" initiative aimed at increasing women's access to insurance products.

The three main focus areas for women are when they are: clients, entrepreneurs and in AXA's distribution force. AXA has developed a dual approach: in mature markets, AXA will empower women to be financially independent, and in emerging markets, the objective is to empower women to "live better lives".

Since 2016, the "Women in Insurance" initiative has been spread in many AXA entities to locally address this holistic strategy around addressing women. As an insurer, we have two key priorities:

- empowering women entrepreneurs to take risks and seize opportunities, with customized products and services that help them develop their business, while allowing them to take better care of themselves and their family;
- improving access to healthcare solutions that take into account women's specific health and prevention needs and also supporting women in science.

By adapting current products to better include women, or designing specific products to answer their needs, the initiative gathers in 2020, 25 products in 17 entities.

Every year since 2018, AXA has been a strategic partner of the "Global Women's Forum", with the objective to disseminate AXA's expertise and influence on the best practices, solutions, and projects. Through this organization, AXA published, since 2020, a first Gender Equity barometer to highlight the disparity between perception and reality on gender-related topics in G7 countries. Leading the "Women4Health Daring Circle", AXA is striving towards giving women equal access to health and exploring unique and paramount ways to enhance their health status and their quality of life by shaping a new inclusive health system in the post-COVID-19 world.

Since 2019, through the AXA Research Fund, AXA dedicated €1 million to research to better understand and prevent health and entrepreneurial barriers for women and funded 8 health researchers around women's specific health diseases.

Between 2020 and 2021, AXA teamed up with the research firm Ipsos to survey 8,000 women from different social backgrounds in eight countries. As a result, three reports have been published, addressing the impacts of COVID-19 crisis on women. The first report examined the effect on women's incomes, job security and employment to understand the economic impact of the crisis. The second report looked at women's health, and the effect of the crisis on their physical and mental wellbeing as well as their approach to healthcare. The third one talked about how women's use of digital has increased during the pandemic and the digital impact on women's lives – both on risks and opportunities.

PARAMETRIC INSURANCE

AXA Climate is a committed climate insurer that accompanies its clients in their sustainability transition journey. AXA Climate's entire offer is built on best-in-class climate expertise, fully leveraging satellite technology. AXA Climate's mission is to reinvent the insurance business to support those engaged in sustainable transitions. To serve this mission, AXA Climate has developed a comprehensive set of business lines around climate change: from parametric insurance against climate risk, operational alerting, climate consultancy for industries, public sector, agriculture, and financial services, and to training to enhance skills and engage all employees in making the sustainable transition a success.

By drawing on the latest advances in technology and data science to protect vulnerable communities from the effects of climate change, AXA Climate provides parametric insurance solutions based on satellite and weather data that triggers quick and automatic payouts within a few days after a natural catastrophe or extreme weather event has struck.

With around 300 BtoB public and private sector clients worldwide, AXA Climate provides immediate protection to communities facing climate risks to prevent them from falling into poverty.

AXA Climate works closely with governments and international organizations to develop public-private partnerships in emerging markets. Public-private partnerships represent over half of the portfolio. AXA Climate's public clients include all major international sovereign risk pools which provide governments protection against natural disaster risks including tropical cyclone, earthquake, excess rainfall, and drought. AXA Climate also works with governments in the agriculture sector to protect farmers against yield losses due to multiple climate risks. As an example, AXA Climate supports the National Agriculture insurance scheme in India which allows more than 43 million farmers to benefit from Agriculture insurance.

Moreover, AXA Climate also works with the public sector on Agriculture insurance projects at smaller scale in Pakistan, Vietnam, Taiwan, Senegal, Ivory Coast, Cameroon, Zambia, Ethiopia, and Mozambique where it protects over half a million farmers.

Corporate clients of AXA Climate include also leading industrialists in Europe, Asia and the Americas, agriculture cooperatives, forestry organizations both in Europe and Latin America, and renewable energy companies.

ACCESS TO HEALTH AND DISEASE PREVENTION

In 2021, as part as the second year of the COVID-19 pandemic, mental, physical and relational health impacts are starting to emerge. That is why AXA launched a "Pulse Health Survey" examining the impact of COVID-19 on people's health and wellbeing. This survey, that was carried out in February-March 2021, jointly with the research firm Ipsos covered 14 countries and territories in Europe (Belgium, France, Germany, Italy, Spain, Switzerland, and the United Kingdom), Africa (Morocco and Nigeria), Asia (China, Hong Kong, and Japan) and the Americas (Mexico and the United States). A total 14,000 respondents were interviewed. As a result, one report has been published called "Shockwave: long term health effect of COVID-19" [(1)], examining the pandemic's impacts on financial, physical, and mental health status of the population.

This study showed that nearly two-thirds of the population has had problems getting treatment in the first year of pandemic. To tackle this issue, AXA has launched many business-related initiatives throughout the Group with products and services' adaptations to better ease health access to our customers. As part of the COVID-19 diagnostics, China, Thailand, and Philippines have developed symptom checkers, combined with technology. Extensions of services have been developed to address vulnerable population, such as women, with dedicated services for health prevention, cancer diagnostic and treatment in Italy and Mexico.

(1) "Shock wave: long-term health effects of COVID-19", AXA, 2021 https://www.axa.com/en/press/publications/long-term-health-effects-of-COVID-19

AXA One Health spread its network of private clinics in Egypt to provide population with quality and affordable cares. Three new clinics are launched in 2021 in central Cairo and its suburbs, for a total of five clinics launched since 2020.

At the end of 2021, AXA has committed $300 million to finance a Global Health investment strategy managed by AXA Investment Managers. This purpose-driven private equity approach will invest in products and services designed to facilitate access to high volume healthcare solutions which target reaching underserved populations in emerging and mature markets.

INTEGRATING SOCIETAL ISSUES IN THE PRODUCT RANGE

In France, demand for responsible products from clients continues to grow. Consequently, back in 2015, AXA France created the *Assurance citoyenne* ("Citizen insurance") label, which guarantees that all new insurance contracts offer benefits to clients as well as positively impact society. In 2019, this initiative was adapted and deployed on AXA's Savings contracts under the *Épargne citoyenne* ("Citizen Savings") label. These two labels are based on an assessment toolkit built in collaboration with a panel of external stakeholders and audited by an independent third party. Our engagements are communicated through the label's four pillars, which are the following: "Trust" (*e.g.* simple contracts for readability and transparency), "Prevention" (*e.g.* preventive services or financial education to minimize the risks our clients are facing for themselves, their goods and their savings), "Environment" (*e.g.*, investment decisions based on the environmental impact, environmental services or offers for Damages insurance), and "Fairness" (*e.g.,* product accessibility for populations usually excluded from insurance mechanisms, investments in companies which create recruiting opportunities and protect human rights). In 2021, AXA France built all new offers around these engagements and distributed in total 83 different labelled products. Since 2015, 8.4 million labelled contracts have been sold.

INCLUSIVE ECONOMY AND SOCIAL RELATED OUTREACH AND ENGAGEMENT

Tobacco Free Pledge

In 2020, AXA's strong commitments, initiated in 2016, to divest from (€1.8 billion) and to end insurance covers for the Tobacco industry, have been officially certified through the "Tobacco Free Pledge" label. This label attests AXA's constant engagement in the fight against tobacco that generates more than 8 million deaths per year, standing out as one of the leading causes of death in the world. AXA believes that supporting an industry which is the main cause of long-term non-communicable diseases, including cancer, heart disease and chronic respiratory illnesses, is not compatible with its role as one of the world's largest health insurers.

TOBACCO-FREE FINANCE PLEDGE • SIGNATORY •

Business for Inclusive Growth (B4IG)

For the third year in the row, AXA continues to be strongly involved in the "Business for Inclusive Growth" coalition. This OECD-led coalition of private companies contributes to fighting social inequalities by working closely with policymakers to advance inclusion at both the global and local levels. The initiative was launched at the 2019 G7 Summit whose theme was "fighting inequalities of all types". Since then, a 3-year-program, monitored through a Board of CEOs, has been implemented, covering the G7, the OECD and African countries. Its main deliverables being:

- a founding pledge signed in AXA's head office on promoting equality of opportunities, eliminating gender disparities, reducing spatial inequalities;
- dedicated working groups gathering OECD experts, academia focused on developing inclusive projects;
- an international incubator hosted at the OECD with the objective of building inclusive business with real social and economic impacts.

In 2021, the coalition has actively continued its task and expanded the scope of its action. AXA is part of the following working groups: affordable products and services, fair transition, inclusive workplace, and ethnicity.

To be noted, in France, AXA is also a member of the "inclusive economy coalition", launched in 2018 by CEOs of 33 major French companies, including AXA, to act in favor of a more inclusive economy. This collective commitment is one of the private sector's responses to the social vulnerabilities, which can be observed in France, on three key themes: employment (apprenticeship, inclusion, and training), more accessible products and services, and inclusive purchasing.

Corporate philanthropy and engagement

Corporate philanthropy and engagement are levers of our sustainability strategy, covering our two main pillars: climate and inclusive protection.

The ESG risks assessment revealed a risk of misalignment between AXA's philanthropic and citizenship activities and the Group Sustainability strategic pillars Climate Change and Inclusive Protection. The policies detailed herewith are put in place to limit this risk. Thanks to the AXA Community investment Survey, the share of activities aligned with the Sustainability Strategy can be monitored. In 2021 78% of the €31.9 million cash donations done by AXA (including the AXA Research Fund) in the world and 78% of the 45,163 volunteering acts performed by AXA employees were done in support to climate or inclusive protection causes *versus* 87.9% of cash donations and 93% of the volunteering acts in 2020. 2020 was however an exceptional year due to additional supports to fight the COVID-19 crisis. Targets are currently being set for these indicators.

PHILANTHROPY

As a responsible corporate citizen, AXA strives to play a positive role in society, building a culture that promotes employee volunteering to support the communities in which AXA operates.

In 2021, AXA pursued the deployment of its philanthropic initiatives, within the new strategic cycle, aligned with the two Sustainability pillars (climate change, inclusive protection) through its Corporate Philanthropy Committee governance body.

Climate and the environment

AXA's global partnership with WWF that was signed in 2019, has been pursued in 2020 and 2021 to address climate and biodiversity issues. Through this three-year program, WWF supports AXA in its efforts to ensure that natural capital is better considered in all AXA's activities (please refer to Section 4.3 "Climate Change and ESG Integration" of this Annual Report). In addition, the philanthropy component of this program contributes directly to the preservation of ecosystems in Mexico and New Caledonia. In New Caledonia, 3 local associations dedicated to the monitoring and evaluation of Coral Reefs health status were supported. In Mexico, the "Reforestation in the Copalita Watershed" project enabled the production of 30,000 sprouts of local species for reforestation, 30 hectares of local trees were planted and 50 people from local communities trained to agroecology. Many AXA entities concluded partnerships to impact positively the environment and fight against climate change (*e.g.,* AXA Switzerland, AXA Mexico, AXA France, etc.).

Inclusive Protection

Starting in 2020, AXA partnered for 3 years with UNICEF on a program to respond to the global issue of overweight and obesity, working on early childhood eating habits in the Philippines and Brazil. To reach children aged from 0 to 5, UNICEF acts on their immediate environment, namely mothers and the health and education professionals around them. Training, communication, and advocacy activities with authorities have been implemented by local UNICEF teams despite the COVID-19 crisis. In 2021, the program enabled to achieve the following:

- in Brazil, 208,527 people received messages to improve their nutrition and that of their children/babies. 7,126 pregnant women in four maternity hospitals received information and materials (*e.g.,* booklets) on breastfeeding and healthy eating for children. 7,604 community health workers and teachers were trained on breastfeeding and healthy feeding for children under 5 years of age. This knowledge indirectly benefits 456,240 children. 237 adolescents (parents/pregnant teens) were trained on healthy eating for themselves and their children;
- in the Philippines, four studies were conducted and shared with national authorities to feed into the development of the national policy on obesity and overweight, and the food packaging labeling policy, 334,636 caregivers and parents received information on breastfeeding, hygiene, and appropriate complementary feeding for young children through local radio stations and online platforms. 2,169 health care workers were trained on healthy nutrition for mothers, children, and infants; to support parents and develop their knowledge on balanced nutrition. 8,944 pregnant women and 80,264 children aged 0-59 months received nutritional follow-up.

In 2021, AXA reinforced its commitment to fight COVID-19 alongside UNICEF to support the COVAX program. This initiative aims at delivering more than 2 billion COVID-19 vaccines in 98 low- and middle-income countries. AXA donated €1.5 million to UNICEF which will enable to deliver 2 doses of vaccine for 457,270 people. This includes multiple activities, including planning and coordination, vaccine transport in-countries, training health staff, community engagement, getting cold chain equipment in place and providing health workers with personal protective equipment.

Aligned with its values of protecting and passing on heritage, AXA has been engaged in significant world heritage conservation actions. Since spring 2021, AXA has been supporting the renovation and refurbishing of the Arc de Triomphe. Since 2019, support has been offered for the renovation of Madame du Barry's apartment at Château de Versailles. The work should be completed in 2022. AXA has been also supporting the reconstruction of for Notre-Dame de Paris after the fire in 2019.

AXA entities, such as AXA France, AXA Spain, and AXA Mexico, are also involved in philanthropy actions, promoting access to heritage and culture for all.

AXA RESEARCH FUND

The AXA Research Fund (AXARF), AXA's scientific philanthropy initiative, is committed to supporting science for societal progress. The Fund supports top-tier research projects and engages in dissemination efforts based on science to better inform decision-making.

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With a global commitment of €250 million since its launch in 2008, the AXA Research Fund has funded over 665 projects that explore solutions to global societal challenges in the areas of climate and environment, health, and socio-economic risk. The selection of research projects is overseen by an independent Scientific Board and based on excellence and innovation.

In 2021, in the area of Climate and Environment, the AXA Chair on Wildfires and Climate at the Technical University of Crete (Greece) was selected for funding for a total of €1 million over 5 years. For the first year in 2021, in line with the Climate priority of the strategic plan *"Driving Progress 2023"*, the AXA Research fund organized the AXA Awards for Climate Science. The four supported researchers (€50,000 each) are respectively working on advancing the understanding of climate evolution, informing the predictability of occurrence and impact of extreme weather events and climate justice. The AXA Research Fund also concluded a partnership with the Intergovernmental Panel on Climate Change to support 6 PhD students working on climate science in countries in the Global South for a total amount of €200,000.

In the area of Health, the AXA Chair on Non-Communicable Diseases Epidemiology at the University of Cape Town (South Africa) was selected for a total of €1 million over 5 years. 10 fellowships for young researchers working in the area of Harmful substances (€1.250 million) were granted.

Based on its strong research network, the AXARF carried out visible dissemination efforts through continued media exposure of supported researchers. To better inform decision making, the publication "Building cyber resilience" was released in fall 2021. It brings together perspectives from academics, business, and organizations on the changing dynamics of the cyber landscape, with a view towards the mitigation of the associated risks. Through AXARF webinars, publications, and articles with partners such as The Conversation, researchers from all fields were able to shed more light on issues such as climate change, mental health, women in business, explainable AI for healthcare, cyber security, and biodiversity conservation.

EMPLOYEE VOLUNTEERING

AXA Hearts in Action is the international volunteering program for AXA employees. In this framework, employees carry out activities on themes aligned with the 2 pillars of our sustainability strategy: Climate and Inclusive Protection. Since 2020, an international sponsorship Committee has been set up to anchor the program even more strongly in the entities.

The COVID-19 crisis had, again in 2021, a significant impact on employee volunteering (fewer people on site, restrictions on the organization of face-to-face group events). However, AXA entities showed creativity and employees remained mobilized and donated their time to help the patients, healthcare workers and the most disadvantaged people through virtual operations. In 2021, close to 19,000 employees (estimated – 23,355 in 2020) donated their time and skills. Contributing entities in 2021 represent 99% of AXA average FTEs.

In 2021, AXA employees carried out a wide variety of activities (2,532 in total) and performed 45,163 volunteering acts (*versus* 35,700 in 2020). This raise in volunteering acts underlines the growing engagement of volunteers. Through the AXA Hearts in Action program, the Group seeks to promote all forms of employee engagement, particularly skills-based philanthropy. In 2021, AXA France continued to develop the "AXA Compétence Solidaire" program: 140 employees volunteered in partner associations (*versus* 147 in 2020).

AXA employees volunteered for 268, 480 hours during and outside working time (*versus* 228,000 hours in 2020), in support of solidarity projects.

A large majority of volunteering hours are performed during working time, 167,238 hours for "AXA Compétence Solidaire" and 41, 813 hours for the other activities for a total of 209,051 hours (*versus* 200,000 in 2020).

In total, the salaries paid for the hours spent on volunteering missions during working hours represent the equivalent of a donation of €7.3 million (*versus* €6.9 million in 2020).

This adds to the management overheads engaged to support the AXA Hearts in Action's activities in all entities for a total of €6.3 million in 2021 (*versus* €23.2 million in 2020). In-kind donations are also provided to non-profits or NGOs for a total estimated amount of €1.1 million in 2021 (*versus* €3.2 million in 2020) coming in addition to the Group €31.9 million cash donation including AXA Research Fund and AXA Hearts in action.

AXA Tianping (China) also made a one-time in-kind donation in 2021 by providing medical coverage to groups of vulnerable elderly people in the southern mountainous areas and Shandong province. The estimated value of this in-kind donation was €118.4 million.

Community investments represent the vast majority, 84%, of the AXA citizenship investments (volunteering hours, cash donations, in-kind donations), 14% are invested in charitable donations and 2% for commercial initiatives (*versus* respectively 60%, 38% and 2% in 2020).

For more than 10 years, AXA has been organizing the AXA Week for Good to highlight the community investment of its employees. During the 2021 edition of the AXA Week for Good, 459 activities were coordinated and a total of 11,055 unique volunteers were mobilized across the Group. The Global Challenge organized by several entities and consisting in collecting trash in nature was carried out by approximately 3,500 volunteers within the Group who collected 9,632 trash bags in total.

In November 2021, AXA Hearts in Action celebrated its 30th anniversary. At AXA France and in French entities, 862 actions were organized throughout the year, including 97 directly related to the 30th anniversary, and 13,045 volunteering acts were carried out.

4.5 BUSINESS BEHAVIOR

AXA is committed to conducting its business according to high ethical principles. This commitment is designed to ensure compliance with laws and regulations in the various jurisdictions where AXA operates, to earn the continued trust of our clients, shareholders, employees, and business partners, but also frequently extends beyond legal obligations on a range of topics about which AXA has strong convictions.

The policies presented below cover the business behavior risks. The indicators associated with these "Business Behavior" risks are explained in the following paragraphs.

Business ethics

COMPLIANCE & ETHICS CODE

AXA's Group Compliance & Ethics Code seeks to establish Group-wide rules and guidelines to ensure that AXA Group companies and employees have a common understanding of the compliance and ethical standards the Group requires. The Code covers a variety of matters, including specific rules concerning conflicts of interest, anti-bribery and corruption, insider trading, management of confidential information, etc. The Code is available on the Group's website (www.axa.com/en/newsroom/publications/compliance-ethics-guide). In 2019, AXA launched an updated version of the AXA Group Compliance & Ethics Code. The updated Code includes some subjects that have become increasingly important in recent years; these include Health & Safety at work, Protection and Responsible use of Customer Data, Engagement with Social Media, Prevention of Discrimination and Harassment, and Fair and Professional Treatment of customers. The content and style of the Code has also been revised to make it more accessible and easier to reference.

ANTI-BRIBERY & FIGHT AGAINST CORRUPTION

To prevent the risk of bribery and corruption, AXA Group has introduced a Group Anti-Bribery & Corruption Policy (ABC Policy) that establishes minimum standards for ABC that must be implemented by AXA entities. This policy has been regularly updated to take account of new regulations and most notably the French law known as "Sapin II" n°2016-1691 of December 9, 2016, on transparency and the fight against corruption in modern economic life. A Group Anti-Bribery officer oversees the global ABC program at Group level and controls its implementation across entities. AXA entities have designated local Anti-Bribery officers to implement their ABC programs in accordance with AXA's Standards.

AXA Standards certification by entities' CEOs includes a Section on the framework "anti-bribery and fight against corruption". AXA's objective is to achieve a consistent anti-bribery and fight against corruption program across the Group's entities, including necessary requirements answering to International Standards (including Sapin II Law), and preventing corruption risks. Every year since 2018, 100% of CEOs within the scope of the AXA Standards certification process have certified their level of compliance with the anti-bribery & corruption part (in line with the 100% target).

BUSINESS CONDUCT

The Group's insurance, Asset Management and banking operations are subject to an increasing number of legislative and regulatory initiatives – in the European Union (*e.g.,* Insurance Distribution Directive, MiFID II, PRIIPs) but also in many other parts of the world – designed to increase customer protection in the financial services sector. AXA has taken significant actions to comply with these requirements in each of its businesses where such measures are in place and globally to spread and implement a customer protection culture across the Group. Moreover, AXA demonstrates strong commitment in its Compliance & Ethics Code binding for all its worldwide employees and subsidiaries to treat its customers fairly and professionally, by encouraging transparency or being honest and accountable when promoting products and services.

Among the most recent initiatives, a set of recommendations on key customer protection topics have been shared with a view of reinforcing uniformity of practices within the Group. The main objective is to continuously improve customer's consideration wherever they may be. These recommendations represent a support for the entities to apprehend subjects such as vulnerable customers, customer information, digitalization, and complaints handling. They guide each entity in implementing responsible practices based on transparency, honesty, and fairness for the customer.

The compliance program of customer protection reviews in place for some years has continued. It consists of reviewing how the entities locally manage the customer protection topics and the processes in place, especially regarding customer information, sales practices, or salesforce training. These reviews, initially focused on most of the European entities, will be progressively extended to other entities on a risk-based approach.

Another key element concerns the well-established product governance process (Product Approval Process, "PAP") in place to oversee the design, approval, and review of the products. The PAP is applicable to all entities of the AXA Group and focuses on the customer dimension, ensuring the product is built starting from the customers' needs and expectations, with a definition of the target market and selection of adequate distribution channels. This formal process also considers that all new products entering the scope of application of the PAP respect the principles of "value for customer". Every year since 2018, 100% of CEOs have certified on the compliance level of the Group entities in scope of the AXA Standards certification process (in line with the 100% target), which engaged them to conduct a PAP and all Life & Savings, Health and Property & Casualty products have been subject to the AXA's Product Approval Process.

AXA's intention is to offer its customers easy-to-understand products that meet their needs and expectations, a commitment that has been reinforced in 2021, notably with the update of the compliance check list to be carried out during any new product development. This step, which is part of the PAP governance process, already described below, aims to ensure that the products offered meet customers' expectations, for example by analyzing that the products' characteristics are communicated to distributors beforehand in order to guarantee good customer information, or that training on products is regularly followed.

In addition, compliance risks, specifically business conduct risks, are assessed on an annual basis. The results and any necessary mitigation actions are developed and shared with senior management. Internal Control processes have been developed to ensure controls are effective and cover entities' own operations and those of proprietary sales channels.

Responsible data use and data privacy

In line with AXA's sustainability risk assessment, the Group has put in place various initiatives to promote the use of data to address societal challenges, as well as to ensure client data is protected, *via* a robust security strategy.

DATA PRIVACY

AXA was the first insurance group to adopt privacy-related Binding Corporate Rules, approved by European data protection authorities, and constituting an internationally approved data privacy contractual framework for the treatment of customer, employee, and other stakeholder personal data. Entities that have joined Binding Corporate Rules represent 99% of AXA's revenues in 2021 (also 99% in 2020 and 79% in 2019, which is explained by the impact of AXA XL, whose integration into Binding Corporate Rules was not completed in 2019), in line with the 99% target. These rules and AXA's Data Privacy Declaration, whereby the Group undertakes not to sell personal data of its customers, are available on the AXA Group's website (https://www.axa.com/en/about-us/cyber-data-privacy#tab=our-commitments).

The AXA Group implemented the General Data Protection Regulation and had in this respect delivered thirty projects dedicated to data privacy, involving over three hundred people in entities located in sixteen countries. The Group is also implementing similar regulations recently adopted in countries outside the European Union.

A SECURITY STRATEGY DESIGNED TO GUARANTEE THE PROTECTION OF DATA

With the massive digitization of society, cyber risk is considered today one of the top risks that citizens and companies must face.

To respond to this threat, and as a responsible insurer, AXA has developed a risk-based security strategy that strengthens our business resilience, transforming security from a necessity to an advantage for our entities. Security is managed holistically by the corporate function, Group Security. It gathers the 3 security key disciplines: Information Security/Cyber Security, Operational Resilience and Physical Security & Safety.

This converged organization to manage security comes with an ambitious commitment to maintain AXA's most mature entities within the first quartile of the most secure companies in the financial industry. Therefore, yearly, the security and cybersecurity maturity level of these entities is assessed, based notably on the ISO 27001 norms. In 2021, AXA has reached a 3.12 score (for a scope representing the 19 most mature entities of the Group), beyond the 3.00 average that leads to the first quartile of the most secure companies in the industry. In 2021, AXA implemented its new security strategy aimed at ensuring that the Group's most mature entities remain in the top quartile of most secure entities in our industry, while broadening scope execution to all the Group's other entities. This security strategy, called the "One Security Strategy", uses a risk-based approach that ensures that we continuously consider and adapt to the evolution of risks and threats.

This robust security maturity level is also reached by the strong mobilization of AXA's employees that are considered as AXA's first line of defense against cyberattacks. Yearly security (including physical security, health & safety, operational resilience & information security), data protection and cybersecurity trainings are deployed across group. Thus, in 2021, 100% of salaried and non-salaried employees have been trained and certified.

RESPONSIBLE USAGE OF ARTIFICIAL INTELLIGENCE

In terms of governance, in 2021, AXA set up a Responsible Artificial Intelligence Committee that aims to cover the issues of applying trustworthy Artificial Intelligence (AI) within the Group. Taking the form of an agile governance that brings together all stakeholders involved in the development of AI solutions, this Committee works on operational tools for business and Group functions and internal guidance on responsible AI in line with the latest regulatory framework development on Trustworthy Artificial Intelligence principles.

AXA has also been working closely with regulators (EIOPA Digital Ethics Committee, MAS Veritas initiative for instance) and research centers (Sorbonne University, Stanford University etc.) on developing State of the Art solutions and guidance for effective AI governance in the insurance industry that respect ethical principles. This cooperation helps build sustainable efforts on implementing new internal and operational guidelines covering the responsible usage of machine learning and AI.

Within the French association Impact AI, AXA is leading the Impact AI's Responsible AI Committee in charge of analyzing the perception of AI and the development of a "trusted AI", producing white papers on the topic, along with other members (industrial partners, consulting, and tech companies).

In addition, AXA leads research on Responsible AI principles. Both fundamental and applied research on Responsible AI principles (fairness, explainability, robustness) are developed to investigate technical solutions useful across the different segments of the insurance value chain. These efforts are testimony to AXA's business transformation regarding the development and adoption of AI solutions in line with the Group responsible data and AI policy.

Responsible procurement

Translating AXA's Sustainability strategy and commitments into its management of vendors is a key concern for AXA. Policies and key performance indicators on responsible procurement are presented in AXA's Vigilance Plan in the following Section 4.6.

Tax policy

Both as a multinational company and as a provider of investments and savings products, the AXA Group follows a responsible and transparent approach on tax issues. For more information on AXA's Tax policy, please refer to Section 7.3 "General Information – AXA Group tax policy" of this Annual Report. In 2021, all AXA entities certified compliance with AXA Tax Policy and Tax Ethic Code (relating to 2020). The Tax transparency report published in 2021 covers 90% of the Group Tax footprint (relating to 2020).

4.6 VIGILANCE PLAN

The AXA Group is committed to promoting and protecting human rights and the environment in conducting its business and its internal operations.

To comply with applicable French law requirements [1], AXA has (i) adopted a vigilance plan (the "vigilance plan") that sets forth the measures established and implemented by AXA in order to identify the risks relating to, and prevent, violations of human rights and adverse impacts on the environment resulting from AXA's activities, and (ii) prepared a report on the application of this vigilance plan during the financial year 2021 which is included in this Section. For purposes of this Section, "human rights" comprises fundamental freedoms, as well as the health and safety of persons.

The vigilance plan has reinforced an existing internal system that already included a number of tools and procedures implemented within the Group.

Scope of the vigilance plan

The vigilance plan encompasses the activities of the Company and those of the companies controlled, directly or indirectly, by the Company within the meaning of Article L.233-16(II) of the French Commercial Code, including intra-group activities and internal operations carried out within the AXA Group, as well as the activities of subcontractors and suppliers with whom the AXA Group has an established business relationship, insofar as the activities relate to such relationship.

Given the diversity of the activities of AXA's subsidiaries, subcontractors and suppliers, the vigilance plan sets forth AXA's guiding principles and policies designed to ensure that they have a common understanding of the AXA Group's standards in terms of sustainability, safety, whistleblowing and personal data protection, and operate accordingly. These common measures do not prevent, nor restrict AXA from voluntarily taking additional actions in relation to such matters.

Identification and evaluation of risks to human rights and the environment

To ensure that each potential risk identified is covered by a Group policy, AXA conducted an assessment of how the AXA Group's activities and operations may potentially impact the environment and each of the human rights.

The work carried out by AXA to establish its mapping of sustainability risks, as well as the main non-financial risks identified by the Group is presented in Section 4.1 "AXA Sustainability strategy – Sustainability Risk Assessment" of this Annual Report.

HUMAN RIGHTS

The AXA Group considers that its activities and internal operations could have potential direct and indirect impacts on the human rights of its employees, customers and suppliers, as well as potential indirect impacts on the human rights of other persons through the Group's relations with corporate customers or investments in companies, which are active in sectors and/or countries with increased risks of human rights violations.

The AXA Group regularly, and at least every three years, conducts a human rights risk assessment which aims to identify the most relevant risks to human rights that the AXA Group should consider in conducting its business (acting both as an insurer and as an investor) and its internal operations. The most recent study was carried out in 2020, with the help of an independent firm. It identified risks in areas such as the right to free movement, equality before the law and non-discrimination (with respect to minorities), freedom from all forms of forced or compulsory labour, right to freedom of thought, conscience, religion, opinion, information and expression and the principles of freedom of association and collective bargaining. This assessment ("AXA 2020 Report Human Rights Risk Assessment") which includes the mapping of the risks identified and the measures taken to limit their impact, is available on the AXA Group's website (www.axa.com/en/about-us/our-commitment-to-human-rights). In addition, the AXA Group is particularly vigilant with respect to risks affecting the health and safety of its employees in the workplace.

(1) *Law No. 2017-399 of March 27, 2017, relating to the duty of care of parent companies and instructing companies ("devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre") and Article L.225-102-4 of the French Commercial Code.*

ENVIRONMENT

As a responsible company

Environmental risks were already identified in the AXA Group's risk mapping, particularly those related to climate change and biodiversity. As an insurance company, AXA's direct environmental footprint is essentially related to the operation of offices and IT materials, business travels, water, electricity, paper consumption and other staple consumer products and generation of waste. The global environment footprint of the AXA Group is thus largely based on its indirect environmental footprint, including its investments and underwriting activities, as indicated hereafter.

AXA's direct environmental reporting and management processes focus on energy, water and paper consumption, as well as related CO_2 emissions. AXA's direct environmental reporting process, which is verified by an independent third-party, allows AXA to (i) evaluate its impact on the environment every year and (ii) identify the risks stemming from its internal operations for the environment. Please refer to Section 4.3 "Climate Change and ESG Integration – Own operations' impact on climate change – 2021 environmental performance" of this Annual Report for further information on AXA's environmental footprint.

As a responsible business partner

AXA has implemented processes to identify and assess the environmental risks associated with its use of suppliers and service providers. In particular, AXA implemented an Environmental, Social and Governance (ESG) risk assessment process for its suppliers, that are identified using an internal risk categorization grid. This assessment is carried out based on procurement categories in light of five criteria:

- environmental;
- social;
- impact on products and services;
- suppliers' supply chain; and
- business integrity.

Each year, suppliers in the procurement categories with the highest levels of ESG risk are invited to share their EcoVadis scores.

As an insurer and as an investor

The AXA Group seeks to prevent or mitigate adverse impacts on the environment that arise from its investment and underwriting activities by applying its analytical framework to identify potential indirect impacts on the environment and incorporating ESG criteria into its business processes as well as into its investment strategy, as presented in the Section "Protection of human rights and environment" that follows.

Protection of Human Rights and Environment

PROTECTION OF HUMAN RIGHTS AND HUMAN RIGHTS POLICY

AXA's human rights policy, available on the AXA Group's website (www.axa.com/en/about-us/our-commitment-to-human-rights), aims at preventing the violation of human rights in relation to the Group's activities and internal operations and reflects AXA's commitment to international general and sector-specific standards. The AXA Group is committed to respecting internationally recognized human rights principles as defined by:

- the United Nations Universal Declaration of Human Rights;
- the core standards of the International Labour Organization (ILO);
- the Guiding Principles on Business and Human Rights (implementation of the United Nations "Protect, Respect and Remedy" Framework or "Ruggie Principles");
- the United Nations Global Compact;
- the UN Principles for Sustainable Insurance (UN PSI);
- the UN Principles for Responsible Investment (UN PRI);
- the Task Force on Climate-related Financial Disclosures (TCFD); and
- the OECD recommendations and the Global Deal.

AXA is also committed to coalitions with other companies, such as, on an international scale, the Business for Inclusive Growth (B4IG) coalition since 2019 and, in France, the "*Collectif des entreprises pour une économie plus inclusive*" (Business collective for a more inclusive economy) since 2018. For more information on AXA's commitments to coalitions for a more inclusive economy, please refer to Section 4.4 "Inclusive Insurer – Business-related societal challenges – Inclusive economy and social related outreach and engagement – Business for Inclusive Growth (B4IG)" of this Annual Report. AXA's human rights policy describes the Group's commitments in conducting its business as a responsible employer and business partner, an insurer and an investor. It also indicates how the protection of human rights is implemented at the core of the Group's activities and internal operations.

Protection of employee human rights

AXA is committed to protecting AXA employees' human rights, specifically the principles of freedom of association, the right to fair and favourable working conditions and non-discrimination, through:

- promoting the 10 guiding principles of the United Nations Global Compact (with principles 1 & 2 relating to human rights and principles 3 to 6 to labour standards) and encouraging the reporting of potential or actual severe violations of human rights;
- setting ambitious Inclusion and Diversity targets and initiatives. See further details on Inclusion and Diversity in Section 4.2 "Employer Responsibility – Accelerating AXA progress on inclusion and diversity" of this Annual Report; and
- the AXA Compliance & Ethics Code, available on the AXA Group's website (www.axa.com/en/newsroom/publications/compliance-ethics-guide), pursuant to which executives must annually certify the compliance of their activity with the Code.

Protection of employee safety, health and security

As regards employee health, the AXA Group launched in November 2020 an innovative global program to improve the health and well-being of its employees around the world. This program was extended in 2021. Please refer to Section 4.2 "Employer Responsibility – Championing employees' health and wellbeing – Implementation of AXA "Healthy You" program with additional services" of this Annual Report for further information on this global program on health and well-being.

In addition, the AXA Group has gone a step further on tackling mental health issues. Please refer to Section 4.2 "Employer Responsibility – Championing employees' health and wellbeing – Reinforcing mind health support" of this Annual Report for further information on initiatives related to mental health.

The AXA Group has also implemented safety, health and security standards with which all Group entities must comply in order to protect employees against intentional, health or accident risks related to their business activity. These standards set out:

- processes to identify risks, depending on the specific characteristics of the environment and the activity of each AXA Group entity;
- proactive and reactive measures to be implemented according to identified risks (information, training, protective measures, incident management procedures and crisis plans); and
- a performance measurement, quarterly reported to the AXA Group central team.

Personal data protection

AXA was the first insurance group to adopt privacy-related Binding Corporate Rules, approved by European data protection authorities. See further details on personal data protection by AXA Group in Section 4.5 "Business Behaviour – Responsible Data Use and Data Privacy – Data Privacy" of this Annual Report.

Integration of human rights into business processes

As an insurer, AXA strives to incorporate ESG criteria (including those relating to human rights) into its insurance business processes as well as into its investment strategy, in line with AXA's commitment to the UN Principles for Sustainable Insurance, as well as with the principles of the Task Force on Climate-related Financial Disclosures (TCFD).

Its commitments are reflected in internal policies and initiatives led by the Group, including product development processes and policies as well as underwriting guidelines. Such guidelines define the exclusion, among the Group's insurance activities, of certain socially or environmentally sensitive sectors or practices (which can be directly or indirectly related to human rights) and with increased risks, such as controversial weapons industries. Insurance restrictions are detailed in Section 4.3 "Climate Change and ESG integration –Insurance – Underwriting Restrictions" of this Annual Report.

AXA further seeks to support its customers' rights while preventing or mitigating adverse human rights impacts that may arise from the provision of insurance products and services to corporate customers, in particular by:

- ensuring fair treatment of all customers;
- offering products designed to meet the needs and expectations of its customers;
- designing products and services to meet the needs of vulnerable populations, in order to reduce coverage disparities, close a protection gap and empower insured people to achieve positive outcomes with regard to health and safety. As an example, the "Women in Insurance" initiative, presented in Section 4.4 "Inclusive Insurer – Business-related societal challenges – Women and Insurance" of this Annual Report, aims to increase women's access to insurance products and services. AXA is also adapting insurance to the needs of emerging clients as described in Section 4.4. "Inclusive Insurer – Business-related societal challenges – Emerging customers and initiatives to foster more resilience" of this Annual Report;
- integrating environmental issues into the Group's insurance business activities. Within this framework, AXA applies the underwriting rules, as mentioned above, and offers insurance solutions which assist communities in facing the consequences of climate change. For instance, parametric insurance products support insured communities in dealing with the impact of climate-related disasters on agricultural crops. For further details on the parametric insurance offer, please refer to Section 4.4 "Inclusive Insurer – Business-Related Societal Challenges – Parametric Insurance" of this Annual Report;

- strengthening its digital presence for a better accessibility of products and services as well as a simplification of interactions with its customers;
- having sales practices that respect the customer, in particular by providing them with transparent and adapted information;
- dealing with claims in a prompt, fair, sensitive and transparent manner and ensuring that these processes are clearly explained and understood;
- using data in a responsible manner and safeguarding clients' privacy, following its Data Privacy Declarations and Binding Corporate Rules with respect to data protection to ensure that its actions with regard to data privacy are responsible, transparent and ethical;
- providing customers with the means to express and resolve any disputes that may arise with AXA Group companies, notably through dedicated complaints departments; and
- implementing internal controls to ensure the effectiveness of processes.

Integration of human rights into investments

The AXA Group has proactively implemented a global Responsible Investment Policy and sectoral policies (including, as an example, a policy on controversial weapons), and built an analytical framework to identify potential indirect impacts on human rights.

The ESG assessment of the companies in which AXA has invested, or contemplates making an investment, incorporates the following human rights-related inputs: (i) fundamental principles such as those of the United Nations Global Compact, the ILO as well as OECD recommendations, and (ii) the reputation and potential controversies regarding these companies. This assessment is regularly updated.

Please refer to Sections 4.3 "Climate Change and ESG Integration", 4.4 "Inclusive Insurer – Business-related societal challenges" and 4.5 "Business Behaviour – Business ethics" of this Annual Report for further information on integration of ESG criteria in AXA products and services.

PROTECTION OF THE ENVIRONMENT AXA'S SUSTAINABILITY STRATEGY

As a responsible company

The AXA Group's Environmental Policy, available on the Group's website (www.axa.com/en/about-us/environmental-footprint-management), describes key actions aimed at reducing AXA's direct and indirect environmental impacts.

In particular, AXA's ambitious environmental targets included in its 2025 environmental strategy are notably focused on the reduction of carbon emissions, one of the main contributors to climate change. Some of AXA's carbon emissions reduction targets for 2019-2025 are based on an approach promoted by the "Science Based Targets" initiative. Please refer to Section 4.3 "Climate Change and ESG Integration – Own operations' impact on climate change" of this Annual Report for further details on AXA policies for the reduction of carbon emissions.

Certain buildings occupied by AXA benefit from environmental certificates such as BREEAM, LEED and HQE. Please refer to Section 4.3 "Climate Change and ESG Integration – Own operations' impact on climate change – 2021 Environmental Performance – Energy Consumption" of this Annual Report for further details on AXA's certifications.

As an insurer and an investor

The AXA Group seeks to prevent or minimize adverse impacts on the environment, namely by:

- offering customers insurance and investment solutions that promote environmentally friendly behaviour;
- applying policies designed to address issues associated with its investments and underwriting activities for sectors that are particularly sensitive from an ESG perspective. These sector specific policies cover human rights and environmental concerns (*e.g.,* oil & gas) and are subject to an annual certification process carried out by entities of the Group;
- committing to align its investments and its underwriting activities with the Paris Agreement, to reach a "warming potential" of +1.5°C by 2050.

AXA also supports initiatives related to climate change and environmental protection, as detailed in Section 4.3 "Climate Change and ESG Integration – Climate, Biodiversity and ESG-related "outreach" and engagement" of this Annual Report. In addition, as stated above for the protection of human rights (please refer to the paragraph "Protection of Human Rights and Environment – Protection of Human Rights and Human Rights policy – Integration of human rights into investments" in this Section), AXA has implemented a Responsible Investment Policy and an analytical framework to identify potential indirect environmental impacts. The ESG assessment is used to give a score to the companies in which AXA has invested, or contemplates making an investment. The list of criteria and sectoral weighting matrix that apply to the various ESG sub-criteria are regularly reviewed for a better grasp of the most significant issues for each sector. AXA applies a minimum threshold below which companies are excluded from its contemplated investments. This assessment is updated by AXA every six months.

The Group's Responsible Investment Policy is available on the AXA Group's website (www.axa.com/en/about-us/responsible-investment).

Please refer to Section 4.3 "Climate change and ESG Integration" of this Annual Report for further details on AXA's strategy, policy, targets and results with respect to environmental protection.

Alert procedure

The current alert procedure allows all stakeholders (employees, business partners, etc.) to share without any delay their concerns and/or report any practice, action or behaviour that they consider inappropriate, illegal, or unethical. Alerts can be submitted within the relevant entity or sent directly to the Group using a dedicated email address (speak-up@axa.com) allowing alerts from all geographical areas where the Group conducts business, without restrictions and irrespective of the stakeholders.

The AXA Group examines all alerts received with the objective of ensuring an adequate response (intervention by adequate actors, deployment of immediate corrective actions and/or precautionary measures, investigations etc.). Alerts are handled in accordance with a strict, independent process that includes key stakeholders in the vigilance plan where relevant. The identity of the author of such alert is treated in a confidential manner and cannot be disclosed without his/her consent (except to judicial authorities).

AXA has expressly stated that there will be no act of retaliation against anyone who reports actual or suspected misconduct in good faith, or who participated in establishing the facts confirming a misconduct by providing evidence.

Furthermore, all AXA Group companies are required to define internal regulations and other policies governing whistleblowing pursuant to local laws and regulations. In 2019, a global communication campaign named “Speak-up”, was launched to refresh employee awareness of both the local and Group alert procedures. The purpose of the campaign was to strengthen, increase consistency of, and simplify the process across the Group. Various media were used to broadcast this campaign, thus increasing its impact and making it available to all, including through newsletters, screen savers, videos, training, formal presentation, etc.

Follow-up and report on the effective implementation of the vigilance plan

In 2021, the AXA Group ensured the effective implementation of all policies and procedures described in the vigilance plan through the involvement of (i) central teams from the Sustainability, Procurement, Legal, Compliance, Risk Management and Human Resources Departments and (ii) a network of local correspondents.

REPORTING PROCESS

In 2021, the Group continued its efforts to raise awareness on the vigilance plan amongst its entities. Awareness sessions were organized in order to remind entities of the duty of care *(devoir de vigilance)* regulation, as well as the penalties applicable in the event of non-compliance with legal obligations. Correspondents of the Procurement network attended these sessions in 2021.

In addition, AXA relies on a reporting process for Group entities which is based on pre-existing procedures and monitoring tools and, in particular, on an internal review conducted by the Sustainability Department. Each year, the principal operating entities are asked to conduct an internal risk assessment to identify any gaps with the vigilance plan.

Following the assessment conducted in 2021, gaps were identified and the relevant entities shall implement remedial action plans, including the following:

- the inclusion of the corporate responsibility clause that was reviewed by the Group at the end of 2019 in procurement contracts;
- the strengthening of supplier monitoring in high ESG risk categories through EcoVadis;
- the raising of human rights awareness among employees, such as the inclusion of people with temporary or permanent disabilities; and
- the adjustment of local alert procedures to cover matters related to human rights and the environment.

RESPONSIBLE PURCHASING BUSINESS

Translating AXA's Sustainability strategy and commitments into its management of suppliers is a continuous activity for AXA. This alignment means that AXA integrates sustainability considerations to select and monitor its suppliers. This approach is articulated around two axes:

- **Responsible people & processes:** all the AXA Group professionals working in a procurement department must sign the Group's Code of Professional Conduct but also a dedicated and reinforced Code of Ethics, which promotes fairness and neutrality, confidentiality and transparency of sourcing decisions. The professionals are also trained to the AXA Sustainability strategy and the AXA Responsible Procurement policy through awareness sessions given by the network of Responsible Procurement identified in our various entities.
- **Responsible vendors:**
  - An ESG criteria' grid was shared during the first half of 2021 across the Procurement teams and integrated into the Group's calls for tenders. Criteria may vary according to the category of purchases. As an example, they may involve the EcoVadis rating, the carbon emissions of suppliers' products and services, and their responsible procurement policy. Since January 2022, the number of tenders including ESG criteria is tracked by the Procurement teams.
  - AXA requires from its vendors to include a "corporate responsibility clause", which is mandatory in its contracts. It includes, in particular, complying with the principles of the ILO (prohibiting the use of child/forced labour, promoting employee health & safety and freedom of expression, and non-discrimination). 96.8% of the procurement contracts entered or renewed in 2021 included this corporate responsibility clause (*versus* 96.6% in 2020).
  - AXA implemented an assessment of the extra-financial risks of its suppliers, identified thanks to an internal Risk Matrix by procurement category (please refer to section "Vigilance Plan – Identification and Evaluation of Risks to Human Rights and the Environment – Environment – As a Responsible Business Partner" above). 72.5% of the vendors evaluated in 2021 shared a Bronze or higher EcoVadis scoring (*versus* 67.2% in 2020).
  - Aware of the carbon emissions' impact from its activities, the Group is working to implement best practices to be in line with its objective to reduce carbon emissions by 20% by 2025. AXA has therefore implemented locally new sustainable ways of buying, *e.g.* greening of car fleets, purchases of green energy on offices and data centres, deployment of new measures for IT purchases (*e.g.*, by asking 10 of its key providers to communicate their services and products' carbon footprint link to AXA's purchases). All these best practices applied locally are shared by the Responsible Procurement community in order to promote a wider deployment.

Detailed information on AXA's Responsible Procurement policy and AXA standards regarding procurement is provided in AXA's Group Procurement Guidelines. The document is used for supplier selection and management purposes.

Since 2018, AXA uses a dedicated Vendor Risk program to reinforce its operational control and Risk Management of third parties. Please refer to Section 5.7 "Operational Risk" of this Annual Report for further information on this program.

The AXA Group is pursuing its commitment in implementing these same principles and received a "Platinum" score in its latest EcoVadis evaluation.

INVOLVEMENT OF AXA STAKEHOLDERS

In line with its strong culture of dialogue, AXA has regular discussions with its various stakeholders at different levels. Please refer to Section 4.1 "AXA Sustainability Strategy – Sustainability Governance & Stakeholder Dialogue" of this Annual Report for further details about the stakeholder dialogue initiated by AXA.

In order to maintain effective communication between employees and management as well as a constructive social dialogue, the vigilance plan was presented on several occasions to employee representatives. Through discussions with the Group's French employee representatives and more particularly with the Social Committee of the French Group's Works Council, certain provisions of the vigilance plan have been placed at the core of the employer-employee dialogue.

The AXA Group strives to strengthen the communication of its vigilance plan to all of it stakeholders, in particular by making it available on AXA's website (www.axa.com/en/about-us/our-commitment-to-human-rights).

4.7 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENTS INCLUDED IN THE GROUP MANAGEMENT REPORT

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

FOR THE YEAR ENDED DECEMBER 31, 2021

To the AXA SA Annual General Meeting

In our capacity as Statutory Auditor of AXA SA (hereinafter the "entity"), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation n°3-1060, whose scope is available at www.cofrac.fr), we conducted our work in order to provide a report expressing a limited assurance conclusion on the historical information (observed and extrapolated) of the consolidated non-financial information statement (hereinafter respectively the "Information" and the "Statement"), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for year ended on December 31, 2021, included in the management report pursuant to the legal and regulatory provisions of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code *(Code de commerce).*

Conclusion

Based on the procedures performed, as described in the "Nature and scope of our work" Section, and the elements that we have collected, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, are not presented fairly in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and through time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are disclosed in the Statement and available upon request from the entity's headquarters.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- the preparation of the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of those policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's Guidelines as mentioned above.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R.225-105 I, 3 and II of the French Commercial Code, *i.e.,* the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and professional standards applicable

The work described below was performed in accordance with the provisions of Articles A.225-1 *et seq.* of the French Commercial Code and with the professional guidance of the French Institute of Statutory Auditors (CNCC) applicable to such engagements, as well as with ISAE 3000 (Revised) – *Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de déontologie)* of Statutory Auditors. In addition, we have implemented a system of quality control including documented policies and procedures to ensure the compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Means and resources

Our work was carried out by a team of 10 people between September 2021 and March 2022 and took a total of 9 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 16 interviews with people responsible for preparing the Statement, representing among others Sustainability, Risk Management, Compliance, Tax, Procurement, IT and Human Resources.

Nature and scope of our work

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed were based on our professional judgment and allowed us to provide a limited level of assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L.225-102-1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement presents information set out in Article L.225-105-1 II where relevant to the principal risks and includes an explanation for the absence of the information required under Article L.225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks;

- we referred to documentary sources and conducted interviews to:
  - assessed the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix. For several risks (stakeholders engagement practices, climate-related risks, biodiversity, inclusive insurance, anti-bribery & fight against corruption, business conduct, tax policy, personal data protection, and responsible procurement), our work was performed at the consolidation entity level; for the remaining risks, our work was performed at the consolidation entity level and on a selection of contributing entities which are, on social data (1), on societal data (2), and on environmental data (3);
- we verified that the Statement covers the scope of consolidation, *i.e.,* all the companies included in the scope of consolidation in accordance with Article L.233-16, within the limitations set out in the Statement;
- we asked what internal control and Risk Management procedures the entity has put in place and assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities which are, on social data (1), on societal data (2), and on environmental data (3), and covers between 19% and 46% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors (CNCC); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, March 21, 2022

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Audit

Bénédicte Vignon
Partner

Sylvain Lambert
Sustainable Development Partner

(1) AXA Belgium, AXA Tianping Property & Casualty Insurance Company Limited, AXA Services Egypt S.A.E., AXA General Insurance Egypt., AXA Life Insurance Egypt S.A.E., AXA Ireland, AXA XL in the US, AXA Services Ltd, AXA XL in India, AXA Business Services India, AXA Seguros Mexico.

(2) AXA Tianping (HQ), AXA France (AXA Atout Cœur), AXA Holdings Centrales, AXA Krungthai (Life), AXA Indonesia.

(3) AXA XL in the US, AXA Tianping (HQ), AXA Egypt, AXA France (Les Terrasses 1,2,3 (Nanterre), Lyon, Marly Le Roi), AXA XL in India, AXA Business Services India, AXA Seguros Mexico, AXA Switzerland, AXA Insurance Thailand, AXA Life Insurance Japan (limited scope), AXA UK & Ireland (limited scope), AXA Philippines Life (limited scope).

Appendix: List of the information we considered most important

Key performance indicators and other quantitative results:

- Climate change and biodiversity: energy consumption, distance covered by business travel and vehicle fleet, CO_2 emission by scope, water consumption, office and marketing paper consumption, waste production, "green" investments, AXA's investments Warming Potential and carbon footprint, insurance products with a positive impact on the environment through the guarantees or services offered, financial commitments to reforestation, AXA's digital carbon footprint;
- Employer responsibility: headcounts and distribution, number of external recruitments, number of resignations, number of dismissals, annual gross payroll (fixed and variable), number of training days, absenteeism rate, "employee Net Promoter Score", salaried employees with teleworking arrangements, salaried employees having been trained at least once during the year, AXA's gender parity amongst Top Senior Executives;
- Inclusive insurance: number of emerging customers,
- Partnerships & philanthropy: engagement rate of AXA employees in volunteering, cash donations for community investment projects, number of employees who participated to volunteering acts, number of volunteering acts, total hours contributed to volunteering acts during working time, share of volunteering acts performed by AXA employees done in support to climate or inclusive protection causes;
- Business behaviour: entities having certified AXA Standards on Product Approval Process, revenues covered by Binding Corporate Rules, Scoring ISO 27001, share of new contracts that include a Corporate Responsibility clause, suppliers having a good ESG external rating;
- Fight against corruption: entities having certified AXA Standards on Anti-bribery & fight against corruption;
- Fight against tax evasion: entities having certified compliance with AXA Group tax policy & tax code of ethics, coverage of Group tax footprint in Tax Transparency report;
- Governance: number of external stakeholders' panels where AXA is present.

Qualitative information (actions and results):

- Stakeholders engagement;
- Safe environment;
- Inclusion and Diversity;
- Talent management/loss of key staff;
- AXA's impact on climate change: own operations' environmental footprint;
- AXA's impact on climate change as an investor;
- Impact of climate change on AXA as an investor;
- AXA's impact on climate change as an insurer;
- Impact of climate change on AXA as an insurer;
- Impact of climate change on AXA operations;
- AXA's impact on biodiversity;
- Inclusive insurer;
- Partnership & philanthropy;
- Anti-bribery & fight against corruption;
- Business conduct;
- Responsible procurement;
- Tax policy;
- Responsible data use, data privacy, and data security.

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5

RISK FACTORS AND RISK MANAGEMENT

5.1 RISK FACTORS SNFP

You should carefully consider the following risk factors together with other information contained in this Annual Report. Any of these risks could materially affect our business, financial condition or results of operations, cause the trading price of our ordinary shares to decline materially or our actual results to differ materially from those expected or those expressed in any forward looking statements made by or on behalf of the Company.

This section presents the significant risks specific to the Group to which we believe it is exposed as of the filing date of this Annual Report with the AMF. The risks described below are not the only risks the Group faces. Additional risks and uncertainties not currently known to us, not specific to the Group or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations or cash flows. These include but are not limited to persisting material uncertainties relating to the COVID-19 crisis, which may adversely impact the Group during 2022 and future periods. Risks relating to the COVID-19 crisis are presented herein based on currently available information and are subject to a constantly evolving context. Finally, we may change our perception of the impact of one or more risks on the Group at any time, particularly in the event of one or more new internal and/or external developments.

The Company's risk management processes, procedures and controls are described in Section 5.2 "Internal control and Risk Management" of this Annual Report, which should be read in conjunction with this Section 5.1. While Management devotes very substantial resources to risk management on an ongoing basis, the Group's risk management activities, like all control systems, are subject to inherent limitations and cannot provide absolute assurance or render the Group immune in any respect from the risks described in this Part 5 or the losses that may be incurred in connection with these risks.

Where the risks described in this Section 5.1 have given rise to quantifiable and material financial impacts and/or material contingent liabilities, those financial impacts and/or contingent liabilities are reflected in the Consolidated Financial Statements, in accordance with applicable accounting principles. You should also refer to Section 5.3 *et seq*. of this Annual Report for quantitative information on the material risks to which the Group is exposed. For the avoidance of doubt, references to "insurance", "reinsurance", "Property & Casualty" and "Life & Savings" in this Section also refer to "Health" activities as appropriate.

In presenting the risks set forth in this Section 5.1, Management has identified the primary categories of risk and the most material risks in a manner that corresponds to management's current view as to the materiality of such risk factors for the AXA Group, based on the perceived likelihood of the occurrence of such risks and the expected magnitude of their negative impact. As more fully described below, such categories include market-related risks, credit- and liquidity-related risks, insurance and reinsurance pricing and underwriting-related risks, operational risks, regulatory-related risks and risks related to the ownership of the Company's shares. Further, there can be no assurance that Management's assessment of the relative importance of such risk factors may not change over time, whether to reflect new information, events, circumstances or otherwise.

As discussed in Section 2.1 "Operating highlights" of this Annual Report, AXA SA intends to transform into the Group's internal reinsurer while remaining the holding company of the Group (the "Internal Reinsurance Transformation"). AXA SA has therefore applied to obtain a reinsurance license from the ACPR. The Internal Reinsurance Transformation is subject to the prior approval of AXA SA's shareholders, expected to be sought at the Shareholders' Meeting on April 28, 2022, in connection with the necessary changes to AXA SA's bylaws. Upon receipt of the reinsurance license, AXA SA would become a licensed reinsurance company subject to the applicable ACPR regulations governing reinsurance entities and activities, and would enter into annually renewable 25% quota share reinsurance treaties with certain of AXA's European Property & Casualty carriers. As part of the Internal Reinsurance Transformation, AXA Global Re, the Group's existing internal reinsurance entity, would also be merged with and into AXA SA, with AXA SA as the surviving entity.

Financial Risks

MARKET-RELATED RISKS

Negative developments in economic and financial market conditions, whether on a national, continental or global basis, may materially and adversely affect our business and profitability

Our businesses, financial condition, results of operations and solvency are impacted by global financial market fluctuations and economic conditions generally. For additional information on the sensitivity of our Solvency II ratio to capital market conditions, please refer to the AXA Group's SFCR, available on AXA's website (www.axa.com) [1].

In 2020, the COVID-19 pandemic and the ensuing governmental measures implemented to contain the spread of the COVID-19 pandemic and address the resulting health crisis caused significant disruption to economies around the world, resulting in a severe global recession and significant volatility in financial markets. In 2021, volatility in financial markets remained significant, despite a rebound of the economic conditions, due to the mutations of the SARS-CoV-2 virus (the virus responsible for the COVID-19 pandemic) and the emergence of CoV-2 variants of concern.

A wide variety of other factors have adversely affected, and could negatively impact in the future, economic growth prospects and contribute to high levels of volatility in financial markets. These factors include, among others, concerns over a persistent slowdown or reversal in economic growth and levels of consumer confidence generally; current market conditions, including asset valuations and volatility, that may lead to an abrupt and significant repricing in financial markets; the strengthening or weakening of foreign currencies (in particular the US Dollar) against the Euro; the availability and cost of credit; the stability and solvency of certain financial institutions and other companies, including related systemic credit risk concerns; rising trade tensions, "trade wars", and other governmental measures, either enacted or being contemplated relating to tariffs or international trade agreements and policies; continuing concerns over certain sovereign debt issuers; inflation or deflation in certain markets; central bank intervention in the financial markets, through quantitative easing or similar programs (such as the European Central Bank's €1,850 billion Pandemic Emergency Purchase Program) or the winding-down or cessation of such programs; disruptions in the global supply chain; changes in reference rates, including reforms to and potential changes affecting LIBOR, EURIBOR, and other indices; volatile energy costs; adverse geopolitical events (including acts of terrorism or military conflicts) and rising geopolitical tensions in various regions, including Russia, Ukraine, Latin America, Libya, Syria, Iraq, North Korea or Afghanistan; the imposition, or significant enhancement, of international sanctions against certain countries (in particular, Russia) and connected entities, and recent or future developments, such as the 2022 presidential and legislative elections in France.

The COVID-19 crisis began in 2020, but its consequences and impacts are ongoing. The related governmental measures to contain the spread of COVID-19 and to address the resulting crisis have increased the probability and magnitude of market-related risks posed by the aforementioned factors. In 2020, the spread of COVID-19 led governmental authorities around the world to impose quarantines and lockdown measures, business restrictions, travel limitations and other social-distancing measures of varying scope, and led to major disruptions in global trade and supply chains more broadly, which significantly reduced economic activity. These measures have been progressively eased following the availability of the first COVID-19 vaccines, which notably first became available in France in January 2021. While the COVID-19 crisis has had and will most likely continue to have an adverse effect on financial markets and global economic conditions, significant uncertainties as to the duration and extent of the pandemic make its overall impact difficult to predict, both at local and global levels. The extent to which the economic consequences of the COVID-19 crisis will continue to affect the Group's results of operations and financial condition will depend on a number of factors, including the suitability and effectiveness of mitigating and support measures introduced, in particular, by governments (*e.g.,* government-guaranteed loan facility programs, tax deferrals, facilitated recourse to part-time working) and central banks, as well as the timing and efficacy of COVID-related vaccination programs.

In addition, specific concerns regarding the Eurozone, including the financial condition of certain EU sovereign debt issuers, uncertainty regarding membership in the European Union, relationships between European institutions and certain Member States, potential structural reforms or other changes made to the Euro, the Eurozone or the European Union, have resulted in significant disruptions in financial markets in recent years and could have similar effects in the future. In particular, the decision of the United Kingdom to leave the European Union in accordance with Article 50 of the Treaty on European Union ("Brexit"), which became effective on January 1, 2021, and the resulting negotiations between the United Kingdom and the European Union to reach a withdrawal agreement, which entered into force on January 31, 2020, have materially

(1) The AXA Group's SFCR for the year ended December 31, 2020, is available on AXA's website, and the AXA Group's SFCR for the year ended December 31, 2021, is expected to be published on May 20, 2022, on AXA's website.

impacted financial markets and macroeconomic conditions. The ongoing negotiations around access to financial markets and cross-border financial services, among other things, could have unpredictable effects on financial markets and/or adversely impact firms providing cross-border financial services. There can be no assurance that Brexit and its related consequences will not have an adverse effect on the Group's business and financial condition.

These factors and others have had and will likely continue to have an adverse effect on our revenues and results of operations, in part because we have a large investment portfolio. Our investment income is an important part of our profitability, and our sales of insurance and Asset Management products (as well as the level of product surrenders and lapses) are dependent upon financial markets performance, customer behavior and confidence as well as other related factors. Our ability to make a profit on insurance and investment products, for example, depends in part on the returns on investments supporting our obligations under those products, and the value of specific investments may fluctuate substantially depending on the foregoing conditions. In addition, certain types of insurance and investment products that we offer expose us to risks associated with fluctuations in financial markets, including certain types of interest-sensitive or variable products such as guaranteed annuities or variable annuities, which have crediting or other guaranteed rates or guaranteed minimum benefits not necessarily related to prevailing market interest rates or investment returns on underlying assets. Although we use hedging techniques to help mitigate our exposure under certain of these guarantees, not all risks can be effectively hedged against and volatility in the financial markets, combined with unanticipated policyholder behavior and uncertainty surrounding the COVID-19 crisis, may increase our cost of risk and/or negatively affect our ability to hedge against certain of these risks, which may in turn adversely affect our profitability.

More generally, to the extent the economic environment in the jurisdictions in which we do business may become characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and lower consumer spending, the demand for our financial and insurance products could be adversely affected. In addition, in such circumstances, we may experience an elevated incidence of lapses or surrenders on certain types of policies or funds, lower surrender rates than anticipated on other types of products, and our policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. As an insurance undertaking, the Group is exposed to inflation risk, which could have a negative impact on our cost base overall and, particularly in our Property & Casualty business, on our claims experience, reserves and our profitability (based on the lag in repricing). In addition, governments, supervisors, regulators and courts may adopt policyholder-favorable stances to ensure the affordability of coverage for policyholders, which may negatively impact our financial condition. The probability and magnitude of these risks increased due to the sharp contraction in global economic activity caused by the COVID-19 crisis. These developments could accordingly have a material adverse effect on our business, results of operations and financial condition.

Changes in interest rates and credit spreads may adversely affect our business, results of operations, solvency and financial condition

Our exposure to interest-rate risk relates primarily to the market price and cash flow variability associated with changes in interest rates. Changes in interest rates may negatively affect the value of our assets (particularly fixed-income investments) and our ability to realize gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings. In particular, negative interest rates and low levels of interest rates generally, such as those experienced in recent years, have impacted and may continue to negatively impact our net interest income and the profitability of our Life & Savings business, especially as the impact of the COVID-19 crisis and related governmental measures, has generally resulted in extending this downward trend in interest rates, through United States, European Union and other central bank actions.

In-force life insurance and annuity products may become comparatively more attractive to customers in a declining interest-rate environment, resulting in an increase in our liabilities (in particular in relation to flexible-premium products), asset-liability duration mismatches (as more policies and contracts remain in-force from year-to-year) and an increase in provisions for guarantees included in life insurance and annuity products.

Accordingly, during a period of declining interest rates or a prolonged period of low interest rates, our profitability may suffer as the result of a decrease in the spread between interest rates credited to insurance policyholders and annuity contract owners and the rates we are able to earn on our fixed-income investment portfolio. In addition, certain regulatory capital and reserve requirements are based on formulas and models that consider interest rates, such as the Group's Internal Model, and an extended period of low interest rates may increase the regulatory capital we are required to hold and the amount of assets we must maintain to support our reserves, while decreasing the amount of our Eligible Own Funds (EOF), which could have an adverse impact on our Solvency II ratio.

Conversely, in periods of increasing interest rates, the estimated fair value of certain of our fixed-income investments may decrease, which could negatively impact our Solvency II ratio and net income; surrenders of life insurance policies and fixed annuity contracts may accelerate, as policyholders seek higher returns, which may cause us to accelerate amortization of deferred policy acquisition costs or to liquidate fixed maturity investments in order to obtain liquidity to satisfy such obligations, which may result in realized investment losses. Similarly, our fee income may decrease due to a decline in the value of our asset managers' fixed-income assets under management and unit-linked reserves, which could result in lower management fees and have an adverse impact on Asset Management net inflows. In addition, we may be required, as an issuer of securities, to pay higher interest rates on debt securities, debt and bank facilities, which may increase our interest expenses.

For a description of the sensitivity of our EOF to changes in interest rates, please refer to Section 6.6 – Note 4.2 "Market risks (including sensitivity analysis)" of this Annual Report. For additional information on the sensitivity of our Solvency II ratio to financial shocks on interest rates, please refer to the AXA Group's SFCR, available on AXA's website (www.axa.com) [(1)].

Our exposure to changes in credit spreads primarily relates to the impact of such changes on market prices and cash flow variability. A widening of credit spreads will generally reduce the value of fixed-income securities we hold (including credit derivatives where we assume credit exposure) and increase our investment income associated with purchases of new fixed-income securities in our investment portfolios; and, as an issuer of fixed-income securities, we may face increased interest expenses. Conversely, credit spread tightening will generally increase the value of fixed-income securities we hold and reduce our investment income associated with new purchases of fixed-income securities in our investment portfolios. For additional information on the sensitivity of our Solvency II ratio to financial shocks on corporate bond spreads, please refer to the AXA Group's SFCR, available on AXA's website (www.axa.com) [(1)].

Although we take measures, including hedging through derivative instruments, to manage the economic risks of investing in a changing interest-rate environment, we may not be able to mitigate the interest rate risk of our assets relative to our liabilities. Accordingly, ongoing volatility in interest rates and credit spreads, individually or in tandem with other factors, could have a material adverse effect on our solvency position, and on our results of operations, financial condition or cash flows through realized losses, impairments, and changes in unrealized gains and loss positions.

Fluctuations in currency exchange rates may significantly affect our results of operations, financial condition, liquidity and solvency

Due to the geographical diversity of our business and notably the fact that significant subsidiaries of the Group are located in the United States, the United Kingdom, Switzerland, Japan and Hong Kong, we are exposed to the risk of exchange rate fluctuations since a significant portion of our shareholdings and investments, revenues and expenses are denominated in currencies other than Euro, while our Consolidated Financial Statements are established in Euro. Likewise, the part of our debt and other obligations (including certain reinsurance treaties and retrocession agreements to which we are a party) denominated in currencies other than Euro is exposed to foreign currency exchange rate fluctuations.

Equity of Group entities is expressed primarily in Euro, US Dollar, British Pound Sterling, Swiss Franc, Japanese Yen and Hong Kong Dollar. Fluctuations in the exchange rates used to convert foreign currencies into Euro, and in particular, fluctuations in US Dollar against the Euro, have had, and may have in the future, a negative impact on the Shareholders' equity Group share and Underlying earnings Group share. We have not implemented a policy of fully hedging the changes in the value of the equity of our subsidiaries with equity denominated in foreign currencies. For more information about the impact of the fluctuations in the exchange rates of US Dollar, British Pound Sterling, Swiss Franc, Japanese Yen and Hong Kong Dollar into Euro, please refer to Section 5.3 "Market Risks" of this Annual Report.

Similarly, fluctuations in exchange rates may have an impact on the Group's net income as a result of the translation of foreign currency transactions, the settlement of foreign currency balances and discrepancies between foreign currency liabilities and assets. In this case, and in order to reduce the impact of such discrepancies, the Group uses derivative financial instruments to hedge against foreign exchange risk for the most sensitive currencies, particularly during periods of significant market volatility. For more information about the main hedging positions of AXA SA with respect to foreign currencies, please refer to Section 5.3 "Market Risks" of this Annual Report.

While we seek to manage our exposure to foreign currency fluctuations through hedging, fluctuations in exchange rates may have a significant impact on our Euro-denominated results of operations, cash flows, gearing ratio, shareholders' equity and solvency. In addition, the currency hedges we use to manage foreign exchange rate risk may in themselves impact our cash and liquidity position.

(1) The AXA Group's SFCR for the year ended December 31, 2020, is available on AXA's website, and the AXA Group's SFCR for the year ended December 31, 2021, is expected to be published on May 20, 2022, on AXA's website.

Inflation or deflation in our principal markets would have multiple impacts on the Group and may negatively affect our business, solvency position and results of operations

We are exposed to inflation risk in certain of our principal markets, especially in Europe, (i) through our holdings of fixed interest rate and other instruments, and (ii) as a result of the potential for claim payments and expenses to rise faster than anticipated in our reserving and pricing assumptions.

The Group's assets are exposed to increases in inflation and/or in inflation forecasts, which could accompany increases in interest rates and lead to a decrease in the market value of bonds held in our investment portfolio. Increases in inflation could also have an impact on the creditworthiness of bond issuers and could result in an increase in credit spreads (please refer to the paragraph above "Changes in interest rates and credit spreads could have a material adverse effect on our business, results of operations, solvency and financial condition"). All of these factors could lead to a decline in the value of the bonds we hold, which could have an adverse effect on the profitability of our investment portfolio and on our revenues. Depending on the relevant macroeconomic context, increases in inflation could also have a negative impact on risk premiums and share prices, which could result in a decline in the market value of the Group's equity portfolio.

Inflation in the costs of claims, labor costs, cost of energy and raw materials, medical costs, construction costs and tort issues and/or inflation due to disruptions in the global supply chain impact the Property & Casualty industry. The impact of inflation on claim costs could be more pronounced for certain of our claims that are indexed to inflation and those Property & Casualty lines of business that are considered "long tail", such as general liability, Workers' Compensation and professional Liability, and other specialty lines of our AXA XL business, as they require a relatively long period of time to finalize and settle claims for a given accident year. In addition, lags in re-pricing in our Property & Casualty business, when combined with inflation, could reduce our profitability. Inflation driven in the short term by supply chain disruptions and shortages affecting raw materials and goods may negatively impact the results of our operations, especially for our short-tail lines of business. Changes in the level of inflation could also result in an increased level of uncertainty in our estimation of claims reserves, particularly for long tail lines of business, which could have a significant adverse effect on our solvency, results, financial position or cash flows.

A significant decline in the market value of the Group's asset portfolio and an increase in the costs of claims could also lead to a decrease in the Group's shareholders' equity.

While inflation risk increased in 2021, in particular in the United States and to a lesser extent in Europe, we are also exposed to deflation risk, which materialized in the Eurozone in recent years and, in particular, during the fourth quarter of 2020. Deflation may erode collateral values and diminish the quality of certain investment assets, and may negatively impact customer behavior or otherwise negatively affect our business and results of operations.

Adverse business and market conditions, as well as accounting rules, may impact the recoverability of goodwill, amortization of intangibles and/or reduce deferred tax assets and deferred policyholders' participation assets, which could materially affect our results of operations and financial position

Business and market conditions as well as accounting rules may impact the amount of goodwill we carry in our consolidated balance sheet, our pattern of Deferred Acquisition Costs (DAC), Value of Business In-Force (VBI) and other intangible assets amortization, and the value of our deferred tax assets and deferred participation assets. The value of certain of our businesses is significantly impacted by such factors as the state of the financial markets, particularly equity markets, and ongoing operating performance.

Adverse experience relative to the methodologies, estimations and assumptions used by Management in valuing investments and determining allowances and impairments may materially adversely affect our results of operations

Certain of our invested assets, for which there is no active trading market or other observable market data, are valued using models and methodologies that involve estimates, assumptions and significant Management judgment. During periods of market disruption, a larger portion of our investment assets may be valued using these models and methodologies as a result of less frequent trading or less observable market data with respect to certain asset classes that were previously actively traded in liquid markets. There can be no assurance that our valuations on the basis of these models and methodologies represent, for example, the price for which a security may ultimately be sold or sold at any specific point in time. In addition, the valuations of certain assets may be adversely affected by external factors and developments that were not systematically taken into account in earlier models and methodologies, such as climate-related transition risks, which may cause the market and prices for certain investments with a high carbon footprint (also known as "stranded assets"), to decrease over time. For further information on our climate-related transition risk analysis, please refer to Section 4.3 "Climate Change and ESG Integration – Investments" of this Annual Report. The choice of models, methodologies and/or assumptions may have a material impact on the estimated fair value amounts and could have a material adverse effect on our results of operations and financial condition.

The determination of the amount of allowances and impairments that we recognize with respect to the invested assets we hold varies by investment type, and is based upon our periodic evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available. In considering impairments, Management considers a wide range of factors, including those described in Section 6.6 – Note 1.8.2 “Financial instruments classification” of this Annual Report, and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the investment assets and the prospects for near-term recovery. For certain asset classes, particularly debt instruments, Management’s evaluation involves a variety of assumptions and estimates about the operations of the issuer of the instrument and its future earnings potential. Management updates its evaluations regularly and reflects changes in allowances and impairments as such evaluations are revised. There can be no assurance, however, that Management has accurately assessed the level of impairments taken and allowances reflected in our financial statements, especially in light of uncertainties surrounding the impacts of systemic risks, such as those relating to the COVID-19 crisis, and the need for and timing of any additional impairments and/or allowances may have a material adverse effect on our results of operations and financial condition.

CREDIT AND LIQUIDITY-RELATED RISKS

Adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, our access to capital and increase our cost of capital

In recent years, the capital and credit markets have at times experienced high levels of volatility and disruption which, during certain periods, have significantly limited the availability of additional liquidity in the markets and credit capacity for most issuers, including the AXA Group. For more information about the contractual maturities of debt instruments held by the Group, please refer to Section 6.6 – Note 9.5 “Contractual maturities of debt instruments and loans and exposure to interest rate risk” of this Annual Report.

We need liquidity to pay our operating expenses (including claims and surrenders), dividends and interests on our debts and to refinance certain maturing debts and other liabilities. In addition, we need liquidity in connection with derivatives transactions to which we are party which require us to transfer cash collateral and/or subject us to margin calls in certain circumstances. The availability of additional financing to supplement internal liquidity resources will depend on a variety of factors such as market conditions, the overall availability of credit to the financial services industry, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long-term or short-term financial prospects if we incur large investment losses or if the level of our business activity decreases due to a market downturn. While Management has put in place a liquidity risk management framework that includes active monitoring of the Group’s liquidity position and contingency plans for accessing liquidity, liquidity constraints over a prolonged period may have a material adverse effect on our business, results of operations and consolidated financial condition.

Downgrades in our insurer and reinsurer financial strength and credit ratings could adversely impact our competitive position and damage our relationships with creditors or trading counterparties

Insurer (and reinsurer) financial strength and credit ratings are important factors used by the market and customers in establishing the competitive position of insurance and reinsurance companies and in assessing our claims-paying ability. Rating agencies review their ratings and rating criteria and methodologies on a recurring basis, and they may change or withdraw their ratings at any time, based on relevant factors that may not be entirely within our control and/or affect the insurance and reinsurance industry generally. In particular, several credit rating agencies have recently indicated that the global economic downturn caused by the COVID-19 crisis had led to a risk of a ratings downgrade for the insurance and the reinsurance sector. Consequently, our current ratings may not be maintained in the future and no undue reliance should be placed on such ratings, which should not be considered as recommendations to purchase, sell or hold any securities we have issued.

A downgrade or the potential for a downgrade in our ratings could have an adverse effect on us, including (i) damaging our competitive position, (ii) negatively impacting our ability to underwrite new insurance policies, (iii) increasing the levels of surrenders and termination rates of our in-force policies, (iv) increasing our reinsurance costs, (v) triggering termination provisions or collateral delivery requirements, or requiring us to return unearned premiums to cedants, under certain of our reinsurance and retrocessional agreements, (vi) negatively impacting our ability to obtain financing and/or increasing our cost of financing, (vii) harming our relationships with creditors or trading counterparties and/or (viii) adversely affecting public confidence in us. Any of these developments could have a material adverse effect on our business, liquidity position, results of operations, revenues and financial condition.

The financial condition and conduct of our counterparties could negatively impact the Group

We have significant exposure to third parties that owe us money, securities or other assets and which may fail to perform or default on their obligations to us due to bankruptcy, insolvency, lack of liquidity, operational failure, fraud, or other reasons. Such third parties include private sector and government (or government-backed) issuers whose securities we hold in our investment portfolios (including mortgage-backed, asset-backed, government bonds and other types of securities), borrowers under mortgages and other loans that we extend, reinsurers and capital market counterparties to which we have ceded (directly or indirectly) our insurance risks, customers, ceding companies, service providers, partners, trading counterparties, counterparties under swap and other derivative contracts, and other counterparties including brokers and dealers, commercial and investment banks, hedge funds, other investment funds, clearing agents and market exchanges. We may also have exposures to such counterparties under insurance policies that we have written, including in respect of D&O, surety and similar coverages. Moreover, we are exposed to counterparty risk with respect to certain policies we write that provide coverage to our policyholders for their credit risk exposures to third parties.

Under our reinsurance and retrocessional arrangements (including similar protection afforded through risk transfer transactions to capital markets), other insurers, reinsurers or capital market counterparties assume a portion of the losses and related expenses under policies we issue, although we remain liable as the direct insurer or reinsurer on all risks reinsured. While we evaluate periodically the financial condition of our reinsurers, retrocessionaires and capital market counterparties to minimize our exposure to significant losses from reinsurer/retrocessionaire/capital market counterparty insolvencies, such counterparties may become financially unsound by the time their financial obligations to us become due and force us to recapture the reinsured or retroceded business. In some cases counterparty risk is mitigated by collateral to support the third party's financial obligations to us. However, there may be impediments to or delays in our accessing the collateral, and the collateral may not be sufficient to fully protect us in the event of a counterparty default. For information on the ratings of our reinsurers, please refer to Section 5.4 "Credit risk-Risk control and risk mitigation – Receivables from reinsurers: rating processes and factors" of this Annual Report.

Our exposure to our counterparties may also be adversely impacted by the negative consequences of the COVID-19 crisis on the financial condition of such counterparties. In particular, moratorium measures have been implemented by governmental authorities in certain jurisdictions, which have limited the ability of creditors to enforce debts and, combined with governmental support measures (such as state-guaranteed loan facilities), may delay the opening of insolvency proceedings with respect to certain debtors. In the event that these moratorium and support measures were to be terminated, there may be a significant increase in defaults or debt restructuring, which may in turn have an adverse impact on the Group's counterparties, and the Group's business, results of operations and financial condition.

There can be no assurance that defaults by the foregoing or other counterparties would not materially and adversely affect our business, results of operations and financial condition.

Risks related to the Company and its business

INSURANCE AND REINSURANCE PRICING AND UNDERWRITING-RELATED RISKS

Adverse experience relative to the assumptions and judgment used in setting reserves, developing and pricing products and calculating industry measures of value may significantly affect our results of operations or performance indicators, which may have an adverse impact on the price of our securities

The profitability of our businesses largely depends on a variety of factors including social, economic and demographic trends, policyholder behavior, court decisions, changes in laws and regulations, inflation, investment returns and underwriting expenses. We make assumptions about these factors in estimating our risk exposures, determining the pricing of our products, establishing our technical provisions and employee benefits reserves and reporting capital levels and business results. These assumptions are based on various modeling techniques (*e.g.*, scenarios, predictive, stochastic and/or forecasting), using both proprietary and third-party models, data analytics and related analyses. Model outputs and related analyses are subject to various assumptions, uncertainties, model errors and the inherent limitations of any statistical analysis (including availability, use, accuracy and relevance of historical, internal and industry data) and incorporate numerous assumptions and forecasts about market conditions (such as interest rates, inflation and currency exchange rates), capital requirements, loss frequency and severity, and policyholder behavior. The use of such models can also be affected by operational risks, including input, data and human error. Adverse experience relative to such assumptions, in particular in the context of the COVID-19 crisis, use of and reliance on inaccurate or incomplete models, or inherent product defects may result in an increase in the pricing of our insurance products or the need for us to strengthen our product reserves, which may in turn have an adverse effect on our results of operations and financial condition, or lead to litigation.

In our Property & Casualty business, we establish reserves for claims (reported and unreported) and claims expenses in accordance with industry practices, as well as accounting, actuarial and regulatory requirements. Reserves do not represent an exact calculation of liability, but instead represent expectations of what the ultimate settlement and administration of claims will cost based on our assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity and frequency, actuarial experience on past events, legal liability and other factors. In particular, the amount of reserves net of reinsurance is also determined based on assumptions as to the availability of reinsurance/retrocession coverage and the applicability of such coverage to potential losses, including, for example, with respect to our ability to aggregate those losses in accordance with the relevant policy terms. Prolonged inflation could drive up our claims costs and have a material impact on our reserves and solvency. While we continually review the adequacy of our claims reserves, because the establishment of claims reserves is an inherently uncertain and complex process involving numerous estimates, including the impacts of any regulatory and legislative changes, court interpretations, medical condition of claimants, emerging trends and theories of liability, including with respect to environmental, medical and products liability exposures, and changes in economic conditions (including inflation changes and discount rates used for evaluation of settlements), there can be no assurance that ultimate losses will not materially exceed our claims reserves and have a material adverse effect on our results of operations. The impact of certain of these factors, such as social inflation, particularly in the United States (increased litigation, expanded theories of liability, higher jury awards and settlement expectations), as well as mass tort claims related to exposure to harmful products or substances (*e.g.,* asbestos, opioids, talc, glyphosate, lead paint), on our estimation of claims reserves and ultimate costs for claims is difficult to assess and could be material. Our estimation may also be more difficult during times of adverse economic conditions due to unexpected changes in behavior of claimants and policyholders, including an increase in fraudulent reporting of exposures and/or losses, reduced maintenance of insured properties or increased frequency of small claims.

In our Life & Savings business, our earnings depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we use in setting the prices for our products and establishing the liabilities for obligations for technical provisions and claims. In certain cases, product features such as minimum guarantees or options to swap between underlying funds in certain savings products may with time result in higher realized losses than anticipated in initial assumptions. In particular, assessing the impact of minimum guarantees which are contained within certain of our Life & Savings products and the adequacy test performed on the

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reserves for life policies (which encompasses the recoverability of DAC, VBI and deferred policyholder participation assets) involve a significant degree of management judgment. While we use both our own experience and industry data to develop products and to estimate future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities, there can be no assurance that actual experience will match these estimates and that systemic risks, such as those relating to the COVID-19 crisis, would not result in loss experience inconsistent with our pricing and reserve assumptions. Furthermore, while our New Business Value ("NBV") and European Embedded Value ("EEV") calculations are done on a market consistent basis, changes in assumptions used in calculating these measures may have a material adverse effect on the level of our NBV and/or EEV. For example, our NBV is sensitive to interest rate movements and, consequently, an adverse evolution of interest rates relative to our assumptions may have a significant impact on our NBV and a corresponding impact on the trading price of our securities.

The occurrence of natural or man-made disasters, including those resulting from changing weather patterns, diseases and climatic conditions, and systemic risks, could adversely affect our financial condition, results of operations and cash flows

Catastrophic events are inherently unpredictable. Our exposure to natural and man-made disasters depends on various factors and is often more pronounced in certain geographic areas, including major urban centers, with a high concentration of customers, employees and/or insured property and assets.

AXA XL, our Commercial Property & Casualty insurance and reinsurance and specialty risk division has operations in North and Latin America, Europe, Lloyd's and Asia-Pacific, which are significantly exposed to natural and man-made catastrophes. While we seek to manage AXA XL's exposure through underwriting actions and/or ceded reinsurance/retrocession coverage, there can be no assurance that the occurrence of catastrophic events will not have a material adverse impact on AXA XL's and our operations, results, financial condition, cash flows or solvency position.

Catastrophic events, whether natural or man-made, such as hurricanes, tornadoes, windstorms, hailstorms, earthquakes, volcanic eruptions, freezes, floods, explosions, wildfires, pandemic and infectious diseases (such as the COVID-19 pandemic), terrorist attacks, ransomware and other disruptive forms of cyber-attacks, systemic cyber failures, military actions, and power grid and other core infrastructure (*e.g.* telephony or Internet infrastructures) failures, as well as any new significant systemic risks (such as those relating to cyber security), could result in substantial volatility in or adversely affect our operations, results, financial condition, cash flows or solvency position, including as a result of claims occurring at higher levels or materially earlier than anticipated; losses resulting from disruptions in our operations or failures of our counterparties to perform; or declines in value of our investment portfolio. We monitor the evolution of these risks closely and generally seek to manage our exposure to them through individual risk selection, modelling and monitoring overall exposures and risk accumulation, purchase of third-party reinsurance and risk transfer transactions to capital markets. There can be no assurance, however, that we will be able to adequately anticipate such evolution, as a single catastrophic event, an accumulation of losses resulting from several events or an unusual frequency of smaller losses in a particular period may affect multiple geographic areas and lines of business, and the frequency or severity of catastrophic events could exceed our estimates. Accounting principles and rules preventing insurers and reinsurers to reserve for catastrophic events until they occur may also augment the impact of such events.

The occurrence of catastrophic events may also result in an increase of our reinsurance/retrocession for own account and limit or prevent us from obtaining adequate types and amounts of reinsurance/retrocession (or entering into adequate risk transfer transactions to capital markets) for certain risks or regions. Furthermore, we may be unable to obtain appropriate reinsurance/retrocession coverage with respect to exposures to certain systemic risks, which may result in an increase of our net exposures to such risks or require us to decrease our relevant underwriting commitments. While we seek to reduce our exposure to catastrophic events, through diversification and incremental reinsurance, we have experienced and could in the future experience material losses from these types of risks, which may exceed our reinsurance and retrocessional protection (or similar protection afforded through risk transfer transactions to capital markets) or such protection may otherwise be inadequate to protect us against losses or uncollectible reinsurance when due.

Climate change has the potential to materially affect the global economy and the insurance and reinsurance industry. The physical risks and consequences of climate change might significantly impact our business, including with respect to risk perception, pricing and modelling assumptions, the need for new insurance products, the amount and quantum of claims and the value of our investments. Risks arising as a result of the cross-sectoral structural changes stemming from the transition towards a low-carbon economy, including changes in climate policy, regulation, technology or market sentiment, could impact our insurance products, underwriting and the value of our investments. Finally, the liability risks arising from both the physical and transition risks of climate change are increasing and could lead to increased claims and defence costs and materially adversely affect our business, financial condition and reputation.

Over the past several years, changing weather patterns and climatic conditions, including as a result of climate change, have added to the unpredictability of natural disasters and to the frequency and severity thereof and created additional uncertainty as to future trends and exposures. In particular, the consequences of climate change might significantly impact the insurance and reinsurance industry, including with respect to risk perception, pricing and modelling assumptions, and the need for new insurance products, all of which may create unforeseen risks and costs not currently known to us.

The ongoing COVID-19 crisis illustrates the significant systemic risk posed by pandemics and other systemic risks, as well as the governmental measures implemented to address the crisis they cause. In addition, legislative and regulatory initiatives implemented, and court decisions rendered, following major catastrophes may adversely impact our results, financial condition, cash flows or solvency position, in particular where they seek to expand the intended scope of coverage for catastrophe-related claims beyond policy terms, including through policyholder-friendly or otherwise broad interpretation of policy wording or retroactive extension of policy coverage.

AXA continues to closely monitor the Group's exposure to the COVID-19 crisis (including its various mutated variants) and its wide-ranging consequences, including on (i) the extent of claims litigation and insurance coverage impacted (in particular in Property & Casualty business lines); (ii) the impact of potential renewed localized or more generalized lockdown measures, travel limitations and business restrictions on the Group's operations and activities; (iii) regulatory, litigation-related or legislative developments aimed at expanding the intended scope of coverages beyond policy terms, exclusions and other conditions; (iv) financial market volatility, changes in asset prices and overall financial conditions (including interest rates and corporate spreads), and consequential impacts on our investment portfolio; and (v) macroeconomic conditions and the flow of people, goods and services. Depending on the duration and extent of the COVID-19 pandemic's remaining course and the effectiveness of mitigating measures implemented by governmental authorities in particular, including the timing and efficacy of vaccination programs, COVID-19 crisis may continue to materially adversely affect our business, financial condition, results of operations and cash flows. For quantitative information on the financial impact of the COVID-19 crisis and its consequences on the Group's 2021 results, please refer to Section 2.3 "Activity Report – Activity and Earnings Indicators" and Section 2.3 "Activity Report – Commentary on Group Earnings" of this Annual Report.

The Property & Casualty insurance and reinsurance businesses are cyclical, which may impact our results

Historically, Property & Casualty insurers and reinsurers have experienced significant fluctuations in operating results due to volatile and sometimes unpredictable developments, many of which are beyond the direct control of the insurer/reinsurer, including competition, frequency or severity of loss events, levels of underwriting capacity by region or product line, general economic conditions, systemic risks (including those relating to the COVID-19 crisis and related governmental measures), and other factors, including the development of the insurance-linked securities market and other alternatives to traditional Property & Casualty insurance and reinsurance products. Changes in customer expectations for appropriate premium levels, the frequency or severity of claims or other loss events, including losses incurred by our ceding insurers and reinsurers, the hardening of the reinsurance market or other factors affecting the Property & Casualty insurance and reinsurance businesses may have an adverse effect on our results of operations and financial condition.

Our risk management programs may be inadequate to protect us against the full extent of the exposure or losses we seek to mitigate and may leave us exposed to unidentified, unanticipated or incorrectly quantified risks that could result in significant losses

We employ a range of risk management strategies, including reinsurance for own account and capital markets solutions (such as catastrophe bonds), in order to avoid or limit losses and liabilities. The failure of any of our risk management strategies or our inability to review or adapt our risk management strategies could result in significant losses and have a material adverse impact on our financial condition, results of operations, and cash flows.

With respect to reinsurance, the ongoing COVID-19 crisis is an illustration of the uncertainty surrounding the availability of reinsurance/retrocession coverage for losses relating to significant systemic risks. For instance, coverage for COVID-19 crisis-related losses (such as business interruption losses) may be more difficult to obtain, as our reinsurers may challenge the applicability of coverage to these losses or seek to reduce our ability to aggregate these losses in accordance with policy terms, which may adversely impact the amount of reinsurance recovery available to us in respect of these losses. Furthermore, we may be unable to renew our reinsurance arrangements on terms similar to those applicable prior to the COVID-19 crisis outbreak or obtain appropriate new reinsurance coverages with respect to certain exposures under our policies, including COVID-19 crisis-related exposures. The inability to find and obtain reinsurance coverage could result in significant losses.

Furthermore, we use derivatives (including equity futures, treasury bond futures, interest rate swaps and swaptions and equity options) to hedge certain, but not all, risks under guarantees provided to our clients or stemming from our assets. In particular, to hedge a significant widening of credit spreads, we use credit swaptions to notably mitigate our exposure to a high deterioration of the credit quality of our asset portfolio. In certain cases, however, we may not be able to apply these techniques to effectively hedge our risks as intended or expected or may choose not to hedge certain risks because the derivative markets in question may not be of sufficient size or liquidity, the cost of hedging may be too expensive (as a result of adverse market conditions or otherwise), the nature of the risk itself may limit our ability to effectively hedge or for other reasons. This may result in higher realized losses and unanticipated cash needs to collateralize or settle transactions. Hedging counterparties may also fail to perform their obligations, resulting in unhedged exposures and losses on positions that are not collateralized.

Furthermore, the operation of our hedging program is based on models involving numerous estimates and management judgments, including, among others, volatility and interest rates, and correlation among various market movements. These models or their underlying estimates and assumptions could prove inadequate for certain market environments, especially when financial markets experience high volatility, for instance as a result of unprecedented shocks like the COVID-19 crisis and related governmental actions, such as the lockdown measures implemented in various jurisdictions. Our hedging program may change over time and there can be no assurance that actual experience will not differ materially from our assumptions, which could adversely impact our results of operations and financial condition.

OPERATIONAL RISKS

Inadequate or failed processes, controls or systems, human factors or external events may adversely affect our profitability, reputation or operational effectiveness

Operational risk is inherent in our business and can manifest itself in various ways, including business interruption, poor vendor performance or default (including under significant outsourcing arrangements), systems malfunctions or failures, software and/or hardware obsolescence, computer viruses, ransomware and other disruptive forms of cyber-attacks and/or other unauthorized access to our websites and/or systems, misappropriation of sensitive information, corruption of data or operational disruption, regulatory breaches, human errors, defective products, external fraud, natural or man-made disasters and terrorist attacks. We are also exposed to risks arising from potential failures in, or non-compliance with, Group and entity policies concerning such matters as internal controls and procedures and financial reporting policies, as well as from employee misconduct or negligence and fraud. While we take measures to manage such risk, operational risk is part of the business environment in which we operate and we may incur losses from time to time due to these types of risks, as well as impairments to our liquidity, disruption of our businesses, deterioration of our solvency position, legal claims, regulatory sanctions or damage to our reputation. The risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our securities transactions could have similar adverse effects.

Our business is highly dependent on the effective operation of our information technology, telecommunications, electronic data and other operational systems. We rely on these systems to perform necessary business functions, including providing insurance quotes, processing applications and claims, providing information and support to customers and distributors, administering complex products, conducting actuarial analyses and keeping financial records. We also use computer systems to store, retrieve, evaluate and utilize significant amounts of sensitive customer, employee and company data and information, including proprietary and confidential information. Some of these systems, in turn, rely on third-party systems. Systems failures or outages or cyber-attacks could compromise our ability to perform necessary business functions in a timely manner, which could harm our ability to conduct business and hurt our relationships with our customers and business partners. In the event of a disruption, our systems may be inaccessible, and our employees unable to perform their duties, for an extended period of time.

Systemic risks may heighten and influence the aforementioned operational risks in an unprecedented fashion. As an example, the COVID-19 crisis, including related governmental measures, increased the probability and magnitude of operational risks associated with employee health problems, business continuity plans related to delays or failures in external services and measures impacting working practices (such as extensive remote working arrangements or requirements). The possibility that remote working patterns may become permanent, as well as significant exits from the workforce and higher rates of turnover more broadly, could lead to difficulty in obtaining and retaining talent. A failure to implement appropriate management of such heightened operational risks may adversely affect the Group's brand and reputation as well as its results of operations.

For additional information on the risks relating to the protection, processing and transfer of personal data (including customer and employee data), please refer to the paragraph below "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business".

Cyber-attacks or other security breaches of our computer systems, technologies or networks, or those of our third-party providers, could disrupt our businesses, result in damage to our reputation or significant financial losses, and expose us to potential regulatory sanctions

The increasing frequency and sophistication of ransomware and other disruptive forms of cyber-attacks directed at major financial institutions and other corporations recently has made clear the significance of these cyber risks and the operational, financial and reputational damage, they can potentially inflict. In recent years, this has led to an increased regulatory focus on risks of security breaches stemming from the growing reliance of the financial sector on information and communication technology. For further information on the regulatory frameworks, please refer to "Information and Communication Technology (ICT)" in Section 7.3 "General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks" of this Annual Report.

Despite the Group's implementation of a variety of security measures, the Group's data, systems and technologies, as well as the services we provide or rely on (including mobile and cloud services), have been and may in the future be subject to unauthorized intrusions, such as physical or electronic break-ins, ransomware and other disruptive forms of cyber-attacks, unauthorized tampering or other security breaches. Like other global financial institutions and companies, the Group has, from time to time, experienced threats to or compromises of its data, systems and technologies, including phishing, unauthorized access, malware or ransomware attacks, systems failures and disruptions which have required notification to applicable regulators and clients but have not resulted in material consequences for the Group. Exposure to these threats has widened due to a growing reliance on digital infrastructure, including from extended remote working arrangements put in place across the Group in the context of the COVID-19 crisis. For example, a smart working strategy that combines remote working and office presence was adopted in 2021 by AXA's main entities employing over 70% of the AXA Group's employees and is expected to be implemented globally by all of the Group's entities by 2023. Management has put in place internal controls and procedures designed to protect client data as well as the Group's assets from hacking or other types of unauthorized intrusions into the Group's computer systems, technologies and networks. There is no absolute guarantee, however, that these controls and procedures will be sufficient, properly implemented or effective, and prevent all attempted intrusions into the Group's systems, technologies and networks. Any such intrusion could result in operational disruption, financial losses, unauthorized access to, tampering or loss of sensitive personal data and/or proprietary information. Unauthorized intrusions and compromises that have taken place, and any attempted intrusions in the future, could also lead to regulatory actions, proceedings or sanctions against us. In addition, due to our reliance on certain infrastructures and interconnectivity with third-party providers, exchanges, clearing houses, financial institutions and other third parties, we could also be adversely impacted by any successful cyber-attack or other security event affecting any of them.

Cyber-attacks and other interruptions or disruptions of our data transmissions, systems and technologies, or those of our third-party providers (including third-party providers deemed critical to our principal activities), or a failure to maintain the availability, integrity or confidentiality of sensitive data residing on such systems or technologies, or transmitted through these networks, could potentially result in financial loss, impairment to our liquidity, a disruption of our businesses, a deterioration of our solvency position, legal claims, regulatory sanctions or damage to our reputation, any of which could materially adversely affect our results of operations or financial condition.

For additional information on the risks relating to the protection of personal data, please refer to the paragraph below "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business".

Any failure in managing and implementing our strategic initiatives could materially impact our results of operations, AXA share price and competitive position

We announced our *"Driving Progress 2023"* strategic plan on December 1, 2020, which can be expected to have a significant impact on the Group's business, competitive position and results of operations. This strategic plan is being implemented through a number of major initiatives, including in our Health and Protection business lines and across our Commercial Property & Casualty business lines, all of which are further described under the caption "Strategic Orientations" on pages 6 and 7 and in Section 2.6 "Outlook" of this Annual Report. All of these actions have been designed to deliver sustained earnings growth, driven by all our geographies, and a clear path to dividend growth, supported by enhanced cash generation, a strong balance sheet and disciplined capital management. Furthermore, as announced in our *"Driving Progress 2023"* strategic plan, we intend to reduce the carbon footprint of our General Account assets (*i.e.* corporate fixed-income; listed equities; real estate assets) by 20% by 2025. This new non-financial target complements the Group's commitment to contain the "warming potential" of its investment portfolio to below 1.5°C by 2050 and its objective to reach €26 billion in green investments by 2023. For more information about our *"Driving Progress 2023"* strategic plan and AXA's sustainability strategy, please refer to Section 4.1 "AXA's Sustainability strategy" of this Annual Report. There can be no assurance, however, that any or all of our strategic initiatives will be successful, or that the process of achieving their implementation will not cause material disruption to our business operations, management, personnel, brand and reputation, especially while there remain significant uncertainties and unknown risks relating to the evolution of the COVID-19 crisis.

The *"Driving Progress 2023"* strategic plan is based on a number of assumptions, covering, inter alia, the macroeconomic environment and the development of the Group's activities. These assumptions are based on various modeling techniques and forecasts regarding several factors (*e.g.* interest rates, inflation, capital requirements, claims expenses, gross domestic product). As a result, the financial targets we intend to achieve as part of our 2020-2023 strategic plan may be negatively affected by an adverse experience relative to such assumptions. Any failure to achieve such financial targets could materially impact our results of operations, share price and competitive position.

We may pursue acquisitions, joint ventures and other transactions to expand, complement or reorganize our business, which could adversely affect our business, future profitability and growth

External growth transactions involve risks that could adversely affect our operating results, including the substantial amount of Management time that may be diverted from operations to carry out such transactions and related integration efforts. Such transactions could also result in new debt or equity issuances, financing arrangements, and the incurrence of additional costs, contingent or unforeseen liabilities or risks and impairment and amortization expenses relating to goodwill and other intangible assets, and failure to mitigate the risks and uncertainties arising from such transactions through due diligence and indemnification provisions, all of which could materially and adversely affect our business, financial condition, results of operations and growth.

Furthermore, we may be exposed from time to time to certain risks relating to the integration of newly acquired companies. Such risks include difficulty or delay in integrating such companies, their IT, operations, employees and areas of expertise in an efficient and effective manner, which may result in the loss of certain key employees and/or customers of the acquired companies, and reliance on a transaction counterparty for transition services for an extended period of time, which may result in additional expenses and delay the integration or realization of the desired benefit of the transaction (and there can be no assurance that the transaction party will provide such transition services in a manner that is acceptable to us). As a result, we may not be able to effectively integrate acquired companies and achieve all of the expected strategic objectives, anticipated synergies, expected cost savings, impact on solvency capital requirements (including contributions to the Group's Solvency II ratio, if any), innovation, operational efficiencies and business development from acquisitions within the forecast periods or at all, or we may be required to spend additional time and money on integration, any of which could adversely affect our business, financial condition, results of operations and growth. In the case of adverse developments relating to an acquired company, modifications to our expected strategy with respect to such company, or more generally our overall strategy, might have to be considered. In particular, we may be subject to, or engage in, litigation in connection with or as a result of acquisitions, which could have an adverse effect on our results of operations.

We have carried out and may carry out in the future divestitures, reorganizations of existing businesses and internal reorganizations which may have adverse effects on our business, financial condition or results of operations. For example, in connection with the Internal Reinsurance Transformation, AXA SA has applied to obtain a reinsurance license from the ACPR and would, upon receipt thereof, become a licensed reinsurance company subject to the applicable ACPR regulations governing reinsurance entities and activities, and would enter into annually renewable 25% quota share reinsurance treaties with certain of AXA's European Property & Casualty carriers. As part of the Internal Reinsurance Transformation, AXA Global Re, the Group's existing internal reinsurance entity, would be merged with and into AXA SA, with AXA SA as the surviving entity. As a result, the reinsurance activity currently carried out by AXA Global Re would be carried out by AXA SA and AXA SA would become the main operational internal reinsurer of the Group. For more information, please refer to Section 2.1 "Operating highlights" this Annual Report. Such divestitures and reorganizations, which may take the form of share or asset sales or merger, as well as reinsurance transactions, may not be carried out within the expected timeframe or at all, due to the failure to obtain regulatory or other approvals or other reasons; the anticipated profit and/or positive effect on our overall risk profile, our Solvency Capital Requirement (SCR) and Solvency II ratio, or local solvency and capital adequacy requirements, from any such transactions may not be realized; or we may incur a loss on such transactions. Divestments of equity participations we hold may also be exposed to volatility and other market-related risks, which could impact the carrying value of our remaining stake in such companies, including related goodwill, and adversely affect our results of operations. All of such factors may be exacerbated by the uncertainties surrounding the COVID-19 crisis, particularly with respect to the timing of any required regulatory or other approvals. For additional information on the impact of divestitures, acquisitions and other transactions on goodwill, please refer to Section 6.6 – Note 5 "Goodwill" of this Annual Report.

From time to time, we may also consider acquisitions of or investments in other companies, including through joint ventures. Any such acquisition or investment may be subject to approvals from regulatory authorities in certain countries, including as a result of foreign investment regulations and controls, which may lead to the transfer of certain assets or branches of activity and/or commitments or restrictions affecting the conduct of our business.

We may also be exposed to liabilities and risks that were not known or assessed correctly at the time of the transaction and/or need to address capital, regulatory, compliance, tax or accounting issues that arise after transactions have closed, which may not be covered by, or exceed the amounts of, any indemnities provided to us by the sellers or that we provided to acquires, and could adversely affect our business and results of operations.

We conduct businesses in highly competitive environments with evolving trends that could adversely impact our results of operations and financial condition

Our competitors include mutual fund companies, asset management firms, private equity firms, hedge funds, commercial and investment banks, and other insurance or reinsurance companies, many of which are regulated differently from us and offer alternative products or more competitive pricing than we do.

The insurance and reinsurance industry faces disruptive competitive challenges from the emergence of new actors, such as financial technology companies, or fintech, and insurance technology companies, or insurtech, which generally benefit from less extensive regulatory requirements (including less strict capital requirements) as well as from data synergies or technological innovation. In addition, development of alternative distribution channels for certain types of insurance, reinsurance and securities products, including through the Internet, may result in increasing competition as well as pressure on margins for certain types of products. Continued consolidation of the insurance and reinsurance sector may also result in increased competition.

These competitive pressures could result in increased pricing pressures on a number of our products and services, particularly as competitors seek to win market share, and may harm our ability to maintain or increase our profitability.

The failure to respond effectively to various emerging technological changes may affect our business and profitability

An ongoing challenge we face is the effective adaptation to a constantly changing technological landscape. If we are not effective in anticipating the impact on our business of changing technologies, such as driverless cars, drones, connected devices, artificial intelligence or robot-advisors, our ability to successfully operate our business may be impaired. Technologies that facilitate ride- or home-sharing could disrupt the demand for our products from current customers, create coverage issues or impact the frequency or severity of losses. These changes could also affect our ability to accurately price our products and might significantly affect our margins in certain lines of business. For example, the advent of driverless cars, connected devices and usage-based insurance could materially alter the way that automobile, health or other personal lines insurance is marketed, priced and underwritten. In addition, the market for coverage for so-called "cyber risks", including ransomware and other cyber-related risk, or similar emerging threats is a rapidly evolving one, and any failure by us to provide innovative products relative to our competitors or new entrants in the market, or to price those products effectively and competitively, may result in a competitive disadvantage.

In addition, the rapid increase in the nature, volume and availability of data in recent years, whether resulting from connected customers, so-called "big data", "blockchain", cloud computing, increased mobile Internet access, personalization of genetic data, asymmetric information with respect to genetic testing, artificial intelligence or otherwise, may have unanticipated and adverse impacts on our business, for example by changing the nature of insurance underwriting, pricing and claims handling; by allowing customers and competitors to tailor coverage in ways that we do not currently offer; or by potentially exposing us to increased "moral hazard" in business lines where we are unable for regulatory or other reasons to adjust pricing or coverage to reflect individual risk profiles. While data-driven changes in the industry are at an early stage and difficult to predict, they could adversely impact our business going forward, including through the expense and effort that we will need to incur in order to ensure that our employees, systems and processes are able to efficiently adapt to and manage such changes as they arise.

Furthermore, if we are unable to effectively use and update or replace our key technology systems as they become obsolete or as emerging technology renders them competitively inefficient, or if we fail to develop the talent and skills of our human resources to meet the new technological challenges, and to attract and assimilate new talents into our Group consistent with our business goals, our business, prospects, competitive position and financial condition could be adversely affected.

We operate through arrangements with third parties, including delegation of underwriting and claims authority, which exposes us to operational and regulatory risks and could materially adversely impact our business, results of operations and financial condition

We have entered into contractual outsourcing arrangements with third-party service providers for a wide variety of services required in connection with the day-to-day operation of our insurance, reinsurance and Asset Management businesses (including policy administration, claims-related services, securities pricing and other services) and our product distribution. Such arrangements expose us to operational and regulatory risks incurred by these third parties, including employee misconduct or negligence, fraud, internal control failure, contract error, disruption to distribution arrangements, ransomware and other forms of cyber-attacks, failures in processing policies and handling claims, and non-compliance with applicable laws and regulations, any of which may be more likely to materialize in the context of the COVID-19 crisis.

In addition, part of our insurance and reinsurance businesses is underwritten by third parties under contractual arrangements, which typically authorize such third parties to bind us to new policies and to renew policies, within the terms of our licenses and subject to various contractual obligations and restrictions. If these third parties do not abide by the terms of our licenses, amend material terms of the policies without our approval, or otherwise breach their contractual obligations to us, we could be subject to fines, penalties, injunctions or other similar restrictions for breach of outsourcing/licensing requirements and be liable under the policies issued by breaching third parties. Furthermore, we may be exposed to additional exposure to such risks, in particular due to legislative measures or judicial decisions related to the COVID-19 crisis, such as those imposing customer-friendly interpretation of policy wording, which may apply to policies that were bound on our behalf by certain of these third parties.

Furthermore, as with other reinsurers, in our reinsurance business we do not separately evaluate each of the individual risks assumed under our reinsurance treaties and we largely rely on original underwriting decisions made by ceding companies. As a result, if ceding companies did not adequately evaluate the risks insured, the premiums ceded to us may not compensate us for the risks we reinsure and the losses we may incur, which may adversely affect our results of operations and financial condition.

We carry out certain of our operations through joint ventures and other partnership arrangements with third parties that we do not control. These arrangements expose us, in particular, to the failure of any of our partners to meets its contractual obligations or to comply with applicable laws and regulations.

There can be no assurance that any of our contractual arrangements with third parties will not expose us to operational, financial and reputational risk, which could materially adversely impact our business, results of operations and financial condition. We may also not be fully indemnified for the contractual breaches of our third parties.

The Group's or its insurance or reinsurance entities' failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition

AXA and its subsidiaries are subject to evolving solvency and capital adequacy requirements, including the Solvency II framework, which is currently undergoing a review by the European Commission, including regarding insurance and reinsurance group supervision and internal models used by certain insurers and reinsurers, such as the AXA Group, to calculate their SCR. On September 22, 2021, the European Commission published its proposed directive amending Directive 2009/138/EC (the "Solvency II Directive") and explained its overall intentions on the most important aspects of the forthcoming level 2 amendments (in particular with respect to risk margin). For more information about the proposed directive amending the Solvency II Directive, please refer to Section 7.3 "General Information – Regulation and Supervision – Regulatory Capital and Solvency Requirements – Solvency II review" of this Annual Report and the paragraph below "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging social and reputational trends in the various jurisdictions in which we operate". Any changes to the Solvency II framework resulting in an increase of own funds that insurers and reinsurers are required to hold with respect to insurance policies or insurance-based investment products may require us to take actions to preserve our solvency level and business model, which might in turn have an adverse impact on our business, results of operations, relationships with customers, capacity to pay dividends, as well as our brand and reputation. It is difficult to predict the ultimate outcome of the proposed changes to current requirements, the impacts of which could include additional regulatory costs and operational constraints, as well as changes to our Internal Model, which may significantly and adversely affect our Solvency II ratio and EOF, results of operations, financial condition and liquidity.

In addition, supervisory authorities may become more conservative in the interpretation, application and enforcement of relevant regulations, as a result of which they may, for example, impose increased reserving requirements for certain types of insurers and reinsurers or certain types of risks, greater liquidity requirements (including capital conservations measures preventing dividend distributions or other payments to shareholders), higher discounts/"haircuts" on certain assets or asset classes or more conservative calculation methodologies, or question the calculation of our insurance best estimate liabilities or take other similar measures which may significantly increase regulatory capital requirements. In particular, the ACPR, the French insurance supervisory authority may impose changes to the Internal Model we use to calculate our SCR or change its view regarding our methodologies and/or the integration method of some of our entities, which may adversely affect our Solvency II ratio. For additional information on our Internal Model and Solvency II ratio, please refer to Section 5.2.3 "Internal Model" of this Annual Report [(1)].

In the event of a failure by the Group, the Company (including if it becomes an ACPR-licensed reinsurance company in connection with the Internal Reinsurance Transformation as described in Section 2.1 "Operating highlights" of this Annual Report) or any of our insurance or reinsurance subsidiaries to meet applicable regulatory capital requirements, insurance supervisory authorities have broad authority to require or take various regulatory actions including limiting or prohibiting the issuance of new business, prohibiting payment of dividends or other shareholder distributions, and/or putting a company into recovery, resolution or insolvency proceedings. In particular, under the French recovery and resolution framework for the insurance industry (the "French Resolution Framework"), the ACPR has broad resolution powers with respect to insurance groups, insurance holding companies, such as the Company as of the date of this Annual Report, and insurance and reinsurance companies, including prohibiting payment of dividends and ordering portfolio transfers. Furthermore, the proposals and continuing discussions regarding recovery and resolution in the insurance sector may broaden the scope and extent of regulatory measures available to insurance supervisory authorities. For more information about the proposed framework, please refer to Section 7.3 "General Information – Regulation and Supervision – Regulatory Capital and Solvency Requirements – Recovery and resolutions regimes for insurers and reinsurers" of this Annual Report.

A failure of the Group and/or any of its insurance or reinsurance entities to meet its regulatory capital requirements and/or a deterioration of its solvency position may also result in the need for significant amounts of new capital. In addition, in certain cases, the Company may be required to provide guarantees or capital commitments with respect to its insurance or reinsurance subsidiaries, whether at the request of supervisory authorities or certain counterparties, which may be reflected in our financial statements as off-balance sheet commitments. There can be no assurance that any of the foregoing will not have a material adverse effect on the Group's liquidity position, financial condition and results of operations. For additional information on the Company's off-balance sheet commitments, please refer to Section 6.6 – Note 5 "Off-balance sheet commitments" in Appendix III "AXA Parent Company Financial Statements" of this Annual Report.

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(1) Please also refer to the AXA Group's SFCR for the year ended December 31, 2021, which is expected to be published on May 20, 2022, on AXA's website.

Regulatory restrictions that inhibit our ability to freely move excess capital among our subsidiaries or which otherwise restrict fungibility of the AXA Group's capital resources may, depending on the nature and extent of the restrictions, adversely affect the capital position of our operating insurance or reinsurance subsidiaries, which may have a consequent negative impact on the perception of the AXA's Group financial strength.

Additional regulatory developments regarding solvency capital requirements may adversely affect our prudential regime as well as increase associated costs. There can be no assurance that contingency plans developed by Management will be effective to achieve their objectives and any failure by us and/or our insurance or reinsurance subsidiaries to meet minimum regulatory capital requirements and to maintain regulatory capital at competitive levels could have a material adverse effect on our business, liquidity, credit ratings, results of operations and financial condition.

We are dependent on our subsidiaries to cover our operating expenses and dividend payments

Our principal sources of funds are dividends from subsidiaries and funds that may be raised from time to time through the issuance of debt or equity securities or through bank or other borrowings.

Regulatory and other legal and contractual restrictions may limit our ability to transfer funds freely, either to or from all our subsidiaries. In particular, our principal insurance subsidiaries and reinsurance subsidiaries are subject to restrictions on the amount of dividends and debt repayments that can be paid to us and our affiliates. Such restrictions may also be strengthened by capital conservation measures implemented by competent EU, national and other supervisory authorities that prohibit the payment of dividends by our subsidiaries to the Company. For additional information regarding COVID-19 crisis-related measures regarding dividend distributions, please refer to the paragraph below "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging social and reputational trends in the various jurisdictions in which we operate".

Financial covenants in letters of credit and revolving credit facilities of our subsidiaries may also restrict their ability to declare and pay dividends.

Moreover, our status as an Internationally Active Insurance Group ("IAIG") under the Common Framework for the Supervision of IAIGs (the "ComFrame"), which was developed by the International Association of Insurance Supervisors (IAIS) and will apply to IAIGs, including the AXA Group (and would continue to apply to the AXA Group upon its receipt of the reinsurance license from the ACPR and following the Internal Reinsurance Transformation) could, in case of adoption of implementing legislation in relevant jurisdictions, result in the imposition of similar or other restrictions on the transfer of funds, including intra-group financing arrangements, which could negatively impact the fungibility of our capital. These factors may adversely impact our liquidity position and capacity to pay dividends.

As a result of the Internal Reinsurance Transformation, AXA SA's financial profile and financial statements are expected to be adapted to its new licensed reinsurance company status (including through the receipt of premiums from Group ceding companies), although income from AXA SA's subsidiaries will continue to represent its main source of earnings and balance sheet exposure. For more information, please refer to Section 2.1 "Operating highlights" of this Annual Report.

We may have contingent liabilities from discontinued, divested and run-off businesses and may incur other off-balance sheet liabilities that may result in charges to our income statement

We may, from time to time, retain insurance or reinsurance obligations and other contingent liabilities in connection with our divestiture, liquidation or run-off of various businesses. We may also, from time to time and in the course of our business, provide guarantees and enter into derivative and other types of off-balance sheet transactions that could result in income statement charges.

REGULATORY AND LITIGATION-RELATED RISKS

The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging social and reputational trends in the various jurisdictions in which we operate

The AXA Group operates in 50 countries around the world and, both at the Group level and local entity level, our insurance and reinsurance operations, among others, are subject to a wide variety of laws and regulations. Our regulatory environment is evolving rapidly and supervisory authorities around the world are assuming an increasingly active and extended role in interpreting and enforcing regulations in the jurisdictions in which we do business, resulting in significant compliance challenges. We have highlighted below some of the more recent and noteworthy regulatory developments that we anticipate may impact our business in the coming periods; further details regarding these and related regulatory and supervisory matters also appear in Section 7.3 “General Information – Regulation and Supervision” of this Annual Report. The following summarizes recent developments impacting our required levels of capital and surplus; anti-money laundering and related anti-corruption measures; regulatory pronouncements with respect to interest rate and other “benchmarks”, as well as climate change-related initiatives; changes to IFRS; and potential developments at Lloyd’s.

Capital Standards and Restrictions on Distributions to Shareholders. The multiplicity of different regulatory regimes, capital standards and reporting requirements resulting from work on new capital standards led by the IAIS such as the Insurance Capital Standard, and the development by IAIS of the ComFrame, which will apply to IAIGs, including the AXA Group (and would continue to apply to the AXA Group upon AXA SA’s receipt of the reinsurance license from the ACPR and following the Internal Reinsurance Transformation), as well as potential changes to applicable solvency and capital adequacy requirements, such as the regulatory framework established under the Solvency II Directive, could increase operational complexity, regulatory costs and competition. In this regard, a review of the Solvency II framework by the European Commission is currently ongoing. For more information about the proposed directive amending the Solvency II Directive, please refer to Section 7.3 “General Information – Regulation and Supervision – Regulatory Capital and Solvency Requirements – Solvency II review” of this Annual Report. In addition, given the steps taken by the European Central Bank (the “ECB”), EIOPA, the ACPR, the European Systemic Risk Board and other supervisory authorities during 2020 and 2021 to regulate dividend distributions and share repurchases by financial institutions during the COVID-19 crisis, there can be no assurance that additional restrictions on dividends or other distributions by financial institutions will not be implemented in the future and, if so, how such restrictions will be interpreted and applied by competent supervisory authorities. For additional information on our dividend policy and previous dividend payments, please refer to Section 1.1 “Key Figures – Dividends and Dividend Policy” and Section 7.3 “General Information – Bylaws – Rights, Preferences and Restrictions Attached to the Shares” of this Annual Report.

Customer Protection Matters. Our insurance, reinsurance, asset management and banking operations are subject to an increasing number of legislative and regulatory initiatives designed to increase consumer protection in the sector of financial services, in particular by enhancing disclosure and transparency requirements, as well as conduct of business and product governance rules, which have also resulted in stricter scrutiny by competent authorities. In the European Union, these initiatives, including Directive (EU) 2016/97 on insurance distribution (as amended, “IDD”), Directive 2014/65/EU on markets in financial instruments (as amended, “MiFID II”) and Regulation (EU) 1286/2014 on key information documents for packaged retail and insurance-based investment products (as amended, the “PRIIPs Regulation”), and similar initiatives are under review (or in the course of implementation) in other jurisdictions in which the Group operates. These initiatives, as well as future or revised guidance issued by regulatory authorities (such as the European Securities and Markets Authority (“ESMA”), EIOPA, the AMF and the Financial Conduct Authority (“FCA”)) and other emerging social and reputational trends, may increase our legal and compliance costs, limit or restrict our ability to do business or expose us to civil, criminal or regulatory actions, proceedings or sanctions, all of which may adversely impact our brand or reputation. For further information, please refer to “Evolution of the regulatory and litigation environment” in Section 7.3 “General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks” of this Annual Report.

AML and Other Compliance Matters. In recent years there has also been a significant increase in legislative and regulatory initiatives and enforcement actions in the areas of financial crime compliance, including anti-money laundering (“AML”), international trade sanctions and anti-bribery laws and regulations (*e.g.* the US Foreign Corrupt Practices Act, the UK Bribery Act of 2010, French Law No. 2016-1691 of December 9, 2016 (also known as “Sapin II”)), which have resulted in the need for enhanced control on transactions. As a result, the financial crime compliance programs of financial institutions remain a major focus for regulatory and law enforcement authorities, while regulatory measures in this area continue to be further amended, expanded and strengthened. For instance, in France, Orders No. 2020-1342 of November 4, 2020, and No. 2020-115 of February 12, 2020, imposed enhanced requirements on French financial institutions, including the reinforcement of internal procedures to implement asset-freezing measures, and prevent and detect acts of corruption and influence-peddling committed in France and abroad. Furthermore, in certain jurisdictions the relevant AML, anti-corruption and sanctions rules may be enforced on an extraterritorial basis, which could expose our operations to additional or conflicting requirements. In addition, increased cooperation among authorities globally may, in the event we become subject to enforcement proceedings, or are otherwise found to be non-compliant in this area, result in more severe sanctions or monetary penalties.

Benchmark Reforms. Reforms to interest rate, equity, foreign exchange rate and other types of indices (also known as “benchmarks”) have been recently enacted, and regulatory authorities have also proposed further reforms to and potential changes affecting benchmarks. Several interbank market benchmarks have been designated as critical benchmarks, including LIBOR, EURIBOR and EONIA under applicable local benchmark regulations, and their related benchmark methodologies have been made subject to review. Certain critical benchmarks have been or might be discontinued in the future, including EONIA, which ceased to be published in January 2022, and LIBOR (publication of most LIBOR settings ceased on December 31, 2021, and publication of certain USD LIBOR settings are expected to cease on June 30, 2023). In this context, Regulation (EU) 2021/168 was adopted on February 10, 2021, and allows the European Commission to impose a statutory replacement for certain critical benchmarks, whose cessation might result in significant disruption to the EU financial markets' operations. For more information about Regulation (EU) 2021/168 and benchmark regulations generally, please refer to "Reform and potential changes to reference rates and indices (benchmarks)" in Section 7.3 "General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks" of this Annual Report.

Because these reforms are affecting the whole financial sector, the transition to the new benchmarks creates industry-wide risks, to which the Group is therefore exposed. AXA is conducting a Group-wide project to manage this transition and the impacts of future benchmark changes, which could have implications for our capital models, risk management efforts, investment strategies and product design, among others. Implementation of these and any future regulations, amendments to existing regulations, or future or revised guidance issued by regulatory authorities (such as the ESMA, EIOPA, the AMF and the FCA) can be expected to increase our costs in relation to operations, information systems, legal and compliance, and may also limit or restrict our ability to do business or expose us to civil, criminal or regulatory actions, proceedings or sanctions, which may adversely impact our brand or reputation.

Climate Change Initiatives. Regulatory initiatives, including at French, European Union and international levels, regarding climate change may affect our operations and those of our counterparties, and potentially impact the cash flow patterns of our investments and/or affect their respective economic values, as certain companies struggle to adapt to these regulations. These may include: (i) new investment requirements; (ii) new disclosure requirements, such as, (a) at the French level, Article 29 of Law No. 2019-1147 dated November 8, 2019, on energy and climate (the "Energy-Climate Law" or "ECL") and (b) in the European Union, Regulation (EU) 2020/852 (the "Taxonomy Regulation") and related Commission Delegated Regulations and the proposed Corporate Sustainability Reporting Directive (CSRD) published on April 21, 2021; (iii) new requirements relating to the inclusion of environmental, social and governance considerations into insurance and asset management products and advice such as those contained in European Commission Delegated Regulation (EU) 2021/1257 regarding the integration of sustainability considerations into the prudential, distribution, investment and advisory framework for insurance and reinsurance undertakings, insurance distributors, asset managers and investment firms; or (iv) new climate change stress testing requirements, such as the recent climate stress test exercise conducted by the ACPR, the first results of which were published in May 2021. These and similar regulatory requirements, as well as any further regulations regarding the transition to a lower-carbon economy, climate change or our energy-related investments, could increase our legal and compliance costs and adversely affect our business or the value of our investments. For further information on climate and sustainable finance-related regulatory initiatives, please refer to "Climate and sustainable finance-related regulatory initiatives" in Section 7.3 "General Information Regulation and Supervision – Other significant legislative and regulatory frameworks" and on investment-related climate risk analysis, please refer to Section 4.3 "Climate Change and ESG Integration – Investments" of this Annual Report.

Changes to IFRS. Changes to IFRS, as developed by the International Accounting Standards Board (IASB), could significantly impact insurers and other financial institutions, including AXA, that prepare their consolidated financial statements in accordance with IFRS. In particular, the simultaneous implementation of IFRS 17 – Insurance Contracts and IFRS 9 – Financial Instruments, which will become effective for annual periods beginning on or after January 1, 2023, following the adoption of IFRS 17 by the European Union on November 19, 2021, is in progress within the Group. These changes may significantly affect the accounting treatment of insurance liabilities and financial assets and Management is currently assessing the impact of their adoption, notably with regards to the consistency over time of the metrics used for the assessment of the financial targets set as part of the *"Driving Progress 2023"* strategic plan. For further information on these two standards, please refer to "Evolution of Accounting Standards" in Section 7.3 "General Information – Regulation and Supervision – Other significant legislative and regulatory frameworks" of this Annual Report. The above-mentioned and any other changes to IFRS that may be adopted in the future could have a material adverse effect on our results of operations and financial condition.

COVID-19 Crisis-Related Judicial Decisions. In several jurisdictions, notably France, various US states and the United Kingdom, courts have rendered decisions in favor of policyholders' interests, including by adopting a policyholder-friendly interpretation of certain business interruption policy provisions. Other judicial decisions may be rendered or legislative proposals enacted to the effect of implementing premium deferrals or refunds, customer-friendly interpretation of policy wording and/or retroactive extension of policy coverage, or restricting our ability to cancel or non-renew insurance policies or collect premiums thereunder in accordance with their terms. This may require the Group to cover losses resulting from the impact of the COVID-19 crisis, even though such losses were not covered under the terms of the relevant policy (or the parties did not intend to cover such losses) and the policies were not designed or priced to cover such losses. As a result, we may be exposed to higher than expected losses, especially if such losses are not covered by our reinsurance arrangements, and be required in turn to increase our reserves to take into account potential higher loss payments. In addition, we may be required to materially amend certain of our existing policy wordings or otherwise change our underwriting and pricing policies and practices to take account of changing judicial and regulatory developments with respect to the coverage of the COVID-19 crisis. There can be no assurance that any of the foregoing developments will not have an adverse effect on the Group's financial condition and results of operations or adversely impact our brand or reputation.

Lloyd's Regulations for Underwriting Syndicates and Related Risks. Following the acquisition of XL group in 2018, we have been managing, through Catlin Underwriting Agencies Limited, Syndicate 2003, one of the largest underwriting syndicates at Lloyd's and, as a result of which, are exposed to a variety of Lloyd's-related regulatory risks. For instance, the Council of Lloyd's has wide discretionary powers to regulate members of Lloyd's, and may vary the method by which the capital solvency ratio is calculated, or impose additional or special levies on members. In addition, if Lloyd's fails to satisfy the FCA's and the Prudential Regulation Authority's annual solvency test in any given year, Syndicate 2003 could be required to cease or reduce underwriting through Lloyd's. A downgrading of the Lloyd's market could also impair Syndicate 2003's ability to trade in certain classes of business at current levels. In connection with Brexit, the Lloyd's model for writing business in the European Union through Lloyd's newly established Belgian underwriting subsidiary, Lloyd's Insurance Company SA, is under review by local supervisory authorities, which may have an impact on Syndicate 2003's ability to write EU business. As a Lloyd's syndicate providing coverage to US policyholders and covering US risks, we could also be required by US. regulators to increase the level of funding required as minimum deposits for the protection of US policyholders. Any Lloyd's-related risks could have an adverse effect on our business, financial condition and results of operations.

We expect the scope and extent of applicable laws and regulations, as well as regulatory oversight, to continue to increase over the coming years. While Management proactively manages legal and regulatory risks and has adopted policies and procedures designed to ensure compliance with applicable laws and regulations in the various jurisdictions where we do business, we cannot predict with any certainty the potential effects that a change in applicable laws or regulations, their interpretation or enforcement (or of the potential effects of any new regulation or legislation in the future), or any determination we make regarding compliance with conflicting regulations, may have on our business, financial condition or results of operations. Any failure by us to remain in compliance with regulations applicable to us could result in fines, penalties, injunctions or other similar restrictions, any of which could negatively impact our earnings and reputation. For a description of the regulations and supervision framework applicable to the Group, please refer to Section 7.3 "General Information – Regulation and Supervision" of this Annual Report.

We may also be adversely affected by a change in applicable laws or regulations, their interpretation or enforcement impacting, or regulatory decisions, authorizations or approvals relating to, third parties with which we do business. For instance, certain of our letter of credit facilities for cedants are effective only if the banks issuing the letters of credit are on the list of banks approved by the National Association of Insurance Commissioners (the "NAIC"). If some or all of the issuing banks under our credit facilities cease to be NAIC approved and we are unable to replace them with NAIC approved banks, our letter of credit facility capacity could be significantly diminished, especially in situations of adverse capital and credit market conditions where the cost of replacement facilities may be significantly increased or prohibitive. Please refer to the paragraph above "Adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, our access to capital and increase our cost of capital".

As a global business, we are exposed to various local political, regulatory, business and financial risks and challenges

As a global business we are exposed to a wide variety of local political, regulatory, business and financial risks and challenges, which may affect the demand for our products and services, the value of our investment portfolios, the levels of capital and surplus that we are required to hold, the credit quality of our counterparties and the way we are able to do business in particular countries and markets.

These risks include, for example, political, social or economic instability in the countries in which we operate, including the risk of nationalization, expropriation, price controls, capital controls, restrictions on foreign trade and investment (such as changes to authorized levels of foreign ownership, which may affect our ability to conduct business in certain countries through joint ventures), the imposition, or significant enhancement, of international sanctions against certain countries and connected entities (which may affect our ability to exercise our rights of ownership and conduct business through joint ventures in the relevant countries as well as our ability to do business with certain counterparts), fluctuations in foreign currency exchange rates, credit risks of our local borrowers and counterparties, lack of local business experience in certain markets, risks associated with exposure to insurance industry insolvencies through policyholder guarantee funds or similar mechanisms and, in certain cases, risks associated with the potential incompatibility with foreign partners, especially in countries in which we are conducting business through joint ventures or other entities that we do not control. These risks also include the risk of governments, supervisors, regulators and courts in the countries in which we operate adopting policyholder-favorable stances such as the mandatory provision of certain types of coverage, restrictions on cancellation or non-renewal of policies, extension of coverage (such as by extension of scope and/or period), and the imposition of pricing constraints/obligations to ensure the affordability of coverage for policyholders, in each case resulting in a deviation from the original terms and conditions of those policies (including potentially retroactively) and a deviation in the economic balance of these insurance policies as initially agreed with the relevant policyholders. There can be no assurance that any of the foregoing developments will not have an adverse effect on the Group's financial condition and results of operations.

We have been and may become in the future subject to lawsuits, regulatory investigations and/or other proceedings (including activism related to environmental, social and governance matters and other societal and reputational trends) which may affect our business, brand, reputation, relations with regulators and/or results of operations

We have been named as defendants in numerous lawsuits (both class actions and individual lawsuits) and involved in various regulatory investigations and examinations, and other actions arising in the various jurisdictions where we and our subsidiaries do business. Please refer to Section 6.6 – Note 31 "Litigation" of this Annual Report. We may be involved in similar proceedings in the future.

Certain of these lawsuits and investigations seek significant or unspecified amounts of damages, including punitive damages, and certain of the regulatory authorities involved in these proceedings have substantial powers over the conduct and operations of our business. The introduction of a class action system in France in 2014 and similar developments in certain other European jurisdictions, as well as the recent adoption of Directive (EU) 2020/1828 dated November 25, 2020, on representative actions for the protection of the collective interests of consumers at the EU level, have increased and are likely to continue to increase litigation, risks and costs. Similarly in the United States there is an increasing trend towards large damage awards in the consumer class action context, and such trend can be expected to continue in the future. Furthermore, the increasing number of legislative and regulatory requirements as well as social and reputational trends leading to the strengthening of consumer protection in the financial sector may expose us to additional civil, criminal or regulatory actions, investigations, proceedings or sanctions. For additional information, please refer to Section 7.3 "General Information – Regulation and Supervision" of this Annual Report.

In recent years activism by shareholders, activist funds, non-governmental and other organizations, including with respect to environmental, social and governance (ESG) and consumer protection related matters, have been directed against numerous public companies. Responding can be costly and time consuming and may adversely affect our business by, among other things, diverting the attention of our Board of Directors, senior management and employees away from the execution of business strategies. ESG-focused initiatives, in particular, raise substantial reputation risk for targeted companies. These potential actions could also negatively affect our share price and brand.

In addition, in the context of the COVID-19 crisis, the consequences and impacts of which are ongoing, holders of Property & Casualty insurance policies have been increasingly seeking coverage for losses resulting from the COVID-19 crisis. Many lawsuits have been introduced against insurers, such as the AXA Group, in multiple jurisdictions, particularly in respect of business interruption claims, and the number of claims and related judicial proceedings has continued to rise as various governmental lockdown measures and other impacts of the COVID-19 crisis have continued. In certain of these cases, defendant insurers, including AXA Group entities, have asserted that these losses were not covered under the terms of the relevant policies. However, policyholders have and may continue to assert different theories of coverage, and insurers, including the AXA Group, may incur additional expense due to the pendency of a large number of individual lawsuits. We may also be involved in proceedings with our reinsurers regarding coverage of COVID-19 crisis-related losses or related matters, which might have an adverse impact on our legal costs and the amount of reinsurance recoverables available to us.

Due to the nature of certain of these types of proceedings, we cannot estimate the potential losses or predict with any certainty the potential impact thereof on our business, brand, reputation, relations with regulators and/or results of operations.

The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business

Collection, transfer and protection of significant amounts of sensitive data are critical to the operation of our business. Regulations in this area are quickly evolving in the European Union and in other jurisdictions, which could adversely affect our business if we fail to adapt our rules, internal controls and strategy to the emerging regulatory environment.

Regulation (EU) 2016/679 dated April 27, 2016, on the protection and movement of personal data (as amended, the "GDPR") entered into force on May 25, 2018. GDPR significantly modified the EU data protection framework and, in particular, imposed new restrictions on data usage/processing (including profiling), disclosure to customers and a stronger enforcement regime, under which competent data protection authorities are able to fine companies that do not comply with EU rules up to 4% of their global annual turnover. Similar data protection regulations to GDPR have entered into force in many other jurisdictions, including China, Brazil, Algeria, Egypt, Switzerland and Thailand. While we have adopted and regularly review a global Data Privacy Organization/Governance policy designed to manage risks related to data protection, there can be no assurance that our existing or planned data protection rules, including our privacy-related Group Binding Corporate Rules, and governance organization will not need to be updated or replaced to comply with new laws and regulations and regulatory guidance applicable in the European Union or other jurisdictions where we operate or may operate in the future.

There is a risk that data collected by the Group and its third-party service providers is not processed in accordance with notifications made to, or obligations imposed by, data subjects, regulators or other counterparties, or in compliance with applicable data-privacy laws. The Group's IT and other systems may also in future be exposed to hacking and unauthorized intrusions, such as physical or electronic break-ins, unauthorized tampering or security breaches or other intentional or unintentional acts by parties acting from within or outside the Group, which could result in sensitive data (including customer and employee data) being stolen, lost or misused. In the context of the COVID-19 crisis, the consequences and impacts of which are ongoing, these threats are more likely to materialize due to extended remote working arrangements, the accelerated digitalization of our operations and, more generally, the social and business community disruption caused by the pandemic. Negligence or failure to implement and follow internal Group policies, in particular regarding encryption of data, or to fail to perform adequate internal data collection/processing controls, may also facilitate hacking and other intrusions and result in breaches of GDPR and other applicable laws.

Any failure to comply with applicable data protection laws, and data theft, loss or misuse, affecting any Group entity or a third-party service provider, could result in significant regulatory sanctions, penalties, injunctions or other similar restrictions, damage to our reputation, need to compensate customers, customer litigation (including class actions and individual lawsuits), and consequently have a material adverse effect on our business, results of operations and prospects.

Following the European Union Court of Justice's decision in 2015 to invalidate the European Commission's Safe Harbor, which had allowed, under certain conditions, the transfer of personal information from EU companies to US companies, transatlantic data flows continued using other mechanisms such as standard contractual clauses between companies and binding corporate rules for transfers within multinational corporate groups. From July 2016, a new safe harbor had been created, known as the "EU-US Privacy Shield", but after four years this was also invalidated by the European Union Court of Justice (on July 16, 2020), which required that supplementary measures be considered for data transfers to any non-EU jurisdiction that is not considered by EU authorities as having implemented adequate protections (such as the United States). As banks, insurance and reinsurance companies were generally not eligible to register and participate in the EU-US Privacy Shield, the AXA Group had continued to rely on standard contractual clauses when transferring data to non-AXA non-EU companies, and binding corporate rules when transferring personal data between companies within the AXA Group. While we currently believe that we can continue using such mechanisms to transfer data to the United States and to other non-EU jurisdictions and add supplementary measures as required, there is no guarantee that such mechanisms will not be subject to future challenge or to stricter scrutiny by the competent authorities, or that further changes in applicable regulations will not potentially increase our legal and compliance costs, or result in regulatory sanctions or damage to our brand or reputation.

Changes in tax laws, regulations or interpretations or uncertainties in the interpretation of certain tax laws may result in adverse consequences to our business and our results of operations

As a global company operating in numerous jurisdictions, we are subject to various tax regimes and regulations. Changes in tax laws, regulations or interpretations could result in higher tax expenses, payments and compliance costs.

Uncertainties in the interpretation or future developments of tax regimes may affect our tax liability, return on investments and business operations. We have been and may increasingly become exposed to the risk of tax audits and investigations (both administrative and criminal) in the various jurisdictions in which we operate. The international tax environment continues to change as a result of actions taken by the OECD, the European Union and national governments intended to address concerns over perceived international tax avoidance techniques. In addition, the introduction of new or more restrictive regulations related to tax matters in the countries where the Group operates could significantly increase compliance costs. For example, contemplated tax measures adopted in connection with the American Rescue Plan, resulting from the OECD Pillar 2 and EU VAT reform for insurance companies, could increase AXA Group's costs. We take tax positions that we believe are correct and reasonable in the course of our business. However, there is no guarantee that our tax positions will be upheld by the relevant authorities, and tax audits, reassessments and investigations may result in adverse consequences, including penalties and sanctions. Our business operations, results, financial condition, liquidity, outlook or reputation could be materially affected if one or more of the aforementioned risks materialized.

Risks related to the ownership of the Company's shares

In order to raise capital to fund future growth or for solvency purposes, we may, in the future, offer rights, warrants or similar securities at prices below the then-current market price which may adversely affect the market price of our ordinary shares and dilute the positions of existing shareholders.

The Mutuelles AXA, which comprise two French mutual insurance companies, together held 14.93% of the Company's outstanding shares and 24.73% of its voting rights as of December 31, 2021. The Mutuelles AXA have stated their intention to collectively vote their shares in AXA and may have interests conflicting with other shareholders' interests. For example, even though the Mutuelles AXA do not hold a majority of the total voting rights in AXA, efforts by the Mutuelles AXA to decline or deter a future offer to acquire control of AXA, which other shareholders may find attractive, may prevent other shareholders from realizing a premium for their AXA ordinary shares. The Mutuelles AXA may decide to increase their ownership interest in AXA or to sell all or a portion of the ordinary shares they own at some future date.

5.2 INTERNAL CONTROL AND RISK MANAGEMENT

Information in this section should be read in conjunction with Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report. The report of the Statutory Auditors on the Consolidated Financial Statements covers only information referred to in Note 4.

The AXA Group is engaged in Insurance, Reinsurance, and Asset Management businesses on a global scale. As such, it is exposed to a wide variety of risks, including market risks, credit risk, insurance risks, operational risk and other material risks, as further described in this Part 5 "Risk Factors and Risk Management" (1) and in Section 6.6 – Note 31 "Litigation" of this Annual Report.

To manage these risks, the Group has put in place a comprehensive system of internal control and Risk Management designed to ensure that executives are informed of significant risks on a timely basis and can manage these risks, so that the Consolidated Financial Statements and other market disclosures are accurate.

In addition, the Solvency II regime requires the Group to have in place an effective system of governance which provides for sound and prudent Risk Management. This governance system must be based on a clear separation of responsibilities and must be proportionate to the nature, extent and complexity of the Group's operations.

In this context, AXA has (i) put in place a control framework with three lines of defense with boundaries between each of them clearly defined and (ii) established four key functions.

The three lines of defense are:

	Responsibilities	Owners		
1st line of defense	Responsible for day-to-day risk and control management and decision-making	Management and staff		Actuarial function
2nd line of defense *(independent from the Group's business operations)*	Responsible for developing, facilitating and monitoring an effective risk and control framework	Risk Management	Compliance	Internal Control (including Internal Financial Control)
3rd line of defense	Responsible for providing independent assurance on the effectiveness of the overall control environment		Internal Audit	

The four key functions are:

- **the Risk Management function** is responsible for coordinating the second line of defense, ensuring that the risk appetite is implemented with respect to all risks, and in charge of the design, implementation and validation of AXA Group economic capital model which is the basis for the Group Solvency II internal model ("Internal Model"), the documentation of the Internal Model and any subsequent changes made to it as well as the analysis of the performance of this model and the production of summary reports thereof. The holder of the Risk Management function, including the internal control function, at Group level is the Group Chief Risk Officer;
- **the compliance function** is responsible for advising on compliance with laws, regulations and administrative provisions regarding insurance, reinsurance, Asset Management and Banking activities as well as monitoring that compliance is effective. The Compliance function holder at Group level is the Group Chief Compliance Officer;
- **the actuarial function** is responsible for coordinating the calculation of technical provisions, expressing an opinion on the overall underwriting policy and on the adequacy of reinsurance arrangements. The Actuarial function holder at Group level is the Group Actuarial function holder; and
- **the internal audit function** is responsible for performing an evaluation of the adequacy and effectiveness of the Group's internal control system and other elements of the system of governance. The internal audit function is objective and independent from the operational functions. The Internal Audit function holder at Group level is the Global Head of Internal Audit.

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

The holders of key functions have direct access to the Board of Directors.

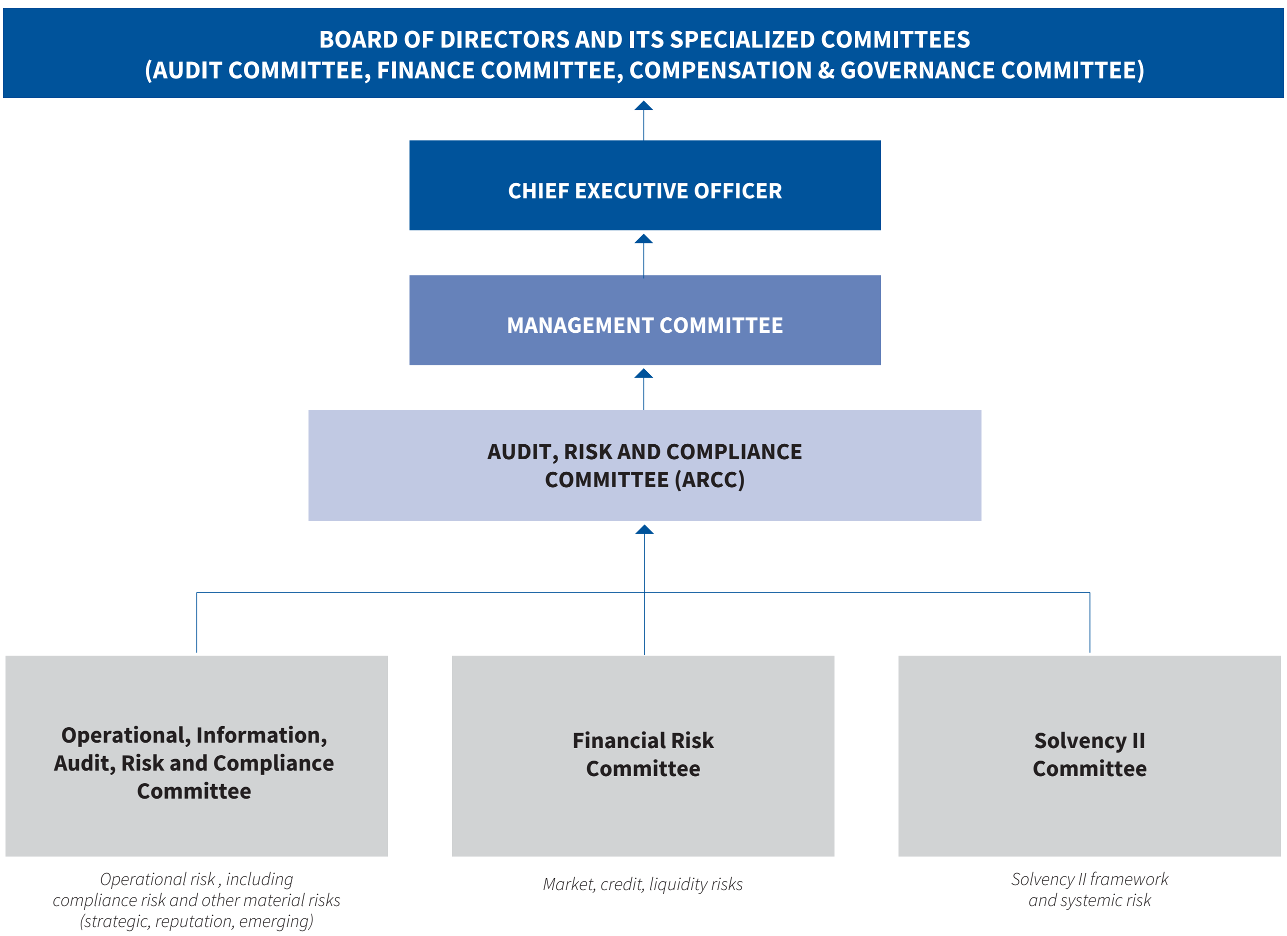
The Group Chief Executive Officer and the two Group Deputy Chief Executive Officers – including the role as Group General Secretary –, who, under Solvency II, are deemed to be "persons who effectively run" the Group, and the key functions holders must fulfil the requirements for a fit and proper assessment, as set in the Group's internal policy, adopted in compliance with the requirements of the Solvency II regulation, both at appointment and on an ongoing basis. These requirements are:

- appropriate competence and capability, taking into account professional qualifications, training, knowledge and relevant experience including understanding of regulatory requirements to enable sound and prudent management (fit); and
- propriety, taking into account reputation, financial soundness and personal characteristics such as integrity and transparency (proper).

Furthermore, appointments to any of these positions must be notified to the French *Autorité de contrôle prudentiel et de résolution* (ACPR), through a formal process, including submission of a detailed questionnaire addressing the fitness and propriety of each person, as well as detailed background information.

Governance and Risk Management organization

GOVERNANCE



Board of Directors

The Board of Directors is responsible for ensuring that an appropriate and effective system of internal control and Risk Management is in place across the Group. In this context, it can undertake all controls and verifications as it deems appropriate.

The Board of Directors has established three Committees to assist it in fulfilling its responsibilities: an Audit Committee, a Finance Committee and a Compensation & Governance Committee. All the Board Committees constitute an important part of the Group's overall internal control environment and play a major role in reviewing Internal Control and Risk Management related issues. For more information on the composition and assignments of the Board of Directors and its Committees, please refer to Section 3.1 "Corporate governance structure" (1) of this Annual Report.

Audit Committee

The Audit Committee (i) considers the Group's internal control systems and procedures for Risk Management with a view to obtaining reasonable assurances as to their effectiveness and consistent application, and (ii) monitors the Group's major risk exposures and sensitivities (insurance and operational), the results of the risk assessments performed, and the steps management has taken to monitor that such exposures remain within the risk appetite set by the Group.

The scope of the Audit Committee's responsibilities is set forth in the Audit Committee Terms of Reference, approved by the Board of Directors and available on www.axa.com.

Finance Committee

The Finance Committee examines any subject relating to the financial management of the Group and in particular the policy on financial Risk Management (including management of foreign exchange and interest rates exposure), the issues relating to the liquidity and financing of the Group, the capital and solvency.

The Finance Committee examines the impact on capital and solvency at Group level of the main orientations and limits of the Asset-Liability Management (ALM) policy; and reviews the risk appetite framework developed by the Executive Management for financial, insurance and operational exposures.

Executive Management

Executive Management oversees the implementation of the internal control system and the existence and appropriateness of internal control, as well as Risk Management monitoring systems within the Group.

For more information about the Executive Management, please see Section 3.1 "Corporate governance structure" of this Annual Report (1).

Audit Risk and Compliance Committee (ARCC)

The Audit Risk and Compliance Committee (ARCC) was created in 2016 by the Chief Executive Officer with the view to strengthening the Group's overall Risk Management governance and is chaired by the Group General Counsel with the purpose of reviewing all material audit, risk and compliance issues faced by the Group.

The scope of the ARCC covers all the Group's operations and includes the following:

- the Group's overall risk appetite, material breaches of risk limits and proposed remedial actions, the Group's risk framework as well as action plans proposed to reduce or otherwise modify the Group's material risk positions when they are beyond defined limits;
- the Group's policy, standards and limits to ensure that they are consistent with the Group's defined risk appetite;
- the Own Risk & Solvency Assessment (ORSA) and the other Solvency II reports (Group Solvency and Financial Condition report, Group Regular Supervisory report, Actuarial Function Holders reports);
- the Group Pre-Emptive Recovery Plan;
- the major findings identified by Internal Audit; and
- the Group's Compliance standards.

The ARCC reports back to the Management Committee on a regular basis. The ARCC also reviews and discusses the proposed agenda items for the Audit Committee and Finance Committee with a view to ensuring that these agendas include the appropriate items.

Reporting to the ARCC, the following Group Risk Committees cover the main risk categories:

- for financial risks: the Group Financial Risk Committee is co-chaired by the Group Chief Financial Officer and the Group Chief Risk Officer. This Committee determines the Group ALM policies and ensures that the Group exposures are within the Group risks limits;
- for operational, other material risks (strategic, reputation, emerging) and internal control: the Operational, Information, Audit, Risk and Compliance Committee is co-chaired by the Group Chief Risk Officer and the Group Chief Operating Officer.

Insurance risks are directly managed and monitored at the Group ARCC level.

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

The Solvency II Committee, co-chaired by the Group Chief Risk Officer and the Group Chief Financial Officer, is in charge of (i) steering the overall AXA Group Solvency II framework, (ii) implementing the governance and validation of the Internal Model, and (iii) reviewing Solvency II developments. The Solvency II Committee is also responsible for monitoring current developments in systemic risk.

Group Risk Committees are supported by local Risk Committees to ensure consistency in the implementation of the Enterprise Risk Management (ERM) framework.

LINES OF DEFENSE ORGANIZATION

The control framework with three lines of defense has been designed to ensure that the risks that the AXA Group may face are systematically identified, measured, managed and controlled.

First line of defense: management and staff

Management and staff have primary responsibility for (i) establishing and maintaining an effective control environment, (ii) identifying and managing the risks inherent in the products, services and activities in their scope and (iii) designing, implementing, maintaining, monitoring, evaluating and reporting on the Group's internal control system in accordance with the risk strategy and policies on internal control as approved by the Board of Directors.

Group Actuarial function

The Group Actuarial function is headed by the Group Actuarial function holder, who reports to the Group Chief Financial Officer and Management Committee member (operational/functional reporting) and to the Group Deputy Chief Executive Officer, in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations, and *Dirigeant Effectif* (executive who effectively runs the Company as required by Solvency II) (hierarchic reporting).

The Actuarial function, in accordance with Article 48 of the Solvency II Directive:

- coordinates the calculation of technical provisions;
- ensures the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assesses the sufficiency and quality of the data used in the calculation of technical provisions;
- compares best estimates against experience;
- informs the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- oversees the calculation of technical provisions in the cases set out in Article 82 of the Solvency II Directive;
- expresses an opinion on the overall underwriting policy;
- expresses an opinion on the adequacy of reinsurance arrangements;
- contributes to the effective implementation of the Risk Management system referred to in Article 44 of the Solvency II Directive, in particular with respect to the risk modelling underlying the calculation of the capital requirements set out in Chapter VI, Sections 4 and 5, and to the assessment referred to in Article 45 of the Solvency II Directive.

The Group Actuarial function holder annually produces an Actuarial report submitted to the Board of Directors, and an opinion on the reserves twice a year. The Actuarial report identifies any deficiencies and gives recommendations as to how such deficiencies should be remediated.

The Group Actuarial function holder alerts the Executive Committee/Board of Directors on any major deficiency on his area of responsibility.

Second line of defense: Group Risk Management function, including Group Internal Control function and Group Compliance function

Group Risk Management (GRM) function

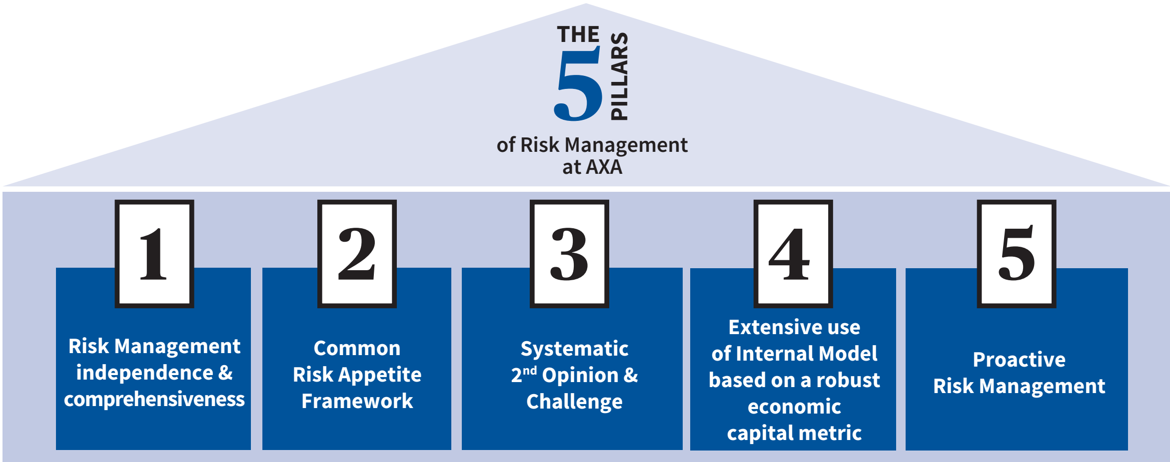
GRM is headed by the Group Chief Risk Officer, who reports to the Group Deputy Chief Executive Officer, in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations.

The role of GRM is to identify, quantify and manage the main risks to which the Group is exposed. To this end, GRM develops and deploys a number of risk measurements, monitoring instruments and methods, including a standardized methodology and framework for stochastic modelling (through the Internal Model) including the ORSA required under Solvency II.

When appropriate, this role leads to the implementation of decisions that affect the Group's risk profile, helping to monitor the solvency position and manage the volatility of the Group's earnings through improved understanding of the risks taken and optimization of capital allocation.

As an integrated part of all the Group's business processes, GRM is also responsible for the definition and implementation of the ERM framework within the AXA Group.

The ERM framework is based on the following five pillars, cemented by a strong risk culture:



1. **Risk Management independence and comprehensiveness:** Chief Risk Officers are independent from operations (first line of defense) and Internal Audit Department (third line of defense). The Risk Management Department, together with the Compliance and Internal Control Departments, constitute the second line of defense, whose objective is to develop, coordinate and monitor a consistent risk framework across the Group;
2. **Common risk appetite framework:** Chief Risk Officers are responsible for ensuring that senior management reviews and approves the risks to which the relevant entity or business unit is exposed, understands the consequences of an adverse development in such risks and have action plans that can be implemented in case of unfavorable developments;
3. **Systematic second opinion on key processes:** Chief Risk Officers provide a systematic and independent second opinion on product approval process, reserves, reinsurance, investments and ALM and challenge on operational risks and strategic plan;
4. **Extensive use of Internal Model based on a robust economic capital metric:** the Internal Model is intended to offer a concrete and powerful tool to control and measure exposure to most risks, in line with the Solvency II framework. The Internal Model is designed as a consistent and comprehensive Risk Management tool, which also forms an important element in the capital management and planning process;
5. **Proactive Risk Management:** Chief Risk Officers are responsible for early detection of risks. This is ensured through challenge of and constant dialogue with the relevant business and supported by the AXA Group's emerging Risks Management framework.

GRM oversees the operating entities' adherence to the ERM, supported by the local Risk Management teams. It coordinates Risk Management for the Group, steers the local Risk Management Departments and strives to develop a risk culture throughout the Group.

The reinsurance structure in charge of Property & Casualty and Life & Savings, Health & Protection reinsurance (AXA Global Re) reports to the Group Deputy Chief Executive Officer, in charge of Finance, Risk Management, Strategy, ceded Reinsurance and Operations. Its main mandate is to contribute to the protection of the Group through the centralization of the Group's purchase of reinsurance. For additional information on the reinsurance strategy, please see Section 5.6 "Insurance Risks" of this Annual Report (1).

Group Compliance function

The Group Compliance function is responsible for advising Executive Management and the Board of Directors on applicable compliance laws, regulations and administrative provisions, and on the impact of regulatory change on AXA Group's operations. The Group Compliance function provides expertise, advice and support to AXA entities to assess significant compliance matters, analyzes the major compliance risks and contributes to designing solutions to mitigate the risks to which the Group is exposed. The Group Compliance function manages a wide range of compliance related matters including (i) financial crime (which includes anti-bribery and corruption, anti-money laundering programs and international sanctions/embargo compliance), (ii) data privacy, (iii) business conduct, (iv) compliance & ethics, (v) the monitoring of other major compliance and regulatory risks, and (vi) regular reporting of significant compliance and regulatory matters to Executive Management, the Board of Directors and regulators.

(1) Only information contained in Section 5.6 "Insurance risks" of this Annual Report and referred to in Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

The Group Chief Compliance Officer reports to the Group Deputy Chief Executive Officer & Group General Secretary.

The compliance activities within the Group are set out in a number of standards and policies which set the minimum requirements expected to be achieved by AXA entities and their Compliance functions.

The compliance section of the Group Standards contains standards and policies on significant risk areas affecting compliance activities and sets out the high-level controls and monitoring principles to which the entities must adhere. Adherence to the Standards and Policies (*e.g.* Compliance Governance, Anti-Money Laundering, Sanctions, Anti-Bribery etc.) is mandatory.

The Group Compliance function undertakes an annual Compliance Risk Assessment exercise *via* which entities are required to identify the most significant compliance risks to which they are exposed. Based on this assessment an Annual Compliance Plan is developed for the following year. Using the same methodology and to comply with the French extraterritorial law (Sapin II), a separate Anti-Bribery and Corruption Risk Assessment has also been implemented across AXA entities. This risk assessment enables entities to identify in a more granular manner risks related to bribery.

The Group Compliance function has implemented a number of monitoring processes. For example, the Compliance In-Depth Review (CIDR) which is an ongoing program of structured on-site Compliance reviews conducted by the Group Compliance Department to AXA Group Companies worldwide. The main purpose of these reviews is to measure adherence to the Group Standards and Policies, to define improvement action plans, to provide experienced advice, including on compliance technical aspects, and to rate the entity's maturity level against other Group companies. This program was introduced in 2009 using a risk-based approach. In 2021, travel restrictions imposed following the COVID-19 crisis had meant that it had not been possible to conduct as many on-sight CIDRs but provided the opportunity to develop remote reviews as well as additional oversight to temporarily replace these on-sight reviews.

On a regular basis, the Group Compliance function reports to the Group Audit Risk & Compliance Committee, the Audit Committee, and the Board of Directors (as required) on significant compliance matters. These include major regulatory changes that have compliance implications, results of the Compliance Risk Assessment, and any other significant issues that require escalation.

Group internal control function

To further strengthen its control environment, the AXA Group established in 2017 a centralized internal control function within the second line of defense independent from business operations. Group Head of Internal Control is reporting to the Group Head of Operational Risk and Internal Control. The Group Internal Control Department is responsible for the development of a standardized methodology and framework for internal control and for oversight of its implementation in the AXA Group's subsidiaries. For more information on the internal control at local level, please refer to the paragraph "Risk Management and internal control at local level" below.

The Internal Control framework of the AXA Group:

- is based on the principle of proportionality and takes into account the nature, scale and complexity of the entities' operations;
- is aligned with the COSO "Internal Control – Integrated Framework" of the Committee of Sponsoring Organizations of the Treadway Commission;
- is an integral part of the Risk Management thus providing the Executive Management with a view of the risk and control environment;
- is underpinned by the Group Internal Control Standard and Group Solvency II Internal Control Policy, first approved by the Audit Committee and the Board of Directors of AXA SA in December 2017;
- encompasses Internal Financial Control, implemented since 2010 to provide reasonable assurance regarding the reliability of Internal Control Over Financial Reporting (ICOFR), and extended to Solvency II in 2014 to contribute to the Internal Model validation process. For more information on Internal Financial Control, please refer to the paragraphs "Financial reporting, disclosure, controls and procedures" and "Internal Model validation" below.

On a regular basis, the Group internal control reports to the Group Operational, Information, Audit, Risk and Compliance Committee.

Third line of defense: Group Internal Audit function

The Group's Internal Audit function provides the Group Audit Committee and the Group's Management Committee with independent and objective assurance on the effectiveness of the overall control environment across the Group.

The Global Head of Internal Audit reports to the Chair of the AXA Group Audit Committee and to the Group Deputy Chief Executive Officer and General Secretary.

All Internal Audit teams across the Group report to the Global Head of Internal Audit whilst also having a direct and unfettered reporting line to their local Audit Committee Chair and an administrative reporting line within their local management structure.

The Group's Internal Audit function exists to help the Board and Executive Management protect the assets, reputation and sustainability of the organization by providing an independent and objective assurance activity designed to add value and improve the organization's operations. It helps the organization meet its objectives by bringing a systematic, disciplined approach to challenge Executive Management and evaluate the effectiveness of Risk Management, control and governance processes.

Group Internal Audit sets an annual plan of work, based on an assessment of both the inherent risk and the adequacy of controls as well as consideration of the audit cycle. The plan is formally reviewed and its performance formally monitored by the Group Audit Committee.

Over the audit cycle, all applicable audit universe components for each entity are expected to be audited. Any exceptions identified are notified to the Audit Committee.

A report is issued at the conclusion of each audit assignment to the relevant senior management. The results of the audits and resolution status of internal audit issues are presented to the relevant Audit Committee and Executive Management Committee on a regular basis.

Risk Management, Internal Control and Actuarial function at local level

Governance: the Group Governance Standards require, among other things, the Boards of AXA's main subsidiaries to establish an Audit Committee. The Audit Committees have a critical role in reviewing financial results and other financial information prepared by the management of these subsidiaries, financial reporting and control processes, critical accounting policies, specific accounting issues, key risks and systems of internal control, fraud and similar issues.

In addition, the Group has established Standards that apply to AXA SA and entities (including Joint ventures) where AXA has the majority of the voting rights, or has a minority interest but exercises control through other means such as management. They are mandatory for all Group entities within scope unless otherwise indicated. The Standards focus on critical requirements and form part of the overall Risk Management framework which allow the Group to have a clear understanding of risks, both locally and Group-wide.

Chief Executive Officers are required to certify annually to the Group Chief Executive Officer that to the best of their knowledge their entities comply with the Standards. Entity Boards must be formally informed of the Annual Certifications, together with any material breaches, areas of non-compliance and corresponding mitigation plans in order to monitor progress of remedial actions.

Risk Management: Risk Management is a local responsibility, in accordance with GRM standards and guidelines. The roles and responsibilities of local Risk Management teams are validated jointly by the Executive Committees of local entities and the Group Chief Risk Officer to ensure the alignment of central and local interests.

The minimum missions required for local Risk Management teams are:

- coordinating the second line of defense locally (which covers among others Compliance, Internal Control, Security) through a specific system of governance framework;
- ensuring that the risk appetite is implemented with respect to all risks consistently with the Group's risk appetite, with enhanced reporting, risk limits and decision processes;
- providing a second opinion on key processes, such as the definition of characteristics for new products before launch, reserves, ALM studies & asset allocation and reinsurance strategies;
- with respect to the Internal Model, Risk Management checking the adequacy of the local risk profile, and implementing, testing and validating the Internal Model.

Local Chief Risk Officers head the local Risk Management teams within each operational entity, and report both to their local Chief Executive Officer and to the Group Chief Risk Officer. They are independent from operations and Internal Audit Departments. Local Chief Risk Officers regularly report to the local Board of Directors (or to a sub-Committee) on Risk Management matters.

Their teams are responsible for controlling and managing risks within Group policies and limits, and for validating investment or underwriting decisions through local Risk Committees. The Group Chief Risk Officer chairs the Chief Risk Officers' meeting composed of the Chief Risk Officers of AXA's main subsidiaries, that meets on a quarterly basis and have monthly calls.

Internal control: Internal control is a local responsibility in accordance with internal control Standard and Policy. Entities are expected to:

- define and document their controls and control procedures covering all important risks and processes (First line responsibility);
- regularly verify and challenge the effectiveness of the control environment (Second line responsibility);
- implement a comprehensive monitoring and reporting on internal control deficiencies at a senior level of the organization to ensure that these are rectified in an adequate and timely manner.

Local Heads of internal control (or equivalent) are independent from operations and report preferably to their local Chief Risk Officer. Local Heads of internal control (or equivalent) regularly report to the local Executive Committee (or to a sub-Committee) on internal control matters.

Compliance: the local Compliance functions are expected to undertake an annual Compliance Risk Assessment to identify the major compliance risks to which the business is exposed. Based on the Compliance Risk Assessment, an Annual Compliance Plan must be developed at the end of each year for the following year. The local Compliance function must directly report on a regular basis to local senior management and the local Audit Committee (or equivalent body), on significant compliance matters, including key compliance risks, major regulatory changes that have compliance implications, the Annual Compliance Plan,

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outstanding Compliance In-Depth Review action points and any other significant issues that require escalation.

Actuarial function: the local Actuarial function holders report both to local Finance, Risk or the Chief Executive Officer and to the Group Actuarial function holder. Their role is, in the same way as for the Group Actuarial function, defined in accordance with Article 48 of the Solvency II Directive.

Local Actuarial function holders produce an Actuarial report submitted to the administrative, management or supervisory body, at least annually. The Actuarial report identifies any deficiencies and gives recommendations as to how such deficiencies should be remediated.

Local Actuarial function holders alert the local Executive Committee/Board of Directors and Group Actuarial function holder on any major deficiency on their area of responsibility.

The Group Actuarial function holder chairs the Chief Actuaries meeting composed of the local Actuarial function holders, that meets on a regular basis.

FINANCIAL REPORTING, DISCLOSURE, CONTROLS AND PROCEDURES

Scope of responsibilities

The PBRC Department within the Group Finance Department is responsible for consolidation, management reporting, as well as actuarial indicators and Solvency II Own Funds. These missions are performed for regular closings, forecasts and strategic plan exercises. PBRC works with local PBR units within the Finance Departments of Group subsidiaries.

The local PBR units are responsible for producing their respective contribution to the Group Consolidated Financial Statements.

PBRC's role encompasses the following principal activities:

- development of both accounting and reporting standards;
- managing process instructions with the subsidiaries for the various exercises;
- managing the Group's financial consolidation and reporting systems;
- producing the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) and analyzing key performance indicators;
- developing and using management control tools;
- managing and consolidating the European Embedded Value processes, related actuarial indicators and the Solvency II Own Funds;
- coordinating the production of the Group's Annual Reports filed with the AMF;
- coordinating the production of reports filed with the ACPR related to Solvency II;
- liaising with the Statutory Auditors and contributing to Audit Committee meetings as required; and
- fostering convergence of accounting and financial reporting processes, systems and organizations for insurance activities in Europe.

PBRC has defined and implemented a set of policies and procedures to ensure that the consolidation process leading to the consolidated financial statements is timely and accurate. This consolidation process is based on the following:

Definition of standards and use of a centralized information system

Group accounting standards, which are consistent with accounting and regulatory principles, are set forth in the "AXA Group Accounting Manual" and updated regularly by PBRC experts. These guidelines are submitted to AXA's Statutory Auditors for review before being made available to AXA's subsidiaries.

The Group's consolidation and reporting processes are based on a central information system "Magnitude". This tool is managed and updated by a dedicated team. This system is also used to deliver the management reporting information and the Solvency II Own Funds. The process through which this management reporting information and the Solvency II Own Funds are produced and validated is the same as the one used to prepare consolidated financial information.

Operating control mechanisms

At entity level, AXA's subsidiaries are responsible for recording and controlling accounting and financial data that comply with the AXA Group Accounting Manual and reflect consolidation rules under IFRS accounting standards. In this respect, the Chief Financial Officer of each entity signs off on the accuracy of their respective contribution to the consolidated figures reported through "Magnitude" and their compliance with both the AXA Group Accounting Manual and instructions in all frameworks produced (IFRS, European Embedded Value, actuarial indicators and Solvency II Own Funds) within the internal financial control program.

At PBRC level, accounting, financial and economic information reported by entities are analyzed by teams that liaise with subsidiaries on a full-time basis. In particular, these teams analyze the compliance with the AXA Group Accounting Manual and Group actuarial standards.

Internal Control Over Financial Reporting (ICOFR)

The AXA Group's ICOFR is a process designed under the supervision of the Group Chief Financial Officer and the Group Chief Risk Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements.

In that context, and based on the Group Internal Control Standard, the Group has implemented a comprehensive program managed by Group Risk Management, entitled Internal Financial Control (IFC), to ensure that the Group Chief Executive Officer has a reasonable basis to conclude that AXA Group's ICOFR is effective as of the end of each financial year.

The IFC program is based on the Group's IFC Standard, which is an internal control and governance standard based on the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It is designed to ensure consistency and quality in AXA Group's financial reporting and provide an overall framework for the annual IFC program precising the scope of application and governance.

The entities in IFC scope are required to document their significant processes and key controls, as well as the rationale of how the associated risk of material misstatement due to error or fraud can be reduced to an acceptable level. This is performed under the supervision of the Chief Financial Officer, sponsor of the IFC program. The independent Internal Financial Control function, anchored within Risk Management for most entities, is in charge of testing the design and operational effectiveness of those key controls, and ensuring that identified control deficiencies are remediated.

At each year-end, the in-scope entities must perform an evaluation of their ICOFR as part of an internal certification process, involving formal sign-off by process owners and with a formal management report from the entity's Chief Financial Officer and Chief Risk Officer stating their conclusion as to the effectiveness of the entity's ICOFR.

Disclosure controls and procedures

The Group has implemented a formal internal review and sign-off process pursuant to which all Management Committee members, Chief Financial Officers and certain other senior executives are required to certify various matters covered in AXA's Universal Registration Document.

This process is based on the following four pillars:

1. Chief Financial Officer Sign-Off Certificates, which are required to be submitted by all local Chief Financial Officers to PBRC, together with the required subsidiary financial reporting and consolidation information;
2. IFC Management reports are required to be submitted by the Chief Financial Officer or another senior executive of every in-scope entity, as part of the IFC program dedicated to ICOFR;
3. Disclosure Controls & Procedures certificates, which are required to be submitted by AXA's Management Committee members, Chief Financial Officers and certain other senior executives pursuant to which each of these executives is required to review the Group's Universal Registration Document and formally certify (i) the accuracy and completeness of the information in the Annual Report with respect to the companies under his/her responsibility, and (ii) the effectiveness of disclosure controls and procedures and ICOFR at companies under his/her responsibility (with specific disclosure of any significant deficiencies or material weaknesses). In addition, as part of this "sub-certification" process, these executives are required to review and comment on a number of cross-sectional disclosures in the Universal Registration Document relating to risk and other matters;
4. Chief Financial Officer Sign-Off certificates on the notes to the Consolidated Financial Statements: PBRC provides Chief Financial Officers with the contribution of the entities under their responsibility to the Consolidated Financial Statements in order to facilitate their certification on the accuracy and completeness of the information in the Universal Registration Document of the Group.

For further information, please refer to Appendix I "Management's annual evaluation of the internal control over financial reporting" of this Annual Report.

CONCLUSION

The Group has established a comprehensive system of internal control procedures and mechanisms that Management believes appropriate and adapted to its business and the global scale of its operations.

However, all internal control systems, no matter how well designed, have inherent limitations and cannot provide absolute certainty or guarantee against the materialization of risks and control failures. Even systems determined to be effective by the Management may not prevent or detect all human errors, all system malfunctions, all fraud or all misstatements and can provide only reasonable assurance.

Own Risk and Solvency Assessment (ORSA) [1]

POLICY AND GOVERNANCE

Under Solvency II, the Group and certain of its subsidiaries (*i.e.* all insurance and reinsurance entities in the European Economic Area and insurance and reinsurance entities outside the European Economic Area that are within the scope of the Internal Model) are each required to produce an ORSA report which is filed with the applicable national supervisor. At Group level, the Group Chief Risk Officer is responsible for developing the ORSA policy, implementing the ORSA process and coordinating the ORSA reporting.

The ORSA policy defines minimum standards for assessing and reporting own risks and Solvency to be applied across the Group. Adherence to this policy is expected to be promoted and monitored by all entity heads of Risk Management Department (Chief Risk Officers).

The Group ORSA report is reviewed annually by the Solvency II Committee and then presented, first, to the ARCC and the Audit Committee of the Board of Directors, and finally to the Board of Directors, which approves the conclusions of the Group ORSA report and authorizes its filing with the ACPR.

Beyond the annual ORSA report, a quarterly assessment is performed to update the Group's risk profile against Risk Appetite limits and adapt management actions accordingly. This information is reported to the Finance Committee of the Board of Directors and to the ARCC which regularly reviews all material audit, risk and compliance issues faced by the Group.

PURPOSE AND CONTENT

ORSA encompasses processes to identify, assess, monitor, manage and report the short to medium term risks to which the Group is exposed and to ensure the adequacy of the level of own funds within the Group Solvency targets, taking into account the Group's risk profile, as well as approved risk appetite limits and business strategy. As an important component of the Risk Management system, it is intended to give a comprehensive and complete vision of the risks embedded in the businesses of the Group on a continuous basis.

ORSA mainly encompasses Risk Management and financial activities, which are organized around the following processes:

- Solvency Capital Requirement (SCR) & Eligible Own Funds (EOF) quarterly calculation;
- liquidity risk reporting;
- strategic planning and financial projections;
- risk appetite process;
- stress and scenario testing analysis and monitoring; and
- reputation, regulatory, emerging and strategic risk assessment and review.

The ORSA report provides an assessment on:

- the overall Solvency needs through the measurement of quantifiable risks considering risk mitigation actions implemented in current economic context and approved business strategy detailed in the *"Driving Progress 2023"* strategic plan and within approved risk appetite limits. Stress scenario analyses are performed to ensure adequacy of the economic capital assessed. This is supported by the Enterprise Risk Management system, including the identification, monitoring and management of non-quantifiable risks;
- the compliance, on a continuous basis, with (i) regulatory capital requirements, through the assessment of the ability to meet capital requirements using the approved Internal Model, in compliance with the Solvency II regulatory standard, as well as (ii) requirements regarding technical provisions. Stress scenario analyses are performed to ensure adequacy of the economic capital assessed. Also, the extensive use of the Internal Model outputs for key decision-making processes provides a feedback loop for improving the modelling according to the evolution of the risk profile;
- the significance with which the risk profile of the AXA Group deviates from the assumptions underlying the SCR calculated on the basis of the Internal Model. Extensive validation tests are performed to assess the relevance of the Internal Model and the model error. Limitations of the Internal Model and evolution plan resulting from the validation activities are presented.

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

Internal Model [1]

For more information on regulatory capital and solvency requirements applicable to the Group, including Solvency II, please refer to Section 7.3 "General Information – Regulation and Supervision" of this Annual Report.

The Group has developed a robust economic capital model since 2007. The internal model of the Group (the "Internal Model") is used in its Risk Management systems and decision-making processes. The ACPR has approved the use by the Group of its Internal Model to calculate its SCR since Solvency II is in force. The Internal Model encompasses the use of AXA Group's economic capital model on all material entities, including entities that were part of the XL Group AXA acquired in 2018 ("XL entities").

AXA continues to review regularly the scope, underlying methodologies and assumptions of the Internal Model and will adjust its SCR accordingly. In addition, AXA's Internal Model has been and may be revised from time to time in accordance with applicable regulations. However, any major change to the Internal Model would be subject to the prior approval of the ACPR, which may require adjustments to the level of SCR. In addition, the Group monitors EIOPA's work program which, through its objectives, is also expected to continue to carry out consistency reviews of European insurers' internal models. Such review may lead to further regulatory changes to increase convergence and to strengthen oversight of cross-border groups, as well as changes to internal models and Solvency II capital requirements.

The Group's main goal in using its Internal Model as opposed to the Solvency II standard formula is to better reflect the Group's risk profile in its SCR. This is reflected through several objectives:

- taking into account local specificities – the Group is a global company, and caters to a wide range of insurance markets with a variety of products offered targeting certain demographics and with differing risk exposures. It is therefore appropriate, to the extent possible, to calibrate stresses specific for these risk profiles and to allow for the benefits of diversification of risks which arise as a result of being spread over these markets;
- addressing shortcomings inherent to the standard formula – based on its expertise, the Group can improve on the approach of the standard formula (which is naturally constrained by its general scope and which does not cover all measurable risks) and have models more appropriate to the scope of the Group; and
- allowing for better evolution of the model over time – as the Group's experience increases, business expands to new markets and product innovations create different risks to consider, the flexibility of an internal model allows the specificities of these developments to be reflected.

The Internal Model is based on a common definition of risks used consistently throughout the Group. It aims to ensure that the Company risk mapping is comprehensive and is followed in a consistent way across the Company and that efficient procedures and reporting are in place so that roles and responsibilities are allocated to identify, measure, monitor, manage and report key risks.

The Group risk grid [2] aims to identify all material risks applicable to the Company's insurance businesses. The Internal Model is intended to capture all material risks to which the Group is exposed from the risk assessment performed at sub-risk level to the overall aggregation of risk categories.

The underlying methodologies and assumptions used in the economic capital model are regularly reviewed to ensure that they accurately reflect the AXA Group's risk profile and new methods are developed and integrated regularly (in accordance with the Internal Model change policy).

The SCR, calculated on the basis of the Internal Model, represents the value at risk of Group EOF at the 99.5th percentile over a one-year horizon. In other words, the Solvency Capital Requirement is the capital needed to sustain an extreme shock likely to occur with a 0.5% probability (*i.e.* a 1 in 200 years event). It aims at including all material quantifiable risks (market, credit, insurance and operational) and reflecting the Group's diversified profile.

In addition to the risks that impact the SCR through the Internal Model calculation, the Group also monitors its liquidity risk, reputation risk, strategic risk and regulatory risks as well as emerging threats.

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

(2) The Group risk grid is designed to identify all risks applicable to AXA businesses. Risk categories are further split into sub-risks. The risk assessment is performed at the sub-risk level. The risk grid is regularly reviewed and validated at Group level.

AXA GROUP SOLVENCY II RATIO

In addition to the SCR assessment, which intends to cover all quantifiable risks to which the Group is exposed (insurance, financial, and operational risks), the AXA Group performs sensitivity analyses of its Solvency II ratio to material risks and events.

These analyses quantify, for instance, the potential impact on the AXA Group's Solvency II ratio of (i) financial shocks on corporate bond and sovereign spreads, on interest rates, and on equity, and credit migration, (ii) a wide range of shocks reflecting historical stress events (such as the 2008-2009 financial crisis, the 2011 financial crisis), and (iii) standardized shocks such as one year out of two hundred pandemic spread on mortality exposures, a vicennial Nat-Cat shock or a vicennial operational risk.

These sensitivity analyses do not take into account preemptive management actions that might be taken to mitigate the effects of the defined shocks, nor indicate a probability of occurrence, but are designed:

- to demonstrate that the AXA Group Solvency ratio is resilient to a wide range of shocks;
- to ensure through the risk appetite framework that the management reviews and acknowledges the risks that arise in their company, understands the consequences of an adverse development of these risks, and have action plans that can be implemented in case of unfavorable developments; and
- to verify the robustness of the Internal Model.

The Solvency II ratio as of December 31, 2021, published on February 24, 2022, was assessed at 217% [(1)], compared to 200% as of December 31, 2020 and meets AXA's target level of 190%.

INTERNAL MODEL GOVERNANCE

At Group level, the governance bodies involved in the Internal Model governance are as follows:

- the Board of Directors reviews the Internal Model, and authorizes the application to the ACPR for approval of major changes to the Internal Model;
- the Audit, Risk and Compliance Committee; and
- the Solvency II Committee.

At Group level, the Internal Model is reviewed, tested and approved on an ongoing basis by the Solvency II Committee. The Solvency II Committee is supported by risk technical working groups reviewing changes proposed to the Internal Model and presenting conclusions of these diligences to the Solvency II Committee. The Solvency II Committee also reviews the Internal Model validation and model change processes, and liaises with local governance. It also reviews the conclusions of the regular validation activities.

INTERNAL MODEL VALIDATION

The Group has implemented and documented a validation process of its Internal Model to monitor its performance and continued adequacy. This process and associated governance are documented in the Group validation policy, endorsed by the ARCC.

The Group validation policy is supplemented by local validation policies specifying the local validation activities and responsibilities.

Validation does not only apply to the quantitative aspects of the model (input data, theory & methodology, parameters & assumptions, data, results) but also encompasses the qualitative aspects of the model: expert judgment, documentation, model governance, use test, systems/IT.

Risk Management performs regular integrated validation activities, described in the Internal Model validation policy, mostly organized around:

- validation of the model structure, modelling choices, parameters and assumptions; and
- validation of the Solvency Capital Requirement calculation and results.

These tasks are performed mostly within the Risk Management Departments in charge of the model, through controls and validation activities using validation tools such as sensitivity tests, back testing, scenario testing, and stability analysis and any other relevant activity.

These validation procedures are complemented by independent challenge and validation of assumptions, key parameters and results through Committees (including assumptions Committees, calibration Committees and clearance Committees) intended to provide an adequate level of expertise and seniority.

In particular, Group Risk Management teams provide independent testing of the local model choices, local parameters, assumptions or calibration as well as local results.

Apart from this fully integrated validation, sanctioned by the Group Chief Risk Officer's review and sign-off, a comprehensive independent review process has been defined and implemented to provide adequate comfort to AXA Group Management and Board of Directors that the model and its outputs meet a "fit for purpose" standard.

(1) The Solvency II ratio is estimated primarily using AXA's Internal Model calibrated based on an adverse 1/200 years shock. For additional information, please refer to Section 5.2 "Internal Control and Risk Management – Internal Model" of this Annual Report. The Solvency II ratio will be finalized prior to the publication of the AXA Group's SFCR currently expected to be on May 20, 2022.

The independent reviews are performed by the following two internal teams:

- IFC teams, at local and Group level, responsible for assessing the effectiveness of internal control framework over Solvency II, on the basis of the testing of processes and controls over the EOF and STEC, at least annually; and
- Internal Model Review (IMR) team, a Group team responsible for the in-depth actuarial review of the model under local teams' responsibility, the conception and methodology when locally developed, and the local implementation of the Group principles where relevant. IMR controls are performed on a 3-year rolling basis, independently from closing agenda.

Both IMR and IFC are fully independent from the development, the governance and the processing of the Internal Model.

At the end of the annual validation process, the Board of Directors is provided with a report summarizing the conclusions of the internal review by Risk Management and the conclusion of the independent review by IMR and IFC as well as a review by an independent third party.

Governance of investment strategy and Asset & Liability Management (ALM)

The AXA Group, as an insurance group, follows an investment strategy mainly driven by Asset & Liability Management (ALM). The overall objectives of all investment decisions made within the Group are to meet its obligations and commitments to policyholders, to protect the solvency of the Group's entities, and to generate superior return over time.

GROUP AND LOCAL GUIDANCE ON INVESTMENTS

The Group Chief Investment Officer (Group CIO) heads the Group-wide community of local insurance companies CIOs, the central Investment & ALM Department and reports to the Group Chief Financial Officer. His role includes aligning AXA's investment strategy with the broader strategy of the Group, fostering closer cooperation amongst local entities, enhancing investment expertise and methodology, and steering investment decisions.

Local investment & ALM activities are steered by local CIOs. Local CIOs manage local portfolios, aiming at an optimized risk-return ratio, maintain reporting lines to the Group, and manage close relationships with asset managers and local stakeholders. Moreover, they are responsible for the investment performance and for implementing and executing a sound Asset Liability Management.

GROUP AND LOCAL GOVERNANCE BODIES

In order to efficiently coordinate local and global investment processes, decisions within the Group's investment community are taken by two main governance bodies:

- the Group Investment Committee, which is chaired by the Group Chief Financial Officer. This Committee defines the Group's investment strategy, steers tactical asset allocation, evaluates new investment opportunities and monitors the Group's investment performance; and
- the Group Financial Risk Committee is co-chaired by the Group Chief Financial Officer and the Group Chief Risk Officer. The Group Chief Investment Officer is also member of this Committee (please refer to the paragraph "Audit Risk and Compliance Committee" above).

At the entity level, each insurance company has a local Investment and ALM Committee whose terms of reference are approved by the local Executive Committees.

These Committees are responsible for, *inter alia*, defining the entity's Strategic Asset Allocation, approving and monitoring investments, meeting local compliance obligations and reviewing the participation in investment proposals syndicated by the Group, as well as local investment proposals.

ALM STUDIES AND STRATEGIC ASSET ALLOCATION

ALM aims to match assets with the liabilities generated by the sale of insurance policies. The objective is to define the optimal asset allocation so that all liabilities can be met with the highest degree of confidence while maximizing the expected investment return.

ALM studies are performed by the Investment & ALM Department with the support of internal asset managers when appropriate and a second opinion is provided by the Risk Management Department. They use methodologies and modelling tools that develop deterministic and stochastic scenarios, embedding policyholders' behavior considerations for the liabilities, financial market evolution for the assets and taking into account existing interaction between the two. This process aims at maximizing expected returns given a defined level of risk. Furthermore, a series of additional constraints are taken into account, such as Solvency II economic capital model considerations, earnings stability, protection of the solvency margin, preservation of liquidity, as well as local and consolidated capital adequacy and requirement.

ALM constraints are also taken into account when new insurance products are being designed as part of the product approval process (see Section 5.6 "Insurance risks – Product approval" of this Annual Report).

At the entity level, the strategic asset allocation issued from the ALM study must be reviewed by local Risk Management, and verified against predefined risk appetite limits, before being approved by the local Investment and ALM Committee.

INVESTMENT APPROVAL PROCESS

Investment opportunities, like non-standard investments, new strategies or new structures, are subject to an Investment Approval Process (IAP) in line with the third pillar of the Group Risk Management principles which provides for a systematic second opinion on key processes. The IAP ensures key characteristics of the investment are analyzed, such as risk and return expectations, experience and expertise of the investment management teams, as well as accounting, tax, legal and reputational issues.

The IAP is completed at Group level for any significant investment, depending on the investment size and the number of entities participating in it. The successful completion of an IAP is done after the production of a second independent opinion by Group Risk Management. The IAP is used and completed at local level to cover local regulatory characteristics (including tax and statutory accounting).

Local IAP is also run for investments in new asset classes for local entities under the same principles.

GOVERNANCE FRAMEWORK FOR DERIVATIVES

Products involving hedging programs based on derivative instruments are designed and executed with the support of dedicated teams at AXA Investment Managers and AXA SA. In a similar way, this set-up ensures that all entities benefit from technical expertise, legal protection and good execution of such transactions within the following governance framework for derivatives.

Derivative strategies are reviewed by local Investment and ALM Committees. In addition, there is a segregation of duties between those responsible for making investment decisions, executing transactions, processing trades and instructing the custodian. This segregation of duties aims in particular at avoiding conflicts of interest.

The market risks arising from derivatives are regularly monitored taking into account the Group's various constraints (such as risk appetite and Internal Model).

Such monitoring is designed to ensure market risks, arising from cash or derivative instruments, are properly controlled and remain within approved limits.

Legal risk is addressed by defining a standardized master agreement. The Group's business units may trade derivatives only if they are covered by legal documentation which complies with the requirements set out in the Group standards. Any change to certain mandatory provisions defined in the Group standards must be approved by GRM.

Additionally, there is a centralized counterparty risk policy. GRM has established rules on authorized counterparties, minimum requirements regarding collateral and counterparty exposure limits.

The operational risk related to derivatives is measured and managed in the context of the Group's global operational risk framework. Furthermore, execution and management of derivatives are centralized within dedicated teams, reducing the AXA Group's operational risk.

Valuation Risk is also addressed through the use of dedicated teams, within the Group's asset managers and banks. They independently counter-valuate the derivatives positions so as to achieve appropriate accounting, payment and collateral management. They also challenge the prices proposed by counterparties in the event that the applicable AXA entity wishes to initiate, terminate or restructure derivatives. Such capacity in pricing requires strong expertise, which relies on rigorous market analysis and the ability to follow the most up-to-date market developments for new derivatives instruments.

INVESTMENT AND ASSET MANAGEMENT

For a large proportion of its assets, the Group utilizes the services of asset managers to invest in the market:

- local AXA companies assign the day-to-day management of their asset portfolios primarily to AXA's Asset Management subsidiaries, *i.e.* AXA Investment Managers and Architas. Local CIOs continuously monitor, analyze, and challenge asset managers' performances; and
- in order to benefit from a more asset-specific and/or geographical expertise, the Group may also decide to invest through external asset managers. In such event, thorough due diligence analyses are performed by the Investment and the Risk Management communities and a continuous monitoring is implemented at both Group and Local levels.

5.3 MARKET RISKS

Market risks: definition and exposure

Information in this Section should be read in conjunction with Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report. Only information referred to in Note 4 is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

Information in this Section should be read in conjunction with the paragraph "Market-related risks" in Section 5.1 "Risk Factors" of this Annual Report.

AXA Group is exposed to financial market risks through its core business of financial protection (*i.e.* insurance) and through the financing of its activities as part of its equity and debt management.

The market risks to which Property & Casualty (P&C), Life & Savings (L&S) and Health portfolios are exposed arise from a variety of factors including:

- a decline in market returns may cause us to accelerate amortization of deferred acquisition costs, value of business in-force and other intangibles;
- a decline in returns on assets (linked to a sustained fall in yields on fixed income investments or to lower equity markets) could reduce investment margins on General Account products or fees on Unit-Linked contracts and impact the performance of asset managers;
- a change in yields on fixed-income investments (linked to changes in interest rates or in credit spreads) affects the market value of investments and liabilities and could impact adversely the Group's solvency position, and increase policyholder's surrenders due to competitive pressures;
- a decline in asset market value (relating, for example, to equity, real estate, or alternatives, etc.) could adversely impact the Group's solvency position, as well as available surplus;
- a change in foreign-exchange rates would have limited impact for the operating units since foreign-currency commitments are matched to a large extent by assets in the same currency or covered by hedges, but it could affect the earnings contribution in euros;
- furthermore, Health and Property & Casualty activities are subject to inflation which may increase the compensation payable to policyholders, so that the actual payments may exceed the associated reserves set aside. This risk can be significant for long-tail businesses but is managed through regular pricing adjustments or specific protections against peaks of inflation.

The Group policies implemented to manage these risks are tailored to each product type and the risks relating to it.

The main market risks to which the AXA Group is exposed are the following:

- interest-rate risk, spread risk and equity risk related to the operating activities of Group subsidiaries;
- exchange-rate risk related to the operating activities of Group subsidiaries; and
- risks relating to the management of holding companies' exposure to foreign currency exchange rate fluctuations and debt.

AXA Group's exposure to market risks is covered by AXA Group's Solvency Capital Requirement metric, as detailed in the paragraph "Internal Model" in Section 5.2 "Internal Control and Risk Management" of this Annual Report and is taken into account in AXA's Liquidity Risk Management framework (please refer to Section 5.5 "Liquidity Risk" of this Annual Report).

Risk control and risk mitigation

For more information on the AXA Group's risk controls and Risk Management processes, please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report.

In addition, AXA Group's investment strategy, which is mainly driven by Asset & Liability Management, aims to meet the Group's obligations and commitments to policyholders, and to protect the solvency of the Group and of its entities (please refer to paragraph "Governance of investment strategy and Asset & Liability Management (ALM)" in Section 5.2 "Internal Control and Risk Management" of this Annual Report).

Local operating units have the primary responsibility for managing their market-related risks, while abiding by the risk framework defined at Group-level, in terms of limits/thresholds and standards. This approach aims to allow a swift reaction in an accurate and targeted manner to changes in financial markets, political and economic environments in which the Group operates.

A wide variety of Risk Management techniques are used to control and mitigate the market risks to which the Group is exposed. These techniques, used primarily in all operating subsidiaries, include:

- local risk appetite governance and processes, including functional limits on market risks defined locally and approved by the local Board or Executive Committee;
- Asset & Liability Management (ALM), *i.e.* defining an optimal strategic asset allocation with respect to the liabilities' structure in order to reduce the risk to a desired level;
- a disciplined investment process, requiring for any sophisticated investment a formal thorough analysis by the Investment Department, and a second opinion by Risk Management;
- hedging of financial risks when they exceed the tolerance levels set by the Group. Operational management of derivatives is based on stringent rules and is mainly performed by AXA SA for the holding company activities and AXA Investment Managers for operating units;
- a regular monitoring of the financial risks on the Group Solvency II ratio; and
- reinsurance which also offers solutions to mitigate certain financial risks.

As regards the market risks relating to the management of holding companies' foreign exchange and interest rates exposure, the following Risk Management measures have been defined and implemented.

For the purpose of optimizing the financial management and control of financial risks linked to AXA SA and its sub-holding companies, the Group Corporate Finance and Treasury Department has defined a methodology to monitor and assess financial risks.

The policy on the management of holding companies' interest rate risk aims at monitoring and limiting the potential medium-term variation in interest expenses and consequently at partially protecting future levels of interest expenses against movements in interest rates. Regarding foreign exchange risk, the implemented policy's objective is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates. The purpose of the policy is therefore to protect partially the value of AXA's net foreign-currency investments in its subsidiaries to the extent of the following year's foreseeable dividends and more generally the exposure of AXA SA's liquidity to FX movements.

AXA regularly monitors its exchange rate hedging strategy and will continue to review its effectiveness and the potential need to adapt it taking into account impacts on earnings, value, solvency, gearing ratio and liquidity.

The Group Corporate Finance and Treasury Department is in charge of producing reporting data that consolidate interest rate, foreign exchange and liquidity risk exposures, as well as the interest expenses of AXA SA and its sub-holdings. This reporting also includes medium-term forecasts.

Synthetic reports, including information about hedging strategies, are sent to and reviewed by the Finance Committee of AXA's Board of Directors five times a year.

Focus on main market risks and sensitivity analysis

INTEREST RATES & EQUITY RISKS RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

AXA Group performs sensitivity analyses to estimate its exposure to movements in interest rates and equity markets. These analyses quantify the potential impact on the Group of positive and adverse changes in financial markets.

AXA Group analyzes sensitivities to movements in interest rates and equity markets looking at two different measures:

- sensitivities of the Group Eligible Own Funds (EOF), as described below;
- sensitivities of Group Solvency II ratio (please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report [1].

Eligible Own Funds represent the amount of economic capital available to absorb losses under stress events. The EOF are the surplus of assets over liabilities derived from the Solvency II balance sheet.

AXA Group Risk Management is monitoring EOF sensitivities and the EOF is derived from IFRS shareholders' equity.

The following table presents the reconciliation between IFRS shareholders' equity to group EOF:

Reconciliation IFRS shareholders' equity[a] EOF *(in Euro billion)*	**2021**
IFRS shareholders' equity[a]	**71.1**
Net URCG not included in shareholders' equity	6.5
Elimination TSS/TSDI	(6.7)
Elimination Intangibles	(31.3)
o/w Goodwill	*(17.1)*
o/w DAC	*(10.5)*
o/w VBI	*(0.7)*
o/w Others	*(3.1)*
IFRS tangible net asset value[a]	**39.6**
Dividends to be paid[b]	(4.4)
Technical provision adjustments	10.4
o/w Risk Margin	*(11.0)*
o/w BEL	*21.4*
Other adjustments	(1.4)
Unrestricted TIER 1	**44.2**
Restricted Tier 1 + Tier 2	17.3
Tier 3	0.5
Group Eligible Own Funds[c]	**62.0**

(a) Group share.
(b) Dividends to be paid in year N+1 and provisions for share buy-back.
(c) Including minority interests.

(1) Only information contained in Section 5.2 "Internal Control and Risk Management" of this Annual Report and referred to in Section 6.6 – Note 4 "Financial and Insurance Risks Management" of this Annual Report is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

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The main elements of the reconciliation from the €71.1 billion of IFRS shareholders' equity to the €39.6 billion of IFRS TNAV are as follows:

- addition of €6.5 billion of net unrealized gains and losses on assets not reflected in IFRS shareholders' equity;
- deduction of €6.7 billion of undated deeply subordinated notes and of undated subordinated notes included in IFRS shareholders' equity; and
- elimination of €31.3 billion of intangible assets net of unearned revenues and fee reserves, taxes and policyholder bonuses.

IFRS TNAV decreased by €0.7 billion mainly driven by lower IFRS shareholders' equity. This aggregate however reflects the IFRS accounting value of liabilities and not their economic value which is better reflected within Solvency II EOF.

The main elements of the reconciliation between the IFRS TNAV and the group EOF Unrestricted Tier 1 are as follows:

- deduction of €4.4 billion of foreseeable dividends which consist of (i) the dividends to be paid to shareholders in 2022 of €3.6 billion and (ii) the provision for the portion of the €1.7 billion share buyback executed in 2022 of €0.8 billion;
- addition of €10.4 billion reflecting the Solvency II technical provision adjustments corresponding to the adjustment from IFRS reserves to best estimate liabilities (€+21.4 billion) and the risk margin (€-11.0 billion); and
- other adjustments between IFRS TNAV and group EOF Unrestricted Tier 1 (€-1.4 billion).

Group EOF are then the sum of Unrestricted Tier 1, Restricted Tier 1, Tier 2 and Tier 3.

Information on the group EOF is disclosed in the "Embedded Value & Solvency II Own Funds Report 2021" which is available on AXA Group website (www.axa.com).

The sensitivities of the EOF to changes in major economic assumptions were calculated as follows for the 2021 values:

- **upward shift of 50 basis points in reference rates** simulates a sudden shock to the initial conditions. This means changes to: 1) the current market values of fixed-interest assets, with related possible changes to projected capital gains/losses and/or fee revenues, 2) future reinvestment rates for all asset classes, and 3) discount rates. The change is applied to the reference interest rates, including the volatility adjuster where applied in the base case. Inflation rates, the volatility on interest rates and the Ultimate Forward Rates are not changed;
- **downward shift of 50 basis points in reference rates** is the same as above but with a shift downward;
- **25% higher value of equity markets** simulates a shock to the initial conditions for equities only. Listed equities and private equity values including the impact of equity hedges are shocked. This means changes to current market values of all these equities excluding hedge funds, with related possible changes to projected capital gains/losses and/or fee revenues;
- **25% lower value of equity markets:** same methodology as mentioned above assuming a decrease.

L&S EOF sensitivities	2021 EOF *(in Euro million)*	2021 EOF *(in percentage)*
Closing amount	**44,744**	**100%**
Interest rates +50bps	1,752	4%
Interest rates -50bps	(2,787)	(6%)
Equity markets +25%	3,125	7%
Equity markets -25%	(3,343)	(7%)

P&C EOF sensitivities	2021 EOF *(in Euro million)*	2021 EOF *(in percentage)*
Closing amount	**32,573**	**100%**
Interest rates +50bps	(62)	(0%)
Interest rates -50bps	71	0%
Equity markets +25%	1,354	4%
Equity markets -25%	(1,270)	(4%)

All sensitivities are presented net of tax, and where applicable, net of policyholders' participation.

2021 interest rate sensitivities for Life & Savings business (% of L&S EOF) of 4% to upward 50 bps and -6% to downward 50 bps show an asymmetry mainly driven by guaranteed interest rates having higher value when interest rates decrease, while higher reinvestment returns would need to be shared with policyholders limiting shareholders' gains in a higher rate environment. However, this classical pattern is not followed everywhere, as for certain type of business with significantly low interest rate guarantees, the EOF behaves more like a portfolio of fixed-income assets. In addition, higher interest rates affect the value both positively through higher investment rate and negatively through lower starting value of fixed income assets and higher discount rates for future profits. For different product types these interactions produce different results.

2021 interest rate sensitivities for Property & Casualty business (% of P&C EOF) of 0% to upward 50 bps and 0% to downward 50 bps reflect mainly the impacts on fixed-income assets, offset by discount on liabilities.

2021 equity market sensitivities for Life & Savings business (% of L&S EOF) of 7% to 25% higher value and -7% to 25% lower value reflect mainly the impact of guarantees and profit-sharing rules, along with some hedging programs to limit potential losses. The impacts of equity market value changes can come from General Account exposures or from changing asset balances impacting future fee revenue on separate account business.

2021 equity market sensitivities for Property & Casualty business (% of P&C EOF) of 4% to 25% higher value and -4% to 25% lower value reflect the impacts on equities including derivatives on equities.

EXCHANGE-RATE RISK RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

A 10% change in foreign exchange rate as at December 31, 2021 and December 31, 2020 between euro and main functional currencies of the Group (USD, JPY and CHF) would have had the following impacts on shareholders' equity Group share and Underlying earnings Group share:

2021 *(in %)*	**Shareholders' equity Group share**		**Underlying Earnings Group share**	
Currency	**-10%**	**+10%**	**-10%**	**+10%**
US Dollar	2%	-2%	2%	-2%
Japanese Yen	1%	-1%	2%	-2%
Swiss Franc	1%	-1%	1%	-1%

2020 *(in %)*	**Shareholders' equity Group share**		**Underlying Earnings Group share**	
Currency	**-10%**	**+10%**	**-10%**	**+10%**
US Dollar	2%	-2%	-4%	4%
Japanese Yen	1%	-1%	2%	-2%
Swiss Franc	1%	-1%	3%	-3%

In the insurance companies, which accounted for 93% of Group assets at December 31, 2020 (90% in 2020), assets and liabilities with foreign currency exposure are generally naturally matched or hedged.

- **France:** 34% of Group assets at the end of 2021 (32% in 2020):

In France, AXA was exposed to exchange-rate risk for a total amount of €22,560 million at the end of 2021 (€20,965 million in 2020) held both directly and indirectly through investment funds partly invested in foreign currencies (US Dollar: €17,460 million *versus* €16,700 million in 2020, Pound Sterling: €2,920 million *versus* €2,508 million in 2020 and Japanese Yen: €1,030 million *versus* €1,323 million in 2020). This exposure allows AXA France to diversify its investments and enable policyholders to benefit from the performance of international financial markets. AXA France offsets its exposure to exchange-rate risk by using foreign exchange forwards and other derivatives (notional of €20,570 million *versus* €19,861 million in 2020).

- **Europe:** 35% of Group assets at the end of 2021 (34% in 2020):

Switzerland

In Switzerland, AXA entities are exposed to exchange-rate risk through their investments in foreign currencies (mainly Euro and US Dollar) due to limited investment possibilities in the Swiss market. A major portion of the exposure is hedged back into Swiss Francs with foreign exchange swaps, options and forwards. At the end of 2021, Switzerland foreign exchange exposure amounted to €14,936 million (€14,390 million in 2020) which represented 25% of total assets (24% of total assets in 2020), of which €11,659 million were hedged (€11,829 million in 2020).

Germany

In Germany, AXA held €13,363 million investments denominated in foreign currencies at the end of 2021 (€11,296 million in 2020) both directly and indirectly through investment funds with the aim of diversifying its investments and taking advantage of foreign markets' performance. These investments were mainly denominated in US Dollar (€10,226 million *versus* €8,518 million in 2020) and in British Pound Sterling (€1,141 million *versus* €1,206 million in 2020). AXA Germany controls and limits its exchange-rate risk by using foreign exchange forwards for a notional amount of €9,654 million (notional €8,101 million in 2020), currency swaps for a notional amount of €1,970 million (notional €1,858 million in 2020), and congruent coverage, matching assets and liabilities denominated in the same currency, for €28 million (€19 million in 2020).

Belgium

In Belgium, AXA held investments in foreign currency for €3,664 million in 2021 both directly and indirectly through physical assets. These investments are mainly in US Dollar for €2,348 million and in British Pound Sterling for €462 million. The exchange-rate exposure on Assets is hedged for €3,315 million using mainly foreign exchange forwards, cross currency swaps and collar options strategies.

United Kingdom & Ireland

In the United Kingdom, AXA is exposed to exchange-rate risk through its AXA Insurance and AXA PPP Healthcare Limited subsidiaries, which operate in Pound Sterling, and through AXA Ireland which operates in Euro. It has diversified its investment portfolios in line with Asset Liability Management objectives. At December 31, 2021 AXA UK held investments denominated in foreign currencies for €4,879 million (€4,252 million in 2020) mainly in US Dollar (€2,596 million), with further United Kingdom exposure to the Euro (€1,599 million) and exposure to British Pound Sterling (€369 million) in Ireland. This exposure is held both directly and indirectly through investment funds (CLO funds, Alternative Credit funds, Assets Backed Securities, Commercial Real Estate loans and other investment funds). Of this exposure, €4,131 million is hedged through foreign exchange forwards, options or cross currency swaps, with a further €339 million of exposure hedging liabilities held within the business.

Spain

In Spain, AXA entities held investments in foreign currency for €749 million in 2021 (€728 million in 2020), directly and indirectly through physical assets. These investments are mainly in US Dollar €667 million (€662 million in 2020). Exchange-rate risk exposure is hedged for a notional amount of €671 million using mainly foreign exchange forwards, currency swaps and collars.

Italy

In Italy, AXA held investments in foreign currency for €1,097 million in 2021 (€983 million in 2020) both directly and indirectly through physical assets. These investments are mainly in US Dollar for €808 million (€788 million in 2020). The overall exchange risk exposure is managed within the FX limits approved in the correspondent Local Investment Committees. Unhedged FX exposure amounts to €170 million (€173 million in 2020).

- **Asia:** 12% of Group assets at the end of 2021 (12% in 2020):

Japan

In Japan, AXA entities may invest when relevant outside the Japanese market in order to diversify and optimize investments and enhance returns. At the end of 2021, the total assets denominated in foreign currencies held both directly and indirectly through investment funds (mainly US Dollar) represented an amount of €10,301 million (€9,873 million in 2020) excluding assets backing Unit-Linked contracts. Most of the corresponding exchange-rate risk was hedged through the use of derivatives.

Hong Kong

AXA Hong Kong holds investments denominated in foreign currencies for €21,687 million (€26,504 million in 2020), both directly and indirectly through investment funds.

These investments are mainly in US Dollar €18,765 million (€24,749 million in 2020), partly in congruence to the technical liabilities denominated in US Dollar €10,476 million (€8,614 million in 2020) and the remaining in order to take advantage of the US bond market which is more developed than the Hong Kong bond market notably in terms of liquidity and available maturities. Exchange-rate risk exposure is hedged using foreign exchange forwards and cross currency swap for a notional amount of €18,573 million (€12,143 million in 2020).

- **International:** 2% of Group assets at the end of 2021 (5% in 2020):

AXA entities held investments denominated in foreign currencies for €2,798 million in 2021 (€3,183 million in 2020) both directly and indirectly through investment funds which are mainly denominated in US Dollar €1,895 million (€2,223 million in 2020). In particular, Mexico has its exchange-rate risk exposure mostly under congruent coverage, matching assets and liabilities denominated in the same currency. Besides, Singapore and Colombia have their exchange-rate risk exposure hedged (through forwards and cross currency swaps for Singapore, and through forwards for Colombia).

- **AXA XL:** 9% Group assets at the end of 2021 (8% in 2020):

For the majority of AXA XL's business, assets and liabilities are denominated in US Dollar. For business written in currencies other than in US Dollar, the risk is managed primarily by matching assets and liabilities in each currency. Asset positions in certain currencies are hedged back to US Dollars using foreign exchange forwards with a notional amount of €1,468 million at the end of 2021 (€612 million in 2020).

- **Transversal and Central Holdings:** 8% of Group assets at the end of 2021 (9% in 2020):

AXA SA & other Central Holdings

Since 2001, AXA SA has adopted a hedging policy which objective is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates. The purpose of the policy is therefore to protect partially the value of AXA's net foreign-currency investments in its subsidiaries to the extent of the following year's foreseeable dividends and more generally the exposure of AXA SA's liquidity to FX movements.

As at December 31, 2021 and December 31, 2020, the main hedging positions of AXA SA were as follows:

	Amount in currency *(in billion)*		Amount in Euro *(in billion)*	
Foreign currency hedging	**2021**	**2020**	**2021**	**2020**
US Dollar	3.7	4.8	3.3	3.9
HK Dollar	0.4	0.4	0.0	0.0
Japanese Yen	289.7	289.7	2.2	2.3
Pound Sterling	2.7	2.9	3.3	3.2
Swiss Franc	1.2	1.5	1.1	1.4

In addition to the foreign exchange rate management performed locally (hedged through Foreign Exchange forward and currency swaps), the Group Corporate Finance and Treasury Department steers the global exposure to foreign exchange risk and reports the position five times a year to the Finance Committee of the Board of Directors.

5.4 CREDIT RISK

Credit risk: definition and exposure

Information in this Section should be read in conjunction with Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report. Only information referred to in Note 4 is covered by the report of the Statutory Auditors on the Consolidated Financial Statements.

Information in this Section should be read in conjunction with the paragraph "Credit and liquidity-related risks" in the Section 5.1 "Risk factors" of this Annual Report.

Credit risk is defined as the risk that a third party in a transaction will default on its commitments. Given the nature of its core business activities, AXA Group monitors three major types of counterparties, using methods suitable to each type:

- investment portfolios held by the Group's insurance operations (excluding assets backing separate-account products where the financial risk is borne by policyholders) as well as by banks and holding companies;
- receivables from reinsurers resulting from reinsurance ceded by the AXA Group; and
- credit and credit-sensitive exposures on third party obligors stemming from some Group insurance and assumed reinsurance businesses.

AXA Group's exposure to credit risk is covered by AXA Group's Solvency Capital Requirement metric, as detailed in the paragraph "Internal Model" in the Section 5.2 "Internal Control and Risk Management" of this Annual Report and is taken into account in AXA's liquidity Risk Management framework (please refer to Section 5.5 "Liquidity risks" of this Annual Report).

Risk control and risk mitigation

For more information on the AXA Group's risk controls and Risk Management processes, please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report.

In addition, AXA Group's investment strategy, which is mainly driven by Asset & Liability Management, aims to meet the Group's obligations and commitments to policyholders, and to protect the solvency of the Group and of its entities (please refer to paragraph "Governance of investment strategy and Asset & Liability Management (ALM)" in Section 5.2 "Internal Control and Risk Management" of this Annual Report).

A specific set of limits take into account all AXA Group exposures on a given ultimate shareholder through debt securities, cash, equity, derivatives, reinsurance receivables, insurance and assumed reinsurance commitments. They aim at managing globally the default risk of a given counterparty.

INVESTED ASSETS: A CENTRAL MONITORING OF COUNTERPARTY EXPOSURE

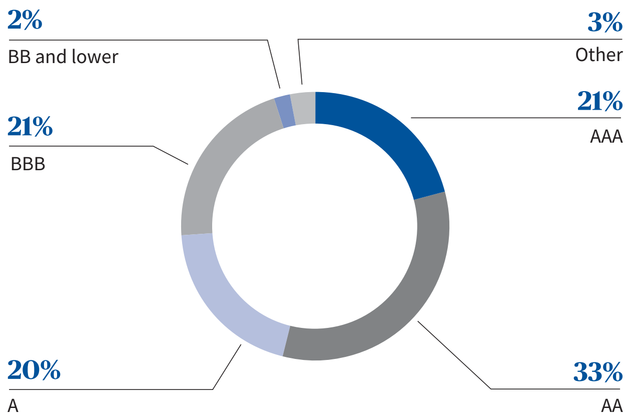
AXA Group concentration risk is monitored by different analyses performed at Group level by issuer and ultimate shareholder, in addition to local procedures and by a set of Group and local issuer limits.

These limits aim at managing the default risk of a given issuer, depending on its rating and on the maturity and seniority of all bonds issued by the issuer and held by the AXA Group (corporate, Government agency and sub sovereign).

On sovereign exposures, specific limits have also been defined on government bonds and government-guaranteed bonds.

Compliance with the limits is ensured by the Group through defined governance. The Group Credit Risk Committee handles, on a monthly basis, the issuer exposure breaches to the Group's limits and determines coordinated actions for excessive credit concentrations. A Group Credit Team reporting to the Group Chief Investment Officer (Group CIO) provides credit analyses independently from Group asset managers, in addition to local CIO teams. The Group Financial Risk Committee is regularly kept informed of the main credit risks.

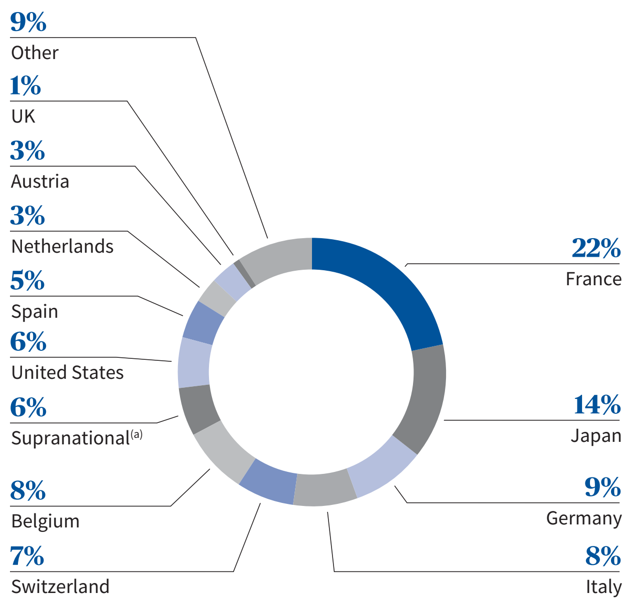
As at December 31, 2021, the breakdown of the debt security portfolio (€402 billion) by credit rating category was as follows:



As at December 31, 2020, the breakdown of the debt security portfolio (€433 billion) by credit rating was: 20% in AAA, 32% in AA, 21% in A, 22% in BBB, 1% in BB and lower, and 4% in other.

Credit risk diversification and analysis policies, particularly using credit ratings, are implemented by Investment Departments and monitored by Risk Management teams.

As at December 31, 2021, the breakdown of Government and Government related bonds fair values (€228 billion) by country was as follows:



(a) Includes mainly European institution issuers (European Investment Bank, European Union, European Financial Stability Facility, Eurofima).

CREDIT DERIVATIVES

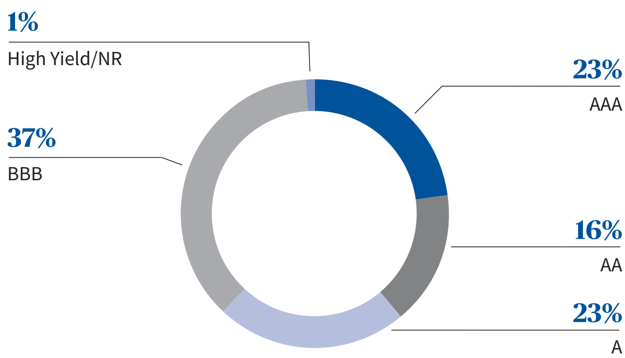
The AXA Group, as part of its investment and credit Risk Management activities, uses strategies that involve credit derivatives (mostly Credit Default Swaps or CDS), which are mainly used as an alternative to debt security portfolios, when coupled with government debt securities, but also as a protection on single corporate names or specific portfolios.

As at December 31, 2021, the nominal amount of positions taken through credit derivatives was €12.4 billion [1] of CDS (cumulated notional amounts of €1.5 billion protections bought and of €10.9 billion protections sold), which can be broken down as follows:

- **i.** €1.5 billion of CDS protections bought to hedge credit risk with regard to certain investments, mostly in corporate bonds;
- **ii.** €10.9 billion of CDS protections sold as an alternative to the direct purchase of a corporate bond mainly by holding government bonds and at the same time selling protection on very good quality names. This type of ALM strategy is often implemented to compensate for the lack of depth or liquidity in some markets in order to take synthetic credit risk.

Limits applied to issuers take into account the credit derivative positions.

As at December 31, 2021, the breakdown of these CDS's underlying debt securities gross exposure by rating was as follows:



Credit risk relating to CDOs is monitored separately, depending on the tranches held, and regardless of the type of assets held (debt securities or credit derivatives).

(1) This figure represents an accounting view i.e. 100% of assets held directly and in consolidated investment funds "Core Investment Portfolios", and excluding credit derivatives in non-consolidated investment funds, in line with Section 6.6 – Note 20 "Derivative instruments" of this Annual Report. The Group holds €17.1 billion (notional amount) of credit derivatives as total exposure including consolidated investment funds "Satellite Investment Portfolios" (€2.0 billion).

COUNTERPARTY RISK ARISING FROM OVER-THE-COUNTER (OTC) DERIVATIVES

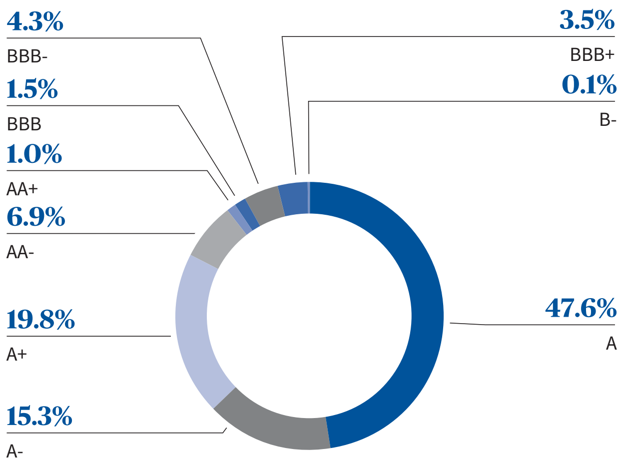
AXA Group actively manages counterparty risk generated by OTC derivatives through a specific Group-wide policy. This policy includes:

- rules on derivative contracts (ISDA, CSA);
- mandatory collateralization;
- a list of authorized counterparties;
- a limit framework and an exposure monitoring process.

Limits are set specifically for each authorized counterparty, based on an internal scoring system. This policy also includes daily collateralization for the majority of the Group's exposure.

The Group Credit Risk Committee approves changes to the above policy and reviews the exposures every month.

As at December 31, 2021, the breakdown of counterparty exposure coming from OTC derivatives by rating was as follows (positive fair value net of collateral received):



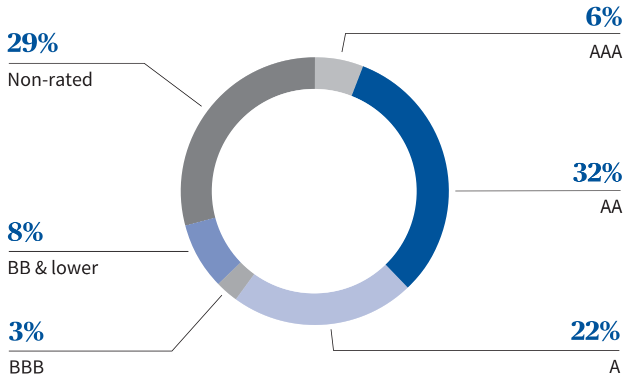
RECEIVABLES FROM REINSURERS: RATING PROCESSES AND FACTORS

To manage the risk of reinsurers' insolvency, a Security Committee is in charge of assessing reinsurers' quality and acceptable commitments. The Committee is under joint authority of GRM and AXA Global Re. This risk is monitored to oversee the credit reinsurance exposure of the Group and to avoid any excessive exposure to any specific reinsurer. The Group Security Committee meets monthly – and more frequently during renewal periods – and decides on any action to be taken with the aim of limiting AXA Group's exposure to the risk of default by any of its reinsurers.

In addition, the Group summarizes and analyzes its exposure to all reinsurers by factoring in all positions with reinsurers (claims, premiums, reserves, deposits, pledges and security deposits).

The Group's top 50 reinsurers accounted for 72% of reinsurers' share of insurance and investment contract liabilities in 2021 (*versus* 61% in 2020).

The breakdown of all reserves ceded to reinsurers by reinsurer rating as of December 31, 2021 (€40.5 billion) was as follows:



The "Non-rated" caption relates to reserves ceded to reinsurance pools, reserves ceded to reinsurers with which the AXA Group does limited business (not in the top 50) and reinsurers not rated by the main rating agencies.

As at December 31, 2020, the breakdown of reserves ceded to reinsurers (€28.8 billion) by reinsurer rating was: 34% in AA, 13% in A, 14% in BB and lower and 39% in Non-rated.

The increase in reserves ceded to reinsurers is mainly driven by new Loss Portfolio Transfers treaties in Hong Kong and at AXA XL, prior year long-tail lines and Natural Catastrophes.

CREDIT EXPOSURE STEMMING FROM INSURANCE AND ASSUMED REINSURANCE BUSINESSES

The AXA Group, following the acquisition of XL group, is also exposed to credit risk through various insurance and assumed reinsurance businesses that either:

- embed a credit component, such as Trade Credit Insurance, Political Risk-Contract Frustration, Surety, Mortgage Reinsurance; or

- are sensitive to credit risk, *i.e.* there is a strong correlation between a credit event and claims under the (re)insurance cover, such as Directors & Officers (D&O) and Errors & Omissions (E&O).

Among those exposures to ca. 21,000 obligors, the larger ones are reported monthly on a per name basis and are aggregated wherever relevant with exposures coming from other sources, mainly investments, to maintain concentrations under control.

Each month, the Group Credit Risk Committee monitors the aggregate ultimate shareholder exposures *versus* the risk appetite limits, as well as the contributions of the various credit risk sources including the split by lines of business, reviews potential breaches to the Group limits and remediation plans, and when necessary handles additional capacity requests and allocates capacity between investments and insurance & reinsurance businesses. Group Credit team provides the Group Credit Risk Committee with credit assessments on the biggest exposures or on a case by case basis when required.

Utilizations of Group limits per name are shared with local Risk Management and business teams, in order to avoid excessive concentrations and breaches.

In addition, all types of credit exposures whether related to assets or liabilities, and for the latter including those arising from a huge number of very small individual exposures (ca. 16,000 obligors with an exposure at risk below USD10 million), are captured through a credit risk per event approach. It measures the impact of defaults, including rating migration, in a 1 in 20 year credit crisis, and the contribution of each source of credit risk, in particular stemming from insurance and assumed reinsurance businesses. The results are shared with the Group Audit, Risk and Compliance Committee.

The Group Financial Risk Committee is regularly informed of the main credit risks including those related to (re)insurance businesses.

BANK CREDIT ACTIVITIES

At December 31, 2021, total invested assets of banking activities amounted to €12.9 billion (€13.4 billion as at December 31, 2020).

AXA Banking operations, based in France, are mostly limited to retail banking activities, distributing simple investment and credit products.

As such, AXA banks' Risk Management policies are based on their stated risk appetite, with the following key principles:

- dedicated counterparty and credit risk functions with appropriate Committees;
- quality of sovereign, international institutions, corporate and bank counterparties portfolio closely monitored;
- adequacy to Group risk standards; and
- tightly managed market, asset & liability, foreign exchange and interest rate risks including a strict collateral policy.

Credit risk in the banks encompasses:

- retail credit risk, resulting from the commercial activity – sales of mortgages and other type of loans to retail clients and small enterprises. Credit Risk Management is done through careful risk and a regular monitoring of portfolios by product management teams and Risk Management teams;
- other than retail credit risk, resulting from investment activity. This activity is limited with strong control processes in place.

Credit risks are regularly reviewed by the Management Board of each bank, and are subject to regulation.

The banks aim to meet all regulatory capital obligations.

5.5 LIQUIDITY RISK

Information in this Section should be read in conjunction with Section 2.4 "Liquidity and capital resources" of this Annual Report.

The liquidity risk is the uncertainty, emanating from business operations, investments or financing activities, over whether AXA SA and/or an AXA entity will have the ability to meet payment obligations in a full and timely manner, in current or stressed environments. Liquidity risk concerns assets and liabilities as well as their interplay.

Liquidity is a key dimension of the Risk Appetite Framework allowing the AXA Group to ensure that both AXA SA and the local entities have at all times sufficient liquidity buffer to withstand a severe shock. The objective is achieved through the monitoring of the liquidity adequacy across the AXA Group on the basis of a metric called "Excess Liquidity", *i.e.* the difference between liquidity resources and liquidity needs calculated under severe stress conditions and over different time horizons: 1 week, 1 month, 3 months and 12 months.

For each time horizon, the post-stress liquidity resources available and the post-stress liquidity needs (*i.e.* net outflows) to be paid are projected to measure the excess liquidity. The stressed conditions are calibrated so as to reflect extreme circumstances (*e.g.* distressed financial markets, confidence crisis towards the Group, natural catastrophes). The approach is prudent as it is assumed that all events occur simultaneously.

5.6 INSURANCE RISKS

Insurance risks: definition and exposure

Information in this Section should be read in conjunction with Section 6.6 – Note 4 "Financial and insurance Risk Management" of this Annual Report. Only information referred to in Note 4 is covered by the report Statutory Auditors on the Consolidated Financial Statements.

Information in this Section should be read in conjunction with the paragraph "Pricing and underwriting-related risks" in Section 5.1 "Risk factors" of this Annual Report.

The Group's insurance subsidiaries are primarily responsible for managing their insurance risks linked to underwriting, pricing and reserving. They are also responsible for taking appropriate actions in response to changes in insurance cycles and to the political and economic environments in which they operate.

In the context of its Property & Casualty (P&C) and Protection & Health businesses operations as described in Section 1.3 "Business overview" of this Annual Report, the AXA Group is exposed to the following main insurance risks, which include:

- premium risk resulting from fluctuations in the timing, frequency and severity of insured events, and relating to:
  - valuation of reserves for unexpired risks on existing contracts (insufficient premium reserves),
  - mispricing of policies to be written (including renewals) during the period, and
  - expense payments;
- reserve risk resulting from fluctuations in the timing and amount of claim settlements and relating to the insufficiency of claims reserves, which includes:
  - misestimating claims reserves (average payments), and
  - fluctuation of payments around their statistical average;
- catastrophe risks embedding both natural events such as climatic or meteorologic phenomena (including windstorms, hurricanes, floods or hailstorms), tectonic ones (earthquakes, volcanoes) and man-made ones, such as nuclear, liability, cyber, conflagration, terrorist attacks.

Life risks also include risks related to mortality, longevity, lapses, disability and pandemics among others. The main risks to which the Life business is exposed are longevity risk and lapse risk, which are both sensitive to changes in interest rates, and could be defined as follows:

- longevity risk is the risk related to the overestimation of mortality rates for business contingent on longevity;
- lapse risk is the risk of experiencing lapses lower (or higher) than expected on a permanent basis for businesses adversely sensitive to a decrease (or an increase) in lapses.

AXA Group's exposure to insurance risks is covered by the AXA Group's Solvency Capital Requirement metric, as detailed in the paragraph "Internal Model" in Section 5.2 "Internal Control and Risk Management" of this Annual Report and is taken into account in AXA's liquidity Risk Management framework (please refer to Section 5.5 "Liquidity risk" of this Annual Report).

Risk control and risk mitigation

For more information on the AXA Group's risk controls and Risk Management processes, please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report.

In addition, AXA Group's investment strategy, which is mainly driven by Asset & Liability Management, aims to meet the Group's obligations and commitments to policyholders, and to protect the solvency of the Group and of its entities (please refer to paragraph "Governance of investment strategy and Asset & Liability Management (ALM)" in Section 5.2 "Internal Control and Risk Management" of this Annual Report).

Insurance risks for Life & Savings, Health and Property & Casualty businesses are covered through 4 major processes, defined at Group level but performed jointly by central and local teams:

- implementing a product approval process, which entails risk controls on new products that complement underwriting rules and product profitability analyses;
- optimizing reinsurance strategies in order to limit the Group's peak exposures thereby protecting its solvency by reducing volatility and to mitigate risk within the Group to benefit from diversification;
- reviewing technical reserves including a roll forward analysis; and
- monitoring emerging risks to share expertise within the underwriting and risk communities.

PRODUCT APPROVAL

AXA Group has defined a set of procedures to approve new products launches. These procedures are adapted and implemented locally, and aim to foster product innovation across the Group while maintaining risks under control. The validation framework relies among others on the results of the Solvency Capital Requirement's assessments, based on the AXA Group's Internal Model, to ensure that new products undergo a thorough approval process before they are brought to market.

In Life & Savings, as well as Health, the Product Approval Process is managed at local level for all traditional products meeting Group's minimum requirements, which allows maintaining time-to-market product launches. For sophisticated products, local entities require Group's approval before launch to ensure all long-term commitments are monitored at Group level and benefit from the Group expertise on enhanced or specific guarantees.

In Property & Casualty, methods are adapted to the underwriting of risks, while maintaining the principle of local decision-making based on a documented approval procedure and using the output of the internal model. The aim is twofold:

- for pre-launch business, the aim is to ensure that new risks underwritten by the Group have been scrutinized before proposing them to customers;
- for post-launch business, appropriate profitability and risk control are performed to verify that the business remains in line with the Group's risk framework.

This framework is part of the Group underwriting policy and ensures that no risks are taken outside the Group tolerances and that value is created by adequate risk pricing.

EXPOSURE ANALYSIS AND RISK ASSESSMENT

AXA Group reviews regularly its exposure to ensure that the risks underwritten are diversified geographically and by lines of business in order to manage risk concentration, and to verify adequacy of reinsurance.

For Life & Savings, Health and Property & Casualty activities, AXA Group has developed and deployed common models and metrics to consistently measure risks throughout the Group (in particular *via* its economic capital framework as detailed in Section 5.2 "Internal Control and Risk Management" of the Annual Report. This enables the Group to verify that its exposure complies with consolidated risk appetite limits along the dimensions of earnings, Eligible Own Funds (EOF), solvency and liquidity. These tools also contribute substantially to monitoring the major risks (claims frequency deviation, claims severity, reinsurance, pricing consistency, natural and man-made catastrophes, biometric and behavior risks deviations).

This framework is included in the governance set out previously for product development control.

In the Life & Savings, Health businesses, these tools allow for mortality/longevity risks to be analyzed on a multi-country basis. The AXA Group regularly monitors its exposure to these risks (including mortality, longevity and morbidity) and uses the results of this work to optimize its product design and its reinsurance coverage. These exposure analyses are supported by expert risk models in Life & Savings.

Regarding the Property & Casualty exposures, *ad hoc* concentration risk models (internal and external for natural catastrophe and for man-made catastrophe) are developed to ensure yearly natural catastrophe volatility, coming from events such as windstorm, earthquake, hurricane or typhoon, or catastrophe man-made events, such as cyber or liability ones, are not likely to affect the Group above the set tolerance levels.

Since 2015, the Group has strategically developed a strong in-house expertise of development and validation of natural catastrophe models to cope with their dynamic nature in the context of global climate change. This has been complemented by a reinforced and continuously enhanced expertise in the modelling of systemic events (without border in time and space) like Cyber.

CEDED REINSURANCE

For the Life & Savings, Health and Property & Casualty operations, reinsurance programs are set up as follows:

- Group's operating entities reinsurance capacity are set in alignment with Group Standards and with their local risk appetite limits considering the risk assessment previously described;
- their risks are modeled through in-depth actuarial analyses conducted on each portfolio; specifically, for Property & Casualty modelling, *via* the Group economic capital model, AXA uses several models both internal and external for assessing the risk associated with the main natural perils (storms, floods, earthquakes, etc.).

Reinsurance strategy

Centralization and harmonization of treaty reinsurance purchase is based on the same procedures for both the Life & Savings, Health businesses as for the Property & Casualty activities.

In order to build adjusted and optimized protection, the Group's operating entities are reinsured by AXA Global Re (AGRe) except for very specific cases notably for products developed in partnership with reinsurers in Life and Health and except for some AXA XL treaties (mainly quota share for specialties and for US portfolios) for which AXA XL contributes to placing directly part of its covers under AGRe's delegation and control.

AGRe can place a variable part of the local treaties on the reinsurance market, for regulatory reasons for example. A portion of the risk exposure is retained and mitigated within AGRe through the internal Group covers (including through a pool mechanism for Property) and the remaining part is ceded to external reinsurers.

AGRe is responsible for all Group external cessions. Since the acquisition of the XL group, AXA XL contributes to placing directly part of its covers under AGRe's delegation and control. 2022 Group reinsurance protections ensure reaching risk appetite as in 2021 and further limit the impacts of volatility (Nat Cat and man-made) induced by frequency of mid-size events.

These protections consist of major Group covers (CAT covering direct business and assumed reinsurance business from AXA XL, Property Per Risk, International Liability, Marine, Cyber, Motor Third Party Liability and Life) and various AXA XL-dedicated covers which contribute to further decrease the net retention of AXA XL and limit its own volatility (*e.g.* Aviation, US Liability, Political risks).

The structures of Group covers are designed to adequately protect the Group in compliance with the Group risk appetite framework. Specific proportional and non-proportional covers are arranged through either the traditional reinsurance market or capital markets (cat bonds and Insurance Linked Securities – ILS) both on an indemnity and industry loss index basis.

As opposed to the other Group covers where the Group retention is kept by AXA Global Re, in 2021, 95% of the Property Pool year-end financial result net of external reinsurance protections is retroceded back to local entities, through a pool mechanism managed by AGRe on behalf of those local entities.

AXA also uses capital market solutions also known as Insurance-Linked Securities (ILS), such as catastrophe bonds, as part of the overall reinsurance strategy. The use of ILS may not provide the same level of protection as traditional reinsurance, and the protections provided may vary depending on the region in which the loss occurred, or the number of events that make up the loss. Like traditional reinsurance, the accessibility of the ILS market may be impacted by disruptions, volatility or uncertainty, such as those that may arise following a major catastrophic event. Also, to the extent that AXA uses ILS products providing reinsurance protections based on an industry loss index rather than on its actual incurred losses, such transactions could result in a larger or lower residual loss than anticipated.

Finally, in addition to the analyses described above, AGRe regularly monitors its credit exposure and other AXA entities' credit exposures to reinsurers, to ensure that consolidated limits remain within Group risk tolerance (see Section 5.4 "Credit Risk – Receivables from reinsurers" of this Annual Report).

TECHNICAL RESERVES

Operational entities specifically monitor their reserve risks. Claims reserves are estimated and booked on a file by file basis by the claims handlers. Additional reserves are also booked by the local entities.

The additional reserves' calculations are carried out locally by a two-independent-opinion process.

Actuaries in charge of assessing reserves use various statistical and actuarial methods. Their assumptions are made following discussions with claims managers, pricing actuaries, underwriters and other specialized departments.

They notably ensure that:

- a sufficient number of operating elements have been scrutinized (including contracts, premiums and claims patterns, claims' handling, and reinsurance effects);
- enough data is available (such as sufficient claims experience or granularity) and adequate to achieve the reserving exercise;
- the technical assumptions and actuarial methodologies are in line with professional practices and sensitivity analyses are performed at least for most significant ones;
- a roll-forward analysis of reserves including merit-rating (boni-mali, Actual-to-Expected) back-tests has been performed, the regulatory and economic context references are taken into account and material deviations are explained;
- the operational losses relating to the reserving process have been adequately quantified; and
- the Best Estimate Liabilities have been calculated in accordance with Articles 75 to 86 of the Solvency II Directive and Group guidelines.

The breakdown of the Group's Property & Casualty technical reserves by line of business was as follows:

- 25% at the end of 2021 (25% at the end of 2020) of the Group's Property & Casualty reserves cover Motor insurance business;
- 10% at the end of 2021 (10% at the end of 2020) of the Group's Property & Casualty reserves cover Property insurance business;
- 9% at the end of 2021 (9% at the end of 2020) of the Group's Property & Casualty reserves cover Liability insurance business;
- 4% at the end of 2021 (5% at the end of 2020) of the Group's Property & Casualty reserves cover Specialty insurance business [(1)];
- 12% at the end of 2021 (11% at the end of 2020) of the Group's Property & Casualty reserves cover Reinsurance business;
- 40% at the end of 2021 (40% at the end of 2020) cover the other lines of business.

The breakdown of the Group's Life & Savings technical insurance reserves by product type was as follows:

- 33% at the end of 2021 (34% at the end of 2020) of the Group's Life & Savings technical reserves cover Protection business;
- 17% at the end of 2021 (15% at the end of 2020) of the Group's Life & Savings technical reserves cover Unit-Linked business;
- 45% at the end of 2021 (46% at the end of 2020) of the Group's Life & Savings technical reserves cover G/A Savings business;
- 5% at the end of 2021 (5% at the end of 2020) of the Group's Life & Savings technical reserves cover other lines of business.

The Group's Health technical reserves represented 7% of the Group's total technical reserves at the end of 2021 (7% at the end of 2020). Technical reserves for Health Life-like contracts (*i.e.* contracts with long-term guarantees or coverage and/or surrender value) represented 94% of the Group's Health technical reserves at the end of 2021 (stable compared to 2020).

(1) Gross revenues and liabilities from insurance contracts for Specialty and Other Commercial lines have been restated to reflect the latest allocation of AXA XL's lines of business.

5.7 OPERATIONAL RISK SNFP

Information in this Section should be read in conjunction with the paragraph "Operational and business-related risks" in Section 5.1 "Risk factors" of this Annual Report.

AXA Group has defined a single framework for identifying, quantifying and monitoring the main operational risks that may arise from a failure in its organization, systems, processes and resources or from external events.

Operational risk includes legal risks and excludes risks arising from strategic decisions, as well as reputation risks.

AXA Group's Operational risk framework provides for the deployment of a common system, dedicated operational risk teams and a common operational risk typology classifying operational risks into seven risk categories: internal fraud; external fraud; employment practices and workplace safety; clients, products and business practices; damages to physical assets; business disruption; and system failures and execution, delivery and process management. Its implementation is not limited to insurance activities. It encompasses all AXA entities, including insurance companies, banking activities, AXA IM and internal service providers consistent with AXA policy on operational Risk Management.

Both quantitative and qualitative requirements are defined:

- across the Group, the most critical operational risks of each entity and a set of stress scenarios are identified and assessed following a forward-looking and expert-opinion approach. These risk scenarios are then used to estimate the capital requirement needed to cover operational risks based on advanced models based on Solvency II principles. The operational Risk Management process is embedded into local governance through senior management validation to ensure that the risk assessment is adequate, appropriate and comprehensive but also to ensure that adequate corrective and pre-emptive actions are defined and implemented in respect of the main risks;
- in addition, a loss data collection process is in place within most companies of the Group in order to track and appropriately mitigate actual operational risk losses. This process is also used as a valuable source of information to back-test the assumptions taken in risk assessments.

A key objective of the AXA Group's operational risk economic capital model is to understand and reduce losses resulting from operational failures and to define an appropriate risk response strategy for major operational risk scenarios. Entities and Group Operational Risk profiles are presented to local/Group Risk Committees for decisions and actions to be taken.

In 2021, the Group Operational Risk Profile is reasonably well spread out with all seven operational risk categories covered and the main risks being the following:

- transaction capture, execution and maintenance risk is a top risk and relates to process error, failure, and/or misperformance;
- compliance risk due to increases in legislation and regulation remains a major concern and is under the close monitoring of Group Compliance;
- external fraud & system security risk continues also to be a top priority. AXA Group's exposure to cyber risk is still high with more and more new technology into AXA Group's products and services. Information on cyber risks should be read in conjunction with the paragraph "Operational and business-related risks" in Section 5.1 "Risk factors" of this Annual Report.

AXA Group's exposure to operational risk is captured in the AXA Group's Solvency Capital Requirement as detailed in the paragraph "Internal Model" in Section 5.2 "Internal Control and Risk Management" of this Annual Report.

Specific actions are identified at Group and local levels to mitigate these risks. Also, the implementation of the Internal Control framework will continue to contribute to better embed controls in activities and mitigate the risks.

As regards information risks, AXA has built an Information Risk Management (IRM) framework to enable information risk decisions to be made consistently across the organization and establish sustainable Risk Management capabilities that are integrated with the business.

AXA relies on third-party providers for outsourcing of services at different stages of the value chain. Although relying on partners is a strategic advantage, onboarding a vendor into AXA's organization requires AXA to assess the risks it might bring, such as regulatory, compliance, IT security, etc.

To protect both business and customers, AXA has set up a dedicated Vendor Risk Framework program co-sponsored by Group Risk Management and Group Procurement. This program is supported by Group functions (Compliance, Data Privacy, Information Security, Operational Resilience, Legal, Reputation and Internal Control) and local stakeholders (Chief Risk Officers, Chief Procurement Officers and Insurance Procurement Directors).

The Vendor Risk Framework defines a set of requirements for each relationship, with a risk-based approach, *i.e.* existing and potential new contracts. After identification of the criticality through pre-determined criteria, an appropriate level of due diligence, minimum requirements and oversight is implemented.

For more information on the AXA Group's risk controls and Risk Management processes, please refer to Section 5.2 "Internal Control and Risk Management" of this Annual Report.

5.8 OTHER MATERIAL RISKS

Strategic risk

A strategic risk is the risk that a negative impact (current or prospective) on earnings or capital, material at the Group level, arises from (a) a lack of responsiveness to industry changes or consumers' needs evolution, or (b) adverse business decisions regarding:

- significant changes in footprint, including through disposals or acquisitions;
- changes in product offering and client segmentation;
- changes in distribution model (channel mix including alliances/partnerships, multi-access and digital distribution).

Given the nature of strategic risks, there is no capital charge assessment but a strong strategic Risk Management framework to anticipate and mitigate these risks. Group Risk Management is involved at early stage in major strategic projects (*e.g.* large M&A projects). The Group governance standards require among other things a Risk Management second opinion on key processes, including significant transactions and strategic plans. Furthermore, the ORSA report provides an assessment on the overall solvency needs which include the Solvency II ratio projection made until the strategic plan horizon and in stress scenarios as detailed in Section 5.2.2 "Internal Control and Risk Management – Own Risk and Solvency Assessment (ORSA)" of this Annual Report.

Reputation risk

Reputation risk is the risk that an event, internal or external, will negatively influence the stakeholders' perception and trust of the Company or where there is a gap between stakeholders' expectation and the Company's behaviors, attitudes, values, actions, or inactions.

Given the nature of reputation risks, there is no capital charge assessment but the AXA Group has defined a global framework with a two-fold approach to reactively protect and proactively identify, monitor, manage and mitigate reputational issues to not only minimize value destruction, but also to build and maintain brand equity and trust among stakeholders.

AXA Group has a Global Reputation Network whose purpose is to implement locally a Reputation Risk Management framework. The objectives of the Reputation Risk Management approach are in line with AXA's overall Enterprise Risk Management approach aiming to develop a reputation risk culture and risk intelligence.

Three main objectives drive the Reputation Risk Management approach:

- proactively manage reputation risks, avoid or minimize negative issues impacting the reputation of AXA and build trust among all of AXA stakeholders;
- define accountability for reputation risks across the organization, at Group and local levels;
- implement a common reputation Risk Management framework throughout the organization.

AXA Group monitors in near real-time potential and existing issues and receives periodic top reputation risk reports from local entities. Every two months, an informational report is submitted to the Group Audit, Risk and Compliance Committee. Regular dialogue with the Global Reputation Network allows for building awareness, identification and dissemination of key topics that could potentially impact the Group's reputation.

The implementation of the Reputation Risk Framework encompasses AXA Group's main activities including insurance, Asset Management, as well as internal service providers.

Emerging risks SNFP

Emerging risks are risks which may develop or which already exist and are continuously evolving. Emerging risks are marked by a high degree of uncertainty, as some of them may never even emerge.

Given the nature of emerging risks, there is no capital charge assessment but the AXA Group has established processes to qualify emerging risks which could develop over time and become significant. The emerging risk framework encompasses a network of circa 100 people within the AXA Group (mainly based in insurance, Asset Management and support function entities such as AXA Group Operations) which allows expertise to be shared within the business and risk communities and ensures adequate underwriting policies are defined.

Emerging risks surveillance is organized through a detection process including watch on scientific publications, court decisions, etc. Risks are monitored and classified within a risk mapping constituted of five sub-groups (environmental, societal, regulatory & political, economic & financial, medical, and technological). After prioritization of the monitored risks or after a warning from an entity, a working group is launched on a yearly basis by GRM to review a specific risk and its potential impact in terms of insurance.

Since 2015, an annual Emerging Risks Survey is conducted to collect the views of internal and external stakeholders on the most significant emerging risks for society at large.

By seeking to develop new solutions, acting as an advisor to Risk Management and actively contributing to the overall debate about the issues involved, along with other major market players, AXA Group intends to promote a better understanding and better forecasting of the emerging risks and to support sustainable development.

Regulatory risks

For further information on the regulatory environment in which AXA Group operates including regulatory risks, please refer to the paragraph “Regulatory-related risks” in Section 5.1 “Risk factors” of this Annual Report.

Sustainability risks SNFP

For further information on the sustainability risks to which the AXA Group may be exposed, please refer to Section 4.1 “AXA Sustainability strategy” of this Annual Report.

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CONSOLIDATED FINANCIAL STATEMENTS

6.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in Euro million) **Notes**		**December 31, 2021**	**December 31, 2020**
5	Goodwill	17,167	16,583
6	Value of purchased business in force	919	1,245
7	Deferred Acquisition Costs and equivalent	17,825	16,534
8	Other intangible assets	4,297	4,432
	Intangible assets	**40,208**	**38,793**
	Investments in real estate properties	28,355	25,876
	Financial investments	486,586	506,959
	Assets backing contracts where the financial risk is borne by policyholders	86,315	77,802
9	**Investments from insurance activities**	**601,256**	**610,637**
9	**Investments from banking and other activities**	**19,707**	**22,562**
10	**Investments accounted for using the equity method**	**2,601**	**2,471**
14	**Reinsurers' share in insurance and investment contracts liabilities**	**36,970**	**26,972**
	Tangible assets	2,443	2,649
14	Deferred policyholders' participation assets	-	-
19	Deferred tax assets	421	333
	Other assets	**2,864**	**2,981**
	Receivables arising from direct insurance and inward reinsurance operations	25,812	25,487
	Receivables arising from outward reinsurance operations	2,612	2,466
	Receivables - current tax	908	845
	Other receivables	8,991	9,707
11	**Receivables**	**38,323**	**38,505**
5	**Assets held for sale** (a)	**8,512**	**33,432**
12	**Cash and cash equivalents**	**25,051**	**28,237**
	TOTAL ASSETS	**775,491**	**804,589**

Note: All invested assets are shown net of related derivative instruments impact.

(a) As of December 31, 2021, amounts included the assets relating to Malaysia and Singapore operations, a General Account Savings portfolio in Belgium, as well as the remaining Group Life portfolio in Switzerland, for which disposal processes were not finalized at year-end.

As of December 31, 2020, amounts included the assets relating to AXA Bank Belgium, India P&C, the Gulf Region and Greece operations, as well as the remaining Group Life portfolio in Switzerland, for which disposal processes were not finalized at year-end.

(in Euro million) **Notes**		**December 31, 2021**	**December 31, 2020**
	Share capital and capital in excess of nominal value	25,354	26,165
	Reserves and translation reserve	38,487	42,281
	Net consolidated income - Group share	7,294	3,164
	Shareholders' equity – Group share	**71,135**	**71,610**
	Minority interests	**4,094**	**4,565**
13	**Total shareholders' equity**	**75,229**	**76,176**
	Subordinated debt	10,449	9,279
	Financing debt instruments issued	800	1,569
17	**Financing debt** [(a)]	**11,249**	**10,848**
	Liabilities arising from insurance contracts	387,827	381,166
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders	66,983	61,157
	Total liabilities arising from insurance contracts	**454,810**	**442,323**
	Liabilities arising from investment contracts with discretionary participating features	35,297	36,480
	Liabilities arising from investment contracts with no discretionary participating features	76	66
	Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	4,790	3,695
	Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	14,587	13,224
	Total liabilities arising from investment contracts	**54,750**	**53,466**
	Unearned revenue and unearned fee reserves	2,117	2,021
	Liabilities arising from policyholder participation and other obligations	48,936	59,993
	Derivative instruments relating to insurance and investment contracts	(863)	(1,245)
14	**Liabilities arising from insurance and investment contracts**	**559,750**	**556,557**
15	**Liabilities arising from banking activities** [(a)]	**14,643**	**15,284**
16	**Provisions for risks and charges**	**8,942**	**9,554**
19	**Deferred tax liabilities**	**5,334**	**6,470**
	Minority interests of consolidated investment funds and puttable instruments held by minority interest holders	7,750	9,221
	Other debt instruments issued, notes and bank overdrafts [(a)]	10,518	12,868
	Payables arising from direct insurance and inward reinsurance operations	10,957	10,893
	Payables arising from outward reinsurance operations	15,362	13,156
	Payables – current tax	924	1,088
	Collateral debts relating to investments under lending agreements or equivalent	35,030	37,878
	Other payables	12,177	12,692
18	**Payables**	**92,719**	**97,796**
5	**Liabilities held for sale** [(b)]	**7,626**	**31,904**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**775,491**	**804,589**

(a) Amounts are shown net of related derivative instruments impact.

(b) As of December 31, 2021, amounts included the liabilities relating to Malaysia and Singapore operations, a General Account Savings portfolio in Belgium, as well as the remaining Group Life portfolio in Switzerland, for which disposal processes were not finalized at year-end.

As of December 31, 2020, amounts included the liabilities relating to AXA Bank Belgium, India P&C, the Gulf Region and Greece operations, as well as the remaining Group Life portfolio in Switzerland, for which disposal processes were not finalized at year-end.

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6.2 CONSOLIDATED STATEMENT OF INCOME

(in Euro million, except EPS in Euro) Notes		December 31, 2021	December 31, 2020
	Gross written premiums	96,825	93,915
	Fees and charges relating to investment contracts with no participating features	209	233
	Revenues from insurance activities	**97,034**	**94,148**
	Net revenues from banking activities	535	486
	Revenues from other activities	2,362	2,090
21	**Revenues** [a]	**99,931**	**96,723**
	Change in unearned premiums net of unearned revenues and fees	**(509)**	**(331)**
	Net investment income [b]	12,165	12,171
	Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity [c]	3,188	2,373
	Net realized gains and losses and change in fair value of investments at fair value through profit and loss [d]	7,965	2,408
	of which change in fair value of assets with financial risk borne by policyholders [e]	*7,362*	*2,149*
	Change in investments impairments [f]	(569)	(998)
22	**Net investment result excluding financing expenses**	**22,749**	**15,953**
	Technical charges relating to insurance activities [e]	(86,920)	(82,769)
23	Net result from outward reinsurance	(1,514)	(845)
	Bank operating expenses	(63)	(79)
25	Acquisition costs	(12,665)	(12,407)
	Amortization of the value of purchased business in force	(388)	(227)
25	Administrative expenses	(10,386)	(10,716)
	Change in tangible assets impairment	(6)	(5)
	Change in goodwill impairment and other intangible assets impairment and amortization	(253)	(197)
	Other income and expenses [g]	(461)	251
	Other operating income and expenses	**(112,657)**	**(106,994)**
	Income from operating activities before tax	**9,514**	**5,350**
10	Income (net of impairment) from investment accounted for using the equity method	144	400
24	Financing debts expenses [h]	(462)	(878)
	Net income from operating activities before tax	**9,196**	**4,872**
19	Income tax	(1,689)	(1,541)
	Net consolidated income after tax	**7,507**	**3,331**
	Split between:		
	Net consolidated income - Group share	**7,294**	**3,164**
	Net consolidated income - Minority interests	214	167
27	**Earnings per share**	**2.98**	**1.25**
	Fully diluted Earnings per share	**2.97**	**1.25**

(a) Gross of reinsurance.
(b) Net of investment management costs.
(c) Includes impairment releases on investments sold.
(d) Includes realized and unrealized forex gains and losses relating to investments at cost and at fair value through shareholders' equity.
(e) Change in fair value of assets with financial risk borne by policyholders is offset by a balancing entry in technical charges relating to insurance activities.
(f) Excludes impairment releases on investments sold.
(g) In 2021, it included losses related to the disposal processes of the Gulf Region, Malaysia and Singapore operations, as well as of a General Account Savings portfolio in Belgium (see Note 5.3).
In 2020, it included losses related to the disposal processes of AXA Bank Belgium, the Gulf Region and Greece operations, as well as following the termination of the sale agreement of AXA Life Europe, the reversal of the loss recognized in 2019 in the context of the disposal process.
(h) Includes net balance of income and expenses related to derivatives on financing debt (nonetheless excludes change in fair value of these derivatives).

6.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in Euro million)	December 31, 2021	December 31, 2020
Reserves relating to changes in fair value through shareholders' equity	(6,248)	3,649
Translation reserves	2,030	(2,895)
Items that may be reclassified subsequently to Profit or Loss	**(4,218)**	**754**
Employee benefits actuarial gains and losses	619	(198)
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	(2)	1
Items that will not be reclassified subsequently to Profit or Loss	**617**	**(197)**
Net gains and losses recognized directly through shareholders' equity	**(3,602)**	**556**
Net consolidated income	**7,507**	**3,331**
Split between:		
Net consolidated income - Group share	**7,294**	**3,164**
Net consolidated income - Minority interests	214	167
TOTAL COMPREHENSIVE INCOME (CI)	**3,906**	**3,888**
Split between:		
Total comprehensive income - Group share	3,815	3,663
Total comprehensive income - Minority interests	90	225

Amounts are presented net of tax, policyholders' participation and other shadow accounting related movements. Tax, policyholder participation and related effects are further detailed in the Notes to the Consolidated Financial Statements.

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6.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in Euro million, except for number of shares and nominal value)	Share Capital				
	Number of shares *(in thousands)*	Nominal value *(in Euro)*	Share Capital	Capital in excess of nominal value	Treasury shares
Shareholders' equity opening January 1, 2021	**2,418,389**	**2.29**	**5,538**	**21,735**	**(744)**
Capital	3,179	2.29	7	-	-
Capital in excess of nominal value	-	-	-	18	-
Equity - share based compensation	-	-	-	50	-
Treasury shares	-	-	-	-	(886)
Others reserves - transaction on treasury shares	-	-	-	-	-
Equity component of compound financial instruments	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-
Financial expenses - Undated subordinated debt	-	-	-	-	-
Others (including impact on change in scope) (b)	-	-	-	-	-
Dividends	-	-	-	-	-
Impact of transactions with shareholders	**3,179**	**2.29**	**7**	**68**	**(886)**
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-
Translation reserves	-	-	-	-	-
Employee benefits actuarial gains and losses	-	-	-	-	-
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	-	-	-	-	-
Net consolidated income	-	-	-	-	-
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**
Shareholders' equity closing December 31, 2021	**2,421,569**	**2.29**	**5,545**	**21,803**	**(1,630)**

Note: Amounts are presented net of impacts of shadow accounting and its effects on policyholder participation, Deferred Acquisition Costs, and value of business in force.
(a) Mainly undated subordinated debts (see Note 13.1.1).
(b) Including changes in ownership interest in consolidated subsidiaries.

Attributable to shareholders						
Other reserves						
Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Other [(a)]	Translation reserves	Undistributed profits and other reserves	Shareholders' equity Group share	Minority interests
22,575	**483**	**6,411**	**(4,663)**	**20,275**	**71,610**	**4,565**
-	-	-	-	-	7	-
-	-	-	-	-	18	-
-	-	-	-	-	50	-
-	-	-	-	-	(886)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	90	-	-	90	-
-	-	-	-	(194)	(194)	-
-	-	(90)	-	117	27	(562)
-	-	-	-	(3,403)	(3,403)	-
-	**-**	**-**	**-**	**(3,480)**	**(4,291)**	**(562)**
(5,084)	(1,039)	-	-	-	(6,123)	(125)
-	-	211	1,820	-	2,032	(2)
-	-	-	-	615	615	4
-	-	-	-	(2)	(2)	0
-	-	-	-	7,294	7,294	214
(5,084)	**(1,039)**	**211**	**1,820**	**7,906**	**3,815**	**90**
17,491	**(556)**	**6,623**	**(2,843)**	**24,701**	**71,135**	**4,094**

	Share Capital				
(in Euro million, except for number of shares and nominal value)	**Number of shares** *(in thousands)*	**Nominal value** *(in Euro)*	**Share Capital**	**Capital in excess of nominal value**	**Treasury shares**
Shareholders' equity opening January 1, 2020	**2,417,695**	**2.29**	**5,537**	**21,706**	**(752)**
Capital	694	2.29	2	-	-
Capital in excess of nominal value	-	-	-	(19)	-
Equity - share based compensation	-	-	-	48	-
Treasury shares	-	-	-	-	8
Others reserves - transaction on treasury shares	-	-	-	-	-
Equity component of compound financial instruments	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-
Financial expenses - Undated subordinated debt	-	-	-	-	-
Others (including impact on change in scope) (b)	-	-	-	-	-
Dividends paid	-	-	-	-	-
Impact of transactions with shareholders	**694**	**2.29**	**2**	**29**	**8**
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-
Translation reserves	-	-	-	-	-
Employee benefits actuarial gains and losses	-	-	-	-	-
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	-	-	-	-	-
Net consolidated income	-	-	-	-	-
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**
Shareholders' equity closing December 31, 2020	**2,418,389**	**2.29**	**5,538**	**21,735**	**(744)**

Note: Amounts are presented net of impacts of shadow accounting and its effects on policyholder participation, Deferred Acquisition Costs, and value of business in force.
(a) Mainly undated subordinated debts (see Note 6.1.2).
(b) Including changes in ownership interest in consolidated subsidiaries without losing control.

Attributable to shareholders						
Other reserves						
Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Other [a]	Translation reserves	Undistributed profits and other reserves	Shareholders' Equity Group share	Minority interests
19,328	**196**	**6,636**	**(2,050)**	**19,297**	**69,897**	**4,730**
-	-	-	-	-	2	-
-	-	-	-	-	(19)	-
-	-	-	-	-	48	-
-	-	-	-	-	8	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(177)	(177)	-
-	-	-	-	(72)	(72)	(390)
-	-	-	-	(1,740)	(1,740)	-
-	**-**	**-**	**-**	**(1,989)**	**(1,950)**	**(390)**
3,247	287	-	-	-	3,533	116
-	-	(224)	(2,613)	-	(2,837)	(58)
-	-	-	-	(198)	(198)	0
-	-	-	-	1	1	(0)
-	-	-	-	3,164	3,164	167
3,247	**287**	**(224)**	**(2,613)**	**2,967**	**3,663**	**225**
22,575	**483**	**6,411**	**(4,663)**	**20,275**	**71,610**	**4,565**

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6.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in Euro million)	December 31, 2021	December 31, 2020
Operating income including discontinued operations before tax	**9,196**	**4,872**
Net amortization expense [(a)]	870	1,176
Change in goodwill impairment and other intangible assets impairment [(b)]	212	87
Net change in Deferred Acquisition Costs and equivalent	(806)	(613)
Net increase/(write back) in impairment on investments, tangible and other intangible assets	561	946
Change in fair value of investments at fair value through profit or loss	(9,703)	(2,757)
Net change in liabilities arising from insurance and investment contracts [(c)]	5,481	9,540
Net increase/(write back) in other provisions [(d)]	574	(212)
Income (net of impairment) from investment accounted for using the equity method	(144)	(400)
Adjustment of non cash balances included in the operating income before tax	**(2,955)**	**7,768**
Net realized investment gains and losses	(1,498)	(1,951)
Financing debt expenses	460	878
Adjustment for reclassification to investing or financing activities	**(1,038)**	**(1,073)**
Dividends recorded in profit or loss during the period	(3,240)	(2,955)
Investment income & expense recorded in profit or loss during the period [(e)]	(9,552)	(10,179)
Adjustment of transactions from accrued to cash basis	**(12,792)**	**(13,134)**
Net cash impact of deposit accounting	1,008	(208)
Dividends and interim dividends collected	3,732	3,373
Investment income [(e)]	12,545	14,278
Investment expense (excluding interests on financing and undated subordinated debts, margin calls and others)	(2,271)	(3,946)
Net operating cash from banking activities	(1,877)	3,787
Change in operating receivables and payables	4,344	9,467
Net cash provided by other assets and liabilities [(f)]	(1,811)	908
Tax expenses paid	(1,531)	(1,364)
Other operating cash impact and non cash adjustment	(25)	807
Net cash impact of transactions with cash impact not included in the operating income before tax	**14,114**	**27,102**
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	**6,526**	**25,534**
Purchase of subsidiaries and affiliated companies, net of cash acquired	24	(18)
Disposal of subsidiaries and affiliated companies, net of cash ceded	(1,107)	888
Net cash related to changes in scope of consolidation	**(1,083)**	**871**
Sales of debt instruments [(f)]	59,232	46,364
Sales of equity instruments and non consolidated investment funds [(f) (g)]	18,747	23,575
Sales of investment properties held directly or not [(f)]	1,988	1,556
Sales and/or repayment of loans and other assets [(f) (h)]	20,289	18,897
Net cash related to sales and repayments of investments [(f) (g) (h)]	**100,257**	**90,391**

(in Euro million)	December 31, 2021	December 31, 2020
Purchases of debt instruments [f]	(50,922)	(52,430)
Purchases of equity instruments and non consolidated investment funds [f] [g]	(22,294)	(24,172)
Purchases of investment properties held direct or not [f]	(4,179)	(3,615)
Purchases and/or issues of loans and other assets [g] [h]	(27,551)	(21,383)
Net cash related to purchases and issuance of investments [f] [g] [h]	**(104,946)**	**(101,600)**
Sales of tangible and intangible assets	6	3
Purchases of tangible and intangible assets	(350)	(389)
Net cash related to sales and purchases of tangible and intangible assets	**(344)**	**(386)**
Increase in collateral payable/Decrease in collateral receivable	148,634	128,148
Decrease in collateral payable/Increase in collateral receivable	(151,469)	(128,854)
Net cash impact of assets lending/borrowing collateral receivables and payables	**(2,835)**	**(706)**
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	**(8,951)**	**(11,431)**
Issuance of equity instruments	279	71
Repayments of equity instruments	(1,299)	(258)
Transactions on treasury shares	(10)	(22)
Dividends payout	(3,489)	(1,743)
Interests on undated subordinated debts paid	(265)	(269)
Acquisition/sale of interests in subsidiaries without change in control	(4)	4
Net cash related to transactions with shareholders	**(4,786)**	**(2,218)**
Cash provided by financial debts issuance	1,022	0
Cash used for financial debts repayments	(116)	(1,816)
Interests on financing debt paid [i]	(453)	(894)
Net interest margin of hedging derivatives on financing debt	-	-
NET CASH RELATED TO GROUP FINANCING	**454**	**(2,710)**
Other financing cash impact and non cash adjustment	**-**	**-**
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	**(4,333)**	**(4,927)**
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	**-**	**0**
CASH AND CASH EQUIVALENT AS OF JANUARY 1 [j]	**27,516**	**21,977**
Net cash provided by operating activities	6,526	25,534
Net cash provided by investing activities	(8,951)	(11,431)
Net cash provided by financing activities	(4,333)	(4,927)
Net cash provided by discontinued operations	0	0
Impact of change in consolidation method and of reclassifications as held for sale [k]	3,411	(2,901)
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	202	(737)
CASH AND CASH EQUIVALENT AS OF DECEMBER 31 [j]	**24,371**	**27,516**

(a) Includes premiums/discounts capitalization and relating amortization, amortization of investment and owner occupied properties (held directly).
(b) Includes impairment and amortization of intangible assets booked in the context of business combinations.
(c) Includes impact of reinsurance and change in liabilities arising from contracts where the financial risk is borne by policyholders.
(d) Mainly includes change in provisions for risks & charges, for bad debts/doubtful receivables and change in impairment of assets held for sale.
(e) Includes gains/losses from derivatives hedging variable annuities.
(f) Includes related derivatives.
(g) Includes equity instruments held directly or by consolidated investment funds as well as non consolidated investment funds.
(h) Includes sales/purchases of assets backing insurance & investment contracts where the financial risk is borne by policyholders.
(i) Includes net cash impact of interest margin relating to hedging derivatives on financing debt.
(j) Net of bank overdrafts.
(k) As of December 31, 2021, amounts included the assets relating to Malaysia and Singapore operations, a General Account Savings portfolio in Belgium, as well as the remaining Group Life portfolio in Switzerland, for which disposal processes were not finalized at year-end.
As of December 31, 2020, amounts included the assets relating to AXA Bank Belgium, the Gulf Region and Greece operations, as well as the remaining Group Life portfolio in Switzerland, for which disposal processes were not finalized at year-end.

Cash and cash equivalents are presented in Note 12.

6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Accounting principles

1.1 GENERAL INFORMATION

AXA SA, a French *société anonyme* (the "Company" and together with its consolidated subsidiaries, "AXA" or the "Group"), is the holding (parent) company of an international financial services group focused on financial protection. AXA operates both in Europe and worldwide. The list of the main entities included in the scope of AXA's Consolidated Financial Statements is provided in Note 2 of the Notes to the consolidated financial statements.

AXA is listed on Euronext Paris Compartiment A.

These Consolidated Financial Statements including all Notes were set by the Board of Directors on March 15, 2022.

1.2 GENERAL ACCOUNTING PRINCIPLES

AXA's Consolidated Financial Statements are prepared as of December 31.

The Consolidated Financial Statements are prepared in compliance with IFRS and interpretations of the IFRS Interpretations Committee that are endorsed by the European Union before the balance sheet date with a compulsory date of January 1, 2021. The Group does not use the "carve out" option allowing not to apply all hedge accounting principles required by IAS 39.

IFRS REQUIREMENTS ADOPTED ON JANUARY 1, 2021

Amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16 related to Phase 2 of the IBOR reform

Amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2 were issued in August 2020 and endorsed by the European Union in January 2021.

The amendments provide a practical expedient for the situations where changes are made to contractual cash flows of financial assets and liabilities or leases, as a result of the transition from an IBOR benchmark rate to alternative benchmark rates, in the context of the ongoing risk-free rate reform. This practical expedient enables entities not to derecognise or adjust the carrying amounts of those assets and liabilities that are subject to a change with recognition of a corresponding modification gain or loss in profit or loss. In addition, the amendments provide several exceptions to the hedge accounting requirements so that entities will be able to update the designation of the hedging relationship in response to the replacement of the original benchmark rate and to continue with the hedging relationships after transition to the alternative benchmark rate.

The information about financial instruments indexed to IBOR interest rates at the end of the reporting period, disaggregated by significant interest rate benchmark, is disclosed in Note 1.10 below.

The application of the amendments has no material impact on the Group's consolidated financial statements and is not expected to have any material impact in the future.

Amendment to IFRS 4 – Deferral of IFRS 9

On June 25, 2020, the International Accounting Standards Board (IASB) issued an amendment to IFRS 4 – Insurance contracts extending the temporary exemption in IFRS 4 from applying IFRS 9 until the effective date of the new insurance contracts standard, IFRS 17. The amendment, endorsed by the European Union on December 15, 2020, enables insurers eligible for this temporary exception to align the effective dates of IFRS 9 – Financial instruments and IFRS 17 – Insurance contracts. Applying this amendment, AXA defers the implementation of IFRS 9 by two years, *i.e.* to the annual period starting from January 1, 2023.

STANDARDS AND AMENDMENTS PUBLISHED BUT NOT YET EFFECTIVE

IFRS 17 – Insurance contracts

IFRS 17 – Insurance contracts, published on May 18, 2017, and amended on June 25, 2020, establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 – Insurance contracts. It was adopted by the European Union on November 19, 2021, with an exemption regarding the annual cohort requirement (see below) and will be applied for annual periods starting from January 1, 2023, with earlier application permitted.

As mentioned above, the current standard on insurance contracts, IFRS 4, has been amended accordingly, extending to 2023 the temporary exemption for qualifying insurers (see below) to apply IFRS 9.

IFRS 17 applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features provided the entity also issues insurance contracts. It requires to separate the following components from insurance contracts: (i) embedded derivatives, if they meet certain specified criteria, (ii) distinct investment components, and (iii) distinct performance obligations to provide non-insurance goods and services. These components should be accounted for separately in accordance with the related standards.

The standard defines the level of aggregation to be used for measuring the insurance contract liabilities and the related profitability. Indeed, IFRS 17 requires to identify portfolios of insurance contracts, which comprise contracts that are subject to similar risks and are managed together. Afterwards, each portfolio of insurance contracts issued shall be divided into three groups:

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- and the remaining contracts in the portfolio.

Moreover, IFRS 17 as issued by the IASB introduces the "annual cohort requirement" that prevents contracts issued more than one year apart from being included in the same group. However, the Standard as adopted by the European Union provides an optional exemption from applying this annual cohort requirement for the following contracts:

- groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features, and with cash flows that affect or are affected by cash flows to policyholders of other contracts;
- groups of insurance contracts that are managed across generations of contracts and that meet certain conditions and have been approved by supervisory authorities for the application of the matching adjustment.

This exemption will be reviewed by the end of 2027, taking into account the outcome of the IASB's post-implementation review of IFRS 17.

IFRS 17 requires a current measurement model, where the general model 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).

The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future. The CSM cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately.

At the end of each subsequent reporting period the carrying amount of a group of insurance contracts is remeasured to be the sum of:

- the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date; and
- the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

The CSM is adjusted subsequently for changes in cash flows related to future services. However, the CSM cannot be negative, so negative changes in future cash flows that are greater than the remaining CSM are recognized in profit or loss. Interest is also accreted on the CSM at rates locked in at initial recognition of a contract (*i.e.* discount rate used at inception to determine the present value of the estimated cash flows). Moreover, the CSM will be released into profit or loss based on coverage units, reflecting the quantity of the benefits provided and the expected coverage duration of the remaining contracts in the group.

The Variable Fee Approach (VFA) is a mandatory model for measuring contracts with direct participation features (also referred to as "direct participating contracts"). A contract has a direct participation feature if it meets all three requirements below:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

This assessment of whether the contract meets these criteria is made at inception of the contract and not revised subsequently, except in case of substantial modification of the contract.

For these contracts, the CSM is adjusted (i) for changes in the variable fee (entity's share in the change of value of underlying items that corresponds to the revenue of the insurer), (ii) for the time value of money, and (iii) for effect of changes in financial risks not arising from underlying items (such as options and guarantees).

In addition, a simplified Premium Allocation Approach (PAA) is permitted for the measurement of the liability for remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. With the PAA, the liability for remaining coverage corresponds to premiums received at initial recognition less acquisition costs and amounts already recognized as insurance revenue at the closing date. However, the general model remains applicable for the measurement of incurred claims.

In terms of presentation, the amounts recognized in the statements of financial performance have to be disaggregated into:

- an insurance service result, comprising insurance revenue (corresponding to the insurance service provided over the period) and insurance service expenses (*i.e.* incurred claims and other incurred insurance service expense); and
- insurance finance income or expenses.

The standard has to be applied retrospectively unless impracticable, in which case two options are possible:

- either the modified retrospective approach: based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications of requirements are applied to the extent their full retrospective application is not possible, but still with the objective to achieve the closest outcome to retrospective application possible; or
- the fair value approach: the CSM is determined as the positive difference between the fair value determined in accordance with IFRS 13 and the fulfilment cash flows (any negative difference would be recognized in retained earnings at the transition date).

AXA does not intend to early adopt IFRS 17.The implementation of IFRS 17 and the assessment of its potential impact on the Group's Consolidated Financial Statements are in progress.

In addition, on December, 9, 2021, the IASB issued an amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment, which has not yet been endorsed by the European Union, improves requirements for the comparative information to be disclosed on initial application of the both Standards. It permits entities that first apply IFRS 17 and IFRS 9 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.

IFRS 9 – Financial instruments

IFRS 9 – Financial instruments, published on July 24, 2014, replaces IAS 39. The new standard addresses the following items related to financial instruments:

- classification and measurement: IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if both (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI"). If both (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and for sale, and (ii) the contractual terms of cash flows are SPPI, the financial asset is measured at fair value through other comprehensive income and realized gains or losses would be recycled through profit or loss upon sale. Assets not fitting either of these categories are measured at fair value through profit or loss. Additionally, at initial recognition, an entity can use the option to designate a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. For equity instruments that are not held for trading, an entity can also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the instruments (including realized gains and losses), dividends being recognized in profit or loss. Additionally, for financial liabilities that are measured as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss;
- impairment: the impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the IFRS 9 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 amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition;
- hedge accounting: IFRS 9 introduces new requirements for hedge accounting that align hedge accounting more closely with Risk Management. Its requirements establish a more principles-based approach to the general hedge accounting model and apply to all hedge accounting with the exception of portfolio fair value hedges of interest rate risk (commonly referred to as "fair value macro hedges"). For these, an entity may continue to apply the hedge accounting requirements currently in IAS 39. This exception was granted largely because the IASB is addressing macro hedge accounting as a separate project.

The implementation of IFRS 9 and the assessment of its potential impact on the Group's Consolidated Financial Statements, in combination with IFRS 17, are in progress.

The published effective date of IFRS 9 was January 1, 2018.

However, amendments to IFRS 4 – Insurance contracts "Applying IFRS 9 – Financial instruments with IFRS 4 – Insurance contracts", published on September 12, 2016, and "Extension of the temporary exemption from applying IFRS 9", published on June 25, 2020, have changed the existing IFRS 4 to allow entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 before the IASB's new insurance contract standard, IFRS 17, becomes effective. The amendments provide two alternative options:

(i) apply a temporary exemption from implementing IFRS 9 until the earlier of (i) the effective date of IFRS 17, or (ii) Annual Reporting periods beginning on or after January 1, 2023, following the deferral of the effective application of IFRS 17 until the same date. Additional disclosures related to financial assets are required during the deferral period.

This option is only available to entities whose activities are predominately connected with insurance and that have not applied IFRS 9 previously; or

(ii) adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before IFRS 17 is implemented. During the interim period, additional disclosures are required.

The Group is eligible for the temporary exemption option (i). Consequently, the Group has decided to defer the implementation of IFRS 9 until the effective date of IFRS 17, as mentioned above. Disclosures related to financial assets required during the deferral period are included in the Group's Consolidated Financial Statements.

In addition, some amendments to the Standard have been issued since its publication. These amendments relate to:

- prepayment features with negative compensation: these amendments, published on October 12, 2017, and endorsed by the European Union, change the initial IFRS 9 in regards of the classification of financial assets with prepayment features that may result in negative compensation;
- fees included in the "10 per cent" test for derecognition of financial liabilities: this amendment, issued on May 14, 2020, as a part of the 2018-2020 Annual Improvements Cycle, clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

The effective date of IFRS 17 and IFRS 9 being now definitively established as of January 1, 2023, the implementation process is currently focused on assessing the impacts as of the transition date (January 1, 2022) and then building the comparative 2022 information applying transitional requirements in the both Standards.

Other amendments and interpretations

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

Amendments and interpretations	Publication date	Effective for annual periods beginning on or after	Topic
IAS 37 – Provisions, Contingent Liabilities and Contingent Assets: Onerous contract – cost of fulfilling a contract	May 14, 2020	January 1, 2022 (a)	The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.
IFRS 3 – Business Combinations: Updating a reference to the conceptual Framework	May 14, 2020	January 1, 2022 (a)	The amendments update IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. They also introduce an exception from the requirement in IFRS 3 to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.
IAS 16 – Property, Plant and Equipment: Proceeds before intended use	May 14, 2020	January 1, 2022 (a)	The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Deferral of Effective Date	January 23, 2020 July 15, 2020	January 1, 2023 (a)	The amendments clarify the requirements in IAS 1 for classifying a liability as current or non-current, in particular, in the cases where the settlement date of liabilities is uncertain.
Annual Improvements 2018-2020 Cycle	May 14, 2020	January 1, 2022 (a)	Collection of amendments to IFRS in response to issues that are not part of a major project, including the amendement to IFRS 9 related to the fees included in the "10 per cent" test for derecognition of financial liabilities (see IFRS 9 above).

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

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PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. It requires a degree of judgment in the application of the Group accounting principles described below. The main balance sheet captions concerned are goodwill (in particular impairment tests described in paragraph 1.7.1), intangible assets acquired in a business combination, the value of acquired business in force, Deferred Acquisition Costs and equivalent, certain assets accounted at fair value, deferred tax assets, liabilities relating to the insurance business, pension benefit obligations and balances related to share-based compensation. The principles set out below specify the measurement methods used for these items. These methods, along with key assumptions where required, are discussed in greater depth in the notes relating to the asset and liability items concerned where meaningful and useful.

As recommended by IAS 1, assets and liabilities are generally classified globally on the balance sheet in increasing order of liquidity, which is more relevant for financial institutions than a classification between current and non-current items. As a standard practice for insurance companies, expenses are classified by destination in the income statement.

All amounts in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and in the Notes are expressed in Euro million.

1.3 CONSOLIDATION

1.3.1 Scope and basis of consolidation

Companies in which AXA exercises control are subsidiaries. They are fully consolidated from the date on which control is transferred to AXA. Under IFRS 10, AXA controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Only substantive rights (*i.e.* the holder must have the practicability to exercise them) and rights that are not protective shall be considered. AXA can have power with less than a majority of the voting rights of an investee, in particular through:

- the proportion of ownership with regards to the other investors;
- potential voting rights;
- a contractual arrangement between the investor and other vote holders;
- rights arising from other contractual arrangements; or
- a combination of these indicators.

Under IFRS 11, companies over which AXA exercises a joint controlling influence alongside one or more third parties are joint ventures and are accounted for under the equity method.

Companies in which AXA exercises significant influence are accounted for under the equity method. Under IAS 28, significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights. Significant influence can also be exercised through an agreement with other shareholders.

Under the equity method, AXA's share of equity investments' post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in reserves is stated under "Other reserves".

Investment funds and real estate companies are either fully consolidated or accounted for under the equity method, depending on which conditions of IFRS 10/IFRS 11/IAS 28 listed above they satisfy. Fees received by asset managers are also taken into account in the assessment of the exposure to variability of returns. For fully consolidated investment funds, minority interests are recognized at fair value and shown as liabilities in the balance sheet if the companies' instruments can be redeemed at any time by the holder at fair value. Investment funds accounted by equity method are shown under the balance sheet caption "Financial investments".

Some companies in which AXA exercises control, a joint controlling influence or a significant influence are excluded from the scope of consolidation as they are not material with respect to the Group's Consolidated Financial Statements. These are mainly investment funds.

1.3.2 Business combinations and subsequent changes in the Group ownership interest

In accordance with the option made available by IFRS 1 First-time adoption of IFRS, business combinations prior to 2004 were not restated with respect to French accounting principles in force at the time.

VALUATION OF ASSETS ACQUIRED AND LIABILITIES ASSUMED OF NEWLY ACQUIRED SUBSIDIARIES AND CONTINGENT LIABILITIES

Upon first consolidation, all assets, liabilities and contingent liabilities (unless they are not present obligations) of the acquired company are estimated at their fair value. However, in compliance with an exemption permitted by IFRS 4, liabilities related to life insurance contracts or investment contracts with discretionary participating features are maintained at the carrying value prior to the acquisition date to the extent that this measurement basis is consistent with AXA's accounting principles. The fair value of acquired business in force relating to life insurance contracts and investment contracts with discretionary participating features is recognized as an asset corresponding to the present value of estimated future profits emerging on acquired business in force at the date of acquisition (also referred to as value of acquired business in force or VBI and reflecting the difference between the fair value and the carrying value of the liabilities). The present value of future profits takes into consideration the cost of capital and is estimated using actuarial assumptions based on projections made at purchase date but also using a discount rate that includes a risk premium.

Investment contracts with no discretionary participating features do not benefit from the exemption permitted by IFRS 4 such as described above, under which the fair value of acquired liabilities is booked through the recognition of an asset corresponding to the value of acquired business in force. Liabilities relating to investment contracts with no discretionary participating features are measured directly at fair value. In accordance with IAS 39, the fair value of these contracts cannot be less than surrender value when they contain a demand feature.

Other identifiable intangible assets such as the value of customer relationships should be recognized. The value of customer relationships intangible represents the value of future cash flows expected from renewals and the cross-selling of new products to customers known and identified at the time of the acquisition. These projections include assumptions regarding claims, expenses and financial revenues, or they can be estimated on the basis of the New Business Value. In line with accounting practices in force before the adoption of IFRS, which may continue to be applied under IFRS 4, future premiums relating to acquired business may be recognized in the “Value of acquired business in force” item.

To the extent that these other intangible assets can be estimated separately, they can also be measured by looking at the purchased marketing resources that will allow to generate these future cash flows. The nature of the intangible assets recognized is consistent with the valuation methods used when purchasing the acquired entity.

In the context of a business combination, only restructuring costs that can be measured reliably and which correspond to an existing liability of the acquired company prior to the acquisition date are included in restructuring provisions recognized in the acquired company’s balance sheet at acquisition date.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group.

Purchase consideration includes any contingent element (adjustment in the acquisition price conditional upon on one or more events). In the estimate of the contingent element, attention is paid to use assumptions that are consistent with the assumptions used for the valuation of intangible assets such as VBI. For business combinations that occurred before January 1, 2009, any contingent element was included in the cost of the combination to the extent the adjustment was probable and could be measured reliably. If the future events do not occur or the estimate needs to be revised, the cost of the business combination continues to be adjusted accordingly, taking account of the impact in terms of additional goodwill and/or adjustments of the valuation of acquired assets and liabilities. For business combinations on or after January 1, 2009, any change to the estimate of the contingent element between the acquisition date and the amount actually subsequently paid is recognized in the income statement.

Direct transaction costs related to a business combination are charged in the income statement when incurred.

In step acquisitions, any previous minority interest held by the Group is measured at fair value and the resulting adjustment is recognized through net income. Similarly, when an additional purchase changes the control from significant influence or joint control to control, any investment pre-existing in a former associate/joint venture is re-measured to its fair value with the gain or loss through net income (consequently also resulting in a new goodwill).

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

GOODWILL

Goodwill is measured as the excess of (i) the aggregate of the consideration transferred, the amount of any minority interest in the acquiree and in a business combination achieved in stages, the acquisition-date fair value of the Group’s previously held equity interest in the acquiree over (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising from the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

If the cost of acquisition is less than the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, the difference is directly recorded in the consolidated statement of income.

Adjustments can be made to goodwill within twelve months of the acquisition date, if new information becomes available to complete the initial accounting. In this case, comparative information is presented as if the initial accounting had been completed from the acquisition date.

If, after the period of twelve months, a deferred tax asset, initially considered as not recoverable, finally meets the recognition criteria, the corresponding tax benefit is recorded in the consolidated statement of income without a corresponding adjustment in goodwill.

Goodwill is allocated to cash generating units corresponding to (i) the companies acquired or portfolios of business acquired according to their expected profitability, and (ii) the entities already within the AXA Group that will benefit from the synergies of the combination with the activities acquired. This allocation of goodwill is used both for segment reporting and for impairment testing.

PURCHASE AND SALE OF MINORITY INTERESTS IN A CONTROLLED SUBSIDIARY

Purchase and sale transactions of minority interests in a controlled subsidiary that do not change the conclusion of control are recorded through shareholders' equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

PUT OVER MINORITY INTERESTS

When control over a subsidiary is acquired, a put option may be granted to minority shareholders. However, the recognition of the puttable instruments as a liability depends on the contractual obligations.

When the contract involves an unconditional commitment exercisable by the option holder, it is recognized as a liability. Since the balancing entry to this liability is not specified by current IFRS, the Group's method is to (i) reclassify minority interests from equity to liability, (ii) re-measure this liability at the present value of the option price, and (iii) recognize the difference either as an increase in goodwill for puts existing before January 1, 2009, or as a decrease in equity (Group share) for a put granted after January 1, 2009, to the extent there is no immediate transfer of risks and rewards. Similarly, subsequent changes in the liability are recorded against goodwill for puts existing before January 1, 2009, and against equity (Group share) for puts granted after that date.

INTRA-GROUP TRANSACTIONS

Intra-group transactions, including internal dividends, payables/ receivables and gains/losses on intra-group transactions are eliminated:

- in full for controlled subsidiaries; and
- to the extent of AXA's interest for entities consolidated by equity method.

The effect on net income of transactions between consolidated entities is always eliminated. However, in case of a loss, an impairment test is performed, in order to assess whether an impairment of the underlying item has to be booked.

In the event of an internal sale of an asset that is not intended to be held on the long term by the Group, deferred tax is recognized as the current tax calculated on the realized gain or loss is eliminated. The income statement impact of the potential policyholders' participation resulting from this transaction is also eliminated, and a deferred policyholders' participation asset or liability is posted to the statement of financial position.

In addition, the transfer of consolidated shares, between two consolidated subsidiaries but held with different ownership percentages, should not impact the Group net income. The only exception would be any related tax and policyholders' participation recorded in connection to the transaction, which are maintained in the Consolidated Financial Statements. These transfers also have an impact on Group shareholders' equity (with a balancing entry recorded in minority interests). This impact is identified in the "other" changes of the consolidated statement of shareholders' equity.

1.4 FOREIGN CURRENCY TRANSLATION OF FINANCIAL STATEMENTS AND TRANSACTIONS

The Consolidated Financial Statements are presented in Euro million, the Euro being the Group's presentational currency.

The results and financial position of all Group entities that have a functional currency (*i.e.* the currency of the primary economic environment in which the entity operates) different from the Group presentational currency are translated as follows:

- assets and liabilities of entities in a functional currency different from Euro are translated at the closing exchange rate;
- revenues and expenses are translated at the average exchange rate over the period;
- all resulting foreign exchange differences are recognized as a separate component of equity (translation differences).

At the local entity level, foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied as explained in paragraph 1.10.

As mentioned in paragraph 1.3.2, goodwill arising on the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

Foreign exchange differences arising from the translation of a net investment in a foreign subsidiary, borrowings and other currency instruments qualifying for hedge accounting of such investment are recorded in shareholders' equity under translation differences and are recycled in the income statement as part of the realized gain or loss on disposal of the hedged net investment.

Foreign exchange differences arising from monetary financial investments available for sale are recognized as income or expense for the period in respect of the portion corresponding to amortized cost. The residual translation differences relating to fair value changes are recorded in shareholders' equity, like for non-monetary items such as equity securities.

Regarding the cumulative amount of the exchange differences related to disposed business, the Group applies the step-by-step consolidation method (IFRIC 16).

1.5 FAIR VALUE MEASUREMENT

The Group applies the IFRS 13 fair value hierarchy as described below for all assets and liabilities where another IFRS requires or permits fair value measurement or disclosures about fair value measurement in the Notes. Principles below address mostly assets given the nature of the activities of the Group.

1.5.1 Active market: quoted price

Fair values of assets and liabilities traded on active markets are determined using quoted market prices when available. An instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis between a willing seller and a willing buyer. For financial instruments traded in active markets, quotes received from external pricing services represent consensus prices, *i.e.* using similar models and inputs resulting in a very limited dispersion.

The fair value amounts of assets and liabilities for which fair value is determined in whole directly by reference to an active market are disclosed as level 1 in the Notes to the financial statements.

1.5.2 Active *versus* inactive markets – financial instruments

Financial instruments are considered as being quoted in an active market when:

- quotes that represent consensus are regularly provided by external pricing services with limited dispersion; and
- prices are readily available.

Liquidity may be defined as the possibility to sell or dispose of the asset in the ordinary course of business within a certain limited time period at approximately the price at which the investment is valued. Liquidity for debt instruments is assessed using a multi-criteria approach including the number of quotes available, the place of issuance and the evolution of the widening of bid ask spreads.

A financial instrument is regarded as not quoted in an active market:

- if there is little observation of transaction prices as an inherent characteristic of the instrument;
- when there is a significant decline in the volume and level of trading activity;
- in case of significant illiquidity;
- if observable prices cannot be considered as representing fair value because of dislocated market conditions.

Characteristics of inactive markets can therefore be very different in nature, inherent to the instrument or indicative of a change in the conditions prevailing in certain markets.

1.5.3 Assets and liabilities not quoted in an active market

Fair values of assets and liabilities that are not traded in an active market are estimated using:

- external and independent pricing services; or
- valuation techniques.

Fair values of assets and liabilities that are not traded in active market mainly based on observable market data are disclosed as level 2 in the Notes to the Consolidated Financial Statements.

Fair values mainly not based on observable market data are disclosed as level 3 in the Notes to the Consolidated Financial Statements.

- No active market: use of external pricing services

External pricing services may be fund asset managers in the case of non-consolidated investments in funds or brokers. To the extent possible, the Group collects quotes from external pricing providers as inputs to measure fair value. Prices received may form tight clusters or dispersed quotes which may then lead to the use of valuation techniques. The dispersion of quotes received may be an indication of the large range of assumptions used by external pricing providers given the limited number of transactions to be observed or reflect the existence of distress transactions. In addition, given current market conditions since the financial crisis and the persistency of complete inactivity of some markets since then, many financial institutions closed their desks dedicated to structured assets deals and are no longer in a position to deliver meaningful quotes.

- No active market: use of valuation techniques

The objective of valuation techniques is to arrive at the price at which an orderly transaction would take place between market participants (a willing buyer and a willing seller) at the measurement date. Valuation techniques include:

  - market approach: the consideration of recent prices and other relevant information generated by market transactions involving substantially similar assets or liabilities,
  - income approach: use of discounted cash flow analysis, option pricing models, and other present value techniques to convert future amounts to a single current (*i.e.* discounted) amount,
  - cost approach: the consideration of amounts that would currently be required to construct or replace the service capacity of an asset.

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Valuation techniques are subjective in nature and significant judgment is involved in establishing fair values. They include recent arm's length transactions between knowledgeable willing parties on similar assets if available and representative of fair value and involve various assumptions regarding the underlying price, yield curve, correlations, volatility, default rates and other factors. Unlisted equity instruments valuation is based on cross checks using different methodologies such as discounted cash flows techniques, price earning ratios multiples, adjusted net asset values, taking into account recent transactions on instruments which are substantially the same if concluded at arm's length between knowledgeable willing parties, if any. The use of valuation techniques and assumptions could produce different estimates of fair value. However, valuations are determined using generally accepted models (discounted cash flows, Black & Scholes models, etc.) based on quoted market prices for similar instruments or underlyings (index, credit spread, etc.) whenever such directly observable data are available and valuations are adjusted for liquidity and credit risk.

Valuation techniques may be used when there is little observation of transaction prices as an inherent characteristic of the market, when quotes made available by external pricing providers are too dispersed or when market conditions are so dislocated that observed data cannot be used or need significant adjustments. Internal mark to model valuations are therefore normal market practices for certain assets and liabilities inherently scarcely traded or exceptional processes implemented due to specific market conditions.

- Use of valuation techniques in dislocated markets

The dislocation of certain markets may be evidenced by various factors. For example, a very large widening of bid ask spreads may be a helpful indicator in understanding whether market participants are willing to transact. The dislocation of markets may also be suspected in cases of wide dispersion in the prices (over time or among market participants), small number of transactions, closing down of primary and/or secondary markets, forced transactions motivated by needs of liquidity or other difficult financial conditions with insufficient time to market the assets to be sold, and large bulk sales to exit such markets at all costs that may involve side arrangements (such as sellers providing finance for a sale to a buyer). In such cases, the Group uses valuation techniques including observable data whenever possible and relevant, adjusted if needed to develop the best estimate of fair value, including adequate risk premiums or develops a valuation model based on unobservable data representing estimates of assumptions that willing market participants would use when prices are not current, relevant or available without undue costs and efforts: in inactive markets, transactions may be inputs when measuring fair value, but would likely not be determinative and unobservable data may be more appropriate than observable inputs.

1.6 SEGMENT REPORTING

The segmental analysis provided in AXA's Annual Report and Consolidated Financial Statements reflects six operating business segments. These segments are determined on the basis of geographies or transversally for entities operating in various jurisdictions, and include France, Europe, Asia, AXA XL, International and Transversal & Central Holdings.

1.7 INTANGIBLE ASSETS

1.7.1 Goodwill and impairment of goodwill

Goodwill is considered to have an indefinite useful life and is therefore not amortized but subject to a regular test for impairment. Impairment tests are performed at least annually. Impairment of goodwill is not reversible.

AXA performs an impairment test of goodwill by cash generating unit, using valuation approaches that rely on parameters such as market indicators, market value of assets, market value of liabilities and future operating profits, derived on the basis of operational and economic assumptions in order to determine any significant adverse changes that might lead to the non-recoverability of the goodwill. Compliant with IAS 36, within each cash generating unit, a comparison is made between net book value and the recoverable value (equal to the higher of fair value less costs to sell and value in use). Value in use consists of the net assets and the value placed on expected future earnings from existing and new business. For Life & Savings segment, the value of future expected earnings is estimated on the basis of embedded value models or similar calculations for other activities. Fair value less costs to sell is determined in compliance with IFRS 13 fair value as described in paragraph 1.5.

An impairment loss is recognized for a cash generating unit if, and only if, the recoverable amount of the unit or group of units is less than the carrying amount of the unit or group of units.

Fair value approach is based on risk neutral valuation techniques taking into account:

- the current shareholders' net asset value plus the future profitability of the business in force:
  - the current shareholders' net asset value is adjusted to take into account any difference between the basis of cash flows projections used in the value of business in force calculations and IFRS,
  - the profitability of business in force is determined using the embedded value methodology, which is an industry-wide and specific valuation approach, consistent with the principle of discounted earnings, as the value of business in force is represented by the discounted value of future earnings from the in-force portfolios. The Group uses however both market consistent risk neutral approaches, aligned with fair-value calculations, and traditional discounted cash flows projections;
- the profitability of future new business:
  - the value of future new business is computed either on the basis of multiples of a standardized year of new business contribution (present value of projected future distributable profits generated from business written in a year) or on a projection of each of the expected annual future earnings when multiples are not appropriate. The determination of the future earnings arising from the new business relies upon the use of operational and economic assumptions, both of which are compliant with the requirements of the different regulatory frameworks.

The recoverable value of the Life & Savings segment is first assessed on a risk free basis (basic test) and then on the basis of illustrative investment assumptions suitable for a traditional embedded value approach if the recoverable value determined for the basic test is lower than the carrying amount.

The value in use approach is built upon cash flow projections based on the business plans approved by AXA management covering up to five years and discounted using a risk adjusted rate. Cash flows beyond that period are extrapolated using a steady growth rate and a terminal value.

1.7.2 Value of purchased life insurance business in force (VBI)

The value of purchased insurance contracts and investment contracts with discretionary participating features recognized in a business combination (see paragraph 1.3.2) is amortized as profits emerge over the life of the contracts' portfolio. In conjunction with the liability adequacy test (see paragraph 1.14.2), VBI is subject to annual recoverability testing based on actual experience and expected changes in the main assumptions.

1.7.3 Deferred Acquisition Costs (DAC) relating to insurance contracts and investment contracts with discretionary participating features – rights to future management fees, also known as Deferred Origination Costs (DOC) relating to investment contracts with no discretionary participating features

The incremental direct costs of acquiring a portfolio of insurance contracts and investment contracts with discretionary participating features, primarily related to the selling, underwriting and initiating the insurance contracts in a portfolio, are deferred by recognizing an asset, Deferred Acquisition Costs (DAC). In Property & Casualty segment, DAC are amortized over the terms of the policies, as premium is earned. For Life & Savings segment, the asset is amortized based on the estimated gross profits emerging over the life of the contracts. This asset is tested for recoverability and any amount above future estimated gross profits is expensed. DAC are also tested through the liability adequacy test (see paragraph 1.14.2).

For investment contracts with no discretionary participating features, a similar asset is recognized, *i.e.* rights to future management fees, also known as Deferred Origination Costs (DOC) (see Note 7) but limited to incremental costs directly attributable to the provision of investment management services. This asset is amortized by taking into account projections of fees collected over the life of the contracts. The amortization of DOC is reviewed at each closing date to reflect changes in assumptions and experience. This asset is also tested for recoverability.

DAC and DOC are reported gross of unearned revenues and fees reserves. These unearned revenues and fees reserves are separately recognized as liabilities and are amortized over the contract term using the same amortization approach as the one used for DAC and DOC.

1.7.4 Unearned Revenues Reserves

Revenues received at contract inception to cover future services are deferred and recognized in the income statement using the same amortization pattern as the one used for Deferred Acquisition Costs.

1.7.5 Other Intangible Assets

Other intangible assets include software developed for internal use for which direct costs are capitalized and amortized on a straight-line basis over the assets' estimated useful lives.

They also include customer relationships intangibles as well as distribution agreements recognized as a result of business combinations. If these assets have a finite useful life, they are amortized on a straight-line basis over their estimated life. In all cases, they are subject to impairment tests, at each closing for assets with a finite useful life and at least annually for other assets. In the event of a significant decline in value, an impairment is booked corresponding to the difference between the value on the balance sheet and the higher of value in use and fair value less costs to sell.

1.8 INVESTMENTS FROM INSURANCE, BANKING AND OTHER ACTIVITIES

Investments include investment in real estate properties and financial instruments including equity instruments, debt instruments and loans.

1.8.1 Investment in real estate properties

Investment in real estate properties (excluding investment in real estate properties totally or partially backing liabilities arising from contracts where the financial risk is borne by policyholders) is recognized at cost. The properties components are depreciated over their estimated useful lives, also considering their residual value if it may be reliably estimated.

In case of unrealized loss over 15%, an impairment is recognized for the difference between the net book value of the investment property and the fair value of the asset based on an independent valuation. Furthermore, at the level of each reporting entity, if the cumulated amount of unrealized losses under 15% (without offsetting with unrealized gains) represents more than 10% of the cumulated net cost of real estate assets, additional impairment is booked on a line-by-line approach until the 10% threshold is reached.

If, in subsequent periods, the appraisal value rises to at least 15% more than the net carrying value, previously recorded impairment is reversed to the extent of the difference between (i) the net carrying value and (ii) the lower of the appraisal value and the depreciated cost (before impairment).

Investment in real estate properties that totally or partially backs liabilities arising from contracts where the financial risk is borne by policyholders is recognized at fair value with changes in fair value through profit or loss.

1.8.2 Financial instruments classification

Depending on the intention and ability to hold the invested assets, financial instruments are classified in the following categories:

- assets held to maturity, accounted for at amortized cost;
- assets held for trading and assets designated as at fair value with change in fair value through profit or loss;
- available for sale assets accounted for at fair value with changes in fair value recognized through shareholders' equity;
- loans and receivables (including some debt instruments not quoted in an active market) accounted for at amortized cost.

At inception, the option to designate financial investments and liabilities at fair value with change in fair value recognized through income statement is mainly used by the Group for the following financial instruments:

- financial investments when electing the fair value option allows the Group to solve accounting mismatch, and in particular:
  - assets backing liabilities arising from contracts where the financial risk is borne by policyholders,
  - assets included in hedging strategies set out by the Group for economical reasons but not eligible for hedge accounting as defined by IAS 39,
  - debt held by structured bond (primarily Collateralized Debt Obligations) funds controlled and consolidated by the Group;
- portfolios of managed financial investments whose profitability is valued on a fair value basis: mainly securities held by consolidated investment funds, managed according to the Group Risk Management policy ("Satellite Investment Portfolio", see definition below).

In practice, assets held through consolidated investment funds are classified:

- either as assets of the "Core Investment Portfolios" which include assets backing liabilities arising from insurance and investment contracts, managed according to AXA's Assets and Liabilities strategy; or
- as assets of the "Satellite Investment Portfolios", reflecting the strategic asset allocation based on a dynamic asset management aimed at maximizing returns.

Underlying financial instruments held in the "Core Investment Portfolios" are classified as available for sale with change in fair value through shareholders' equity unless involved in a qualifying hedge relationship or more broadly when electing the fair value option reduces accounting mismatch. As specified above, the financial instruments held in the "Satellite Investment Portfolios" are accounted for at fair value with changes in fair value recognized through income statement.

Assets designated as available for sale, trading assets, investments designated as at fair value through profit or loss and all derivatives are measured at fair value, *i.e.* the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The Group applies the IFRS 13 fair value hierarchy.

Loans which are not designated under the fair value option are accounted at amortized cost using the effective interest rate method.

IMPAIRMENT OF FINANCIAL INSTRUMENTS

AXA assesses at each balance sheet date whether a financial asset or a group of financial investments at (amortized) cost or designated as available for sale should be impaired. A financial asset or group of financial investments should be impaired when there is objective evidence of impairment as a result of one or more events and this event has an impact on the estimated future cash flows of the assets that can be reliably estimated.

For debt instruments classified as "held to maturity" or "available for sale", an impairment based respectively on future cash flows discounted using the initial effective interest rate or on fair value is recorded through the income statement if future cash flows may not be fully recoverable due to a credit event relating to the instrument issuer. A downgrade of an entity's credit rating is not, of itself, evidence of impairment. If the credit risk is eliminated or improves, the impairment may be reversed. The amount of the reversal is also recognized in the income statement.

For equity instruments classified as available for sale, a significant or prolonged decline in the fair value below its carrying value is considered as indication for potential impairment, such as equity instruments showing unrealized losses over a 6 months period or more (prior to the closing date), or unrealized losses in excess of 20% of the net carrying value at the closing date. If such evidence exists for an available for sale financial asset, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment on that financial asset already booked in the income statement – is removed from shareholders' equity and an impairment is recognized through the income statement. Equity instruments impairment recognized in the income statement cannot be reversed through the income statement until the asset is sold or derecognized.

Impairment testing for loans available for sale is based on the present value of expected future cash flows, discounted at the loan's effective interest rate (down to the loan's observable market price), or on the fair value of the collateral.

For financial investments accounted for at amortized cost, including loans and assets classified as "held to maturity" or assets designated as "Loans and receivables", the impairment test is first performed at the asset level. A more global test is then performed on groups of assets with similar risk profile.

Methods for calculating the net book value of assets sold (average cost, first-in first-out, etc.) depend on local Assets and Liabilities Management (ALM) strategies as these strategies have been set up to take into account specific commitments to policyholders. These methods may differ within the Group provided that they are used consistently at each entity level.

1.8.3 Repurchase agreements and securities lending

The Group is party to repurchase agreements and securities lending transactions under which financial assets are sold to a counterparty, subject to a simultaneous agreement to repurchase these financial assets at a certain later date, at an agreed price. Since substantially all of the risks and rewards of the financial assets remain with the Group over the entire lifetime of the transaction, the Group does not derecognize the financial assets. The proceeds of the sale are reported separately. Interest expense from repurchase and security lending transactions is accrued over the duration of the agreements.

Additionally, the Group is party to total return swaps under which financial assets are sold to a counterparty with a corresponding agreement. Cash flows equal to those of the underlying assets will be remitted to the Group in exchange for specified payments taking into account any increase or decline in the fair value of the assets. This results in substantially all of the risks and rewards of the financial assets remaining with the Group. As such, the Group does not derecognize the financial assets.

The Group is also party to reverse repurchase agreements under which financial assets are purchased from a counterparty, subject to a simultaneous agreement to return these financial assets at a certain later date, at an agreed price. If substantially all of the risks and rewards of the securities remain with the counterparty over the entire lifetime of the agreement of the transaction, the securities concerned are not recognized as financial assets of the Group. The amounts of cash disbursed are recorded under financial investments, except for transactions arising from banking activities, which are recorded as separate assets. Interest income on reverse repurchase agreements is accrued over the duration of the agreements.

1.9 ASSETS BACKING LIABILITIES ARISING FROM CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

Assets backing liabilities arising from insurance or investment contracts where the financial risk is borne by policyholders are presented in a separate aggregate of the balance sheet so that they are shown in a symmetrical manner to the corresponding liabilities. This presentation is considered more relevant for the users and consistent with the liquidity order recommended by IAS 1 for financial institutions, since the risks are borne by policyholders, whatever the type of assets backing liabilities (investment in real estate properties, debt instruments or equity instruments, etc.). Details of these assets are provided in the Notes.

1.10 DERIVATIVE INSTRUMENTS

Derivatives are initially recognized at fair value at purchase date and are subsequently re-measured at their fair value. Unrealized gains and losses are recognized in the statement of income unless they relate to a qualifying hedge relationship as described below. The Group designates certain derivatives as either: (i) hedging of the fair value of recognized assets or liabilities or of a firm commitment (fair value hedge), or (ii) hedging of highly probable expected future transactions (cash flow hedge), or (iii) hedging of net investments in foreign operations.

The Group documents, at inception, the hedge relationship, as well as its Risk Management hedging objectives and strategy. The Group also documents the hedge effectiveness, both at inception and on an ongoing basis, indicating the actual or expected efficiency level of the derivatives used in hedging transactions in offsetting changes in the fair values or cash flows of hedged underlying items.

FAIR VALUE HEDGE

Changes in the fair value of derivatives designated and qualifying as fair value hedge are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability. Therefore, the gain or loss relating to any ineffective portion is directly recognized in the income statement.

CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized in shareholders' equity. The gain or loss relating to any ineffective portion is recognized in the income statement. Cumulative gain or loss in shareholders' equity is recycled in the income statement when the hedged underlying item impacts the profit or loss for the period (for example when the hedged future transaction is recognized). When a hedging instrument reaches its maturity date or is sold, or when a hedge no longer qualifies for hedge accounting, the cumulative gains or losses in shareholders' equity are released in profit or loss when the initially hedged future transaction ultimately impacts the income statement.

NET INVESTMENT HEDGE

The accounting of net investments in foreign operations hedge is similar to the accounting of cash flow hedge. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in shareholders' equity; the gain or loss relating to the ineffective portion is recognized in the income statement. Cumulative gains and losses in shareholders' equity impact the income statement only on disposal of the foreign operations.

DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING

Changes in the fair value of all other derivative instruments that do not qualify for hedge accounting are recognized in the income statement. Given IAS 39 constraints, only a few hedges are eligible to hedge accounting provisions described above. However, most of the derivatives used by the Group are purchased with a view to hedge or for example to use such instruments as an alternative to gain exposure to certain asset classes through "synthetic positions". See Note 20.

The Group holds financial investments that also include embedded derivatives. Such embedded derivatives are separately recorded and measured at fair value through profit or loss if the impact is deemed material.

For the statement of financial position, derivatives are presented alongside the underlying assets or liabilities for which they are used, regardless of whether these derivatives meet the criteria for hedge accounting.

The purpose and condition of the use of derivatives within the Group are detailed in Note 20.

IBOR REFORM

Starting from December 31, 2019, AXA applies the amendments to IAS 39 and IFRS 7 – Temporary exceptions from applying specific hedge accounting requirements, related to **Phase 1 of the IBOR reform**, issued in September 2019 and endorsed by the European Union on January 15, 2020. These amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform and introduce corresponding disclosure requirements. The relief enables the concerned hedging relationships to continue despite the uncertainties with respect to the cash flows of both the hedged item and the hedging instrument arising from the transition from old interest rate benchmarks to new ones.

The amendments apply to the Group's hedging relationships directly impacted by the IBOR reform qualified as fair value hedges and cash flow hedges. Derivative instruments involved in aforementioned hedges are interest rate derivatives and foreign exchange derivatives like interest rate swaps, forward interest rate swaps, bond and foreign exchange forwards and cross currency swaps. Nominal amounts of derivative instruments affected by the IBOR reform and involved in an IAS 39 hedge accounting relationship are presented in Note 20.2.

The relief provided by the Phase 1 amendments ceaes when there is no longer uncertainty with respect to the cash flows of both the hedged item and the hedging instrument. Thus, the Group still applies the Phase 1 amendments as of December 31, 2021 to hedging relationships for which that uncertainty is not removed yet with the effective cessation of the old interest rate benchmarks.

Amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16 related to **Phase 2 of the IBOR reform**, issued in August 2020, endorsed by the European Union in January 2021 and effective starting from January 1, 2021, are described in Note 1.2 'General accounting principles' above.

AXA initiated a group-wide project to actively manage the transition to new benchmark rates in 2019. The definition phase took place in 2020, followed by the implementation phase launched in the first half of 2021.

The table below presents the Group's main IBOR related exposures by interest rate benchmark, currency and nature of financial instruments.

Non-derivative financial assets and liabilities are presented on the basis of their carrying amounts while derivative financial instruments are presented on the basis of their notional amount.

(in Euro million) **Current benchmark rate**	**Financial assets carrying value December 31, 2021**	**Financial liabilities carrying value December 31, 2021**	**Derivative instruments Notional amount December 31, 2021**
LIBOR USD	3,420	883	18,448
LIBOR GBP	2,343	0	879
LIBOR CHF	49	0	314
LIBOR JPY	39	0	10,180

The table above includes financial instruments for which the transition to new benchmark rates has occurred immediately after the reporting date or will occur during the first semester of 2022, namely with the application of fallback provisions, that is the majority of the Group's exposure to LIBOR GBP, LIBOR CHF and LIBOR JPY indexes. The table does not include the Group's exposure to the EURIBOR index that is expected to be maintained in the coming years.

1.11 ASSETS/LIABILITIES HELD FOR SALE AND ASSETS/LIABILITIES INCLUDING DISCONTINUED OPERATIONS

These comprise assets, particularly buildings or operations, intended to be sold or discontinued within twelve months. Subsidiaries held for sale remain within the scope of consolidation until the date on which the Group loses effective control. The assets and activities (assets and liabilities) concerned are measured at the lower of net carrying value and fair value net of selling costs. They are presented in separate asset and liability items on the balance sheet. The liabilities of subsidiaries (excluding shareholders' equity) held for sale are entered separately on the liability side of the consolidated balance sheet, with no netting against assets.

In the event of a discontinuation of operations representing either a business line, a main and distinct geographical region or a subsidiary acquired solely with a view to reselling, their after-tax contribution is stated on a separate line of the income statement. For comparison purposes, the same applies to the presentation of income statements relating to previous periods that are included in the financial statements. This separate line also includes the post-tax gain/loss recognized on the disposal of the discontinued operation at the date of loss of control.

1.12 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits while cash equivalents are short-term, liquid investments that are readily convertible to cash and which are subject to low volatility.

1.13 SHARE CAPITAL AND SHAREHOLDERS' EQUITY

1.13.1 Share capital

Ordinary shares are classified in shareholders' equity when there is no obligation to transfer cash or other assets to the holders.

Additional costs (net of tax) directly attributable to the issue of equity instruments are shown in shareholders' equity as a deduction to the proceeds.

1.13.2 Undated subordinated debt

Undated subordinated debt and any related interest charges are classified either in shareholders' equity (in the "other reserves" aggregate) or as liabilities depending on contract clauses without taking into consideration the prospect of redemption under economic constraints (*e.g.* step up clauses or shareholders' expectations).

1.13.3 Compound financial instruments

Any financial instrument issued by the Group with an equity component (for example certain options granted to convert the debt instrument into an equity instrument of the Company) and a liability component (a contractual obligation to deliver cash) is classified separately on the liability side of the balance sheet with the equity component reported in Group shareholders' equity (in the "other reserves" aggregate) and the liability component reported in financing debt. Gains and losses relating to redemptions or refinancing of the equity component are recognized as changes to shareholders' equity.

1.13.4 Treasury shares

Treasury shares and any directly related costs are recorded as a deduction to consolidated shareholders' equity. Where treasury shares are subsequently sold or reissued, any consideration received is included in consolidated shareholders' equity, net of any directly related costs and tax effects.

However, treasury shares held by controlled investment funds backing contracts where the financial risk is borne by policyholders are not deducted as all risks and income resulting from holding these shares are attributable to policyholders.

1.13.2 Preferred shares

Preferred shares issued by the Group are recorded as equity when there is no contractual obligation to redeem and there is no contractual obligation to deliver cash or other financial asset.

1.14 LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

1.14.1 Contracts classification

The Group issues contracts that transfer an insurance risk or a financial risk or both.

Insurance contracts, including assumed reinsurance contracts, are contracts that carry significant insurance risks. Such contracts may also transfer financial risk from the policyholders to the insurer. Investment contracts are contracts that carry financial risk with no significant insurance risk.

A number of insurance and investment contracts contain discretionary participating features. These features entitle the contract holder to receive additional benefits or bonuses on top of these standard benefits:

- they are likely to represent a significant portion of the overall contractual benefits;
- their amount or timing is contractually at the discretion of the Group; and
- they are contractually based on the performance of a group of contracts, the investment returns of a financial asset portfolio or the Company profits, a fund or another entity that issues the contract.

In some insurance or investment contracts, the financial risk is borne by policyholders. Such contracts are usually Unit-Linked contracts.

The Group classifies its insurance and investment contracts into six categories:

- liabilities arising from insurance contracts;
- liabilities arising from insurance contracts where the financial risk is borne by policyholders;
- liabilities arising from investment contracts with discretionary participating features;
- liabilities arising from investment contracts with no discretionary participating features;
- liabilities arising from investment contracts with discretionary participating features where the financial risk is borne by policyholders; these relate to Unit-Linked contracts or multi-funds contracts containing a non-Unit-Linked fund with discretionary participating features; and
- liabilities arising from investment contracts with no discretionary participating features where the financial risk is borne by policyholders.

1.14.2 Insurance contracts and investment contracts with discretionary participating features

Except where IAS 39 applies, according to IFRS 4, recognition and derecognition are based on the AXA accounting policies existing prior to IFRS and are described below, except for the elimination of equalization provisions, selective changes as permitted by IFRS 4 (see below) and the extension of shadow accounting.

The main characteristics of the accounting principles applied prior to IFRS and retained after the conversion to IFRS are as follows:

- reserves must be sufficient;
- life reserves cannot be discounted using a discount rate higher than prudently estimated expected assets yield;
- acquisition costs are deferred to the extent recoverable and amortized based on the estimated gross profits emerging over the life of the contracts;
- Property & Casualty claims reserves represent estimated ultimate costs. Post claims reserves are generally not discounted, except in limited cases (a detail of discounted reserves is shown in Note 14.10).

PRE-CLAIMS RESERVES

Unearned premiums reserves of non-life insurance contracts represent the prorata portion of written premiums that relates to unexpired risks at the closing date.

For traditional life insurance contracts (that is, contracts with significant mortality or morbidity risk), the future policy benefits reserves are calculated on a prospective basis according to each country's regulation provided methods used are consistent with the Group's policies and using assumptions on investment yields, morbidity/mortality and expenses.

Changes in reserves are booked if there are impacts caused by a change in the mortality table.

Future policy benefits reserves relating to investment contracts with discretionary participation features (previously called "savings contracts" in AXA's accounting principles) that carry low mortality and morbidity risk are generally calculated using a prospective approach based on discount rates usually set at inception with reserves similar to the retrospective approach (*i.e.* "account balance" methodology).

The discount rates used by AXA are less than or equal to the expected future investment yields (assessed on prudent basis).

Part of the policyholders participation reserve is included in future policy benefits reserves, according to contractual clauses. Except when these guarantees are covered by a Risk Management program using derivative instruments (see next paragraph), guaranteed minimum benefits reserves relating to contracts where the financial risk is borne by policyholders (insurance contracts because they include such guarantees or investment contracts with discretionary participating features), are built over the life of the contract based on a prospective approach: the present value of future benefit obligations to be paid to policyholders in relation to these guarantees is estimated on the basis of reasonable scenarios. These scenarios are based on assumptions including investment returns, volatility, surrender and mortality rates. This present value of future benefit obligations is reserved as fees are collected over the life of the contracts.

Some guaranteed benefits such as Guaranteed Minimum Death or Income Benefits (GMDB or GMIB), or certain guarantees on return proposed by reinsurance treaties, are covered by a Risk Management program using derivative instruments. In order to minimize the accounting mismatch between liabilities and hedging derivatives, AXA has chosen to use the option allowed under IFRS 4.24 to re-measure its provisions: this revaluation is carried out at each account closing based on guarantee level projections and considers interest rates and other market assumptions. The liabilities revaluation impact in the current period is recognized through income, symmetrically with the impact of the change in value of hedging derivatives. This change in accounting principles was adopted on the first time application of IFRS on January 1, 2004, for contract portfolios covered by the Risk Management program at that date. Any additional contract portfolios covered by the Risk Management program after this date are valued on the same terms as those that applied on the date the program was first applied.

POST CLAIMS RESERVES

Claims reserves (life and non-life contracts)

The purpose of claims reserves is to cover the ultimate cost of settling an insurance claim. Claims reserves are generally not discounted, except in cases such as disability annuities.

Claims reserves include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claims handling costs. Claims reserves are based on historical claims data, current trends, actual payment patterns for all insurance business lines as well as expected changes in inflation, regulatory environment or anything else that could impact amounts to be paid.

Shadow accounting and Deferred policyholders Participation Asset (DPA) or Liability (DPL)

In compliance with the option in IFRS 4, shadow accounting is applied to insurance and investment contracts with discretionary participating features. Shadow accounting includes adjustments to technical liabilities, policyholders participation, other obligations, Deferred Acquisition Costs and value of business in force to take into account unrealized gains or losses on insurance liabilities or assets in the same way as it is done for a realized gain or loss of invested assets.

For example, for contracts with discretionary participating features, shadow accounting consists in recognizing policyholders participation in unrealized capital gains and losses. Thus, when an unrealized gain is recognized, a deferred participating liability (DPL) is recorded. In case of an unrealized loss, a deferred participating asset (DPA) should be recognized only in the extent that its recoverability as defined below is highly probable. Deferred participating liabilities and assets are calculated using an appropriate long-term participation rate based on a contractual, regulatory and constructive obligation to allocate a percentage of gains/losses to policyholders. Jurisdictions where participating business is significant are Switzerland (for group insurance policies), Germany and France where the minimum is set to 90%, 90% and 85% respectively, of a basis which may include not only financial income but also other components. Participating business is less prevalent in Japan.

DPL is fully recognized in the liabilities. As a consequence, there is no component recognized as an equity component and AXA does not need to ensure the liability recognized for the whole contract is not less than the amount that would result from applying IAS 39 to the guaranteed element.

When a net unrealized loss (unrealized change in fair value, impairment, expense related…) is accounted, a deferred participating asset (DPA) may be recognized only to the extent that it is highly probable that it can be charged to policyholders, by entity, in the future. This could be the case if the DPA can be offset against future participation either directly through deduction of the DPL from future capital gains or the DPL netted against value of businesses in force or indirectly through deduction of future fees on premiums or margins.

Unrealized gains and losses on assets classified as trading or designated at fair value through profit and loss, along with any other entry impacting the income statement and generating a timing difference, are accounted for through the income statement with a corresponding shadow entry adjustment also in the statement of income. The shadow accounting adjustments relating to unrealized gains and losses on assets available for sale (for which change in fair value is taken to shareholders' equity) are booked through shareholders' equity.

Recoverability tests and liability adequacy test (LAT)

Deferred participation

When a net deferred participation asset is recognized, the Group uses liquidity analyses performed by the entities to assess the capacity to hold assets showing unrealized loss position, if any, generating such debits. The Group then performs projections to compare the value of assets backing policyholders' contracts with expected payments to be made to policyholders.

Liability adequacy test

In addition, at each balance sheet date, liability adequacy tests are performed in each consolidated entity in order to ensure the adequacy of the contract liabilities net of related DAC and VBI assets and deferred policyholders' participation asset. To perform these tests, entities group contracts together according to how they have been acquired, are serviced and have their profitability measured. Entities use current best estimates of all future contractual cash flows as well as claims handling and administrative expenses, and take into account guarantees and investment yields relating to assets backing these contracts:

- such tests are based on the intention and capacity of entities to hold financial assets according to various sets of scenarios, excluding the value of new business;
- they include projections of future investments sales according to estimated surrender patterns; and
- they determine the extent to which resulting gains/losses may be allocated/charged to policyholders, *i.e.* profit sharing between policyholders and shareholders.

These tests therefore measure the capacity to charge estimated future losses to policyholders on the basis of the assessment of the holding horizon and potential realization of losses among unrealized losses existing at closing date.

Contract specific risks directly related to the contracts (insurance risk, asset return risk, inflation risk, persistency, adverse selection, etc.) are also considered.

Depending on the type of business, the future investment cash flows and discounting may be based on a deterministic best estimate rate, with corresponding participation, or in the case of Guaranteed Minimum Benefits, stochastic scenarios. Testing is performed either by a comparison of the reserve booked net of related assets (DAC, VBI, etc.) directly with discounted cash flows, or by ensuring that the discounted profit net of participation from release of the technical provisions exceeds net related assets.

Any identified deficiency is charged to the income statement, initially by respectively writing off DPA, DAC or VBI, and subsequently by establishing a LAT provision for losses arising from the liability adequacy test for any amount in excess of DPA, DAC and VBI. For non-life insurance contracts, an unexpired risk provision is recognized for contracts on which the premiums are expected to be insufficient to cover expected future claims and claims expenses.

Embedded derivatives in insurance and investment contracts with discretionary participating features

Embedded derivatives that meet the definition of an insurance contract or correspond to options to surrender insurance contracts for a set amount (or based on a fixed amount and an interest rate) are not separately measured. All other embedded derivatives are bifurcated and booked at fair value when material (with change in fair value recognized through income statement) if they are not considered as closely related to the host insurance contract and/or do not meet the definition of an insurance contract.

Embedded derivatives meeting the definition of an insurance contract are described in Note 14.10.

1.14.3 Investment contracts with no discretionary participating features

In accordance with IAS 39, these contracts are accounted for using "deposit accounting", which mainly results in not recognizing the cash flows corresponding to premiums, benefits and claims in the statement of income (see "Revenue recognition" paragraph below). These cash flows shall rather be recognized as deposits and withdrawals.

This category includes mainly Unit-Linked contracts that do not meet the definition of insurance or investment contracts with discretionary participating features. For these Unit-Linked contracts, the liabilities are valued at current unit value, *i.e.* on the basis of the fair value of the financial investments backing those contracts at the balance sheet date together with rights to future management fees, also known as Deferred Origination Costs (DOC, described in paragraph 1.7.3).

UNEARNED FEES RESERVES

Fees received at inception of an investment contract with no discretionary participating features to cover future services are recognized as liabilities and accounted in the income statement based on the same amortization pattern as the one used for Deferred Origination Costs.

1.15 REINSURANCE

The Group assumes and cedes reinsurance in the normal course of business. Assumed reinsurance refers to the Group's acceptance of certain insurance risks that other companies have underwritten. Ceded reinsurance refers to the transfer of insurance risk, along with the related premiums, to other reinsurers who will assume the risks. Indeed, in the normal course of business, the Group seeks to reduce the potential amount of loss arising from claims events by reinsuring certain levels of risk assumed in various areas of exposure with other insurers or reinsurers.

When these contracts meet the insurance contracts classification requirements, transactions relating to reinsurance are accounted for in the balance sheet and income statement in a similar way to direct business transactions in agreement with contractual clauses. Reinsurance premiums ceded are expensed (and any commissions recorded thereon are earned) on a monthly *pro-rata* basis over the period the reinsurance coverage is provided. Ceded unearned reinsurance premiums represent the portion of premiums ceded applicable to the unexpired term of policies in force. Reinstatement premiums ceded are recognized at the time a loss event occurs where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms and are fully expensed when recognized. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy. Provisions are made for estimated unrecoverable reinsurance.

If a reinsurance asset is impaired, the Group reduces the carrying amount accordingly and recognizes that impairment loss in the income statement. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance assets, that the Group may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

If the Group determines that reinsurance contracts do not meet the insurance contracts definition and/or principally transfers financial risk, the agreement is recorded using the deposit method of accounting. Deposits received are included in payables and deposits made are included within receivables. As amounts are paid or received, consistent with the underlying contracts, the deposit assets or liabilities are adjusted as appropriate.

1.16 FINANCING DEBT

Financing debt issued to finance the solvency requirements of operational entities or to acquire a portfolio of contracts is isolated in a specific aggregate of the statement of financial position and is accounted for at amortized cost.

1.17 OTHER LIABILITIES

1.17.1 Income taxes

The current income tax expense (benefit) is recorded in the income statement on the basis of local tax regulations.

Deferred tax assets and liabilities emerge from temporary differences between the accounting and fiscal values of assets and liabilities, and when applicable from tax loss carry forwards. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset the temporary differences taking into account the existence of tax groups and any legal or regulatory requirements on the limits (in terms of amounts or timing) relating to the carry forwards of unused tax credits. The recoverability of deferred tax assets recognized in previous periods is re-assessed at each closing.

In particular, a deferred tax liability is recognized for any taxable temporary difference relating to the value of shares in a consolidated company held, unless the Group controls at what date the temporary difference will reverse and it is probable that the temporary difference will not reverse in the foreseeable future. If a Group company decides to sell its stake in another consolidated entity, the difference between the carrying value and the tax value of these shares for the company that holds them leads to the recognition of deferred tax (including as part of a business combination when the Group as the buyer intends to sell or carry out internal restructuring of the shares following the acquisition). The same approach applies to dividend payments that have been voted or deemed likely, to the extent that a tax on dividends will be due.

Deferred taxes for taxable temporary differences relating to tax deductible goodwill are recognized to the extent they do not arise from the initial recognition of goodwill. These deferred taxes are only released if the goodwill is impaired or if the corresponding consolidated shares are sold.

The measurement of deferred tax liabilities and deferred tax assets reflects the expected tax impact, at the balance sheet date. That would follow the way the Group expects to recover or settle the carrying amount of its assets and liabilities. When income taxes are calculated at a different rate if dividends are paid, deferred taxes are measured at the tax rate applicable to undistributed profits. The income tax consequences of dividends are only accounted when a liability to pay the dividend is recognized.

1.17.2 Pensions and other post-retirement benefits

Pensions and other post-retirement benefits include the benefits payable to AXA Group employees after they retire (retirement compensation, additional pension benefit, health insurance). In order to meet those obligations, some regulatory frameworks have allowed or enforced the set up of dedicated funds (plan assets).

Defined contribution plans: payments are made by the employer to a third party (*e.g.* pension trusts). These payments free the employer of any further commitment, and the obligation to pay acquired benefits to the employees is transferred. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be recorded once contributions are made.

Defined benefit plans: an actuarial assessment of the commitments based on each plan's internal rules is performed. The present value of the future benefits paid by the employer, known as the DBO (Defined Benefit Obligation), is calculated annually on the basis of long-term projections of rate of salary increase, inflation rate, mortality, staff turnover, pension indexation and remaining service lifetime. The amount recorded in the balance sheet for defined benefit plans is the difference between the present value of the Defined Benefit Obligation and the market value at the balance sheet date of the corresponding invested plan assets after adjustment for any minimum funding requirement or any asset ceiling effect. If the net result is positive, a provision is recorded under the provision for risks and charges heading. If the net result is negative, a prepaid pension asset is recorded in the balance sheet but not more than its recoverable amount (asset ceiling). Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in shareholders' equity (in Other Comprehensive Income) in full in the period in which they occur. Similarly, the actual return on assets and any change in asset ceiling, excluding the net interest income on assets, is recognized in shareholders' equity. The regular impact in the income statement mainly relates to the current service cost (annually accruing employee benefit) and the net interest on the amount recorded in the opening balance sheet (unwinding of discount applied to the net liability/asset at start of the annual period, taking into account contributions and benefits payments during the period). Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment to a defined benefit plan. It is recognized totally and immediately in the income statement when incurred. Gains and losses on the settlement of a defined benefit plan also have an impact in the income statement when the settlement occurs.

It should be noted that, all cumulative past actuarial gains and losses on all employee benefit plans were recognized in retained earnings as of January 1, 2004, AXA Group's transition date.

1.17.3 Share-based compensation plans

The Group's share-based compensation plans are predominantly settled in equities.

All equity-settled share-based compensation plans are accounted for at fair value at the date they were granted and the fair value is expensed over the vesting period.

Cash-settled share-based compensation plans are recognized at fair value, which is remeasured at each balance sheet date with any change in fair value recognized in the statement of income.

The AXA Shareplan issued under a specific French regulatory framework includes a traditional and a leveraged formula (with an application subject to specific local regulations within the Group).

The cost of the traditional formula of Shareplan is valued according to the specific guidance issued in France by the ANC (*Autorité des normes comptables*). The cost of the leveraged formula plan is valued by taking into account the five-year lock-up period for the employees (as in the traditional plan) but adding the value of the advantage granted to the employees by enabling them to benefit from an institutional derivatives-based pricing instead of a retail pricing.

1.18 PROVISIONS FOR RISKS, CHARGES AND CONTINGENT LIABILITIES

1.18.1 Restructuring costs

Restructuring provisions other than those that may be recognized on the balance sheet of an acquired company on the acquisition date are recorded when the Group has a present obligation evidenced by a binding sale agreement or a detailed formal plan whose main features are announced to those affected or to their representatives.

1.18.2 Other provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when the provision can be reliably estimated. Provisions are not recognized for future operating losses. The same applies to contingent liabilities, except if identified at the time of a business combination (see paragraph 1.3.2).

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

1.19 REVENUE RECOGNITION

1.19.1 Gross written premiums

Gross written premiums correspond to the amount of premiums written by insurance and reinsurance companies on business incepted in the year with respect to both insurance contracts and investment contracts with discretionary participating features, net of cancellations and gross of reinsurance ceded. For reinsurance, premiums are recorded on the basis of declarations made by the ceding company, and may include estimates of gross written premiums. Any subsequent differences arising on such estimates are recorded in the period they are determined. For multi-year reinsurance treaties which are payable in annual installments, generally, only the initial annual installment is included as premiums written at policy inception due to the ability of the reinsured to commute or cancel coverage during the term of the policy. The remaining annual installments are included as premiums written at each successive anniversary date within the multi-year term.

Reinstatement premiums are recognized at the time a loss event occurs where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms and are fully earned when recognized.

Retroactive loss portfolio transfer contracts are evaluated to determine whether they meet the established criteria for reinsurance accounting, and, if so, at inception, written premiums are fully earned and corresponding losses and loss expense recognized. The contracts can cause significant variances in gross premiums written, net premiums written, net premiums earned, and net incurred losses in the years in which they are written.

1.19.2 Fees and revenues from investment contracts with no discretionary participating features

Amounts collected as premiums from investment contracts with no discretionary participating features are reported as deposits net of any loadings and policy fees. Revenues from these contracts consist of loadings and policy fees relating to underwriting, investment management, administration and surrender of the contracts during the period. Front-end fees collected corresponding to fees for future services are recognized over the estimated life of the contract (see "Unearned fees reserves" paragraph 1.14.3).

1.19.3 Deposit accounting

Investment contracts with no discretionary participating features fall within the scope of IAS 39. Deposit accounting applies to these contracts, which involves the following:

- the Group directly recognizes the consideration received (apart from potential fees) as a deposit financial liability rather than as revenues;
- claims paid are recognized as withdrawals with no posting in the income statement apart from potential fees.

1.19.4 Unbundling

The Group unbundles the deposit component of contracts when required by IFRS 4, *i.e.* when both the following conditions are met:

- the Group can measure separately the "deposit" component (including any embedded surrender option, *i.e.* without taking into account the "insurance" component);
- the Group accounting methods do not otherwise require the recognition of all obligations and rights arising from the "deposit" component.

No such situation currently exists within the Group. In accordance with IFRS 4, the Group continues to use the accounting principles previously applied by AXA to insurance contracts and investment contracts with discretionary participating features. According to these principles, all rights and obligations related to contracts are recognized.

1.19.5 Change in unearned premiums reserves net of unearned revenues and fees

Changes in unearned premium reserves net of unearned revenues and fees include both the change in the unearned premiums reserve reported as a liability (see "Unearned premiums reserves" in paragraph 1.14.2) and the change in unearned revenues and fees. Unearned revenues and fees correspond to upfront charges for future services recognized over the estimated life of insurance and investment contracts with discretionary participating features (see "Unearned revenues reserves" in paragraph 1.14.2) and investment contracts with no discretionary participating features (see paragraph 1.14.3 "Unearned fees reserves").

1.19.6 Net revenues from banking activities

Net revenues from banking activities comprise all revenues and expenses from banking operations, including interest expenses not related to financing, banking fees, capital gains and losses on sales of financial assets, changes in the fair value of assets under the fair value option and related derivatives.

They exclude bank operating expenses and change in bad debt provisions, doubtful receivables or loans, which are recorded in "Bank operating expenses".

1.19.7 Revenues from other activities

Revenues from other activities mainly include:

- commissions received and fees for services relating to Asset Management activities;
- insurance companies revenues from non-insurance activities, notably commissions received on the sales or distribution of financial products; and
- rental income received by real estate management companies.

Revenue is recognized when the Group satisfies a performance obligation by transferring a service to a customer. In particular, as asset management entities of the Group deliver investment management services to their clients, revenue for providing this service may theoretically occur over-time, with a time-based measure of progress, which is relevant as the service is provided continuously over the contract period. However, according to IFRS 15, revenue is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As a result, as management fees and performance fees received by the Group are generally calculated based on a percentage of assets under management (AUM), they are considered as variable considerations, which are subject to market volatility and are recognized only when uncertainty is resolved.

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1.19.8 Net investment result excluding financing expenses

Net investment result includes:

- investment income from investments other than from banking activities, net of depreciation expense on real estate investments (depreciation expense relating to owner occupied properties is included in "administrative expenses"); this item includes interest received calculated using the effective interest method for debt instruments and dividends received on equity instruments;

- investment management expenses (excluding financing debt expenses);
- realized investment gains and losses net of releases of impairment following sales;
- the change in unrealized gains and losses on invested assets measured at fair value through profit or loss; and
- the change in impairment of investments (excluding releases of impairment following sales).

In respect of banking activities, interest income and expenses are included in the "Net revenue from banking activities" (see paragraph 1.19.6).

1.20 SUBSEQUENT EVENTS

Subsequent events relate to events that occur between the balance sheet date and the date when the financial statements are authorized for issue:

- such events lead to an adjustment of the Consolidated Financial Statements if they provide evidence of conditions that existed at the balance sheet date;
- such events result in additional disclosures if indicative of conditions that arose after the balance sheet date, and if relevant and material.

Note 2 Scope of consolidation

2.1 CONSOLIDATED COMPANIES

2.1.1 Main fully consolidated companies

		December 31, 2021		December 31, 2020	
	Change in scope	Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA SA and Other Holdings					
AXA SA		Parent company		Parent company	
CFP Management		100.00	100.00	100.00	100.00
AXA Group Operations SAS		100.00	100.00	100.00	100.00
Société Beaujon		100.00	100.00	100.00	100.00
AXA China		100.00	100.00	100.00	100.00
AXA Asia		100.00	100.00	100.00	100.00
France					
AXA France IARD		99.92	99.92	99.92	99.92
AXA France Vie		99.77	99.77	99.77	99.77
AXA Protection Juridique		98.52	98.44	98.52	98.44
Avanssur		100.00	99.81	100.00	99.81
AXA France Participations		100.00	100.00	100.00	100.00
Genworth Financial European Group Holdings	Dissolution	-	-	100.00	100.00
AXA Banque		100.00	99.89	100.00	99.89
AXA Banque Financement		65.00	64.93	65.00	64.93
Europe					
Germany					
AXA Versicherung AG		100.00	100.00	100.00	100.00
AXA Lebensversicherung AG		100.00	100.00	100.00	100.00
Deutsche Ärzteversicherung		100.00	100.00	100.00	100.00
AXA Krankenversicherung AG		100.00	100.00	100.00	100.00
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	100.00	100.00

(a) XL Group mainly operates in the United States, the United Kingdom, France, Germany, Australia, Switzerland, Netherlands, Italy, Spain, Bermuda and Canada.

	Change in scope	December 31, 2021		December 31, 2020	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Konzern AG		100.00	100.00	100.00	100.00
Roland Rechtsschutz-Versicherungs-AG		60.00	60.00	60.00	60.00
United Kingdom & Ireland					
Guardian Royal Exchange Plc		100.00	100.00	100.00	99.98
AXA UK Plc		100.00	100.00	100.00	99.98
AXA Equity & Law Plc	Dissolution	-	-	99.96	99.96
AXA Insurance UK Plc		100.00	100.00	100.00	99.98
AXA PPP Healthcare Limited		100.00	100.00	100.00	99.98
AXA Insurance Limited		100.00	100.00	100.00	99.98
AXA Life Europe dac		100.00	100.00	100.00	100.00
Spain					
AXA Seguros Generales, S.A.		99.92	99.92	99.92	99.92
AXA Aurora Vida, S.A. de Seguros		99.84	99.84	99.84	99.84
Switzerland					
AXA Leben AG		100.00	100.00	100.00	100.00
AXA-ARAG Rechtsschutz AG		66.67	66.67	66.67	66.67
AXA Versicherungen AG		100.00	100.00	100.00	100.00
Italy					
AXA Assicurazioni e Investimenti		100.00	100.00	100.00	100.00
AXA MPS Vita		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Danni		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Financial		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
Belgium					
Ardenne Prévoyante	Merged with AXA Belgium SA	-	-	100.00	100.00
AXA Belgium SA		100.00	100.00	100.00	100.00
AXA Holdings Belgium		100.00	100.00	100.00	100.00
Yuzzu SA		100.00	100.00	100.00	100.00
Asia					
National Mutual International Pty Ltd.		100.00	100.00	100.00	100.00
Japan					
AXA Holdings Japan		98.70	98.70	98.70	98.70
AXA Life Insurance		100.00	98.70	100.00	98.70
AXA General Insurance Co. Ltd.		100.00	98.70	100.00	98.70
AXA Direct Life Insurance Co. Ltd.		100.00	98.70	100.00	98.70
Hong Kong					
AXA China Region Limited		100.00	100.00	100.00	100.00
AXA General Insurance Hong Kong Ltd.		100.00	100.00	100.00	100.00
China					
AXA Tianping		100.00	100.00	100.00	100.00
Indonesia					
MLC Indonesia		100.00	100.00	100.00	100.00
Thailand					
AXA Insurance Public Company Limited		99.47	99.47	99.47	99.47

(a) XL Group mainly operates in the United States, the United Kingdom, France, Germany, Australia, Switzerland, Netherlands, Italy, Spain, Bermuda and Canada.

	Change in scope	December 31, 2021		December 31, 2020	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
South Korea					
AXA General Insurance Co. Ltd.		99.71	99.71	99.71	99.71
AXA XL					
XL Group [(a)]		100.00	100.00	100.00	100.00
International					
AXA Mediterranean Holding SA		100.00	100.00	100.00	100.00
AXA Bank Belgium (sub group)	Disposal	-	-	100.00	100.00
Colombia					
AXA Colpatria Seguros		51.00	51.00	51.00	51.00
AXA Colpatria Seguros de vida		51.00	51.00	51.00	51.00
Morocco					
AXA Assurance Maroc		100.00	100.00	100.00	100.00
AXA Al Amane Assurance		100.00	100.00	100.00	100.00
AXA Holding Maroc S.A.		100.00	100.00	100.00	100.00
Turkey					
AXA Hayat ve Emeklilik A.S.		100.00	100.00	100.00	100.00
AXA Sigorta AS		92.61	92.61	92.61	92.61
AXA Turkey Holding W.L.L		100.00	100.00	100.00	100.00
The Gulf Region					
AXA Cooperative Insurance Company	Disposal	-	-	50.00	34.00
AXA Insurance B.S.C.c.	Disposal	-	-	50.00	50.00
Greece					
AXA Insurance A.E.	Disposal	-	-	99.98	99.98
Mexico					
AXA Seguros S.A. de C.V.		100.00	100.00	100.00	100.00
AXA SAlud S.A. de C.V.		80.00	80.00	80.00	80.00
Luxembourg					
AXA Assurances Luxembourg		100.00	100.00	100.00	100.00
AXA Assurances Vie Luxembourg		100.00	100.00	100.00	100.00
AXA Luxembourg SA		100.00	100.00	100.00	100.00
Singapore					
AXA Financial Services Singapore pte Ltd.		100.00	100.00	100.00	100.00
AXA Life Insurance Singapore		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
Malaysia					
AXA Affin General Insurance Berhad		49.99	49.99	49.99	49.99
India					
AXA India Holding		100.00	100.00	100.00	100.00
Other					
AXA Investment Managers (sub group)		97.55	97.54	97.63	97.61
AXA Global Re		100.00	100.00	100.00	100.00
AXA Assistance SA (sub group)		100.00	100.00	100.00	100.00
Colisée Ré		100.00	100.00	100.00	100.00

(a) XL Group mainly operates in the United States, the United Kingdom, France, Germany, Australia, Switzerland, Netherlands, Italy, Spain, Bermuda and Canada.

Main changes in scope of consolidation are detailed in Note 5.

CONSOLIDATED INVESTMENT FUNDS AND REAL ESTATE COMPANIES

As of December 31, 2021, investment funds represented a total of €143,905 million invested assets (€135,622 million at the end of 2020), corresponding to 314 investment funds mainly in France, Switzerland, Japan, Germany and Italy.

In most investment funds (particularly open-ended investment funds), minority interests are presented as liabilities under "Minority interests of consolidated investment funds". As of December 31, 2021, minority interests in consolidated investment funds amounted to €7,710 million (€9,221 million as of December 31, 2020). Minority interests related to consolidated investment funds and real estate companies that are classified in shareholder's equity amounted to €2,323 million as of December 31, 2021 (€2,502 million as of December 31, 2020).

As of December 31, 2021, 31 consolidated real estate companies corresponded to a total of €20,223 million invested assets (€20,377 million at the end of 2020) mainly in France, Germany and Switzerland.

MAIN SUBSIDIARY WITH MINORITY INTERESTS

As of December 31, 2021, AXA MPS is the main subsidiary (other than investment funds and real estate companies) with minority interests. Summarized financial information of AXA MPS is as follows (including AXA and external share but excluding goodwill related to AXA's holdings and before intercompany eliminations with other companies of the Group):

	December 31, 2021	December 31, 2020
(in Euro million)	AXA MPS	AXA MPS
Net consolidated income - Minority interests	90	76,
Minority interests	1,356	1,373
Dividends paid to minority interests	(30)	(0)
Cash and cash equivalents	319	874
Total investments	32,191	30,734
Other assets	1,692	1,697
Total assets	**34,202**	**33,306**
Liabilities arising from insurance & investment contracts	30,559	29,612
Other Liabilities	931	948
Total liabilities (excluding shareholder's equity)	**31,490**	**30,560**
Revenues	2,429	3,164
Net income	**181**	**152**
Other comprehensive income	(154)	213
Total comprehensive income	**27**	**365**

Excluding minority interests related to consolidated investment funds and real estate companies that are classified in shareholders' equity, these minority interests represent 59% (€1,390 million) of minority interests of the Group as of December 31, 2021 (52% or €1,407 million as of December 31, 2020).

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:

		December 31, 2021		December 31, 2020	
	Change in scope	Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
Neuflize Vie		39.98	39.98	39.98	39.98
Asia					
Philippines AXA Life Insurance Corporation		45.00	45.00	45.00	45.00
Krungthai AXA Life Insurance Company Ltd. (Thailand)		50.00	50.00	50.00	50.00
ICBC-AXA Life Insurance Co., Ltd. (China)		27.50	27.50	27.50	27.50
PT AXA Mandiri Financial Services (Indonesia)		49.00	49.00	49.00	49.00
International					
Reso Garantia (Russia)		38.61	38.61	38.39	38.39
Bharti AXA Life (India)		49.00	49.00	49.00	49.00
Bharti AXA General Insurance Company Limited (India)	Disposal	-	-	49.00	49.00
AXA Mansard Insurance Plc (Nigeria)		76.48	76.48	76.48	76.48
Other					
Boi AXA Investment Managers Private Limited (India)	Disposal	-	-	49.00	47.83
Kyobo AXA Investment Managers Company Limited (South Korea)		50.00	48.77	50.00	48.80
AXA SPDB Investment Managers Company Ltd. (China)		39.00	38.04	39.00	38.07

Main changes in scope of consolidation are detailed in Note 10.

INVESTMENT FUNDS AND REAL ESTATE ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

As of December 31, 2021, real estate companies accounted for using the equity method amounted to €1,172 million invested assets (€225 million at the end of 2020) and investment funds accounted for using the equity method amounted to €8,360 million invested assets (€8,862 million at the end of 2020), mainly in France, Japan and Switzerland.

2.2 UNCONSOLIDATED STRUCTURED ENTITIES

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when relevant activities are directed by means of contractual arrangements. Structured entities often have a narrow and well-defined objective or restricted activities.

The Group does not hold significant interests in unconsolidated insurance/reinsurance structured entities.

Furthermore, given its insurance business, the Group holds direct investments in corporates of various sectors, such as debt instruments, equity securities and loans. These investments are not designed to be done in structured entities and the whole Group's exposure is reflected on the consolidated balance sheet.

In addition, the Group holds interests in investment funds including real estate companies. Some of these funds are fully consolidated or accounted for using the equity method (see Note 2.1.). Other funds are not consolidated because they are not controlled or under significant influence. By nature, and notably because of the power of decision usually given to the asset managers (internal or external to AXA), most of these funds are structured entities.

As investor, AXA's interests in unconsolidated funds are limited to the investments held. These ones are fully recognized in the consolidated balance sheet. Depending on the nature of its investment, AXA receives interests or dividends and can realize capital gains or losses in case of sale. These investments are subject to impairment testing as any financial asset.

The Group's asset manager companies also receive fees for the services they provide when they manage investment funds. Some unconsolidated funds managed by the Group are partially or fully held by external investors.

Information on these unconsolidated investment funds are provided in different sections of this Annual Report:

- Section 1.1 "Key figures": AXA's total assets under management including assets managed on behalf of third parties;
- Section 2.3 "Activity report";
- Section 6.6 "Notes to the Consolidated Financial Statements":
  - Note 9 "Investments" with the breakdown of investments and detail on non-consolidated investment funds in Note 9.8,
  - Note 22 "Net investment result excluding financing expenses".

Note 3 Consolidated statement of income by segment

AXA's Chief Executive Officer (CEO), acting as chief operating decision maker, is a member of the Board of Directors. He is assisted by a Management Committee in the operational management of the Group and by a group of senior executives, the so-called Partners' Group, in developing and implementing any strategic initiatives. The financial information related to AXA's business segments and holding companies reported to the Board of Directors twice a year is consistent with the presentation provided in the consolidated financial statements.

The results of operating activities and non-operating activities are presented on the basis of six segments: France, Europe, Asia, AXA XL, International, Transversal & Central Holdings.

As of December 31, 2021, the CEOs supervising the main hubs (respectively CEO of AXA France, CEO of AXA in Europe and Latin America, CEO of AXA in Asia and Africa, CEO of AXA XL and CEO of AXA Investment Managers) are members of the Management Committee.

Key transversal entities and Central Holdings are managed alongside these hubs.

France: the French market consists of Life & Savings and Property & Casualty activities, AXA Banque France and French holdings.

Europe: the European market consists of Life & Savings and Property & Casualty activities in Switzerland, Germany, Belgium, Spain and Italy, as well as Property & Casualty activities in the United Kingdom and in Ireland. The holding companies in these countries are also included as well as the German Bank until its disposal on December 31, 2020.

Asia: the Asian market consists of Life & Savings and Property & Casualty activities in Japan, Hong Kong, Asia High Potentials (Indonesia, Philippines, Thailand and China), as well as Property & Casualty activities in South Korea. The holding company in Japan and the Asia holdings are also included.

AXA XL: the AXA XL market mainly consists of Property & Casualty activities in XL Group, operating mainly in the United States, the United Kingdom, France, Germany, Australia, Switzerland, Netherlands, Italy, Spain, Bermuda and Canada. The holding companies are also included.

International: the International market consists of Life & Savings and Property & Casualty activities in 10 countries within Europe, Middle East, Africa, Latin America, and in Singapore, Malaysia, and India Life & Savings (Property & Casualty activities were included until their disposal on September 8, 2021). The holding companies in these countries are also included as well as AXA Bank Belgium until its disposal on December 31, 2021.

Transversal & Central Holdings:iIt includes transversal entities, namely AXA Investment Managers, AXA Assistance, AXA Liabilities Managers, AXA Global Re, AXA Life Europe, Architas, as well as AXA SA and other Central Holdings.

The intersegment eliminations include only operations between entities from different countries and operating activities. They mainly relate to reinsurance treaties, assistance guarantees recharging, asset management fees and interests on loans within the Group.

In this document, "Insurance" covers the three insurance activities: Life & Savings, Property & Casualty and Health.

	December 31, 2021								
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Intersegment Eliminations	Total	of which Insurance [a]
Gross written premiums	28,383	32,352	11,311	18,742	5,319	1,431	(713)	96,825	*96,825*
Fees and charges relating to investment contracts with no participating features	1	140	37	-	31	-	-	209	*209*
Revenues from insurance activities	**28,384**	**32,491**	**11,348**	**18,742**	**5,350**	**1,431**	**(713)**	**97,034**	***97,034***
Net revenues from banking activities	199	-	-	-	355	-	(19)	535	-
Revenues from other activities	6	318	-	64	2	2,372	(400)	2,362	*833*
Revenues	**28,589**	**32,809**	**11,348**	**18,806**	**5,707**	**3,803**	**(1,132)**	**99,931**	***97,867***
Change in unearned premiums net of unearned revenues and fees	**83**	**(185)**	**69**	**(114)**	**(344)**	**(17)**	**-**	**(509)**	***(509)***
Net investment income [b]	4,095	4,776	1,719	953	452	246	(76)	12,165	*10,875*
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	821	1,067	833	252	38	177	(0)	3,188	*3,039*
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss [c]	4,665	1,759	1,412	62	214	(140)	(7)	7,965	*7,982*
of which change in fair value of assets with financial risk borne by policyholders	*4,560*	*1,081*	*1,220*	-	*131*	*371*	*(0)*	*7,362*	*7,362*
Change in investments impairment	(132)	(176)	(143)	(19)	(9)	(89)	-	(569)	*(481)*
Net investment result excluding financing expenses	**9,449**	**7,426**	**3,821**	**1,248**	**694**	**193**	**(83)**	**22,749**	***21,415***
Technical charges relating to insurance activities	(30,560)	(29,420)	(10,604)	(12,539)	(3,624)	(728)	555	(86,920)	*(86,920)*
Net result from outward reinsurance	(90)	447	(576)	(1,108)	(223)	(83)	118	(1,514)	*(1,514)*
Bank operating expenses	(14)	-	-	-	(49)	-	-	(63)	-
Acquisition costs	(2,658)	(4,171)	(1,614)	(2,859)	(930)	(519)	85	(12,665)	*(12,665)*
Amortization of the value of purchased business in force	-	(34)	(353)	-	(1)	-	-	(388)	*(388)*
Administrative expenses	(2,226)	(2,697)	(672)	(1,757)	(615)	(3,059)	640	(10,386)	*(7,630)*
Change in goodwill impairment and other intangible assets impairment	-	(40)	(33)	(168)	(10)	(2)	-	(253)	*(251)*
Other income and expenses [d]	(121)	(146)	(42)	(6)	(235)	495	(406)	(461)	*(419)*

(a) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(b) Includes gains/losses from derivatives hedging variable annuities within the Life & Savings activity.
(c) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(d) Includes losses related to the disposal processes of the Gulf Region, Malaysia and Singapore operations, as well as of a General Account Savings portfolio in Belgium (see Note 5.3).

	December 31, 2021								
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Intersegment Eliminations	Total	of which Insurance [(a)]
Other operating income and expenses	**(35,670)**	**(36,060)**	**(13,894)**	**(18,436)**	**(5,687)**	**(3,901)**	**992**	**(112,657)**	***(109,786)***
Income from operating activities before tax	**2,451**	**3,990**	**1,344**	**1,504**	**370**	**78**	**(222)**	**9,514**	***8,987***
Income (net of impairment) from investment accounted for using the equity method	7	(0)	122	-	(6)	22	-	144	*122*
Financing debt expenses	(1)	(11)	(4)	(140)	(16)	(512)	222	(462)	*(58)*
Net income from operating activities before tax	**2,457**	**3,979**	**1,462**	**1,364**	**347**	**(412)**	**0**	**9,196**	***9,051***
Income tax	(381)	(874)	(307)	(149)	(144)	166	-	(1,689)	*(1,146)*
Net consolidated income after tax	**2,076**	**3,105**	**1,155**	**1,215**	**203**	**(246)**	**-**	**7,507**	***7,905***
Split between:									
Net consolidated income - Group share	**2,073**	**2,999**	**1,145**	**1,192**	**144**	**(260)**	**0**	**7,294**	***7,705***
Net consolidated income - Minority interests	3	106	10	23	58	14	(0)	214	*200*

(a) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(b) Includes gains/losses from derivatives hedging variable annuities within the Life & Savings activity.
(c) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(d) Includes losses related to the disposal processes of the Gulf Region, Malaysia and Singapore operations, as well as of a General Account Savings portfolio in Belgium (see Note 5.3).

	December 31, 2020 restated [(a)]								
(in Euro million)	France	Europe	Asia	AXA XL	Interna-tional	Trans-versal & Central Holdings	Interseg-ment Eli-minations	Total	of which Insu-rance [(b)]
Gross written premiums	25,207	32,687	10,938	18,502	5,983	1,387	(789)	93,915	*93,915*
Fees and charges relating to investment contracts with no participating features	1	127	35	-	70	-	-	233	*233*
Revenues from insurance activities	**25,208**	**32,814**	**10,973**	**18,502**	**6,053**	**1,387**	**(789)**	**94,148**	***94,148***
Net revenues from banking activities	154	(2)	-	-	329	-	5	486	-
Revenues from other activities	7	269	-	76	44	2,130	(435)	2,090	*816*
Revenues	**25,369**	**33,081**	**10,973**	**18,577**	**6,426**	**3,517**	**(1,219)**	**96,723**	***94,964***
Change in unearned premiums net of unearned revenues and fees	**213**	**(16)**	**(15)**	**(418)**	**(105)**	**9**	**1**	**(331)**	***(331)***
Net investment income [(c)]	4,366	4,604	1,541	1,083	490	159	(73)	12,171	*11,171*
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	697	969	313	167	22	205	-	2,373	*2,256*
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss [(d)]	433	(37)	691	(244)	322	1,225	18	2,408	*1,789*
of which change in fair value of assets with financial risk borne by policyholders	*936*	*234*	*866*	-	*165*	*(51)*	*(1)*	*2,149*	*2,149*
Change in investments impairment	(362)	(349)	(109)	(94)	(18)	(67)	-	(998)	*(925)*
Net investment result excluding financing expenses	**5,135**	**5,187**	**2,437**	**912**	**815**	**1,522**	**(55)**	**15,953**	***14,291***
Technical charges relating to insurance activities	(23,960)	(28,082)	(9,572)	(16,263)	(4,118)	(1,104)	331	(82,769)	*(82,769)*
Net result from outward reinsurance	155	(118)	(359)	169	(452)	(648)	407	(845)	*(845)*
Bank operating expenses	(21)	(3)	-	-	(55)	-	-	(79)	-
Acquisition costs	(2,634)	(4,059)	(1,582)	(2,565)	(1,160)	(493)	85	(12,407)	*(12,407)*
Amortization of the value of purchased business in force	-	(47)	(38)	(140)	(2)	-	-	(227)	*(227)*
Administrative expenses	(2,265)	(2,755)	(724)	(1,908)	(798)	(2,799)	534	(10,716)	*(8,145)*
Change in tangible assets impairment	-	(1)	0	-	(0)	(4)	-	(5)	*2*
Change in goodwill impairment and other intangible assets impairment	-	(44)	(33)	(55)	(36)	(29)	-	(197)	*(196)*
Other income and expenses [(e)]	(74)	(20)	(19)	(4)	(78)	763	(317)	251	*(17)*

(a) Reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.
(b) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(c) Includes gains/losses from derivatives hedging variable annuities within the Life & Savings activity.
(d) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(e) Includes losses related to the disposal processes of AXA Bank Belgium, the Gulf Region and Greece operations, as well as following the termination of the sale agreement of AXA Life Europe in 2020, the reversal of the loss recognized in 2019 in the context of the disposal process.

	December 31, 2020 restated [(a)]								
(in Euro million)	**France**	**Europe**	**Asia**	**AXA XL**	**Interna-tional**	**Trans-versal & Central Holdings**	**Interseg-ment Eli-minations**	**Total**	**of which Insu-rance [(b)]**
Other operating income and expenses	**(28,799)**	**(35,130)**	**(12,327)**	**(20,766)**	**(6,699)**	**(4,315)**	**1,041**	**(106,994)**	***(104,604)***
Income from operating activities before tax	**1,917**	**3,122**	**1,068**	**(1,695)**	**438**	**733**	**(232)**	**5,350**	***4,319***
Income (net of impairment) from investment accounted for using the equity method	10	(1)	200	-	173	18	-	400	*382*
Financing debt expenses	(2)	(15)	(3)	(120)	(15)	(956)	232	(878)	*(35)*
Net income from operating activities before tax	**1,925**	**3,106**	**1,265**	**(1,815)**	**595**	**(204)**	**(0)**	**4,872**	***4,666***
Income tax	(507)	(643)	(203)	(111)	(131)	54	-	(1,541)	*(927)*
Net consolidated income after tax	**1,418**	**2,464**	**1,062**	**(1,926)**	**464**	**(150)**	**-**	**3,331**	***3,740***
Split between:									
Net consolidated income - Group share	**1,415**	**2,375**	**1,056**	**(1,919)**	**394**	**(157)**	**(0)**	**3,164**	***3,580***
Net consolidated income - Minority interests	3	89	6	(6)	70	6	0	167	*160*

(a) Reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.
(b) Insurance covers the three insurance activities: Life & Savings, Property & Casualty and Health.
(c) Includes gains/losses from derivatives hedging variable annuities within the Life & Savings activity.
(d) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(e) Includes losses related to the disposal processes of AXA Bank Belgium, the Gulf Region and Greece operations, as well as following the termination of the sale agreement of AXA Life Europe in 2020, the reversal of the loss recognized in 2019 in the context of the disposal process.

Note 4 Financial and insurance Risk Management

All of the following paragraphs form an integral part of the Group financial statements. They appear in Section 5 "Risk Factors and Risk Management" and Section 2.4 "Liquidity and capital Resources" of this Annual Report:

4.1 RISK MANAGEMENT ORGANIZATION

Please refer to pages 256 to 263 of Section 5.2 "Internal control and Risk Management" subsection "Governance and Risk Management organization".

4.2 MARKET RISKS (INCLUDING SENSITIVITY ANALYSIS)

Please refer to pages 271 to 275 of Section 5.3 "Market risks", subsections "Interest rates & equity risks related to the operating activities of Group subsidiaries" and "Exchange-rate risk related to the operating activities of Group subsidiaries".

4.3 CREDIT RISK

Please refer to pages 276 to 279 of Section 5.4 "Credit risk" subsections "Invested assets: A central monitoring of counterparty exposure", "Credit derivatives", "Counterparty risk arising from over-the-counter (OTC) derivatives", "Receivables from reinsurers: rating processes and factors" and "Bank credit activities".

4.4 INSURANCE RISK

Please refer to pages 282 to 284 of Section 5.6 "Insurance risks", subsections "Product approval", "Exposure analysis and Risk assessment", "Ceded Reinsurance" and "Technical reserves".

4.5 LIQUIDITY AND CAPITAL RESOURCES

Please refer to pages 87 to 93 of Section 2.4 "Liquidity and capital resources" subsections "Liquidity, sources and needs for Group operating subsidiaries", "Liquidity position", "Uses of funds", "Impact of regulatory requirements" and "Events subsequent to December 31, 2021 impacting AXA's liquidity".

Note 5 Goodwill

5.1 GOODWILL

An analysis of goodwill by cash generating unit is presented in the table below:

	December 31, 2021			December 31, 2020 restated [(a)]		
(in Euro million)	Gross value	Accumulated impairment	Net value	Gross value	Accumulated impairment	Net value
France	**225**	**-**	**225**	**225**	**-**	**225**
France Life & Savings	57	-	57	57	-	57
France Property & Casualty	168	-	168	168	-	168
Europe	**5,337**	**-**	**5,337**	**5,266**	**-**	**5,266**
Germany Life & Savings	190	-	190	190	-	190
Germany Property & Casualty	992	-	992	992	-	992
Spain Life & Savings	393	-	393	393	-	393
Spain Property & Casualty	613	-	613	613	-	613
Switzerland Life & Savings	176	-	176	169	-	169
Switzerland Property & Casualty	236	-	236	226	-	226
Italy Life & Savings	424	-	424	424	-	424
Italy Property & Casualty	356	-	356	356	-	356
Belgium Life & Savings	296	-	296	296	-	296
Belgium Property & Casualty	563	-	563	563	-	563
UK & Ireland Property & Casualty	1,098	-	1,098	1,044	-	1,044
Asia	**3,456**	**(73)**	**3,382**	**3,411**	(76)	**3,335**
AXA Tianping	714	-	714	647	-	647
Japan Life & Savings	1,850	(73)	1,777	1,918	(76)	1,842
Japan Property & Casualty	95	-	95	99	-	99
Hong Kong Life & Savings	564	-	564	527	-	527
Hong Kong Property & Casualty	195	-	195	183	-	183
South Korea Property & Casualty	38	-	38	38	-	38
AXA XL	**7,512**	**-**	**7,512**	**6,983**	**-**	**6,983**
International	**273**	**0**	**273**	**350**	**-**	**350**
Life & Savings	8	-	8	52	-	52
Property & Casualty	265	0	265	298	-	298
Transversal & Central Holdings	**446**	**(7)**	**438**	**452**	**(28)**	**424**
AXA Investment Managers	399	-	399	383	-	383
AXA Assistance	28	(7)	21	51	(28)	23
Others	19	-	19	18	-	18
TOTAL	**17,247**	**(80)**	**17,167**	**16,687**	**(104)**	**16,583**

(a) Reclassification of Architas activities (previously reported as part of "United Kingdom & Ireland Life & Savings") into "Transversal & Central Holdings - Others".
Reclassification of AXA Direct Japan activities (previously reported as part of "Asia - Others") into "Japan Property & Casualty".
Note: Goodwill related to entities accounted for using the equity method is not presented in this table (see Note 10).

The total Goodwill Group share amounted to €17,105 million as of December 31, 2021, and €16,504 million as of December 31, 2020.

Consistent with IAS 36, each unit or group of units to which the goodwill is allocated represents the lowest level at which the goodwill is monitored for internal management purposes within the Group and is never larger than an operating segment as defined by IFRS 8 such as presented in Note 3.

5.2 CHANGE IN GOODWILL

5.2.1 Goodwill – change in gross value

(in Euro million)	Gross value January 1, 2021	Acquisitions during the period	Disposals during the period	Currency translation adjustment	Other changes	Gross value December 31, 2021
France	225	-	-	-	-	225
Europe	5,266	-	-	71	0	5,337
Asia	3,411	-	-	45	-	3,456
AXA XL	6,983	-	-	529	-	7,512
International [(a)]	350	-	(0)	(9)	(68)	273
Transversal & Central Holdings	452	-	0	16	(23)	446
TOTAL	**16,687**	**-**	**(0)**	**652**	**(91)**	**17,247**

(a) Related to the disposal processes of Malaysia and Singapore operations (see Note 5.3).

(in Euro million)	Gross value January 1, 2020 restated [(a)]	Acquisitions during the period	Disposals during the period	Currency translation adjustment	Other changes	Gross value December 31, 2020 restated [(a)]
France	225	-	-	-	-	225
Europe	5,309	-	-	(44)	-	5,266
Asia	3,530	29	-	(148)	-	3,411
AXA XL	7,615	-	-	(635)	3	6,983
International [(b)]	717	-	(219)	(63)	(85)	350
Transversal & Central Holdings	458	10	-	(17)	-	452
TOTAL	**17,855**	**39**	**(219)**	**(907)**	**(82)**	**16,687**

(a) Reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.
(b) Mainly related to the disposal of Central and Eastern Europe operations and the disposal processes of the Gulf Region and Greece operations.

5.2.2 Goodwill – change in impairment

(in Euro million)	Cumulative impairment January 1, 2021	Increase in Impairment during the period	Write back of impairment of goodwill sold during the period	Currency translation adjustment	Other Changes	Cumulative impairment December 31, 2021
France	-	-	-	-	-	-
Europe	-	-	-	-	-	-
Asia	76	-	-	(3)	-	73
AXA XL	-	-	-	-	-	-
International	-	-	-	-	-	-
Transversal & Central Holdings	28	0	(0)	0	(21)	7
TOTAL	**104**	**0**	**(0)**	**(3)**	**(21)**	**80**

(in Euro million)	Cumulative impairment January 1, 2020	Increase in Impairment during the period	Write back of impairment of goodwill sold during the period	Currency translation adjustment	Other Changes	Cumulative impairment December 31, 2020
France	-	-	-	-	-	-
Europe	-	-	-	-	-	-
Asia	79	-	-	(3)	-	76
AXA XL	-	-	-	-	-	-
International	-	-	-	0	-	-
Transversal & Central Holdings	0	28	-	-	-	28
TOTAL	**79**	**28**	**-**	**(3)**	**-**	**104**

METHODOLOGY BY UNIT

For most Life & Savings businesses Cash Generating Units (“CGUs”) recoverability of goodwill is assessed using a fair value approach. For AXA Belgium the recoverability of the goodwill is assessed using the value in use approach. Both approaches are described in the Note 1 “Accounting principles”.

For the CGUs within the Property & Casualty business segment recoverability of goodwill is also assessed using the value in use approach, as described in the Note 1. For AXA Investment Managers the recoverability of the goodwill follows a market approach with recoverable value derived from market information, such as the price to earnings ratio of peers, and the earnings expected for the year. This methodology represents the fair value of the company to be compared with the market capitalization.

MAIN ASSUMPTIONS

For the CGUs within the Property & Casualty business segment, the value in use approach uses cash flow projections based on business plans approved by management covering up to three years and discounted using a risk adjusted rate. Cash flows beyond that period are extrapolated using sustainable perpetual growth rates assumed to be achievable over the long term to derive a terminal value. The earnings included in the business plan of each CGU are agreed with the management and defined locally considering best estimate operating assumptions, including expenses and loss ratios, investment income, economic capital, premium rates and taxes, all compliant with the various standards and the requirements of supervisory authorities, when applicable. The discount rates used for the valuation have been derived using the Capital Asset Pricing Model which includes assumptions for risk-free interest rates, equity risk premiums, insurance activity beta and leverage ratio that are consistent with the view of AXA’s Management for the specific markets in which the CGU operates. The main CGUs discount rates range from 3.6% to 8.3% in 2021, compared to a range of 3.4% to 8.4% in 2020, and growth rates applied beyond the strategic plan horizon, where applicable, vary from 0.6% to 5.3% in 2021, compared to a range of 0.4% to 5.4% in 2020.

For Life & Savings CGUs, recoverable amounts are calculated using a risk neutral approach, relying on European Embedded Value (EEV) techniques, that are industry specific and widely used. The EEV represents the excess of the market value of assets over the market value of liabilities. The market value of liabilities is based on best estimate liabilities which are the probability weighted average of future cash flows adjusted to allow for the time value of money, using the relevant term structure of the risk-free interest rates, as well as for deviations related to the cost of non-hedgeable, *i.e.* non-financial, risks. The calculation of best estimate liabilities involves the use of operational and economic assumptions. Operational assumptions include factors, such as mortality, morbidity and lapse/surrender rates, expenses allowance and taxes, all compliant with the requirements of supervisory authorities. Future cash flows are discounted using reference rates that are compliant with EIOPA specifications of using swap rates adjusted for credit and volatility risk.

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The table below shows the adjustments in basis points by currency:

Reference Yield Curve *(in bps)*	EUR	GBP	USD	JPY	CHF	HKD
Volatility adjustment (added)	3	3	23	4	4	2
Credit risk adjustment (deducted)	10	10	10	10	10	10

In the case of AXA Belgium, the recoverable value has been derived using a Traditional Embedded Value (TEV) methodology equivalent to a real world approach: In this case the risk allowance is implicit to the discount rate as the projected cash flows are not risk-adjusted. The discount rate used to determine the recoverable value of AXA Belgium was 4.4% in 2021 as opposed to 4.5% used in 2020.

ALL CASH-GENERATING UNITS (CGU)

The results of cash flow projections exceed the carrying amount of each related CGU or group of units.

The test of the recoverability of goodwill for AXA XL CGU as of December 31, 2021 evidenced a significant margin. The value in use basis reflects management projections of the cash flows, which are based on the business plan of AXA XL and reflect (i) that following the significant organizational and underwriting actions undertaken over the past years to transform portfolio and restore profitability, AXA XL is well positioned for disciplined growth, (ii) further significant reductions in Nat Cat exposure to reduce earnings volatility and (iii) the continuation of significant tariff increases that contribute to profitability over the horizon of the Plan. Sensitivities were performed with regards to the main assumptions and under the plausible scenarios, the value in use still exceeded the carrying amount.

The test of the recoverability of the Goodwill for AXA Germany P&C and AXA UK & Ireland P&C CGUs as of December 31, 2021 evidenced material margins. Cash flows projections based on the 2023 business plan approved by the AXA Group management, demonstrate that AXA Germany and AXA UK & Ireland will continue to deliver resilient earnings leading to conclude that their goodwill is recoverable.

The recoverability of the goodwill of Japan Life & Savings CGU relies on European Embedded Value (EEV) and New Business Value (NBV) projections using a reasonable new business multiple, derived from market consistent assumptions. The level of profitability of products sold by AXA Japan in 2021 reached a high margin over the premiums received. The EEV and NBV projections exceeds the carrying amount of Japan Life & Savings CGU.

For all CGUs, to the extent that the valuation of securities and interest rate levels remain low for prolonged periods of time, or volatility and other market conditions stagnate or worsen, new business volumes and profitability together with the value of the inforce portfolio are likely be negatively affected. In addition, the future cash flow expectations from both the inforce and new business and other assumptions underlying management's current business plans could be negatively impacted by other risks to which the Group is exposed. For each CGU, sensitivity analyses were performed with regards to the discount rate: an increase of 0.5% in the discount rate would not lead to an impairment loss for any of the CGUs as the recoverable amount for each CGU would still exceed its carrying value.

However, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of these assets in the foreseeable future.

5.3 OTHER INFORMATION RELATING TO GOODWILL, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

5.3.1 Greece operations disposal

On May 31, 2021, AXA completed the sale of its Life & Savings and Property & Casualty operations in Greece to Generali, for a total cash consideration of €167 million.

The transaction resulted in an overall loss of €-29 million of which €-43 million were already recognized as of December 31, 2020. In 2021, the disposal resulted in a positive net income impact of €+14 million as detailed in the table below:

(in Euro million)	
Net Proceeds	167
Consolidated Book Value	153
NET GAIN RECOGNIZED IN 2021	**14**
of which other comprehensive income recycling	*14*

5.3.2 AXA Bank Belgium disposal

On December 31, 2021, AXA completed the sale of its Belgian banking operations, AXA Bank Belgium, to Crelan Bank ("Crelan"), for a total consideration of €691 million, comprised of (i) a net cash consideration of €611 million, and (ii) the transfer to AXA Belgium of 100% of Crelan Insurance (valued at €80 million).

The agreements with Crelan includes the acquisition by Crelan of contingent convertible bonds previously issued by AXA Bank Belgium to AXA Group (for €90 million) and the entry into a long-term Property & Casualty and Protection insurance distribution partnership, effective since January 1, 2022, extending the existing partnership between AXA Bank Belgium and AXA Belgium to the entire Crelan network. AXA has also subscribed additional Tier 1 debt issued by Crelan for an issue price of €245 million.

The transaction resulted in an overall loss of €-686 million of which €-639 million were already recognized as of December 31, 2020. In 2021, the disposal resulted in a negative net income impact of €-47 million as detailed in the table below:

(in Euro million)	
Net Proceeds	691
Consolidated Book Value	738
NET LOSS RECOGNIZED IN 2021	**(47)**
of which other comprehensive income recycling	*(27)*

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5.3.3 Gulf Region Insurance operations disposal

On September 7, 2021, AXA completed the sale of its 50% shareholding in AXA Gulf and its 34% shareholding in AXA Cooperative Insurance Company (in Saudi Arabia) to Gulf Insurance Group, for a cash consideration of €222 million [(1)].

The sale of AXA's 28% shareholding in AXA Green Crescent Insurance Company (in UAE), representing cash consideration of €4 million [(1)] was closed on September 13, 2021.

The transaction resulted in an overall group share loss of €-34 million of which €-24 million already recognized as of December 31, 2020. In 2021, the disposal resulted in a negative net income group share impact of €-10 million as detailed in the table below:

(in Euro million)	
Net Proceeds	226
Consolidated Book Value	236
NET LOSS RECOGNIZED IN 2021	**(10)**
of which other comprehensive income recycling	20

5.3.4 India non-life operations disposal

On September 8, 2021, AXA and Bharti completed the combination of their non-life insurance operations in India, Bharti AXA General Insurance Company Limited ("Bharti AXA GI"), into ICICI Lombard General Insurance Company Limited ("ICICI Lombard"). AXA and Bharti's ownership of Bharti AXA GI was 49% and 51% respectively.

Under the terms of the agreement, AXA and Bharti received a total of 35.8 million shares of ICICI Lombard. AXA sold its shares on October 7, 2021, for a total cash consideration of €306 million [(2)].

Following the disposal of ICICI shares received by AXA, the transaction resulted in a positive net income impact of €+219 million as detailed in the table below:

(in Euro million)	
Net Proceeds	306
Consolidated Book Value	87
NET GAIN RECOGNIZED IN 2021	**219**
of which other comprehensive income recycling	*(5)*

(1) EUR 1 = US$ 1.1890 as of September 3, 2021 (Source: Bloomberg).

(2) EUR 1 = INR 86.3917 as of October 7, 2021 (Source: Bloomberg).

5.3.5 Malaysia operations disposal

On June 22, 2021, AXA entered into an agreement with Generali to sell its insurance operations in Malaysia, which include its 49.99% fully consolidated shareholding in AXA Affin General Insurance ("AAGI") and 49% non-consolidated shareholding in AXA Affin Life Insurance ("AALI").

Under the terms of the agreement, AXA will sell its Life & Savings and Property & Casualty businesses in Malaysia for a total cash proceeds of €140 million [(1)] [(2)].

The completion of the transaction is expected to take place during the first half of 2022 and is subject to customary closing conditions, including the receipt of regulatory approvals.

The major classes of assets and liabilities (net of intercompany balances with other AXA entities) presented as held for sale related to:

ASSETS

(in Euro million)	December 31, 2021
Goodwill	13
Other intangible assets	19
Investments from insurance activities	518
Reinsurers' share in insurance and investment contracts liabilities	79
Other assets	60
Cash and cash equivalents	151
TOTAL ASSETS HELD FOR SALE	**839**

LIABILITIES

(in Euro million)	December 31, 2021
Financing debt	7
Liabilities arising from insurance and investment contracts	465
Other liabilities	90
TOTAL LIABILITIES HELD FOR SALE	**561**

As of December 31, 2021, the other comprehensive income of invested assets in the scope of the transaction amounted to €+1 million (Group share €+1 million).

The expected transaction resulted in a loss of €-66 million as of December 31, 2021, leading to impairments of financial investments for €-28 million (relating to the non-consolidated participation for Life & Savings business) and goodwill for €-8 million (relating to the fully consolidated entity for Property & Casualty business) as well as a separation costs provision for €-30 million.

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(1) Including the repayment of a €8 million subordinated debt issued by Malaysia P&C to AXA, prior to or at the closing of the transaction.

(2) EUR 1 = RM 4.9328 as of June 18, 2021 (Source: Bloomberg).

5.3.6 Singapore operations disposal

On August 16, 2021, AXA entered into an agreement with HSBC to sell AXA Insurance Pte Ltd ("AXA Singapore").

The completion of the transaction, for a total cash consideration of €463 million [1], took place on February 11, 2022 and is disclosed as a subsequent event in Note 32.

As of December 31, 2021, the major classes of assets and liabilities (net of intercompany balances with other AXA entities) which were classified as held for sale are presented in the table below:

ASSETS

(in Euro million)	December 31, 2021
Other intangible assets	363
Investments from insurance activities	3,305
Reinsurers' share in insurance and investment contracts liabilities	3
Other assets	254
Cash and cash equivalents	95
TOTAL ASSETS HELD FOR SALE	**4,019**

LIABILITIES

(in Euro million)	December 31, 2021
Liabilities arising from insurance and investment contracts	3,237
Other liabilities	276
TOTAL LIABILITIES HELD FOR SALE	**3,513**

As of December 31, 2021, the other comprehensive income of invested assets in the scope of the transaction amounted to €+3 million.

As of December 31, 2021, the expected transaction resulted in a loss of €-230 million, leading to an impairment of other intangible assets for €-111 million and goodwill for €-59 million as well as a separation costs provision for €-60 million.

(1) EUR 1 = US$ 1.1425 as of February 9, 2022 (Source: Bloomberg).

5.3.7 Disposal of a General Account Savings portfolio in Belgium

On December 12, 2021, AXA entered into an agreement with Monument Assurance Belgium to sell a run-off General Accounts Savings portfolio.

The completion of the transaction is expected to take place during the second half of 2022 and is subject to customary closing conditions, including the receipt of regulatory approvals.

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

ASSETS

(in Euro million)	December 31, 2021
Investments from insurance activities	2,679
Cash and cash equivalents	419
TOTAL ASSETS HELD FOR SALE	**3,098**

LIABILITIES

(in Euro million)	December 31, 2021
Liabilities arising from insurance and investment contracts	3,096
TOTAL LIABILITIES HELD FOR SALE	**3,096**

As of December 31, 2021, the other comprehensive income of invested assets in the scope of the transaction amounted to €+89 million.

The expected transaction resulted in a loss of €-98 million as of December 31, 2021, leading to an impairment of financial investments for €-98 million.

Note 6 Value of purchased business in-force

6.1 VALUE OF PURCHASED LIFE BUSINESS IN-FORCE

The change in Value of Life Business In-force ("VBI") was as follows:

(in Euro million)	2021	2020
Gross carrying value as of January 1	6,045	6,199
Accumulated amortization and impairment	(4,646)	(4,656)
Shadow accounting on VBI	(154)	(167)
Net carrying value as of January 1	**1,245**	**1,376**
Capitalization	-	-
Capitalized interests	32	54
Amortization and impairment for the period	(420)	(141)
Changes in VBI amortization, capitalization and impairment	**(388)**	**(87)**
Change in shadow accounting on VBI	31	10
Currency translation and other changes	31	(51)
Acquisitions and disposals of subsidiaries and portfolios	-	(3)
Net carrying value as of December 31	**919**	**1,245**
Gross carrying value as of December 31	6,136	6,045
Accumulated amortization and impairment	(5,091)	(4,646)
Shadow accounting on VBI	(126)	(154)

6.2 VALUE OF PURCHASED NON-LIFE BUSINESS IN-FORCE

The change in Value of non-life Business In-force ("VBI") was as follows:

(in Euro million)	2021	2020
Gross carrying value as of January 1	1,036	1,113
Accumulated amortization and impairment	(1,036)	(969)
Net carrying value as of January 1	**0**	**145**
Changes in amortization excluding impacts of assumptions unlocking	-	(140)
Changes in VBI amortization and capitalized interests	**-**	**(140)**
Currency translation	0	(5)
Net carrying value as of December 31	**0**	**0**
Gross carrying value as of December 31	1,036	1,036
Accumulated amortization and impairment	(1,036)	(1,036)

Note 7 Deferred Acquisition Costs and equivalent

7.1 BREAKDOWN OF DEFERRED ACQUISITION COSTS AND EQUIVALENT

(in Euro million)	December 31, 2021	December 31, 2020
Deferred Acquisition Costs (DAC) relating to Life & Savings [(a)]	14,245	13,751
Deferred Origination Costs [(b)]	447	422
Shadow accounting on DAC	(909)	(1,439)
Deferred Acquisition Costs and equivalent relating to Life & Savings	**13,784**	**12,734**
Deferred Acquisition Costs and equivalent relating to Property & Casualty	**4,042**	**3,800**
Deferred Acquisition Costs and equivalent	**17,825**	**16,534**

(a) Applicable to Life & Savings insurance contracts and investment contracts with discretionary participation features according to IFRS 4. Amounts are net of accumulated amortization.
(b) Applicable to investment contracts with no discretionary participation features according to IAS 39.

7.2 ROLLFORWARD OF DEFERRED ACQUISITION COSTS AND EQUIVALENT

Changes in Deferred Acquisition Costs and equivalent were as follows:

	2021		2020	
(in Euro million)	Deferred Acquisition Costs [(a)]	Deferred Origination Costs [(b)]	Deferred Acquisition Costs [(a)]	Deferred Origination Costs [(b)]
Deferred Acquisition Costs and equivalent net carrying value as of January 1	**16,112**	**422**	**16,396**	**592**
Amortization and impairment for the period of Life DAC	(1,455)	(53)	(1,389)	(54)
Capitalized interests for the period of Life DAC	542	19	517	24
DAC and similar costs capitalization for the period of Life DAC	1,623	34	1,392	24
Change in Non-Life DAC	242		15	
Changes in amortization, capitalization and impairment	**953**	**0**	**535**	**(6)**
Change in shadow accounting on DAC	529	-	(220)	-
Currency translation and other changes	195	25	(373)	(36)
Disposals of subsidiaries and portfolios [(c)]	(410)	-	(226)	(128)
Deferred Acquisition Costs and equivalent net carrying value as of December 31	**17,378**	**447**	**16,112**	**422**
of which shadow accounting on DAC	*(909)*	-	*(1,439)*	-
TOTAL	**17,825**		**16,534**	

(a) Applicable to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features according to IAS 39.
(c) In 2021, included the disposal process of Singapore operations (see Note 5.3). In 2020, included the disposal of Central and Eastern Europe and the disposal process of Greece operations.

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7.3 DEFERRED ACQUISITION COSTS AND EQUIVALENT, NET OF AMORTIZATION, UNEARNED REVENUE RESERVES AND UNEARNED FEE RESERVES

The value of Deferred Acquisition Costs and equivalent for insurance business, net of amortization, unearned revenue reserves and unearned fee reserves, was as follows:

	December 31, 2021		December 31, 2020	
(in Euro million)	Deferred Acquisition Costs [(a)]	Deferred Origination Costs [(b)]	Deferred Acquisition Costs [(a)]	Deferred Origination Costs [(b)]
Deferred Acquisition Costs and equivalent	**17,378**	**447**	**16,112**	**422**
of which shadow DAC	(909)	-	(1,439)	-
Unearned revenues and unearned fees reserves	**1,889**	**228**	**1,704**	**317**
of which shadow unearned revenues reserves	*(198)*	-	*(465)*	-
DAC net of unearned revenues and unearned fees reserves	**15,489**	**219**	**14,408**	**105**
TOTAL	**15,708**		**14,513**	

(a) Relating to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features according to IAS 39.

Note 8 Other intangible assets

8.1 BREAKDOWN OF OTHER INTANGIBLE ASSETS

Other intangible assets represented €4,297 million net value as of December 31, 2021, and mainly included

	December 31, 2021				December 31, 2020
(in Euro million)	Gross value	Accumulated amortization	Accumulated impairment	Net Value	Net Value
Software capitalized	3,026	(1,991)	(16)	1,020	997
Intangible assets recognized in business combinations and other business operations	4,850	(1,507)	(136)	3,206	3,346
Other intangible assets	566	(490)	(6)	71	89
TOTAL	**8,442**	**(3,988)**	**(158)**	**4,297**	**4,432**

8.2 BREAKDOWN OF INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS AND OTHER BUSINESS OPERATIONS

(in Euro million)	Transaction Year	December 31, 2021 Gross value	Accumulated amortization	Accumulated impairment	Net carrying value	December 31, 2020 Gross value	Accumulated amortization	Accumulated impairment	Net carrying value
AXA Tianping	2019	88	(35)	-	53	80	(16)	-	64
XL Group [(a)]	2018	1,671	(150)	(136)	1,385	1,578	(98)	(9)	1,471
Asia Property & Casualty	2012	164	(150)	-	14	153	(125)	-	28
AXA MPS (Italy) Life & Savings	2007 & 2008	592	-	-	592	592	-	-	592
AXA MPS (Italy) Property & Casualty	2007 & 2008	347	-	-	347	347	-	-	347
Switzerland Life & Savings	2006	197	(148)	-	49	189	(132)	-	57
Switzerland Property & Casualty	2006	656	(522)	-	134	628	(481)	-	147
Germany Property & Casualty	2006	92	(63)	-	28	92	(59)	-	33
Belgium Property & Casualty	2006	67	(42)	-	25	67	(39)	-	27
Spain Property & Casualty	2006	247	(239)	-	8	247	(237)	-	10
AXA Investment Managers	2005	216	(12)	-	204	191	(10)	-	181
Others		513	(146)	-	367	574	(182)	(2)	390
TOTAL		**4,850**	**(1,507)**	**(136)**	**3,206**	**4,737**	**(1,380)**	**(11)**	**3,346**

(a) In 2021, it includes a partial impairment related to transferring capacity away from Lloyd's within Reinsurance for €-122 million.

Intangible assets recognized in business combinations mainly included value of distribution agreements and customer related intangibles, including €1,807 million (net carrying value) assets with indefinite useful life.

The amortization period for intangible assets recognized in business combinations with a finite useful life ranges from 5 to 25 years.

8.3 CHANGE IN INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS AND OTHER BUSINESS OPERATIONS

(in Euro million)	2021	2020
Net value as of January 1	**3,346**	**3,728**
Acquisition during the period	10	20
Amortization allowance [(a)]	(246)	(170)
Disposal during the period [(b)]	(3)	(62)
Currency impact	112	(152)
Other changes [(c)]	(13)	(17)
Closing Net value as of December 31	**3,206**	**3,346**

(a) In 2021, it includes a partial impairment related to transferring capacity away from Lloyd's within Reinsurance for €-122 million.
(b) In 2020, it included Central and Eastern Europe operations disposal.
(c) In 2021, mainly related to the Singapore operations disposal process. In 2020, mainly related to the Gulf Region and Greece operations disposal processes.

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Note 9 Investments

9.1 BREAKDOWN OF INVESTMENTS

Each investment item is presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) except derivatives related to macro-hedges which are shown separately. Detailed effects of derivatives are also provided in Note 20.3.

	Insurance		
(in Euro million)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost [(a)]	37,611	26,831	4.46%
Investment in real estate properties designated as at fair value through profit or loss [(b)]	1,523	1,523	0.25%
Macro-hedge and other derivatives	-	-	-
Investment in real estate properties	**39,135**	**28,355**	**4.72%**
Debt instruments held to maturity	-	-	-
Debt instruments available for sale	365,239	365,239	60.75%
Debt instruments designated as at fair value through profit or loss [(c)]	14,631	14,631	2.43%
Debt instruments held for trading	1	1	0.00%
Debt instruments (at cost) that are not quoted in an active market [(d)]	15,126	14,591	2.43%
Debt instruments	**394,997**	**394,462**	**65.61%**
Equity instruments available for sale	20,915	20,915	3.48%
Equity instruments designated as at fair value through profit or loss [(b)]	13,623	13,623	2.27%
Equity instruments held for trading	-	-	-
Equity instruments	**34,538**	**34,538**	**5.74%**
Non consolidated investment funds available for sale	9,746	9,746	1.62%
Non consolidated investment funds designated as at fair value through profit or loss [(b)]	7,633	7,633	1.27%
Non consolidated investment funds held for trading	0	0	0.00%
Non consolidated investment funds	**17,379**	**17,379**	**2.89%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**18,829**	**18,829**	**3.13%**
Macro-hedge and other derivatives	**583**	**583**	**0.10%**
Sub total Financial instruments (excluding Loans)	**466,327**	**465,791**	**77.47%**
Loans held to maturity	-	-	-
Loans available for sale	-	-	-
Loans designated as at fair value through profit or loss [(b)]	-	-	-
Loans held for trading	-	-	-
Loans at cost [(e)]	21,562	20,794	3.46%
Macro-hedge and other derivatives	-	-	-
Loans	**21,562**	**20,794**	**3.46%**
Total Financial instruments	**487,889**	**486,586**	**80.93%**
Assets backing contracts where the financial risk is borne by policyholders	**86,315**	**86,315**	**14.36%**
INVESTMENTS	**613,339**	**601,256**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**527,024**	**514,940**	**85.64%**

(a) Includes infrastructure and forests investments.
(b) Assets measured at fair value under the fair value option.
(c) Includes assets measured at fair value notably under the fair value option.
(d) Eligible to the IAS 39 Loans and receivables measurement category.
(e) Mainly relates to mortgage loans and policy loans.

December 31, 2021					
Investments as per Consolidated Statement of Financial Position					
Other activities			Total		
Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
2,693	2,664	13.52%	40,305	29,495	4.75%
-	-	-	1,523	1,523	0.25%
-	-	-	-	-	-
2,693	**2,664**	**13.52%**	**41,828**	**31,019**	**5.00%**
-	-	-	-	-	-
2,845	2,845	14.44%	368,084	368,084	59.28%
57	57	0.29%	14,688	14,688	2.37%
-	-	-	1	1	0.00%
17	17	0.09%	15,144	14,608	2.35%
2,920	**2,920**	**14.81%**	**397,917**	**397,381**	**63.99%**
1,038	1,038	5.27%	21,953	21,953	3.54%
648	648	3.29%	14,271	14,271	2.30%
-	-	-	-	-	-
1,686	**1,686**	**8.56%**	**36,225**	**36,225**	**5.83%**
78	78	0.40%	9,824	9,824	1.58%
11	11	0.06%	7,644	7,644	1.23%
-	-	-	0	0	0.00%
90	**90**	**0.45%**	**17,468**	**17,468**	**2.81%**
465	**465**	**2.36%**	**19,294**	**19,294**	**3.11%**
(116)	**(116)**	**-0.59%**	**468**	**468**	**0.08%**
5,045	**5,045**	**25.60%**	**471,372**	**470,836**	**75.82%**
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,998	11,998	60.88%	33,561	32,793	5.28%
-	-	-	-	-	-
11,998	**11,998**	**60.88%**	**33,561**	**32,793**	**5.28%**
17,043	**17,043**	**86.48%**	**504,933**	**503,629**	**81.10%**
-	**-**	**-**	**86,315**	**86,315**	**13.90%**
19,737	**19,707**	**100.00%**	**633,076**	**620,963**	**100.00%**

	Insurance		
(in Euro million)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost [(a)]	33,392	24,044	3.94%
Investment in real estate properties designated as at fair value through profit or loss [(b)]	1,832	1,832	0.30%
Macro-hedge and other derivatives	-	-	-
Investment in real estate properties	**35,224**	**25,876**	**4.24%**
Debt instruments held to maturity	-	-	-
Debt instruments available for sale	396,021	396,021	64.85%
Debt instruments designated as at fair value through profit or loss [(c)]	18,823	18,823	3.08%
Debt instruments held for trading	37	37	0.01%
Debt instruments (at cost) that are not quoted in an active market [(d)]	12,058	11,496	1.88%
Debt instruments	**426,939**	**426,377**	**69.82%**
Equity instruments available for sale	18,347	18,347	3.00%
Equity instruments designated as at fair value through profit or loss [(b)]	10,043	10,043	1.64%
Equity instruments held for trading	(0)	(0)	0.00%
Equity instruments	**28,390**	**28,390**	**4.65%**
Non consolidated investment funds available for sale	8,114	8,114	1.33%
Non consolidated investment funds designated as at fair value through profit or loss [(b)]	7,671	7,671	1.26%
Non consolidated investment funds held for trading	282	282	0.05%
Non consolidated investment funds	**16,067**	**16,067**	**2.63%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**14,848**	**14,848**	**2.43%**
Macro-hedge and other derivatives	**879**	**879**	**0.14%**
Sub total Financial instruments (excluding Loans)	**487,124**	**486,562**	**79.68%**
Loans held to maturity	-	-	-
Loans available for sale	(0)	(0)	0.00%
Loans designated as at fair value through profit or loss [(b)]	(0)	(0)	0.00%
Loans held for trading	-	-	-
Loans at cost [(e)]	21,559	20,397	3.34%
Macro-hedge and other derivatives	-	-	-
Loans	**21,559**	**20,397**	**3.34%**
Total Financial instruments	**508,683**	**506,959**	**83.02%**
Assets backing contracts where the financial risk is borne by policyholders	**77,802**	**77,802**	**12.74%**
INVESTMENTS	**621,709**	**610,637**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**543,907**	**532,835**	**87.26%**

(a) Includes infrastructure and forests investments.
(b) Assets measured at fair value under the fair value option.
(c) Includes assets measured at fair value notably under the fair value option.
(d) Eligible to the IAS 39 Loans and receivables measurement category.
(e) Mainly relates to mortgage loans and policy loans.

December 31, 2020					
Investments as per Consolidated Statement of Financial Position					
Other activities			Total		
Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
4,497	4,410	19.55%	37,890	28,454	4.49%
-	-	-	1,832	1,832	0.29%
-	-	-	-	-	-
4,497	**4,410**	**19.55%**	**39,721**	**30,286**	**4.78%**
-	-	-	-	-	-
2,673	2,673	11.85%	398,695	398,695	62.97%
69	69	0.30%	18,892	18,892	2.98%
-	-	-	37	37	0.01%
29	29	0.13%	12,087	11,525	1.82%
2,771	**2,771**	**12.28%**	**429,711**	**429,148**	**67.77%**
1,897	1,897	8.41%	20,245	20,245	3.20%
579	579	2.57%	10,622	10,622	1.68%
-	-	-	(0)	(0)	-
2,477	**2,477**	**10.98%**	**30,866**	**30,866**	**4.87%**
48	48	0.21%	8,162	8,162	1.29%
41	41	0.18%	7,712	7,712	1.22%
-	-	-	282	282	0.04%
88	**88**	**0.39%**	**16,155**	**16,155**	**2.55%**
483	**483**	**2.14%**	**15,332**	**15,332**	**2.42%**
19	**19**	**0.08%**	**898**	**898**	**0.14%**
5,838	**5,838**	**25.88%**	**492,962**	**492,400**	**77.76%**
-	-	-	-	-	-
0	0	0.00%	0	0	0.00%
-	-	-	-	-	-
-	-	-	-	-	-
12,314	12,314	54.58%	33,873	32,711	5.17%
-	-	-	-	-	-
12,314	**12,314**	**54.58%**	**33,873**	**32,711**	**5.17%**
18,152	**18,152**	**80.45%**	**526,835**	**525,110**	**82.93%**
-	**-**	**-**	**77,802**	**77,802**	**12.29%**
22,649	**22,562**	**100.00%**	**644,358**	**633,198**	**100.00%**

9.2 INVESTMENT IN REAL ESTATE PROPERTIES

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

Breakdown of the carrying value and fair value of investment in real estate properties at amortized cost, including the impact of all derivatives, except derivatives related to macro-hedges which are shown separately, is as follows:

	December 31, 2021					December 31, 2020				
(in Euro million)	Gross value	Amorti-zation	Impair-ment	Carrying value	Fair value	Gross value	Amorti-zation	impair-ment	Carrying value	Fair value
Investment in real estate properties at amortized cost										
Insurance [(a)]	29,818	(1,622)	(1,214)	26,982	37,762	26,680	(1,581)	(1,158)	23,942	33,290
Other activities	2,664	-	-	2,664	2,693	4,410	-	(0)	4,410	4,497
All activities excluding derivatives	**32,482**	**(1,622)**	**(1,214)**	**29,646**	**40,456**	**31,090**	**(1,581)**	**(1,158)**	**28,352**	**37,787**
Impact of derivatives				(151)	(151)				103	103
TOTAL				**29,495**	**40,305**				**28,454**	**37,890**

(a) Includes infrastructure and forests investments.

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

	2021	2020	2021	2020
(in Euro million)	Impairment	Impairment	Amortization	Amortization
Value as of January 1	**1,158**	**981**	**1,581**	**1,536**
Increase for the period	193	311	121	142
Write back following sale or repayment	(37)	(93)	(52)	(55)
Write back following recovery in value	(59)	(25)	-	-
Others [(a)]	(42)	(15)	(28)	(43)
Value as of December 31	**1,214**	**1,158**	**1,622**	**1,581**

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

9.3 UNREALIZED GAINS AND LOSSES ON FINANCIAL INVESTMENTS

Including the effect of derivatives, unrealized capital gains and losses on financial investments, when not already reflected in the income statement, were allocated as follows:

INSURANCE

	December 31, 2021					December 31, 2020				
(in Euro million)	Amortized cost [(a)]	Fair value	Carrying value [(b)]	Unrealized gains	Unrealized losses	Amortized cost [(a)]	Fair value	Carrying value [(b)]	Unrealized gains	Unrealized losses
Debt instruments available for sale	323,758	365,239	365,239	47,766	6,285	330,875	396,021	396,021	68,796	3,650
Debt instruments (at cost) that are not quoted in an active market	14,622	15,126	14,591	908	404	11,518	12,058	11,496	596	56
Equity instruments available for sale	14,190	20,915	20,915	6,990	265	13,023	18,347	18,347	5,503	179
Non-consolidated investment funds available for sale	8,200	9,746	9,746	1,587	41	7,035	8,114	8,114	1,119	40

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment.

OTHER ACTIVITIES

	December 31, 2021					December 31, 2020				
(in Euro million)	Amortized cost [(a)]	Fair value	Carrying value [(b)]	Unrealized gains	Unrealized losses	Amortized cost [(a)]	Fair value	Carrying value [(b)]	Unrealized gains	Unrealized losses
Debt instruments available for sale	2,847	2,845	2,845	64	66	2,555	2,673	2,673	121	2
Debt instruments (at cost) that are not quoted in an active market	17	17	17	0	0	29	29	29	0	0
Equity instruments available for sale	808	1,038	1,038	238	8	1,608	1,897	1,897	826	537
Non-consolidated investment funds available for sale	74	78	78	5	0	46	48	48	2	0

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment.

TOTAL

(in Euro million)	December 31, 2021 Amortized cost [(a)]	Fair value	Carrying value [(b)]	Unrealized gains	Unrealized losses	December 31, 2020 Amortized cost [(a)]	Fair value	Carrying value [(b)]	Unrealized gains	Unrealized losses
Debt instruments available for sale	326,606	368,084	368,084	47,831	6,352	333,431	398,695	398,695	68,916	3,652
Debt instruments (at cost) that are not quoted in an active market	14,640	15,144	14,608	908	404	11,547	12,087	11,525	596	56
Equity instruments available for sale	14,998	21,953	21,953	7,228	273	14,630	20,245	20,245	6,330	716
Non consolidated investment funds available for sale	8,274	9,824	9,824	1,591	41	7,080	8,162	8,162	1,122	40

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment.

See also Note 9.9.1 “Breakdown of financial investments subject to impairment”.

9.4 DEBT INSTRUMENTS AND LOANS

9.4.1 Debt instruments by type of issuer

The table below sets out the debt instruments portfolio by issuer type, excluding macro-hedging derivatives but including the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges). Details of the effect of derivatives are also provided in Note 20.3.

(in Euro million)	December 31, 2021 Carrying value	December 31, 2020 Carrying value
Government and government like debt instruments	220,746	238,882
Other debt instruments issued by government related	18,618	17,718
Corporate debt instruments [(a)]	160,383	171,929
Other debt instruments [(b)]	277	108
Hedging derivatives and other derivatives	(2,643)	511
TOTAL DEBT INSTRUMENTS	**397,381**	**429,148**

(a) Includes debt instruments issued by companies in which a State holds interests.
(b) Mainly includes fixed maturity investment funds.

Additional information on the credit risk associated with debt instruments is provided in Note 4 “Financial and insurance Risk Management”.

9.4.2 Loans from activities other than insurance

The table below sets out the loans portfolio other than insurance activities, excluding macro-hedging derivatives but including the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges).

(in Euro million)	December 31, 2021 Fair value	December 31, 2021 Carrying value	December 31, 2020 Fair value	December 31, 2020 Carrying value
Mortgage loans	9,411	9,411	9,163	9,163
Other loans	2,359	2,359	2,971	2,971
Banking loans	**11,770**	**11,770**	**12,134**	**12,134**
Loans from activities other than insurance and banking	229	229	179	179
TOTAL	**11,998**	**11,998**	**12,314**	**12,314**

9.5 CONTRACTUAL MATURITIES OF DEBT INSTRUMENTS AND LOANS AND EXPOSURE TO INTEREST RATE RISK

The table below sets out the contractual maturities of debt instruments held by the Group. Effective maturities may differ from those presented, mainly because some assets include clauses allowing early redemption, with or without penalty or duration extension features. In some cases, the effect of derivatives (detailed in Note 20.3) modifies the maturity profile of assets presented below.

Debt instruments (at cost) that are not quoted in an active market and loans and debt instruments backing contracts where the financial risk is borne by policyholders are excluded from the table below. Most of the debt instruments and loans held by the Group are fixed-rate instruments (*i.e.* exposed to fair value interest rate risk).

	December 31, 2021						December 31, 2020					
	Net carrying amount by maturity						Net carrying amount by maturity					
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Carrying value excluding derivatives	Impact of Derivatives	Total Carrying value including derivatives	12 months or less	More than 1 year up to 5 years	More than 5 years	Carrying value excluding derivatives	Impact of Derivatives	Total Carrying value including derivatives
Debt instruments	15,475	80,463	289,446	385,385	(2,612)	382,773	19,091	80,438	317,562	417,090	533	417,623
Loans [(a)]	5,586	12,430	19,936	37,951	(171)	37,780	5,333	11,484	20,266	37,083	(394)	36,688
Total Financial investments exposed to interest rate risk	**21,062**	**92,893**	**309,382**	**423,336**	**(2,783)**	**420,553**	**24,424**	**91,922**	**337,828**	**454,173**	**138**	**454,312**
of which Financial investments exposed to fair value interest rate risk	*19,678*	*86,379*	*291,204*	*397,261*			*22,827*	*85,777*	*319,368*	*427,971*		

(a) Including loans within Summary Consolidated Investment funds.

9.6 EXPOSURE TO PRICE RISK

Including the effect of derivatives (also detailed in Note 20.3) and equity instruments of real estate companies, the breakdown by industry of equity instruments owned across the Group was as follows:

(in Euro million)	Financial	Consumer goods & Services	Energy	Communication	Industrial	Basic Materials	Technology	Other	Total excluding derivatives	Effect of derivatives	Total including derivatives
Equity instruments as of December 31, 2021	13,553	9,180	833	1,720	3,303	1,357	3,156	3,204	36,306	(81)	36,225
Equity instruments as of December 31, 2020	10,282	8,126	747	1,743	3,023	1,157	2,407	3,244	30,729	137	30,866

9.7 TRANSFERS OF FINANCIAL ASSETS NOT QUALIFYING FOR DERECOGNITION

The Group is part of repurchase agreements and securities lending transactions under which financial assets are sold to a counterparty, subject to a simultaneous agreement to repurchase these financial assets at both a certain later date and agreed price. As substantially all of the risks and rewards of the financial assets remain with the Group over the entire lifetime of the transaction, the Group does not derecognize the financial assets. The proceeds of the sale are reported separately in the line item Net investment income within the consolidated statement of income. Interest expense from repurchase and security lending transactions is accrued over the duration of the agreements.

Additionally, the Group is party to total return swaps where financial assets are sold to a counterparty with an agreement in which the Group retains substantially all the risk and rewards of the financial instruments. Therefore, the Group doesn't derecognize the assets.

The breakdown of transferred financial assets/liabilities not qualifying for derecognition was as follows:

	December 31, 2021			December 31, 2020		
(in Euro million)	Debt instruments designated at fair value through profit or loss	Debt instruments available for sale	Debt instruments - Loans & Receivables	Debt instruments designated at fair value through profit or loss	Debt instruments available for sale	Debt instruments - Loans & Receivables
Carrying value of assets	**2**	**55,625**	**-**	**4**	**56,415**	**-**
Carrying value of associated liabilities [(a)]	**-**	**38,756**	**-**	**-**	**43,779**	**-**

(a) Amounts do not include securities received as collateral to securities lending transactions if such collateral is not recognized under the terms of the agreement because the risks and rewards have not been transferred to the Group.

9.8 NON-CONSOLIDATED INVESTMENT FUNDS

The breakdown of "non-consolidated" investment funds was as follows:

	December 31, 2021			December 31, 2020		
	Fair value [(a)]			Fair value [(a)]		
(in Euro million)	Insurance	Other activities	Total	Insurance	Other activities	Total
Non-consolidated investment funds mainly holding equity securities	2,521	7	2,528	2,556	8	2,564
Non-consolidated investment funds mainly holding debt instruments	5,934	30	5,964	6,257	23	6,280
Other non-consolidated investment funds	8,985	53	9,038	7,212	57	7,268
Non-consolidated investment at cost	-	-	-	-	-	-
Derivatives related to non-consolidated investment funds	(62)	-	(62)	43	-	43
TOTAL	**17,379**	**90**	**17,468**	**16,067**	**88**	**16,155**

(a) Amounts are presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) except derivatives related to macro-hedges which are shown separately.

9.9 FINANCIAL INVESTMENTS SUBJECT TO IMPAIRMENT

9.9.1 Breakdown of financial investments subject to impairment

Each investment item is presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges).

	December 31, 2021					December 31, 2020				
(in Euro million)	Cost before impairment and revaluation to fair value [(a)]	Impairment	Cost after impairment but before revaluation to fair value [(b)]	Revaluation to fair value [(c)]	Carrying value	Cost before impairment and revaluation to fair value [(a)]	Impairment	Cost after impairment but before revaluation to fair value [(b)]	Revaluation to fair value [(c)]	Carrying value
Debt instruments available for sale	326,637	(32)	326,606	41,479	368,084	333,453	(23)	333,431	65,264	398,695
Debt instruments (at cost) that are not quoted in an active market [(c)]	14,640	(0)	14,640	(31)	14,608	11,551	(4)	11,547	(22)	11,525
Debt instruments	**341,278**	**(32)**	**341,245**	**41,447**	**382,693**	**345,004**	**(27)**	**344,978**	**65,242**	**410,219**
Equity instruments available for sale	**17,401**	**(2,403)**	**14,998**	**6,955**	**21,953**	**17,200**	**(2,570)**	**14,630**	**5,614**	**20,245**
Non-consolidated investment funds available for sale	**9,202**	**(928)**	**8,274**	**1,551**	**9,824**	**7,964**	**(884)**	**7,080**	**1,082**	**8,162**
Loans available for sale	(0)	-	(0)	-	(0)	(0)	-	(0)	0	0
Loans at cost [(d)]	33,142	(178)	32,964	(171)	32,793	33,255	(151)	33,104	(394)	32,711
Loans	**33,142**	**(178)**	**32,964**	**(171)**	**32,793**	**33,255**	**(151)**	**33,104**	**(394)**	**32,711**
TOTAL	**401,022**	**(3,541)**	**397,481**	**49,782**	**447,263**	**403,424**	**(3,631)**	**399,793**	**71,544**	**471,337**

(a) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.
(b) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.
(c) Revaluation to fair value for instruments at cost related to the application of hedge accounting.
(d) Including policy loans.

9.9.2 Change in impairment on financial investments

(in Euro million)	January 1, 2021	Increase for the period	Write back following sale or repayment	Write back following recovery in value	Other [a]	December 31, 2021
Impairment - Debt instruments	27	0	(4)	-	9	32
Impairment - Equity instruments	2,570	351	(658)	-	141	2,403
Impairment - Non-consolidated investment funds	884	54	(47)	-	38	928
Impairment - Loans	151	69	(1)	(54)	13	178
TOTAL	**3,631**	**474**	**(710)**	**(54)**	**200**	**3,541**

(a) Mainly relates to changes in the scope of consolidation and the impact of changes in exchange rates.

(in Euro million)	January 1, 2020	Increase for the period	Write back following sale or repayment	Write back following recovery in value	Other [a]	December 31, 2020
Impairment - Debt instruments	21	8	(1)	-	(1)	27
Impairment - Equity instruments	2,566	512	(364)	-	(145)	2,570
Impairment - Non-consolidated investment funds	739	157	(67)	-	56	884
Impairment - Loans	118	81	(10)	(31)	(5)	151
TOTAL	**3,444**	**757**	**(442)**	**(31)**	**(95)**	**3,631**

(a) Mainly relates to changes in the scope of consolidation and the impact of changes in exchange rates.

9.10 FAIR VALUE OF INVESTMENTS

9.10.1 Fair value of investments recognized at fair value

The breakdown by valuation method of investments recognized at fair value including derivatives (also detailed in Note 20.3 and Note 20.5), but excluding the assets backing contracts where the financial risk is borne by policyholders was as follows:

	December 31, 2021					December 31, 2020				
	Assets quoted in an active market excluding derivatives	Assets not quoted in an active market or no active market excluding derivatives				Assets quoted in an active market excluding derivatives	Assets not quoted in an active market or no active market excluding derivatives			
(in Euro million)	Fair value determined directly by reference to active market excluding derivatives (level 1)	Fair value mainly based on observable market data excluding derivatives (level 2)	Fair value mainly not based on observable market data excluding derivatives (level 3)	Total excluding deriva-tives	Total including deriva-tives	Fair value determined directly by reference to active market excluding derivatives (level 1)	Fair value mainly based on observable market data excluding derivatives (level 2)	Fair value mainly not based on observable market data excluding derivatives (level 3)	Total excluding deriva-tives	Total including deriva-tives
Debt instruments	279,484	90,968	322	370,774	368,084	284,634	113,158	550	398,342	398,695
Equity instruments	18,401	1,558	2,075	22,035	21,953	16,414	1,731	1,963	20,108	20,245
Non-consolidated investment funds	1,715	4,947	3,150	9,812	9,824	1,205	4,883	2,062	8,150	8,162
Loans	-	-	-	-	(0)	-	0	(0)	0	0
Financial investments and loans available for sale	**299,601**	**97,473**	**5,548**	**402,622**	**399,862**	**302,253**	**119,772**	**4,574**	**426,599**	**427,101**
Investment in real estate properties	-	1,523	-	1,523	1,523	-	1,832	-	1,832	1,832
Debt instruments	8,459	5,632	513	14,604	14,688	9,602	8,413	727	18,742	18,892
Equity instruments	3,557	1,106	9,607	14,271	14,271	3,702	914	6,006	10,622	10,622
Non-consolidated investment funds	311	4,369	3,038	7,718	7,644	352	4,811	2,519	7,681	7,712
Other assets held by consolidated investment funds designated as at fair value through profit or loss	2,032	9,897	7,425	19,355	19,294	1,694	8,367	5,233	15,293	15,332
Loans	-	-	-	-	-	-	-	-	-	(0)
Financial investments and loans designated as at fair value through profit or loss	**14,360**	**22,529**	**20,583**	**57,471**	**57,421**	**15,350**	**24,336**	**14,484**	**54,170**	**54,389**
Debt instruments	5	1	-	6	1	3	4	-	7	37
Equity instruments	-	-	-	-	-	-	-	-	-	(0)
Non-consolidated investment funds	-	0	-	0	0	-	282	-	282	282
Loans	-	-	-	-	-	-	-	-	-	-
Financial investments and loans held for trading	**5**	**1**	**-**	**6**	**1**	**3**	**285**	**-**	**288**	**319**
TOTAL FINANCIAL INVESTMENTS AND LOANS ACCOUNTED FOR AT FAIR VALUE	**313,965**	**120,003**	**26,130**	**460,099**	**457,284**	**317,606**	**144,393**	**19,058**	**481,057**	**481,808**

Methods applied to determine the fair value of investments measured at fair value in the financial statements are described in Note 1.5. The Group applies the IFRS 13 fair value hierarchy.

ASSETS CLASSIFICATION

Fair values determined in whole directly by reference to an active market relate to prices which are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency which represent actual and regularly occurring market transactions on an arm's length basis, *i.e.* the market is still active. Such assets are categorized in the level 1 of the IFRS 13 fair value hierarchy.

Level 2 and 3 assets are investments which are not quoted in an active market or for which there is no active market. Fair values for level 2 and 3 assets include:

- values provided by external parties which:
  - are readily available including last transaction prices but relate to assets for which the market is not always active, or
  - are provided at the request of the Group by pricing services and which are not readily publicly available;
- assets measured on the basis of valuation techniques including a varying degree of assumptions supported by market transactions and observable data.

The common characteristic of level 2 and 3 assets is that their markets are considered as less active. Their value is generally based on mark to market basis, except when there is no market or when the market is distressed, in which case a mark to model approach is used. Assets not quoted in an active market which are marked to market mainly using observable inputs are classified in level 2. Assets not quoted in an active market for which fair value determination is not mainly based on observable inputs are classified as level 3. For all assets not quoted in an active market/no active market and for which a mark to model approach is used, the classification between level 2 and level 3 depends on the proportion of assumptions used supported by market transactions and market observable data:

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

Fair values determined in whole directly by reference to an active market (level 1)

During 2021, the global economic recovery has impacted the corporate bonds market which prices experienced a bid-ask spread tightening leading to transfers from level 2 to level 1.

As of December 31, 2021, the net transfer from level 2 to level 1 amounted to €14,454 million. This amount comprised €19,637 million transferred from level 2 to level 1, and €5,183 million from level 1 to level 2, of which €4,035 million for corporate bonds and €682 million for government bonds.

Fair values of assets not quoted in an active market - no active markets (level 2 and level 3)

Overview of the nature of such investments

Amounts presented in level 2 and 3 represent a variety of circumstances. A financial instrument is regarded as not quoted in an active market if there is little observation of transaction prices as an inherent characteristic of the instrument, when there is a significant decline in the volume and level of trading activity, in case of significant illiquidity or if observable prices cannot be considered as representing fair value because of dislocated market conditions. Characteristics of inactive markets can therefore be very different in nature, inherent to the instrument or be indicative of a change in the conditions prevailing in certain markets.

The identification of level 3 assets among assets not quoted in an active market involves a significant level of judgment. The following are considered as observable: inputs provided by external pricing services, information observable obtained from specialized data providers, rating agencies, external surveys. The extent to which such data are external to the Group and not assessed by internal valuation teams is one of the main criteria applied in assessing whether data are observable or not. Should those data be significantly adjusted or would they be outdated because of the lack of newly available factors, such inputs would be deemed unobservable. Another area of judgment is the assessment of the significance of an input against the fair value measurement in its entirety. As a result, a different cut between observable and unobservable data and variances in the weighting of the significance of each input against the fair value measurement in its entirety could produce a different categorization.

Assets such as certain unquoted debt instruments, some instruments issued on private markets such as private equity instruments or private loans were always considered as not quoted in active markets as an inherent characteristic of these investments and were included as assets not quoted in active markets/no active markets in all periods presented. Valuations are based either on external pricing providers or internal models using techniques commonly used by market participants. Valuation teams make the maximum use of current transaction prices (if any) and observable data but some of the underlying sectors to which the investments relate may be so particular that significant adjustments are performed or unobservable data are used. Private equity funds of funds are measured on the basis of the latest net asset values of funds provided to the Group.

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

From January 1, 2021, to December 31, 2021, the amount of level 3 assets increased by €7.1 billion to €26.1 billion, representing 5.7% of the total assets at fair value (4.0% in 2020 or €19.1 billion).

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

- €3.9 billion of new investments mainly in alternative assets;
- €+4.8 billion of change in unrealized gains and losses;
- €+0.1 billion of net asset transfers in and out of level 3 and foreign exchange fluctuation impact;
- €-1.7 billion of asset sales, redemptions and settlements mainly of debt instruments, equity securities and non-consolidated investment funds accounted for as available for sale, non-consolidated investment funds, other assets held by controlled investment funds and debt instruments accounted for as fair value through profit or loss.

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

9.10.2 Fair value of investments recognized at amortized cost

	December 31, 2021					December 31, 2020				
	Assets quoted in an active market	Assets not quoted in an active market or no active market				Assets quoted in an active market	Assets not quoted in an active market or no active market			
(in Euro million)	Fair value determined directly by reference to active market (level 1)	Fair value mainly based on observable market data (level 2)	Fair value mainly not based on observable market data (level 3)	Total excluding derivatives	Total including derivatives	Fair value determined directly by reference to active market (level 1)	Fair value mainly based on observable market data (level 2)	Fair value mainly not based on observable market data (level 3)	Total excluding derivatives	Total including derivatives
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-	-
Loans held to maturity	-	-	-	-	-	-	-	-	-	-
Financial investments and loans held to maturity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment in real estate properties at amortized cost	(0)	39,629	827	40,456	40,305	-	37,533	254	37,787	37,890
Debt instruments at cost (loans & receivables)	624	8,844	5,708	15,175	15,144	283	6,480	5,347	12,110	12,087
Loans at amortized cost	22	18,200	15,510	33,732	33,561	25	20,595	13,642	34,263	33,873
Financial investments and loans at amortized cost	**646**	**66,673**	**22,044**	**89,363**	**89,009**	**308**	**64,608**	**19,243**	**84,159**	**83,850**
TOTAL FAIR VALUE OF INVESTED ASSETS AT AMORTIZED COST	**646**	**66,673**	**22,044**	**89,363**	**89,009**	**308**	**64,608**	**19,243**	**84,159**	**83,850**

Note: This table excludes assets backing contracts where the financial risk is borne by policyholders with guaranteed minimum features.

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. Specifics to the valuation of investments are further described in Note 9.10.1 and the same principles apply to the fair value of investments at amortized cost.

Generally fair values of investments in real estate properties cannot be determined via reference to quotes of an active market from an exchange market or service provider and no property is therefore categorized in level 1. However, AXA's investments in real estate properties are mostly physically located within liquid markets with identical or comparable asset sales. Given the regulatory environment, some real estate properties located in markets such us France are valued by experts using very similar approaches leading to very limited dispersion in prices, with a majority of market inputs themselves homogeneous in terms of sources and values. Hence, the Group, consistently with the policy described in Note 1.5 which notably considers, for assets not quoted in an active market, the weight of observable inputs in the valuation, concludes that the fair value calculations, which are based on valuations performed by qualified property appraisers mainly based on market observable inputs, are considered as level 2 fair values. However, as described in Note 1.5 and Note 9.10.1, the assessment of the significance of an input against the fair value measurement in its entirety involves judgment and a different weighting could produce a different categorization.

The fair values of debt instruments and loans at cost are determined with consideration of market inputs to the extent possible. For level 2 instruments, the fair value is mainly derived using valuation techniques based upon observable market interest rate curves. For level 3 instruments, the fair values of debt instruments and loans at cost are determined by valuation techniques using limited observable market data.

9.11 INVESTMENTS BACKING CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

	December 31, 2021	December 31, 2020
(in Euro million)	Fair value [(a)]	Fair value [(a)]
Investment in real estate properties	4,673	4,522
Equity instruments & non-consolidated investment funds	72,629	63,541
Debt instruments	8,671	9,366
Others	343	373
TOTAL INSURANCE ACTIVITIES	**86,315**	**77,802**

(a) Fair value equals carrying value.

Financial assets included in these investments are valued at fair value through profit or loss under the fair value option.

9.12 DISCLOSURES ABOUT THE TEMPORARY EXEMPTION FROM IFRS 9

9.12.1 Solely Payment of Principal and Interest (SPPI) test

As mentioned in Note 1.2 "General accounting principles", in the context of IFRS 9 implementation, the Group has determined that it is eligible for the temporary exemption option, introduced by the amendment to IFRS 4 -Insurance contracts, until the earlier of Annual Reporting periods beginning on or after January 1, 2023. During this deferral period, additional disclosures related to SPPI criterion and to credit risk exposure are required.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding *i.e.* cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the result of the SPPI test for the assets not currently designated as at fair value through profit and loss, with a split between Insurance and Other activities.

Each investment item is presented gross of tax and excluding the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) and the potential impact resulting from the application of the future IFRS 17 standard on insurance contracts that will avoid accounting mismatches in particular for contracts eligible to the variable fee approach measurement model.

INSURANCE

	December 31, 2021				December 31, 2020			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
(in Euro million)	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2020	Fair value	Change in unrealized gain or loss in 2020
Debt instruments held to maturity	0	-	-	-	-	-	-	-
Debt instruments available for sale	1,605	(47)	366,319	(20,443)	2,731	(40)	392,946	9,839
Debt instruments (at cost) not quoted in an active market	0	-	15,158	(27)	0	-	12,080	193
Equity instruments available for sale	20,997	1,608	-	-	18,210	308	-	-
Non-consolidated investment funds available for sale	9,734	467	-	-	8,102	231	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	(0)	-	-	-	(0)	-	(0)	-
Loans at cost	11	1	19,956	(464)	(1)	(1)	20,020	78
TOTAL	**32,346**	**2,028**	**401,433**	**(20,934)**	**29,043**	**499**	**425,047**	**10,111**

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OTHER ACTIVITIES

	December 31, 2021				December 31, 2020			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
(in Euro million)	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2020	Fair value	Change in unrealized gain or loss in 2020
Debt instruments held to maturity	-	-	-	-	-	-	-	-
Debt instruments available for sale	(0)	-	2,859	(97)	0	2	2,664	27
Debt instruments (at cost) not quoted in an active market	-	(0)	17	(0)	(0)	0	29	0
Equity instruments available for sale	1,038	(60)	-	-	1,897	(527)	-	-
Non-consolidated investment funds available for sale	78	2	-	-	48	0	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	0	-
Loans at cost	2	(0)	12,107	(0)	5	(0)	12,606	2
TOTAL	**1,119**	**(57)**	**14,983**	**(97)**	**1,951**	**(524)**	**15,299**	**29**

TOTAL

	December 31, 2021				December 31, 2020			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
(in Euro million)	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2021	Fair value	Change in unrealized gain or loss in 2020	Fair value	Change in unrealized gain or loss in 2020
Debt instruments held to maturity	0	-	-	-	-	-	-	-
Debt instruments available for sale	1,605	(47)	369,178	(20,540)	2,731	(38)	395,610	9,866
Debt instruments (at cost) not quoted in an active market	0	(0)	15,175	(27)	(0)	0	12,110	193
Equity instruments available for sale	22,035	1,548	-	-	20,108	(219)	-	-
Non-consolidated investment funds available for sale	9,812	469	-	-	8,150	232	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	(0)	-	-	-	(0)	-	0	-
Loans at cost	13	0	32,063	(464)	5	(1)	32,626	80
TOTAL	**33,465**	**1,971**	**416,416**	**(21,031)**	**30,994**	**(25)**	**440,345**	**10,140**

9.12.2 Credit risk exposure

The tables below set out the gross carrying amount and the fair value (excluding the impact of derivatives) information on credit risk exposure for financial assets that pass the SPPI test:

For debt instruments, the credit risk information is available by rating grades [1].

	December 31, 2021							December 31, 2020						
	Gross Carrying amount of debt instruments that pass the SPPI test							Gross Carrying amount of debt instruments that pass the SPPI test						
(in Euro million)	AAA	AA	A	BBB	BB and lower	Other	Total	AAA	AA	A	BBB	BB and lower	Other	Total
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	75,377	101,653	71,671	71,083	2,932	3,583	326,299	72,895	103,094	73,859	71,842	2,513	7,964	332,167
Debt instruments (at cost) not quoted in an active market	611	3,964	991	4,704	546	3,824	14,640	593	1,283	1,500	4,793	636	2,743	11,548
TOTAL	**75,988**	**105,616**	**72,663**	**75,787**	**3,478**	**7,407**	**340,939**	**73,489**	**104,376**	**75,360**	**76,635**	**3,149**	**10,707**	**343,715**

	December 31, 2021							December 31, 2020						
	Fair value of debt instruments that pass the SPPI test							Fair value of debt instruments that pass the SPPI test						
(in Euro million)	AAA	AA	A	BBB	BB and lower	Other	Total	AAA	AA	A	BBB	BB and lower	Other	Total
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	83,007	123,694	76,774	79,051	2,920	3,733	369,178	84,118	135,317	82,158	83,068	2,572	8,377	395,610
Debt instruments (at cost) not quoted in an active market	630	4,115	1,008	4,950	555	3,917	15,175	626	1,328	1,534	5,122	654	2,846	12,110
TOTAL	**83,637**	**127,809**	**77,782**	**84,001**	**3,475**	**7,649**	**384,353**	**84,743**	**136,645**	**83,693**	**88,190**	**3,226**	**11,222**	**407,720**

For loans, the credit risk information is available through three categories: rating grades, range of probability of default (range of PD) and scoring which is issued by AXA banking entities and past due information.

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(1) These are external ratings corresponding to the average of the three main rating agencies, which are S&P, Fitch and Moody's.

	December 31, 2021				December 31, 2020			
	Gross Carrying amount of loans that pass the SPPI test				Gross Carrying amount of loans that pass the SPPI test			
(in Euro million)	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	(0)	-	-	(0)
Loans at cost	2,810	12,005	16,760	31,575	3,010	12,573	16,062	31,644
TOTAL	**2,810**	**12,005**	**16,760**	**31,575**	**3,010**	**12,573**	**16,062**	**31,644**

	December 31, 2021				December 31, 2020			
	Fair value of loans that pass the SPPI test				Fair value of loans that pass the SPPI test			
(in Euro million)	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total	Credit risk information is based on ratings	Credit risk information is based on scoring (ranges of PD)	Credit risk information is provided on the basis of past due information	Total
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	0	-	-	0
Loans at cost	2,747	11,929	17,387	32,063	2,973	12,495	17,158	32,626
TOTAL	**2,747**	**11,929**	**17,387**	**32,063**	**2,973**	**12,495**	**17,158**	**32,626**

Below are detailed the gross carrying value and the fair value of loans that pass the SPPI test for which the credit risk is based on:

A) RATING GRADES:

Loans at cost	December 31, 2021		December 31, 2020	
	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test
AAA	0	0	0	0
AA	479	481	518	524
A	1,255	1,260	1,243	1,248
BBB	672	654	837	814
BB and lower	130	93	139	116
Other	274	258	271	271
Total amount of loans that pass the SPPI test and for which the credit risk information is based on ratings	**2,810**	**2,747**	**3,010**	**2,973**

B) RANGES OF PROBABILITY OF DEFAULT (1-YEAR PD):

Loans at cost	December 31, 2021		December 31, 2020	
	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test
0% < PD < 0.35%	5,698	5,690	6,110	6,112
0.35 < PD < 3.78%	4,506	4,504	4,707	4,703
3.78 < PD < 10.00%	1,253	1,251	1,246	1,243
PD > 10.00%	103	102	93	81
Default	445	382	417	356
Total amount of loans that pass the SPPI test and for which credit risk information is based on scoring	**12,005**	**11,929**	**12,573**	**12,495**

C) PAST DUE INFORMATION:

Loans at cost	December 31, 2021		December 31, 2020	
	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test	Gross Carrying value of loans that pass the SPPI test	Fair value of loans that pass the SPPI test
Current	16,712	17,347	15,998	17,099
0-30 days past due	12	13	14	15
31-60 days past due	4	4	5	5
61-89 days past due	2	2	1	1
90 days and more past due	30	20	44	37
Total amount of loans that pass the SPPI test and for which credit risk is provided on the basis of past due information	**16,760**	**17,387**	**16,062**	**17,158**

Note 10 Investments accounted for using the equity method

10.1 BREAKDOWN OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2021					
(in Euro million)	January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes [(a)]	December 31
Neuflize Vie	159	-	7	-	(6)	160
Philippine AXA Life Insurance Corporation	123	-	20	2	(18)	126
Krungthai AXA Life Insurance Company Ltd.	346	-	12	(9)	(4)	344
ICBC-AXA Assurance Co., Ltd.	714	-	54	77	(1)	844
PT AXA Mandiri Financial Services	101	-	36	6	(29)	114
Bharti AXA Life	124	-	(14)	7	19	136
Bharti AXA General Insurance Company Ltd.	-	-	9	1	(9)	-
Reso Garantia	608	-	(13)	42	(86)	551
Kyobo AXA Investment Managers Company Ltd.	33	-	6	(1)	(4)	35
AXA SPDB Investments Managers Company Ltd.	135	-	16	15	(5)	160
AXA Mansard Insurance plc (P&C including Assur African Holding)	90	-	11	3	1	104
AXA Mansard Insurance plc (L&S)	30	-	1	0	(16)	16
Other	7	(5)	(1)	3	5	10
TOTAL	**2,471**	**(5)**	**144**	**146**	**(155)**	**2,601**

(a) Includes increase in capital, dividend distributions, changes in consolidation method, and impacts of revaluation to fair value of financial investments in shareholders' equity.

	2020					
(in Euro million)	**January 1**	**Acquisitions & disposals**	**Contribution to net income**	**Currency translation impact**	**Other changes [(a)]**	**December 31**
Neuflize Vie	150	-	10	-	(1)	159
Philippine AXA Life Insurance Corporation	114	-	29	(4)	(17)	123
Krungthai AXA Life Insurance Company Ltd.	334	-	43	(32)	(0)	346
ICBC-AXA Assurance Co. Ltd.	579	-	87	(16)	63	714
PT AXA Mandiri Financial Services	100	-	40	(10)	(29)	101
Bharti AXA Life	125	-	(6)	(14)	19	124
Bharti AXA General Insurance Company Ltd.	39	-	3	(5)	(36)	-
Reso Garantia	692	-	163	(166)	(80)	608
Kyobo AXA Investment Managers Company Ltd.	34	-	4	(1)	(4)	33
AXA SPDB Investments Managers Company Ltd.	131	-	15	(3)	(8)	135
AXA Mansard Insurance plc (P&C including Assur African Holding)	86	0	13	(15)	6	90
AXA Mansard Insurance plc (L&S)	33	(7)	3	(5)	7	30
Other	20	(10)	(2)	(1)	1	7
TOTAL	**2,437**	**(16)**	**399**	**(271)**	**(78)**	**2,471**

(a) Includes increase in capital, dividend distributions, changes in consolidation method, and impacts of revaluation to fair value of financial investments in shareholders' equity. In 2020, it also included the reclassification of Bharti-AXA General Insurance Company Ltd. in held for sale.

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10.2 MAIN JOINT VENTURES

Financial information for the main joint venture (Krungthai AXA Life Insurance Company Ltd.) is as follows (including AXA and external share but excluding goodwill related to AXA's investment):

(in Euro million)	December 31, 2021	December 31, 2020
Cash and cash equivalents	100	101
Total assets (including cash and cash equivalents)	**8,705**	**9,472**
Financing debts	-	-
Total liabilities (including financing debts but excluding shareholders' equity)	**8,016**	**8,781**
Net assets	**688**	**691**
Revenues	1,323	1,485
Change in unearned premiums net of unearned revenues and fees	(19)	(9)
Net investment result excluding financing expenses	(296)	92
Other operating income and expenses	(979)	(1,461)
Financing debt expenses	-	-
Income tax expense or income	(5)	(21)
Net income	**24**	**86**
Other comprehensive income	(19)	(64)
Total comprehensive income	**5**	**23**
Dividends received from joint ventures	**4**	**-**

As of December 31, 2021 and December 31, 2020, the Group share of interest in Krungthai AXA Life Insurance Company Ltd. was 50.0%.

A reconciliation of the summarized financial information to the carrying amount of the main joint venture was as follows:

(in Euro million)	December 31, 2021	December 31, 2020
Net assets as presented above	688	691
Group share in net assets	344	346
Goodwill	-	-
Carrying value	344	346

Under IAS 39, all financial assets of Krungthai AXA Life Insurance Company Ltd. are accounted for at fair value through profit and loss. Consequently the SPPI test (Solely Payments of Principal and Interest) required as per IFRS 9 is not applicable to this investment (see Note 9.12).

10.3 MAIN ASSOCIATES

Financial information for main associates was as follows (including AXA and external share but excluding goodwill related to AXA's investment):

(in Euro million)	December 31, 2021		December 31, 2020	
	Reso Garantia	ICBC-AXA Assurance Co. Ltd.	Reso Garantia	ICBC-AXA Assurance Co. Ltd.
Total assets	**3,315**	**36,055**	**3,589**	**26,463**
Total liabilities (excluding shareholders' equity)	**2,286**	**32,985**	**2,383**	**23,868**
Net assets	**1,029**	**3,070**	**1,207**	**2,595**
Revenues	1,644	6,112	1,688	5,843
Net income	**(34)**	**198**	**423**	**317**
Other comprehensive income	79	328	(318)	172
Total comprehensive income	**45**	**525**	**106**	**490**
Dividends received from the associates	**82**	**14**	**62**	**-**

A reconciliation of the summarized financial information to the carrying amount of the associates is as follows:

(in Euro million)	December 31, 2021		December 31, 2020	
	Reso Garantia	ICBC-AXA Assurance Co. Ltd.	Reso Garantia	ICBC-AXA Assurance Co. Ltd.
Net assets as presented above	1,029	3,070	1,207	2,595
Group share of net assets	395	844	463	714
Goodwill	156	-	145	-
Impairment of associate	-	-	-	-
Carrying value	551	844	608	714

Reso Garantia already applies IFRS 9 (see Note 9.12).

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10.4 DISCLOSURES ABOUT THE TEMPORARY EXEMPTION FROM IFRS 9 FOR ICBC-AXA ASSURANCE CO. LTD.

The table below sets out the result of the SPPI test (Solely Payment of Principal and Interest) for the assets not currently designated as at fair value with change in fair value through income statement as of December 31, 2021. The amounts exclude the impact of derivatives.

	December 31, 2021				December 31, 2020			
	Fail the SPPI test		Pass the SPPI test		Fail the SPPI test		Pass the SPPI test	
(in Euro million)	Fair value	Change in unrealized gain or loss	Fair value	Change in unrealized gain or loss	Fair value	Change in unrealized gain or loss	Fair value	Change in unrealized gain or loss
Debt instruments held to maturity	-	-	-	-	-	-	-	-
Debt instruments available for sale	-	-	9,330	438	-	-	6,123	4
Debt instruments (at cost) not quoted in an active market	1,885	-	1,308	-	1,245	-	1,743	-
Equity instruments available for sale	2,354	(182)	-	-	1,078	135	-	-
Non-consolidated investment funds available for sale	537	(80)	-	-	541	166	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-
Loans at cost	2,896	-	2,951	-	1,247	-	3,034	-
TOTAL	**7,672**	**(262)**	**13,589**	**438**	**4,111**	**301**	**10,901**	**4**

This Note excludes investment funds and real estate companies accounted for using the equity method, which are presented as financial investments (see Note 9).

Note 11 Receivables

(in Euro million)	December 31, 2021				December 31, 2020			
	Gross value	Impairment	Carrying value	Fair value	Gross value	Impairment	Carrying value	Fair value
Deposits and guarantees	3,176	-	3,176	3,176	2,672	-	2,672	2,672
Current accounts receivables from other Companies	1,542	(8)	1,534	1,534	1,472	(18)	1,454	1,454
Receivables from policyholders, brokers and general agents	16,816	(545)	16,272	16,272	16,564	(473)	16,091	16,091
Premiums earned not yet written	4,830	-	4,830	4,830	5,270	-	5,270	5,270
Receivables arising from direct insurance and inward reinsurance operations	**26,365**	**(553)**	**25,812**	**25,812**	**25,978**	**(491)**	**25,487**	**25,487**
Deposits and guarantees	0	0	0	0	0	0	0	0
Receivables from reinsurers	2,671	(54)	2,617	2,617	2,513	(47)	2,466	2,466
Receivables from brokers and general agents	(5)	(0)	(5)	(5)	(0)	(0)	(0)	(0)
Receivables arising from outward reinsurance operations	**2,666**	**(54)**	**2,612**	**2,612**	**2,513**	**(47)**	**2,466**	**2,466**
Current tax receivables	**908**	**-**	**908**	**908**	**845**	**-**	**845**	**845**
Employee benefits & related	1,594	(1)	1,593	1,593	1,483	(0)	1,482	1,482
Other deposits	1,313	-	1,313	1,313	1,962	-	1,962	1,962
Others	6,146	(61)	6,085	6,085	6,339	(76)	6,263	6,263
Other receivables	**9,053**	**(62)**	**8,991**	**8,991**	**9,783**	**(76)**	**9,707**	**9,707**
TOTAL RECEIVABLES	**38,992**	**(669)**	**38,323**	**38,323**	**39,119**	**(614)**	**38,505**	**38,505**

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Note 12 Cash and cash equivalents

(in Euro million)	December 31, 2021 Carrying value [a]	December 31, 2020 Carrying value [a]
Arising from insurance activities	16,466	20,061
Arising from banking activities	2,513	2,379
Arising from other activities	6,072	5,797
Cash and cash equivalents [b]	**25,051**	**28,237**

(a) Fair value is assessed as being equal to net carrying value given the nature of such assets.
(b) Including €2,397 million deposits in the central banks in 2021 and €2,196 million in 2020.

The table below reconciles assets and liabilities cash and cash equivalent balances with the statement of consolidated cash flows:

(in Euro million)	December 31, 2021	December 31, 2020
Cash and cash equivalents	25,051	28,237
Bank overdrafts [a]	(680)	(720)
Cash and cash equivalents [b]	**24,371**	**27,516**

(a) Included in "Other debt instruments issued and bank overdrafts".
(b) The "Cash and cash equivalents" item excludes cash backing contracts where the financial risk is borne by policyholders (Unit-Linked contracts).

The tables above exclude cash held by consolidated investment funds in the "Satellite Investment Portfolio", as defined in Note 1.8.2.

As of December 31, 2021, total consolidated net cash and cash equivalents amounted to €25,051 million, net of €680 million bank overdrafts classified under "Other debt instrument issued and bank overdrafts" in the consolidated statement of financial position.

Net cash and cash equivalents decreased by €3,145 million compared to 2020 mainly in:

- AXA XL (€-2,122 million) mainly related to the shift in the investment strategy to long term assets (€-1,400 million) as well as a decrease in operating cash (€-700 million);
- Italy (€-464 million) mainly related to the shift in the investment strategy to long term assets.

It was partly offset by:

- AXA SA (€+278 million) mainly related to the issuance of Green Bonds, the proceeds coming from the disposal of AXA Bank Belgium and dividends received, partly offset by the dividends paid to the shareholders, the shares bought back and the financial charges paid.

Regarding the consolidated statement of cash flows presented in the primary financial statements, net cash provided by operating activities amounted to €+6,526 million in 2021, compared to €+25,534 million in 2020.

Net cash used in investing activities amounted to €-8,951 million in 2021, mainly reflecting:

- €-4,689 million of net cash used in purchases and sales of financial invested assets;
- €-2,835 million of net cash impact of assets lending/borrowing collateral receivables and payables.

Net cash used in investing activities amounted to €-11,431 million in 2020, mainly reflecting:

- €-11,209 million of net cash used in purchases and sales of financial invested assets;
- €-706 million of net cash impact of assets lending/borrowing collateral receivables and payables.

Net cash relating to financing activities amounted to €-4,333 million in 2021, mainly driven by:

- dividends payments of €-3,489 million;
- repayment of equity instruments for €-1,299 million mainly related to the shares bought back.

Net cash relating to financing activities amounted to €-4,927 million in 2020, mainly driven by:

- the repayment of financing debt (€-1,816 million);
- dividends payments of €-1,743 million.

Note 13 Shareholders' equity and minority interests

13.1 IMPACT OF TRANSACTIONS WITH SHAREHOLDERS

The Consolidated Statement of changes in Equity is presented as a primary financial statement.

13.1.1 Change in Shareholders' Equity Group share in 2021

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During 2021, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- a capital increase of €292 million from the employee share offering of 13.8 million shares in December 2021;
- a capital increase of €61 million due to the exercise of stock options;
- share-based payments for €50 million;
- a capital decrease of €328 million corresponding to 13.9 million shares in order to eliminate the dilutive effect of employee share offering of 13.8 million shares and other share-based compensation schemes of 0.1 million shares (AXA SA's stocks options and performance shares plans).

TREASURY SHARES

As of December 31, 2021, the Company and its subsidiaries owned 66.0 million AXA shares, representing 2.7% of the share capital, an increase of 33.5 million shares compared to December 31, 2020.

The 1.1 million treasury shares backing contracts where financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €14 million and their market value €28 million.

The carrying value of treasury shares and related derivatives amounted to €1,630 million and there was no AXA shares held by consolidated Mutual funds other than those backing contracts where financial risk is borne by policyholders.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

Undated subordinated debt instruments are classified in shareholders' equity and valuated at their historical value or their closing value as regards exchange rates. The corresponding foreign exchange differences are cancelled out through the translation reserve.

In 2021, the following transactions pertaining to undated subordinated debt had an impact on AXA's other reserves:

- €+211 million from foreign exchange rate fluctuations;
- €-194 million from interest expenses related to the undated subordinated debt (net of tax).

As of December 31, 2021, and December 31, 2020, undated subordinated debt recognized in shareholders' equity broke down as follows:

(in million)	December 31, 2021		December 31, 2020	
	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt *(in Euro million)*	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt *(in Euro million)*
October 29, 2004 - €375 m, 6.0%	375	375	375	375
December 22, 2004 - €250 m, 6.0%	250	250	250	250
January 25, 2005 - €250 m, 6.0%	250	250	250	250
July 6, 2006 - £350 m, 6.7%	350	417	350	389
December 14, 2006 - US$750 m 6.4%	750	659	750	608
November 7, 2014 - €984 m, 3.941%	984	981	984	981
November 7, 2014 - £724 m, 5.453%	724	859	724	802
May 20, 2014 - €1,000 m - 3.9%	1,000	997	1,000	997
January 22, 2013 - US$850 m, 5.5%	850	745	850	687
Undated Notes - €625 m, variables rates	625	625	625	625
Undated Notes - JPY27,000 m, 3.3%	27,000	207	27,000	213
Undated Notes - US$375 m, variables rates	375	331	375	306
TOTAL		**6,696**		**6,484**

Undated subordinated debt often contains the following features:

- early redemption clauses (calls) at the Group's option, giving AXA the ability to redeem on certain dates the principal amount before settlement and without penalty; and
- interest rate step-up clauses with effect at different contractual given dates.

DIVIDENDS PAID

On April 29, 2021, Shareholders' Meeting, shareholders approved a dividend distribution of €1.43 per share corresponding to €3,403 million with respect to the 2020 financial year.

13.1.2 Change in Shareholders' Equity Group share in 2020

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During 2020, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- a capital increase of €87 million from the employee share offering of 6.4 million shares in December 2020;
- a capital increase of €16 million due to the exercise of stock options;
- share-based payments for €48 million;
- a capital decrease of €120 million corresponding to 6.8 million shares in order to eliminate the dilutive effect of employee share offering of 6.4 million shares and other share-based compensation schemes of 0.4 million shares (AXA SA's stocks options and performance shares plans).

TREASURY SHARES

As of December 31, 2020, the Company and its subsidiaries owned 32.5 million AXA shares, representing 1.3% of the share capital, an increase of 1.2 million shares compared to December 31, 2019.

The 1.1 million treasury shares backing contracts where financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €17 million and their market value €21 million.

The carrying value of treasury shares and related derivatives amounted to €744 million and there was no AXA shares held by consolidated Mutual funds other than those backing contracts where financial risk is borne by policyholders.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

In 2020, the following transactions pertaining to undated subordinated debt had an impact on AXA's other reserves:

- €-224 million from foreign exchange rate fluctuations;
- €-177 million from interest expenses related to the undated subordinated debt (net of tax).

DIVIDENDS PAID

On June 30, 2020, Shareholders' Meeting, shareholders approved a dividend distribution of €0.73 per share corresponding to €1,740 million with respect to the 2019 financial year.

13.2 COMPREHENSIVE INCOME FOR THE PERIOD

The Statement of Comprehensive Income, presented as primary financial statements, includes net income for the period, the reserves relating to the change in fair value of available for sale financial instruments, the translation reserve, and actuarial gains and losses on employee benefit obligations.

13.2.1 Comprehensive income for 2021

RESERVES RELATED TO CHANGES IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL INSTRUMENTS INCLUDED IN SHAREHOLDERS' EQUITY

The decrease of gross unrealized gains and losses on assets available for sale totalled €-18,597 million, of which a €-20,611 million decrease in unrealized capital gains on debt securities driven by the increase in interest rates.

The following table shows the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding reserve recognized in shareholders' equity:

(in Euro million)	December 31, 2021	December 31, 2020
Gross unrealized gains and losses [(a)]	**52,001**	**70,598**
Less unrealized gains and losses attributable to:		
Shadow accounting on policyholder participation and other obligations	(28,229)	(40,053)
Shadow accounting on Deferred Acquisition Costs [(b)]	(711)	(974)
Shadow accounting on Value of purchased Business In force	(126)	(154)
Unallocated unrealized gains and losses before tax	**22,936**	**29,417**
Deferred tax	(5,226)	(6,699)
Unrealized gains and losses net of tax - assets available for sale	**17,710**	**22,717**
Unrealized gains and losses net of tax (100%) - equity accounted companies	154	125
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% - TOTAL	**17,864**	**22,842**
Minority interests' share in unrealized gains and losses [(c)]	(223)	(360)
Translation reserves [(d)]	(150)	92
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) [(e)]	**17,491**	**22,575**

(a) Unrealized gains and losses on total available for sale invested assets including loans and assets held for sale.
(b) Net of shadow accounting on unearned revenues and fees reserves and held for sale activities.
(c) Including foreign exchange impact attributable to minority interests.
(d) Group share.
(e) Including unrealized gains and losses on assets held for sale.

On December 31, 2021, most of the unrealized gains on assets available for sale were related to Life & Savings activities.

In jurisdictions where participating business represents an important portion of contracts in force and where required minimum local policyholders' share in the entities' results (limited to investment result or not) is significant, the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding net reserve recognized in shareholders' equity was as follows as of December 31, 2021:

	December 31, 2021			
(in Euro million)	France Life & Savings	Germany Life & Savings	Switzerland Life & Savings	Belgium Life & Savings
Gross unrealized gains and losses [(a)]	**18,743**	**9,391**	**3,225**	**4,984**
Less unrealized gains and losses attributable to:				
Shadow accounting on policyholders' participation and other obligations	(13,199)	(8,047)	(1,338)	(1,875)
Shadow accounting on Deferred Acquisition Costs [(b)]	(258)	-	(162)	(69)
Shadow accounting on Value of purchased Business In force	-	-	(70)	-
Unallocated unrealized gains and losses before tax	**5,285**	**1,345**	**1,655**	**3,041**
Deferred tax	(1,329)	(430)	(298)	(668)
Unrealized gains and losses (net of tax) - assets available for sale	**3,956**	**914**	**1,357**	**2,373**
Unrealized gains and losses net of tax - equity accounted companies	17	-	-	-
UNREALIZED GAINS AND LOSSES (NET OF TAX) - 100% - TOTAL	**3,974**	**914**	**1,357**	**2,373**
Minority interests' share in unrealized gains and losses [(c)]	(9)	0	-	(1)
Translation reserves [(d)]	0	-	(263)	(0)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) [(e)]	**3,965**	**915**	**1,094**	**2,372**

(a) Unrealized gains and losses on total available for sale invested assets including loans and assets held for sale.
(b) Net of shadow accounting on unearned revenues and fees reserves.
(c) Including foreign exchange impact attributable to minority interests.
(d) Group share.
(e) Including unrealized gains and losses on assets held for sale.

The change in reserves related to changes in fair value of available for sale financial instruments included in shareholders' equity as of December 31, 2021, and December 31, 2020, broke down as follows:

(in Euro million)	December 31, 2021	December 31, 2020
Unrealized gains and losses (net of tax) 100% - opening	**22,842**	**19,887**
Transfer in the income statement on the period [(a)]	(2,311)	(934)
Investments bought in the current accounting period and changes in fair value	(2,865)	4,591
Foreign exchange impact	281	(457)
Change in scope and other changes	(83)	(245)
Unrealized gains and losses (net of tax) 100% - closing	**17,864**	**22,842**
Minority interests' share in unrealized gains and losses [(b)]	(223)	(360)
Translation reserves [(c)]	(150)	92
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) [(d)]	**17,491**	**22,575**

(a) Transfer induced by disposal of financial assets, impairment write-back following revaluation, or transfer of expenses following impairment charge during the period.
(b) Including foreign exchange impact attributable to minority interests.
(c) Group share.
(d) Including unrealized gains and losses on assets held for sale operations.

CURRENCY TRANSLATION RESERVE

The total impact of foreign exchange rate movements was €+2,030 million (of which €+2,032 million from Group share and €-2 million from minority interests) as at December 31, 2021.

The change in Group share translation reserves of €+2,030 million was mainly driven by AXA XL (€+1,156 million), Switzerland (€+496 million), Hong Kong (€+326 million), the United Kingdom (€+275 million) and China (€+138 million) partly offset by Japan (€-330 million).

EMPLOYEE BENEFITS ACTUARIAL GAINS AND LOSSES

The total impact of employee benefits actuarial gains and losses amounted to €+619 million (of which €+615 million from Group share and €+4 million from minority interests) as of December 31, 2021. This positive impact was mainly due to an overall increase in discount rate assumptions used.

Additional information on pension benefits is provided in Note 26.2.

13.2.2 Comprehensive income for 2020

RESERVE RELATED TO CHANGES IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL INSTRUMENTS INCLUDED IN SHAREHOLDERS' EQUITY

The increase of gross unrealized gains and losses on assets available for sale totaled €+9,354 million, of which a €+9,366 million increase in unrealized capital gains on debt securities driven by the decrease in interest rates.

CURRENCY TRANSLATION RESERVE

The total impact of foreign exchange rate movements was €-2,895 million (of which €-2,837 million from Group share and €-58 million from minority interests) as at December 31, 2020.

The change in Group share translation reserves of €-2,837 million was mainly driven by AXA XL (€-1,372 million), Hong Kong (€-489 million), International (€-441 million), Japan (€-281 million) and the United Kingdom (€-231 million).

EMPLOYEE BENEFITS ACTUARIAL GAINS AND LOSSES

The total impact of employee benefits actuarial gains and losses amounted to €-198 million as of December 31, 2020. That negative impact in equity was mainly due to an overall decrease in discount rate assumptions used.

13.3 CHANGE IN MINORITY INTERESTS

Under IFRS, minority interests in most investment funds in which the Group invests consist of instruments that holders can redeem at will at fair value, and qualify as a liability rather than shareholders' equity item.

13.3.1 Change in minority interests for 2021

The €-471 million decrease in minority interests to €4,094 million was driven by transactions with minority interests' holders and comprehensive income.

- The comprehensive income for the period notably included the following:
  - net income attributable to minority interests for €+214 million;
  - employee benefits actuarial gains and losses for €+4 million;
  - reserves relating to changes in fair value through shareholders' equity for €-125 million;
  - foreign exchange movements for €-2 million.
- Transactions with minority interests' holders mainly included:
  - the Gulf Region disposal for €-268 million;
  - minority interests in consolidated investment funds qualified as equity resulting from the decrease in the value of minority interests' holdings due to a capital decrease for €-178 million;
  - dividend payout to minority interests' holders for €-79 million.

13.3.2 Change in minority interests for 2020

The €-164 million decrease in minority interests to €4,565 million was driven by transactions with minority interests' holders and comprehensive income.

- The comprehensive income for the period notably included the following:
  - net income attributable to minority interests for €+167 million;
  - reserves relating to changes in fair value through shareholders' equity for €+116 million;
  - foreign exchange movements for €-58 million.
- Transactions with minority interests' holders mainly included:
  - minority interests in consolidated investment funds qualified as equity resulting from the decrease in the value of minority interests' holdings due to a capital decrease for €-346 million;
  - dividend payout to minority interests' holders for €-35 million.

Note 14 Liabilities arising from insurance and investment contracts

In this Note, Health is not reported separately from Life & Savings and Property & Casualty lines of business.

14.1 BREAKDOWN OF LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

14.1.1 Segment breakdown of liabilities arising from insurance and investment contracts

	December 31, 2021						
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Total Insurance
Insurance liabilities	166,490	151,923	66,776	56,245	5,701	7,675	454,810
Investment liabilities	12,630	37,960	2,160	-	2,000	-	54,750
Other liabilities [(a)]	17,354	27,848	4,580	0	313	95	50,190
Total insurance and investment liabilities (A)	**196,474**	**217,732**	**73,516**	**56,245**	**8,014**	**7,770**	**559,750**
Reinsurers' share in insurance and investment contracts' liabilities (B)	7,072	2,204	5,395	21,905	630	(237)	36,970
TOTAL INSURANCE AND INVESTMENT LIABILITIES NET OF REINSURER'S SHARE (C = A - B)	**189,402**	**215,528**	**68,121**	**34,340**	**7,383**	**8,007**	**522,780**

(a) Other liabilities comprised unearned revenue and unearned fee reserves, liabilities arising from policyholders' participation and other obligations, and derivatives instruments relating to insurance and investment contracts.

	December 31, 2020						
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Total Insurance
Insurance liabilities	160,393	150,934	63,079	51,350	8,533	8,034	442,323
Investment liabilities	12,135	37,065	2,034	-	2,231	-	53,466
Other liabilities [(a)]	21,869	33,769	4,965	0	456	(291)	60,768
Total insurance and investment liabilities (A)	**194,398**	**221,769**	**70,078**	**51,350**	**11,220**	**7,743**	**556,557**
Reinsurers' share in insurance and investment contracts' liabilities (B)	6,009	1,522	1,256	17,393	707	84	26,972
TOTAL INSURANCE AND INVESTMENT LIABILITIES NET OF REINSURER'S SHARE (C = A - B)	**188,389**	**220,247**	**68,821**	**33,957**	**10,513**	**7,659**	**529,585**

(a) Other liabilities comprised unearned revenue and unearned fee reserves, liabilities arising from policyholders' participation and other obligations, and derivatives instruments relating to insurance and investment contracts.

14.1.2 Breakdown of Liabilities arising from insurance and Investment contracts

	December 31, 2021			December 31, 2020		
(in Euro million)	Life & Savings	Property & Casualty	Total Insurance	Life & Savings	Property & Casualty	Total Insurance
Liabilities arising from insurance contracts	271,492	116,335	387,827	270,989	110,177	381,166
Liabilities arising from insurance contracts where risk is borne by policyholders	66,983	-	66,983	61,157	-	61,157
Total insurance liabilities (A)	**338,475**	**116,335**	**454,810**	**332,146**	**110,177**	**442,323**
Liabilities arising from investment contracts with discretionary participating features	35,297	-	35,297	36,480	-	36,480
Liabilities arising from investment contracts with no discretionary participating features	76	-	76	66	-	66
Liabilities arising from investment contracts where the financial risk is borne by policyholders	19,377	-	19,377	16,919	-	16,919
Total investment liabilities (B)	**54,750**	**-**	**54,750**	**53,466**	**-**	**53,466**
Unearned revenue and unearned fee reserves	2,117	-	2,117	2,021	-	2,021
Liabilities arising from participation	48,660	276	48,936	59,715	278	59,993
Derivative instruments	(947)	84	(863)	(1,525)	279	(1,245)
Other liabilities (C)	**49,829**	**360**	**50,190**	**60,211**	**557**	**60,768**
Total insurance and investment liabilities (D = A+B+C)	**443,054**	**116,696**	**559,750**	**445,823**	**110,734**	**556,557**
Reinsurers' share in insurance contracts liabilities	13,078	23,752	36,830	8,261	18,587	26,848
Reinsurers' share in insurance contracts liabilities relating to policyholders' participation	1	24	25	0	28	28
Reinsurers' share in liabilities arising from investment contracts	114	-	114	95	-	95
Total reinsurers' share in insurance and investment contracts liabilities (E)	**13,193**	**23,776**	**36,970**	**8,357**	**18,614**	**26,972**
TOTAL INSURANCE AND INVESTMENT LIABILITIES NET OF REINSURERS' SHARE (F = D - E)	**429,861**	**92,919**	**522,780**	**437,466**	**92,120**	**529,585**

14.2 LIABILITIES ARISING FROM INSURANCE CONTRACTS

Liabilities arising from insurance contracts, including those where the financial risk is borne by policyholders, as disclosed in the total (A) of Note 14.1.2, were split by as follows:

	December 31, 2021			December 31, 2020		
(in Euro million)	Life & Savings	Property & Casualty	Total Insurance	Life & Savings	Property & Casualty	Total Insurance
Future policy benefit reserves	251,279	108	251,387	251,837	102	251,938
Unearned premiums reserves	949	20,860	21,808	915	20,039	20,954
Claims reserves (a)	14,521	89,014	103,535	14,389	83,746	98,135
of which IBNR	*4,719*	*37,182*	*41,902*	*4,817*	*34,458*	*39,275*
Liability adequacy test reserves	-	-	-	-	-	-
Other reserves (b)	4,743	6,354	11,097	3,849	6,289	10,138
Liabilities arising from insurance contracts (A)	**271,492**	**116,335**	**387,827**	**270,989**	**110,177**	**381,166**
of which measured at current assumptions (c)	*2,428*	-	*2,428*	*3,170*	-	*3,170*
Future policy benefit reserves	66,835	-	66,835	60,982	-	60,982
Claims reserves (a)	149	-	149	176	-	176
of which IBNR	*2*	-	*2*	*1*	-	*1*
Other reserves	0	-	0	0	-	0
Liabilities arising from insurance contracts where the financial risk is borne by policyholders (B)	**66,983**	**-**	**66,983**	**61,157**	**-**	**61,157**
Sub-total Liabilities arising from insurance contract (C = A+B)	**338,475**	**116,335**	**454,810**	**332,146**	**110,177**	**442,323**
Reinsurers' share in future policy benefit reserves	5,202	(10)	5,192	4,909	(8)	4,900
Reinsurers' share in unearned premiums reserves	66	4,146	4,212	46	3,366	3,412
Reinsurers' share in claims reserves (a)	3,227	19,651	22,878	2,496	15,230	17,725
of which IBNR	*25*	*11,655*	*11,680*	*32*	*7,900*	*7,932*
Reinsurers' share in other reserves	4,582	(34)	4,548	811	(1)	811
Reinsurers' share in liabilities arising from insurance contracts (D)	**13,078**	**23,752**	**36,830**	**8,261**	**18,587**	**26,848**
Reinsurers' share in liabilities arising from insurance contracts where the financial risk is borne by policyholders (E)	**0**	**-**	**0**	**0**	**-**	**0**
Sub-total Reinsurers' share in liabilities (F = D + E)	**13,079**	**23,752**	**36,831**	**8,262**	**18,587**	**26,848**
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACTS, NET OF REINSURERS' SHARE (G = C - F)	**325,397**	**92,583**	**417,979**	**323,885**	**91,590**	**415,475**

Note : Liabilities relating to unearned revenues and fees (see Note 7.3), to policyholder participation (see Note 14.8), and derivative instruments (see Note 20.4) are excluded from the table above.

Reinsurers' share in insurance contracts liabilities relating to policyholders' participation (€25 million in 2021 and €28 million in 2020), as well as derivative instruments (none in 2021 and 2020) are excluded from the table above.

(a) Includes reserves for claims handling expenses.

(b) Notably includes non-life annuities mathematical reserves.

(c) See Note 1.14.2 – Reserves measured according to the option offered by IFRS 4.24 for selective remeasurement of reserves at current market assumptions.

14.3 LIABILITIES ARISING FROM INVESTMENT CONTRACTS

The following table shows a breakdown of liabilities arising from investment contracts including those where the financial risk is borne by policyholders, as disclosed in the sub total (B) of Note 14.1.2:

(in Euro million)	December 31, 2021	December 31, 2020
Future policy benefit reserves	35,015	36,178
Unearned premiums reserves	0	0
Claims reserves [(a)]	271	291
Liability adequacy test reserves	-	-
Other reserves	11	12
Liabilities arising from investment contracts with discretionary participating features (A)	**35,297**	**36,480**
of which measured at current assumptions [(b)]	-	-
Future policy benefit reserves	64	55
Claims reserves [(a)]	11	11
Other reserves	0	0
Liabilities arising from investment contracts with no discretionary participating features (B)	**76**	**66**
Future policy benefit reserves	19,368	16,912
Claims reserves [(a)]	9	7
Other reserves	-	-
Liabilities arising from investment contracts where the financial risk is borne by policyholders (C)	**19,377**	**16,919**
Total liabilities arising from investment contract (D = A + B + C)	**54,750**	**53,466**
Reinsurers' share in liabilities arising from investment contracts with discretionary participating features (E)	**114**	**95**
Reinsurers' share in liabilities arising from investment contracts with no discretionary participating features (F)	**-**	**-**
Reinsurers' share in liabilities arising from investment contracts where the financial risk is borne by policyholders (G)	**-**	**-**
Total Reinsurers' share (H = E+F+G)	**114**	**95**
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS - NET OF REINSURERS' SHARE (I = D-H)	**54,636**	**53,370**

Note : Liabilities relating to unearned revenues and fees (see Note 7.3), to policyholders' participation (see Note 14.8), and derivative instruments (see Note 20.4), are excluded from the table above.
Reinsurance's share in investments contracts liabilities relating to policyholders' participation (none in 2021 and 2020), as well as derivatives instruments (none in 2021 and 2020) are excluded from the table above.

(a) Includes reserves for claims handling expenses.

(b) See Note 1.14.2 – Reserves measured according to the option opened by IFRS 4.24 for selective remeasurement of reserves at current market assumptions.

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14.4 CHANGE IN CLAIMS RESERVES FOR PROPERTY & CASUALTY (INSURANCE CONTRACTS)

14.4.1 Change in gross of reinsurance claims reserves

The table below gives information on change in reserves in Property & Casualty presented in Note 14.2:

(in Euro million)	2021	2020
Claims reserves as of January 1	81,749	79,129
Claims handling cost reserves as of January 1	1,997	2,559
Gross claims reserve as of January 1 [(a)]	**83,746**	**81,689**
Current year charge	34,511	36,251
Loss reserves development (prior years)	(1,445)	(593)
Total claims expenses [(b)]	**33,066**	**35,658**
Claims payments (current year)	(20,706)	(20,522)
Claims payments (prior years)	(8,834)	(8,948)
Claims payments [(c)]	**(29,541)**	**(29,470)**
Change in scope of consolidation and change in accounting method	**(489)**	**(515)**
Impact of foreign currency fluctuation	**2,231**	**(3,615)**
Claims reserves as of December 31	86,844	81,749
Claims handling cost reserves as of December 31	2,170	1,997
Gross claims reserves as of December 31 [(a)]	**89,014**	**83,746**

(a) Excluding "other policy benefits liabilities" (mainly mathematical annuity reserves), which totaled €6.3 billion in 2021 and €6.2 billion in 2020.
(b) Gross of claims paid.
(c) Excluding claims handling cost.

14.4.2 Change in reinsurers' share in claims reserves

The table below gives information on change in reinsurers' share in claims reserves in Property & Casualty presented in Note 14.2:

(in Euro million)	2021	2020
Reinsurers' share in claims reserves as of January 1	**15,230**	**12,277**
Reinsurers' share in total claims expenses	6,517	7,242
Reinsurers' share in claims payments	(3,753)	(3,423)
Change in scope of consolidation, portfolio transfers, change in accounting principles and other changes	1,089	239
Impact of foreign currency fluctuation	569	(1,105)
Reinsurers' share in claims reserves as of December 31	**19,651**	**15,230**

14.5 CHANGE IN LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS - LIFE & SAVINGS

14.5.1 Change in liabilities arising from insurance and investment contracts – Gross of reinsurance

The table below gives detailed information on change in liabilities arising from insurance and investment contracts in Life &Savings presented in Note 14.2 (C) and 14.3 (D):

	2021			2020		
(in Euro million)	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total
Technical reserves as of January 1 [(a)]	**332,146**	**53,466**	**385,612**	**330,026**	**52,547**	**382,573**
Collected premiums net of loadings on premiums (+)	34,151	6,247	40,398	31,878	5,768	37,646
Surrenders, maturities and other claims and benefits paid net of charges and penalties (-)	(34,758)	(5,346)	(40,104)	(32,374)	(5,364)	(37,739)
Unit-Linked technical reserves value adjustment (+/-)	6,655	1,144	7,799	1,634	458	2,093
Change in reserves relating to technical and actuarial items (+/-) [(b)]	4,004	(206)	3,798	5,067	828	5,895
Transfers following technical reserves/ contract reclassification	(18)	18	(0)	(5)	5	0
Change in scope of consolidation, portfolio transfers and change in accounting principles	(4,946)	(778)	(5,724)	(808)	(511)	(1,319)
Impact of foreign currency fluctuation	1,241	205	1,446	(3,271)	(266)	(3,538)
Technical reserves as of December 31 [(a)]	**338,475**	**54,750**	**393,225**	**332,146**	**53,466**	**385,612**

(a) Includes: future policy benefit reserves (including shadow accounting reserves), unearned premium reserves, unexpired risk reserves, claims reserves, claims expense reserves, other policy benefit reserves. Excludes: unearned revenue and unearned fee reserves, liabilities from policyholder participation.

(b) Notably includes interests credited and policyholder participation credited to reserves, fees on account balance and investment management fees and change in reserves relating to other technical and actuarial items.

In 2021, the change in scope of consolidation amounted to €-5,724 million, mainly due to the classification as held for sale of Singapore Life (€-2,766 million), a General Account Savings portfolio in Belgium (€-2,563 million) and a remaining Group Life portfolio in Switzerland (€-351 million).

In 2020, the change in scope of consolidation amounted to €-1,319 million, mainly due to the disposal of Central and Eastern Europe operations (€-1,068 million), Greece operations (€-189 million) and the remaining Group Life portfolio in Switzerland (€-163 million) which were classified as held for sale, party offset by Japan (€+73 million) from the consolidation of AXA Direct Life insurance Co. Ltd.

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14.5.2 Change in reinsurers' share in liabilities arising from insurance and investment contracts

The table below gives detailed information on change in reinsurer's share in liabilities arising from insurance and investment contracts in Life & Savings presented in Note 14.2 (F) and Note 14.3 (H).

	2021			2020		
(in Euro million)	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total
Reinsurers' share in technical reserves as of January 1 [(a)]	**8,262**	**95**	**8,357**	**7,418**	**97**	**7,514**
Reinsurers' share in collected premiums net of loadings on premiums (+)	3,001	21	3,022	2,628	5	2,633
Reinsurers' share in surrenders, maturities and other claims and benefits paid net of charges and penalties (-)	(1,433)	(6)	(1,439)	(1,274)	(6)	(1,279)
Reinsurers' share in change in reserves relating to technical and actuarial items (+/-) [(b)]	3,023	2	3,025	(393)	(0)	(393)
Change in scope of consolidation and change in accounting principles	23	-	23	(5)	-	(5)
Impact of foreign currency fluctuation	203	2	204	(112)	(1)	(112)
Reinsurers' share in technical reserves as of December 31 [(a)]	**13,079**	**114**	**13,193**	**8,262**	**95**	**8,357**

(a) Includes: future policy benefit reserves (including shadow accounting reserves), unearned premium reserves, unexpired risk reserves, claims reserves, claims expense reserves, other policy benefit reserves. Excludes: unearned revenue and unearned fee reserves, liabilities from policyholder participation.

(b) Notably includes interests credited and policyholder participation credited to reserves, fees on account balance and investment management fees and change in reserves relating to other technical and actuarial items.

14.6 LIABILITIES ARISING FROM INVESTMENT CONTRACTS BY ACCOUNTING METHOD

The table below gives detailed information on liabilities arising from investment contracts presented in Note 14.3 (D):

	December 31, 2021	December 31, 2020
(in Euro million)	Carrying value	Carrying value
(Non Unit-Linked) – Liabilities arising from:		
Investment contracts with Discretionary Participation Features measured according to existing accounting policies [(a) (d)]	35,297	36,480
Investment contracts with Discretionary Participation Features measured with current assumptions [(b)]	-	-
Investment contracts with no Discretionary Participation Features measured according to existing accounting policies	76	66
(Unit-Linked) – Liabilities arising from contracts where financial risk is borne by policyholders:		
Investment contracts with Discretionary Participation Features measured according to existing accounting policies [(a) (c)]	4,790	3,695
Investment contracts with no Discretionary Participation Features measured at current unit value [(d)]	14,587	13,224
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**54,750**	**53,466**

Note: This information is presented net of the impact of derivatives, which is described in Note 20.4.1.

(a) In accordance with IFRS 4 which allows, under certain conditions, to continue to use a previous accounting policy for liabilities arising from contracts with discretionary participating features.

(b) See Note 1.14.2 – Reserves measured according to IFRS 4.24 option which allows to evaluate certain portfolios with current assumptions.

(c) & (d) As Unit-Linked contracts reserves are measured on the basis of held asset units fair value ("current unit value"), only the valuation of related assets is different:

- *for Unit-Linked contracts with a discretionary participating feature (c), an asset representing the deferred acquisition costs is recognized in continuity with previous accounting policies;*
- *for Unit-Linked contracts with no discretionary participating feature (d), an asset representing the rights to future management fees is recognized in accordance with IFRS 15 (Rights to future management fees also known as Deferred Origination Costs "DOC") – see Note 1.7.3 and Note 7.*

The recognition of investment contracts with discretionary participating features is subject to IFRS 4, which allows, under certain conditions, the use of accounting principles applied prior to the adoption of IFRS. However, these contracts must be treated in accordance with IFRS 7 with regards to the disclosures to be provided in the Notes to the financial statements. IFRS 7 requires the disclosure of fair value or value ranges for these contracts, unless the Group cannot reliably measure the participating features.

In the context of the current IFRS 4, the IASB acknowledged the difficulties involved in the recognition and the measurement of discretionary participating features included in insurance or investment contracts. The IASB issued guidance to measure fair value but with no principles addressing policyholder participation features. It would therefore be premature to interpret this definitions before the implementation guidance of the future standard IFRS 17 clarifies it (see Note 1.2).

Therefore, too many uncertainties remain outstanding to define how to determine the fair value of participating contracts. As a result, fair value or value ranges for investment contracts with discretionary participating features cannot be reliably disclosed.

14.7 LOSS RESERVE DEVELOPMENT TABLE

The loss reserve development table shows movements in loss reserves between 2011 and 2021, based on previously applied accounting standards. All contracts concerned are insurance contracts as defined by IFRS.

The first line labelled "Gross reserves for unpaid claims and claims expenses developed initially at the booking date" represents the loss reserves developed in the Group's balance sheet on the reporting date for the year indicated in the column heading. For example, the amount of €45,946 million appearing in the first line of the table in the 2011 column represents all loss reserves developed in all years of occurrence prior to and including 2011, recognized on the Group's balance sheet as of December 31, 2011.

The second line titled "Gross reserves for unpaid claims and claims expenses developed in 2021 adjusted for changes in exchange rates and scope of consolidation" indicates the amount that would have been developed initially at the booking date, had the exchange rates for the current year been used (for reserves recognized by AXA Group entities that do not use the Euro as their functional currency) and assuming an identical scope of consolidation to that used for the last diagonal of the table.

The first section of the table entitled "Cumulative payments" shows, for a given column N, the cumulative amount of payments related to years of occurrence prior to and including N, made since December 31 of year N-1.

The second part of the table entitled "Reserve re-estimated" shows, for a given column N, an estimate of the final cost of liabilities carried as of December 31 of year N in respect of all years of occurrence prior to and including N, at each future period end. The final cost estimate varies year on year as information relating to losses still outstanding becomes more reliable.

The surplus (shortfall) of the initial reserve with respect to the re-estimated (gross) final cost for each year represents, for a given year N, the difference between the amount shown in the second line (gross reserves for unpaid claims and claims expenses developed in 2021 adjusted for changes in exchange rates and scope of consolidation) and the amount shown in the final diagonal under "Reserve re-estimated".

14.7.1 Loss reserve development table: Property & Casualty

(in Euro million)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross reserves for unpaid claims and claims expenses developed initially at the booking date	**45,946**	**46,440**	**47,031**	**49,868**	**51,965**	**53,286**	**52,973**	**82,134**	**85,201**	**87,316**	**93,355**
Gross reserves for unpaid claims and claims expenses developed in 2021 adjusted for changes in exchange rates and scope of consolidation	**45,232**	**45,971**	**46,949**	**48,447**	**49,436**	**51,003**	**51,634**	**80,942**	**82,656**	**89,816**	**93,355**
Cumulative payments at:											
One year later	9,183	9,361	9,422	10,111	9,621	10,755	10,960	18,402	17,130	17,284	
Two years later	12,841	13,315	13,727	13,388	14,871	15,157	14,435	25,499	25,822		
Three years later	15,911	16,284	15,299	16,682	17,190	17,776	16,845	31,342			
Four years later	18,331	17,000	18,077	18,802	19,894	19,317	17,713				
Five years later	18,328	19,505	19,631	20,447	20,790	19,705					
Six years later	20,610	20,917	21,362	21,303	20,976						
Seven years later	21,812	22,314	21,790	21,318							
Eight years later	23,069	22,632	21,663								
Nine years later	23,166	22,408									
Ten years later	22,925										
Reserve re-estimated at:											
One year later	44,971	45,394	47,707	49,716	51,097	50,821	51,695	82,665	80,380	88,175	
Two years later	43,412	44,479	46,051	46,359	46,773	45,736	47,113	74,864	80,482		
Three years later	42,449	43,953	44,106	43,899	43,516	44,269	45,086	76,874			
Four years later	42,013	41,813	41,841	41,152	42,404	43,836	45,277				
Five years later	40,122	40,308	39,049	40,275	42,258	44,083					
Six years later	38,424	37,385	37,744	40,047	42,567						
Seven years later	35,974	36,125	38,354	40,523							
Eight years later	34,706	36,870	38,891								
Nine years later	35,594	37,330									
Ten years later	35,888										
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves: (a)											
Amount	9,344	8,642	8,058	7,924	6,869	6,920	6,357	4,068	2,174	1,641	
Percentages	20.7%	18.8%	17.2%	16.4%	13.9%	13.6%	12.3%	5.0%	2.6%	1.8%	

(a) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserves development presented in the table, as conditions and trends that have affected development of the liability in prior periods may not necessarily occur in the future periods. Redundancy or deficiency disclosed includes forex impact between one year and the next.

14.7.2 Gross and net of reinsurance loss reserve development table: AXA XL

(in Euro million)	2018 Gross	2019 Gross	2020 Gross	2021 Gross	2018 Net	2019 Net	2020 Net	2021 Net
Reserves for unpaid claims and claims expenses developed initially at the booking date	**34,527**	**36,136**	**39,642**	**43,957**	**25,613**	**26,025**	**27,244**	**26,601**
Reserves for unpaid claims and claims expenses developed in 2021 adjusted for changes in exchange rates and scope of consolidation	**35,022**	**35,950**	**41,665**	**43,957**	**25,454**	**25,488**	**28,375**	**26,601**
Cumulative payments at:								
One year later	9,288	8,129	8,761		6,686	5,873	6,163	
Two years later	13,948	14,428			9,683	10,098		
Three years later	18,569				12,677			
Reserve re-estimated at:								
One year later	35,933	34,897	41,415		25,875	24,477	27,890	
Two years later	34,210	37,626			24,285	25,964		
Three years later	36,398				25,628			
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves:								
Amount	(1,376)	(1,676)	249		(174)	(476)	485	
Percentages	(3.9%)	(4.7%)	0.6%		(0.7%)	(1.9%)	1.7%	

(a) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserves development presented in the table, as conditions and trends that have affected development of the liability in prior periods may not necessarily occur in the future periods. Redundancy or deficiency disclosed includes forex impact between one year and the next.

14.7.3 Reconciliation between developed reserves and recognized claim reserves

The table below gives a reconciliation between developed reserves and total recognized claims reserves for the claims reserves and other reserves arising from insurance contracts as disclosed in Note 14.2:

(in Euro million)	December 31, 2021 Carrying value	December 31, 2020 Carrying value
Gross claims and other reserves developed		
Property & Casualty [(a)]	93,355	87,316
of which future policy benefit annuity reserves	*5,841*	*5,603*
of which construction reserves (PSNEM)	*1,662*	*1,602*
Total gross claims and other reserves developed	**93,355**	**87,316**
Other reserves non developed [(b)]	**2,013**	**2,720**
TOTAL GROSS CLAIMS RESERVES AND OTHER RESERVES FOR PROPERTY & CASUALTY	**95,368**	**90,037**

(a) Total gross claims and other reserves developed are presented on the basis of the loss reserves development table.
(b) Includes reserves inward reinsurance (€1,211 million in 2021, €1,209 million in 2020).

14.8 LIABILITIES AND ASSETS ARISING FROM POLICYHOLDER PARTICIPATION AND OTHER OBLIGATIONS

The following table shows liabilities and assets arising from policyholder participation and other obligations as of December 31, 2021:

(in Euro million)	December 31, 2021	December 31, 2020
Policyholder participation reserves	10,919	9,731
Policyholder deferred participation liabilities and other obligations	38,017	50,262
TOTAL LIABILITIES ARISING FROM POLICYHOLDER PARTICIPATION AND OTHER OBLIGATIONS	**48,936**	**59,993**
TOTAL ASSETS ARISING FROM POLICYHOLDER PARTICIPATION	**-**	**-**

The deferred policyholder participation and other obligations liabilities and deferred policyholder participation assets include the impact of shadow accounting (see definition in Note 1.14.2) mainly in relation to unrealized gains and losses on invested financial assets available for sale as described in Note 13.2.1, but also with regard to other temporary differences not necessarily linked to financial assets. Note 13.2.1 also contains a focus on jurisdictions with significant portions of participating business and where required minimum local policyholders' share in the entities' results are significant. This Note discloses for such jurisdictions unrealized gains and losses related to available for sale investments and related shadow accounting adjustments. The decrease in deferred policyholders' participation liabilities mainly relates to a decrease in unrealized gains on assets available for sale in France and Germany.

14.9 PAYMENT, SURRENDER PROJECTIONS, INSURANCE AND INVESTMENT CONTRACT LIABILITIES DISCOUNT RATES

In the tables presented in Note 14.9.1 and 14.9.2, liabilities arising from Life & Savings and Property & Casualty insurance contracts and investment contracts exclude contracts where the financial risk is borne by policyholders. These liabilities are not exposed to interest rate or duration risk, except Unit-Linked contracts with performance guarantees. In addition, as far as liquidity risk is concerned, entities hold Unit-Linked assets backing the corresponding liabilities arising from these contracts. Occasional mismatches result mainly from administrative timing differences in the processing of day-to-day operations.

14.9.1 Payment and surrender projections

The table below shows the breakdown of projected payments and surrenders related to insurance and investment contracts (excluding contracts where the financial risk is borne by policyholders). Actual maturities may differ significantly from the estimates set out below, mainly because some of the contracts contain a surrender option controlled by the policyholder that may reduce their duration.

The projections shown below cannot be compared with the reserves carried on the balance sheet and are higher than the published balance sheet figures because they represent expected cash flows without the impact of discounting. They are also shown net of inflows of periodical premiums payable by policyholders.

The figures shown in the first line of the table below represent estimated undiscounted cash outflows in connection to death, incapacity and disability claims, surrenders, annuities, minimum guaranteed benefits for Unit-Linked contracts, Property & Casualty and Health claims, net of premiums due from policyholders under contracts in-force. These cash flows are based on assumptions regarding mortality, incapacity and disability, surrender and settlement frequency for Property & Casualty businesses, which are consistent with past experience. They are gross of reinsurance. Given the strong use of estimates, it is likely that actual payments will differ.

(in Euro million)	2021 12 months or less	2021 More than 1 year up to 5 years	2021 More than 5 years	2021 Total	2020 12 months or less	2020 More than 1 year up to 5 years	2020 More than 5 years	2020 Total
Liabilities arising from insurance and investment contracts	**40,418**	**83,111**	**434,648**	**558,177**	**39,913**	**84,800**	**442,039**	**566,752**
of which Life & Savings liabilities relating to contracts including a surrender option with some surrender benefit before maturity	*13,981*	*46,925*	*276,860*	*337,766*	*11,710*	*45,818*	*288,631*	*346,160*

14.9.2 Insurance and investment contract liabilities – Discount rates

The table hereafter and related comments exclude contracts where the financial risk is borne by policyholders (Unit-Linked contracts).

The general principles for establishing insurance liabilities are set out in Note 1 of the consolidated financial statements. Liabilities are based on estimates, and one of the key assumptions used in these estimates is the discount rate.

As shown in the table below, as at December 31, 2021: 83% of Life & Savings reserves (excluding Unit-Linked contracts) were discounted, of which 12% were subject to a revision of the discount rate and 70% retained the rate set at inception, subject to the liability adequacy test described in Note 1.

By convention, contracts with zero guaranteed rates are deemed undiscounted, except for products offering guaranteed rates updated annually and for one year: these contracts are presented in discounted reserves. Reserves for savings contracts with non-zero guaranteed rates are discounted at the technical restatements at closing and mainly consist of reserves for guarantees (Guaranteed Minimum Death Benefits, etc.).

In Property & Casualty business, most reserves (94% as of December 31, 2021) are not discounted, with the exception of disability annuities and Workers' Compensation liabilities that are deemed structured settlements and where the discount rate is revised regularly. Undiscounted reserves are not sensitive to interest rate risks in the financial statements.

The rates presented in the table below are weighted average rates for all the portfolios under consideration. For contracts with guaranteed rates that are revised annually, rates are considered at the closing date. The risk factors associated with policyholders contracts are set out in Note 4.

Discount rates are qualified as locked-in when those used in the first recognition of the technical liabilities remain unchanged in the subsequent years and are qualified as unlocked when updated in subsequent years.

(in Euro million, except percentages)	December 31, 2021 Carrying value	December 31, 2021 Average discount rate	December 31, 2020 Carrying value	December 31, 2020 Average discount rate
Life & Savings – Locked-in discount rate [(a)]	215,739	1.85%	218,960	1.78%
Life & Savings – Unlocked discount rate	37,682	2.26%	38,170	2.28%
Life & Savings – Undiscounted reserves	53,443	-	50,405	-
Sub-total Life & Savings	**306,865**	**-**	**307,535**	**-**
Non Life – Locked-in discount rate [(a)]	4,703	2.81%	4,631	2.85%
Non Life – Unlocked discount rate	2,361	2.51%	2,225	2.49%
Non Life – Undiscounted reserves	109,270	-	103,321	-
Sub-total – Non Life	**116,335**	**-**	**110,177**	**-**
TOTAL INSURANCE AND INVESTMENT CONTRACTS	**423,200**	**-**	**417,712**	**-**

Amounts are presented excluding the impact of derivatives on insurance and investment contracts (presented in Note 20.4) and excluding liabilities related to unearned revenues and fees, and to policyholders' participations.
(a) Subject to liability adequacy tests.

This following table shows the reconciliation of previous table with the Consolidated Statements of financial position (Section 6.1).

(in Euro million)	December 31, 2021	December 31, 2020
Liabilities arising from insurance contracts (as per Note 14.2)	387,827	381,166
Liabilities arising from investment contracts with discretionary participating features (as per Note 14.3)	35,297	36,480
Liabilities arising from investment contracts with no discretionary participating features (as per Note 14.3)	76	66
TOTAL	**423,200**	**417,712**

In accordance with IFRS 7, the Group discloses, in Note 4 of its Consolidated Financial Statements, quantitative sensitivities of the Group "EOF" (as defined in the Section 5.3 "Market risks") to interest risk and equity price risk.

The estimated impact of the unlocking of discount rates relating to Life & Savings reserves was €110 million reserve increase in 2021 (compared to €276 million reserve increase in 2020) gross of policyholders' participation, tax impacts and other shadow accounting impacts and was included in the income statement of the period.

14.9.3 Major business areas

The tables in Note 21 set out the Group's major insurance business areas and reflect the Group's high degree of diversification.

14.10 EMBEDDED DERIVATIVES MEETING THE DEFINITION OF AN INSURANCE CONTRACT

AXA sells insurance contracts that contain a variety of options and guarantees for contract-holders. These features are described in Note 4. They are not embedded derivatives which AXA reports separately at fair value because:

- many of the features would be considered clearly and closely related to the host contract; and
- many of the features would themselves qualify as insurance contracts under IFRS 4.

This Note describes the features that are embedded derivatives and meet the definition of an insurance contract on a stand-alone basis. The primary features can be divided into two main categories: Guaranteed Minimum Death Benefits (GMDB) or Guaranteed Minimum Income Benefits (GMIB) offered on Unit-Linked contracts and guaranteed annuity purchase rates. As of December 2021, the AXA Group exposure to these liabilities was not material.

Note 15 Liabilities arising from banking activities

15.1 BREAKDOWN OF LIABILITIES ARISING FROM BANKING ACTIVITIES

	December 31, 2021		December 31, 2020	
(in Euro million)	Carrying value	Fair value	Carrying value	Fair value
Banking liabilities issued at fair value - Retail customers	641	641	690	690
Retail customers deposits	3,726	3,726	4,119	4,119
Corporate customers deposits	5,886	5,886	6,555	6,555
Interbanking refinancing	2,325	2,325	2,110	2,110
Refinancing with central banks	2,076	2,076	1,887	1,887
Macro-hedge derivatives and other derivatives relating to liabilities arising from banking activities	(9)	(9)	(76)	(76)
TOTAL LIABILITIES ARISING FROM BANKING ACTIVITIES	**14,643**	**14,643**	**15,284**	**15,284**

The fair value option (*i.e.* fair value through profit or loss) is used to measure certain banking liabilities. As of December 31, 2021, the carrying value and fair value amount and the related contractual amount due at maturity for such liabilities were €641 million and €581 million respectively (€690 million and €644 million as of December 31, 2020), including the Euro Medium Term Notes.

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. The valuation method of liabilities arising from banking activities excluding derivatives (detailed in Note 20.5) are as follows:

- banking liabilities issued at fair value – Retail customers (€641 million as of December 31, 2021): values are based upon market prices that are available in active markets and are considered as level 1 fair values;
- retail customers deposits (€3,726 million as of December 31, 2021) and Corporate customers deposits (€5,886 million as of December 31, 2021) are not traded in active markets and quoted prices are not available. Given the short maturities of main liabilities arising from banking activities (see Note 15.2), the carrying amounts may be considered as reasonable proxies for fair values. Thus, the fair value of amounts displayed above for these instruments are considered to be level 3 fair values;
- interbanking refinancing (€2,325 million as of December 31, 2021):
  - €2,251 million as of December 31, 2021 (€2,001 million as of December 31, 2020): values are based upon market prices that are available in active markets and are considered as level 1 fair values,
  - €74 million as of December 31, 2021 (€109 million as of December 31, 2020): mainly based on non-observable market data inputs and are considered to be level 3 fair values;
- refinancing with central banks: €2,076 million as of December 31, 2021 (€1,887 million as of December 31, 2020): values are based on observable market data inputs. As such, the fair values of these liabilities were considered as level 2 instruments.

15.2 BREAKDOWN BY MATURITY

The table below sets out the contractual maturities of liabilities arising from banking activities. These contractual maturities are mostly classified under the category "12 months or less". Consequently, the difference between maturities based on contractual cash flows in comparison with the carrying values is not significant.

	December 31, 2021				December 31, 2020			
	Carrying value by contractual maturity				Carrying value by contractual maturity			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
Banking liabilities issued at fair value - Retail customers	196	356	89	641	-	209	481	690
Retail customers deposits	3,704	22	0	3,726	4,099	18	1	4,119
Corporate customers deposits	5,716	170	-	5,886	6,229	326	-	6,555
Interbanking refinancing	46	11	2,268	2,325	344	774	992	2,110
Refinancing with central banks	-	2,076	-	2,076	-	1,887	-	1,887
Macro-hedge derivatives and other derivatives related to liabilities arising from banking activities	(30)	(19)	40	(9)	-	(5)	(70)	(76)
TOTAL LIABILITIES ARISING FROM BANKING ACTIVITIES	**9,632**	**2,615**	**2,397**	**14,643**	**10,672**	**3,209**	**1,404**	**15,284**

Note 16 Provisions for risks and charges

16.1 BREAKDOWN OF PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges included the following items:

(in Euro million)	December 31, 2021	December 31, 2020
Employee benefits	7,481	8,450
Share-based compensation	93	81
Sub-total employee benetifs and share-based compensation	**7,574**	**8,531**
Restructuring provisions	111	122
Lawsuits contingency provisions	108	107
Other provisions for risks and charges	1,149	794
Sub-total others	**1,367**	**1,023**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**8,942**	**9,554**

Provisions relating to employee benefits and share-based compensations are commented in Note 26 “Employees”.

As of December 31, 2021, the “Other provisions for risks and charges” amounted to €1,149 million, mainly driven by AXA Group Operations (€221 million), Switzerland (€173 million), AXA SA (€163 million), France (€95 million) and Germany (€110 million).

16.2 CHANGE IN PROVISIONS FOR RISKS AND CHARGES (EXCLUDING EMPLOYEE BENEFITS AND SHARE-BASED COMPENSATION)

Changes in provisions for risks and charges (excluding employee benefits and share-based compensation) are set out below:

(in Euro million)	2021	2020
Carrying value as of January 1	**1,023**	**1,232**
Financial cost related to unwind	6	-
Impact of change in scope of consolidation and other changes	(9)	(14)
Increase in provisions	608	393
Write back after use	(63)	(155)
Write back after final cost review	(218)	(409)
Impact of foreign exchange fluctuations	21	(24)
Carrying value as of December 31	**1,367**	**1,023**

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Note 17 Financing debt

17.1 FINANCING DEBT BY ISSUANCE

(in Euro million)	December 31, 2021 Carrying value	December 31, 2020 Carrying value
AXA	**8,979**	**7,854**
Subordinated green notes, 1.375%, due 2041 (€)	1,000	-
Subordinated Notes, 5.125% due 2043 (€)	1,000	1,000
US registered redeemable subordinated debt, 8.60% 2030 (US$)	1,284	1,219
Subordinated debt, 5.625% due 2054 (£)	893	834
Subordinated debt, 3.375% due 2047 (€)	1,500	1,500
Undated Subordinated Notes, US$ 850M, 4.5%	750	693
Subordinated Notes, 5.125% due 2047 (US$)	883	815
Subordinated Notes, 3.25% due 2049 (€)	2,000	2,000
Derivatives relating to subordinated debts [a]	(331)	(207)
AXA XL	**1,389**	**1,327**
Subordinated Notes, 4.45% due March 2025 (US$)	439	408
Subordinated Notes, 5.5% due March 2045 (US$)	447	417
Subordinated Notes, 3.25% due June 2047 (€)	503	502
AXA Italy	**66**	**67**
Subordinated Notes, EURIBOR 6 months + 81bps	66	67
Other subordinated debt (under €100 million)	**14**	**31**
Subordinated debt	**10,449**	**9,279**
AXA	**500**	**1,203**
Bonds mandatorily exchangeable into shares of Equitable Holdings, Inc.	-	703
Euro Medium Term Note, due 2028	500	500
AXA XL	**284**	**264**
Senior Notes, 5.25% due December 2043 (US$)	284	264
Other financing debt instruments issued (under €100 million)	**16**	**102**
Financing debt instruments issued	**800**	**1,569**
TOTAL FINANCING DEBT [b]	**11,249**	**10,848**

(a) Hedging instruments in accordance with IAS 39 and economic hedge derivatives not eligible for hedge accounting.
(b) Excluding accrued interest on derivatives.

Derivative instruments hedging financing debt (included in the table above) are commented in Note 20.

For the sensitivity to movements in interests rates, please refer to page 271 of the "Interest rates & Equity risk related to the operating activities of Group subsidiaries" Section 5.3 "Market risks".

The table below sets out the reconciliation of financing debt and undated subordinated debt with the statement of cash flows (excluding the impact of derivatives):

(in Euro million)	January 1, 2021	New debt issued (a)	Repayments (b)	Currency translation adjustment	Others	December 31, 2021
Subordinated debt	9,486	1,000	(18)	312	0	10,780
Financing debt	1,569	25	(819)	25	-	800
Undated subordinated debt	6,484	-	-	211	-	6,696
TOTAL	**17,539**	**1,025**	**(837)**	**548**	**-**	**18,275**

(a) Issuance of €1,000 million of green subordinated debt by AXA SA.
(b) Mainly driven by the repayment of the bonds mandatorily exchangeable into Equitable Holdings Inc. shares for €703 million and the financing debt to the AXA Mutuelles for €84 million.

(in Euro million)	January 1, 2020	New debt issued	Repayments (a)	Currency translation adjustment	Others	December 31, 2020
Subordinated debt	11,393	-	(1,669)	(249)	11	9,486
Financing debt	1,806	-	(147)	(91)	-	1,569
Undated subordinated debt	6,708	-	-	(224)	-	6,484
TOTAL	**19,908**	**-**	**(1,816)**	**(565)**	**11**	**17,539**

(a) Mainly driven by repayment of subordinated notes due in 2040 for €1,300 million, redemption upon maturity of a subordinated debt in Pound sterling for €358 million and repayment of financing debt related to the acquisition of Tianping for €144 million.

17.2 FAIR VALUE MEASUREMENT OF FINANCING DEBT

	December 31, 2021		December 31, 2020	
(in Euro million)	Carrying value	Fair value	Carrying value	Fair value
Subordinated debt at cost	10,780	12,331	9,486	11,482
Derivatives on subordinated debt (a)	(331)	(331)	(207)	(207)
Subordinated debt	**10,449**	**12,000**	**9,279**	**11,274**
Financing debt instruments issued at cost	800	913	1,569	1,789
Derivatives on financing debt instruments issued (a)	-	-	-	-
Financing debt instruments issued	**800**	**913**	**1,569**	**1,789**
FINANCING DEBT	**11,249**	**12,912**	**10,848**	**13,063**

(a) Hedging instruments in accordance with IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.

The Group does not hold any financing debt designated as at fair value through profit or loss (fair value option or trading instruments).

Information on the fair value figures presented in this Note is provided in addition to information on carrying values and should be used with caution. On the one hand, these estimates are based on closing date parameters such as interest rates and spreads, which fluctuate over time, and resulting in instantaneous values, and on the other hand because there are multiple possible methods to derive these estimates.

Data used when calculating the fair value of financing debt are period-end market data that reflect (i) interest rates by currency, (ii) AXA's average spread by maturity and currency, distinguishing subordinated and senior debt, and (iii) options included in issued contracts, such as issuer redemption options.

The fair value of financing debt as of December 31, 2021, excluding accrued interests, was €12,912 million, including related hedging derivative instruments. The fair value decreased by €151 million compared to December 31, 2020 in line with the interest rates increase throughout the year and the repayment of the Mandatorily exchangeable bonds for €-703 million, partly offset by the Green bonds subordinated issuance for €+1,000 million.

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. The fair value amounts are mainly based on observable market data inputs and are therefore considered as level 2 fair value.

17.3 EXPOSURE TO INTEREST RATE RISK AND CONTRACTUAL MATURITIES

The table below sets out the maturities based on contractual cash flows of financing debt (including the impact of derivatives detailed in Note 20.1). Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

	Contractual cash flows of financing debt by contractual maturity as of December 31			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total contractual cash flows
2021	420	2,325	20,993	23,738
2020	1,133	2,200	17,308	20,641

Note 18 Payables

18.1 BREAKDOWN OF PAYABLES

(in Euro million)	December 31, 2021 Carrying value	December 31, 2020 Carrying value
Minority interests of consolidated investment funds	**7,750**	**9,221**
Other debt instruments issued, notes and bank overdrafts	**10,518**	**12,868**
Debts relating to investments under total return swap agreement (“TRS”)	6,273	8,435
Other debt instruments issued, notes and bank overdrafts excluding TRS [(a)]	4,245	4,433
Payables arising from direct insurance and inward reinsurance operations	**10,957**	**10,893**
Deposits and guarantees	1,433	1,123
Current accounts payables to other insurance companies	1,107	920
Payables to policyholders, brokers and general agents	8,418	8,850
Payables arising from direct outward reinsurance operations	**15,362**	**13,156**
Deposits and guarantees	3,631	2,327
Current accounts payable to other companies	11,669	10,793
Other payables arising from direct outward reinsurance operations	62	36
Payable - current tax position	**924**	**1,088**
Collateral debts relating to investments under lending agreements and equivalent [(b)]	**35,030**	**37,878**
Other payables	**12,177**	**12,692**
TOTAL PAYABLES	**92,719**	**97,796**

(a) Other activities than banking operations.
(b) Excludes collateral debts relating to investments under lending agreements and equivalent in banking activities (see Note 15).

The "Minority interests of consolidated investment funds" caption is the counterparty of assets recognized on the different lines of the consolidated balance sheet for the share not held by the Group in consolidated investment funds. Movements in this caption depends on the changes in the Group's ownership as well as the changes in fair value of these funds.

The minority interests in funds under this caption amounted to €7,750 million as of December 31, 2021, a decrease of €1,471 million compared to December 31, 2020, mainly from the loss of control of Real estate funds for €-2,044 million, partly offset by the increase in minorities interests in France for €+820 million.

The debts relating to investments under total return swap agreement amounted to €6,273 million as of December 31, 2021, a decrease of €2,162 million compared to December 31, 2020, mainly in Hong Kong.

The Collateral debts relating to investment under lending agreements and equivalent amounted to €35,030 million as of December 31, 2021, a decrease of €2,848 million compared to December 31, 2020, mainly in France, Japan and Hong Kong.

18.2 OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT) BY ISSUANCE

Other debt instruments issued, notes and bank overdrafts (other than financing debt) by issuance are described below:

	December 31, 2021	December 31, 2020
(in Euro million)	Carrying value	Carrying value
AXA SA	**501**	**796**
Commercial paper	501	796
Other	**47**	**101**
OTHER DEBT INSTRUMENTS ISSUED (OTHER THAN FINANCING DEBT)	**549**	**897**
AXA Life Insurance Japan	**-**	**149**
Collateralized debt – JPY Libor 3M + 4bps annual interest – maturity March 27, 2021	-	149
Real estate investment funds	**2,956**	**2,605**
Other	**61**	**62**
Other debt (other than financing debt) - Owed to credit institutions	**3,016**	**2,816**
Bank overdrafts	**680**	**720**
OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS EXCLUDING TRS	**4,245**	**4,433**

As of December 31, 2021, other debt instruments issued and bank overdrafts excluding total return swap agreement amounted to €4,245 million, a decrease of €188 million compared to December 31, 2020.

18.3 FAIR VALUE MEASUREMENT OF OTHER DEBT INSTRUMENTS ISSUED AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT)

The fair value of other debt instruments issued and bank overdrafts excluding Total Return Swap was €4,245 million as of December 31, 2021. Among the elements included in the preceding table, fair value is only calculated for other debt instruments issued. Such fair values are mainly based on observable market data input (see Note 1.5 for a description of observable data) and are therefore classified as level 2 instruments.

18.4 PAYABLES ARISING FROM DIRECT INSURANCE, INWARD REINSURANCE OPERATIONS AND DIRECT OUTWARD REINSURANCE OPERATIONS

As of December 31, 2021, payables arising from direct insurance and inward reinsurance operations as disclosed in the Note 18.1, amounted to €10,957 million, an increase of €64 million compared to December 31, 2020.

As of December 31, 2021, payables arising from direct outward reinsurance operations amounted to €15,362 million, an increase of €2,206 million compared to December 31, 2020, mainly at AXA XL related to the deposit on the Loss Portfolio Transfer.

Payables arising from direct insurance, inward reinsurance and direct outward reinsurance operations are measured at amortized cost.

18.5 EXPOSURE TO INTEREST RATE RISK AND CONTRACTUAL MATURITIES

The table below sets out the contractual maturities of other debt instruments (excluding the impact of derivatives which is detailed in Note 20.1). These maturities are mostly "12 months or less", therefore the difference between maturities based on contractual cash flows or maturities based on carrying values is not significant. Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

	December 31, 2021			
	Carrying value of other debt instrument by contractual maturity			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
Debts relating to investments under total return swap agreement ("TRS")	1,060	1,060	4,154	6,273
Other debt instruments issued, notes and bank overdrafts excluding TRS - Carrying value	1,264	240	2,730	4,235
Collateral debts relating to investments under a lending agreement or equivalent	28,346	5,232	1,452	35,030

	December 31, 2020			
	Carrying value of other debt instrument by contractual maturity			
(in Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
Debts relating to investments under total return swap agreement ("TRS")	2,599	5,110	726	8,435
Other debt instruments issued, notes and bank overdrafts excluding TRS - Carrying value	1,610	282	2,542	4,433
Collateral debts relating to investments under a lending agreement or equivalent	30,923	4,588	2,367	37,878

Note 19 Tax

19.1 TAX EXPENSE

19.1.1 Breakdown of tax expense between current and deferred tax

The income tax charge was split as follows:

(in Euro million)	December 31, 2021	December 31, 2020
Current income tax	1,388	1,430
Deferred income tax	301	110
TOTAL INCOME TAX	**1,689**	**1,541**

19.1.2 Tax proof

The reconciliation between the theoretical tax charge (pre-tax profit multiplied by the applicable tax rate in France for the period concerned) and the effective tax charge was as follows:

(in Euro million)	December 31, 2021	December 31, 2020
Income from operating activities, gross of tax expenses (excluding result from investments consolidated using equity method)	9,052	4,472
Notional tax rate	28.41%	32.02%
Notional tax charge	**2,572**	**1,432**
Impact of rates difference on notional tax charges	(395)	176
Impact of change in tax rates	(11)	(5)
Impact of differences in tax rate and impact of taxes not linked to pre-tax income	(9)	28
Impact of differences in tax rates and tax bases	**(414)**	**199**
Tax losses of prior years used in the current year without DTA recognized previously	(82)	(57)
Deferred tax assets recognized on tax losses of prior years	(145)	(7)
Deferred tax assets not recognized on tax losses of the year	72	74
Derecognition of deferred tax assets on tax losses of prior years	4	17
Tax losses impact	**(150)**	**27**
Impact of permanent differences	**(414)**	**(161)**
Prior years adjustments and other (excluding impact of tax losses)	**95**	**44**
EFFECTIVE TAX CHARGE	**1,689**	**1,541**
EFFECTIVE TAX RATE *(%)*	**18.66%**	**34.45%**

Effective tax rate stood at 18.66% in 2021 *versus* 34.45% in 2020. The change relates to:

- **impact of rate differences on notional tax charges** (€571 million) corresponding to the difference between the blended tax (expected tax calculated at each entity level with the applicable standard rate) and the tax calculated using the 28.41% French tax rate applicable to the Company. This tax rate is composed of a basic tax rate (27.50%) and a social contribution (0.91%). The blended standard rate was 24.05% in 2021 and 35.96% in 2020. The decrease of the blended tax rate is mainly due to an unfavorable geographical mix related to the significant COVID-19 losses incurred at AXA XL in 2020;
- **impact of permanent differences** (€253 million) mainly representing the impact in some countries of non-taxable dividends and realized capital gains on equity instruments, partly compensated by non-deductible impairment on financial assets and realized capital losses on equity instruments. In 2021, the impact was mainly driven by the rebound of the financial market and the impacts of disposal of some activities.

19.2 DEFERRED TAX

In the table below, the net deferred tax position corresponds to the difference between Deferred Tax Assets (DTA) and Deferred Tax Liabilities (DTL) carried on the Group's consolidated statement of financial position. Note that the breakdown of DTA/DTL disclosed in these tables corresponds to the deferred tax before the netting that occurs for balance sheet presentation purposes as required by IAS 12. Net deferred tax balances are broken down as follows:

	December 31, 2021			December 31, 2020		
(in Euro million)	Deferred tax assets	Deferred tax liabilities	Net deferred tax position	Deferred tax assets	Deferred tax liabilities	Net deferred tax position
Value of Business In-force	2	213	(211)	1	233	(232)
Deferred Acquisition Costs	107	1,430	(1,323)	104	1,343	(1,239)
Other intangible assets (including Goodwill)	98	620	(522)	63	677	(615)
Real estate	337	293	43	348	351	(3)
Financial assets	1,824	14,339	(12,514)	1,498	17,545	(16,047)
Technical reserves	10,606	3,147	7,459	12,530	2,915	9,615
Provision for risks and charges	332	100	232	224	120	103
Pensions and other employees benefits	1,487	211	1,276	1,655	151	1,504
Tax losses carried forward	434	0	434	530	0	530
Other	416	165	250	395	96	299
TOTAL DEFERRED TAX BY NATURE	**15,642**	**20,518**	**(4,876)**	**17,345**	**23,432**	**(6,086)**
of which deferred tax through Profit and Loss	*7,358*	*7,761*	*(403)*	*7,129*	*7,196*	*(67)*
of which deferred tax through reserves relating to the change in fair value of financial instruments available for sale and financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	*7,339*	*12,563*	*(5,224)*	*9,160*	*15,852*	*(6,692)*
of which deferred tax through other equity reserves	*945*	*194*	*751*	*1,056*	*384*	*673*

As of December 31, 2021, the €15,642 million DTA were mainly related to entities located in French tax group (€6,023 million), Germany (€4,337 million), Switzerland (€1,530 million), Belgium (€839 million), Italy (€662 million), Japan (€423 million), and Spain (€254 million).

The balance sheet reconciliation concerning deferred tax position is detailed as follows:

(in Euro million)	December 31, 2021	December 31, 2020
Deferred tax assets	421	333
Deferred tax liabilities	5,334	6,470
Net deferred tax position including Uncertain tax positions	**(4,913)**	**(6,137)**
Deferred tax - Uncertain Tax Positions	(37)	(51)
Net deferred tax position excluding Uncertain tax positions	**(4,876)**	**(6,086)**

The change from net liability position €-6,086 million in 2020 to €-4,876 million in 2021 mainly came from the a decrease of the unrealized capital gains on fixed-income assets.

	2021	2020
(in Euro million)	Net deferred tax	Net deferred tax
January 1	**(6,086)**	**(5,183)**
Movements through profit or loss	(300)	(130)
Movements through shareholders' equity (a)	1,592	(801)
Forex impact	(15)	32
Change in scope and other variations	(67)	(5)
December 31	**(4,876)**	**(6,086)**

(a) The movements through shareholders' equity mainly concern net investment hedge in the Company, revaluation to fair value of financial investments through shareholders' equity and employee benefits actuarial gains and losses.

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Recognized Deferred Tax Assets (DTA) on tax loss carried forward by maturity and expiration date

The tables below are broken down by (i) in the first part, the maturity by which the Group expects to use the DTA accounted at year-end and the corresponding tax losses carried forward, (ii) in the second part, the "expiration date" of the DTA, *i.e.* the latest date at which the Group could use them.

The €15,642 million DTA included €434 million of DTA on tax losses carried forward as of December 31, 2021.

(in Euro million)	2021 DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years	DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	TOTAL
	Expected date of use									
DTA recognized on tax losses carried forward	**115**	**102**	**93**	**82**	**30**	**5**	**7**	**0**	**-**	**434**
Corresponding carry forward losses	537	440	387	338	124	23	33	-	-	1,881
	Latest date of possible use									
DTA recognized on tax losses carried forward	**-**	**4**	**1**	**10**	**19**	**4**	**8**	**36**	**352**	**434**
Corresponding carry forward losses	-	30	6	41	82	22	32	175	1,492	1,881

As of December 31, 2020, €17,345 million DTA included €530 million DTA on tax losses carried forward.

(in Euro million)	2020 DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years	DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	TOTAL
	Expected date of use									
DTA recognized on tax losses carried forward	**189**	**173**	**59**	**32**	**12**	**10**	**53**	**2**	**-**	**530**
Corresponding carry forward losses	772	706	296	143	58	40	248	7	2	2,270
	Latest date of possible use									
DTA recognized on tax losses carried forward	**0**	**1**	**9**	**7**	**16**	**1**	**35**	**19**	**442**	**530**
Corresponding carry forward losses	1	7	71	33	65	1	166	32	1,894	2,270

Unrecognized deferred tax assets (DTA)

The amount of potential DTA, which has not been recorded in the accounts as of December 31, 2021 as considered unrecoverable, amounted to €609 million (€580 million in 2020) of which:

- €522 million concerned unrecognized DTA on €2,253 million tax losses carried forward (€444 million DTA on €2,067 million tax losses carried forward in 2020). The major part of these losses occurred in countries where losses can be carried forward without time limit (€1,811 million in 2021 and €1,645 million in 2020);
- €88 million related to unrecognized deferred tax assets on other timing differences (€136 million in 2020).

19.3 CURRENT TAX

(in Euro million)	December 31, 2021	December 31, 2020
Receivables - Current tax	908	845
Payables - Current tax	924	1,088
Net current tax position including Uncertain Tax Positions	**(16)**	**(243)**
Current tax - Uncertain Tax Positions	(358)	(354)
Net current tax position excluding Uncertain Tax Positions	**342**	**111**
Group tax receivables and payables	161	12
Current tax position including Group tax receivables and payables	**502**	**123**

The roll forward of current tax position (excluding Uncertain Tax Positions) is broken down as follows:

(in Euro million)	2021	2020
January 1	**123**	**110**
Cash payment in the period	1,531	1,364
Movements through profit or loss	(1,405)	(1,402)
Movements through shareholders' equity [a]	223	25
Forex impact	9	1
Change in scope and other variations	22	25
December 31	**502**	**123**

(a) The movements through shareholders' equity mainly concern the tax impact related to subordinated loans.

The table above includes current payables net of current receivables towards the tax administrations. It also includes some receivables and payables with non-consolidated entities members of a tax group which are classified in "other receivables" and "other payables".

19.4 UNCERTAIN TAX POSITIONS

The Uncertain Tax Positions were split as follows:

(in Euro million)	December 31, 2021	December 31, 2020
Uncertain Tax Positions - Current income tax	358	354
Uncertain Tax Positions - Deferred income tax	37	51
UNCERTAIN TAX POSITIONS - TOTAL INCOME TAX	**395**	**404**

As of December 31, 2021, the Uncertain Tax Positions were mainly driven by the French tax group (€99 million), AXA XL (€88 million) and Germany (€82 million).

Uncertain tax treatments are determined separately at individual tax entity level. For these positions considered as probably not accepted by tax authorities, the assessment of the uncertainty is determined based on the most likely amount in a range of possible outcomes.

Note 20 Derivative instruments

This Note covers all types of derivatives including derivative instruments held by consolidated investment funds in the "Satellite Investment Portfolio" (see Note 1.8.2) which are recognized at fair value in accordance with the IFRS hierarchy as described in Note 1.5, but excluding derivative instruments that meet the definition of shareholders' equity instruments (see Note 13 for details).

20.1 DERIVATIVE INSTRUMENTS: MATURITIES, NOTIONAL VALUES AND FAIR VALUES

	Maturity of notional amount as of December 31, 2021 (a)			Notional amount		Positive fair value		Negative fair value		Net fair value	
(in Euro million)	< 1 year	1 to 5 years	> 5 years	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest rates derivatives	43,052	57,339	103,249	203,639	189,724	6,459	9,253	5,485	7,178	974	2,075
Equity derivatives	8,425	3,853	574	12,851	12,048	370	486	161	385	209	101
Currencies derivatives	111,893	9,561	15,737	137,191	119,870	1,670	3,415	2,803	2,247	(1,133)	1,169
Credit derivatives	4,414	7,418	581	12,413	15,771	143	162	25	59	118	103
Other derivatives	2,000	4,414	7,615	14,030	14,448	222	309	1,965	1,021	(1,743)	(711)
TOTAL	**169,784**	**82,586**	**127,756**	**380,125**	**351,861**	**8,864**	**13,626**	**10,439**	**10,889**	**(1,575)**	**2,736**

Note: This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.
(a) By convention, notional amounts are displayed in absolute value, and exclude potential netting out.

20.2 DERIVATIVE INSTRUMENTS BY IAS 39 TYPE OF HEDGE

Derivative instruments are broken down as follows:

	December 31, 2021									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in cash flow hedging relationship		Derivative instruments used in hedges of net investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
(in Euro million)	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rates derivatives	38,061	(421)	41,298	(349)	-	-	124,281	1,744	203,639	974
Equity derivatives	2,988	103	-	-	-	-	9,863	106	12,851	209
Currencies derivatives	3,171	39	13,575	(422)	12,171	(71)	108,275	(680)	137,191	(1,133)
Credit derivatives	-	-	-	-	-	-	12,413	118	12,413	118
Other derivatives	287	(38)	4,149	(1,080)	-	-	9,594	(625)	14,030	(1,743)
TOTAL	**44,507**	**(317)**	**59,021**	**(1,851)**	**12,171**	**(71)**	**264,426**	**664**	**380,125**	**(1,575)**

This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.

	December 31, 2020									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in cash flow hedging relationship		Derivative instruments used in hedges of net Investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
(in Euro million)	Notional amount [(a)]	Fair value	Notional amount [(a)]	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rates derivatives	44,502	(1,632)	21,365	1,646	-	-	123,857	2,061	189,724	2,075
Equity derivatives	891	25	-	-	-	-	11,158	75	12,048	101
Currencies derivatives	3,803	(1)	11,588	125	7,986	98	96,493	947	119,870	1,169
Credit derivatives	4	(0)	-	-	-	-	15,767	103	15,771	103
Other derivatives	287	(21)	6,708	(292)	-	-	7,453	(398)	14,448	(711)
TOTAL	**49,486**	**(1,629)**	**39,662**	**1,479**	**7,986**	**98**	**254,728**	**2,788**	**351,861**	**2,736**

Note: This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.

(a) Notional amounts impacted by the IBOR reform: as mentioned in Note 1.2, the IAS 39 amendment ensures prospective assessments and highly probable requirements are maintained in the context of the transition to the new benchmark rates.

As of December 31, 2021, the notional amount of all derivative instruments totalled €380.1 billion (€351.9 billion at the end of 2020). Their net fair value amounted to €-1,575 million as of December 31, 2021 (€2,736 million at the end of 2020), comprised of the fair value of derivatives on invested assets (€-2,689 million and €1,356 million at the end of 2020 – see Note 20.3) and the fair value of derivatives on liabilities (€-1,123 million and €-1,380 million at the end of 2020 – see Note 20.4).

AXA uses derivatives primarily to hedge various risks stemming from both sides of the balance sheet in the context of its Asset Liability Management (ALM) strategy in insurance companies, as well as holdings and banks. Notional amount of such hedging strategies amounted to €369.2 billion as of December 31, 2021 (€338.9 billion at the end of 2020) and were mainly used to:

- manage interest rate exposures on fixed maturity investments, long-term debt and guaranteed interest rates on insurance contracts;
- reduce foreign-currency exposures on foreign-currency denominated investments and liabilities;
- manage liquidity positions (including the ability to pay benefits and claims when due) in connection with Asset Liability Management and local regulatory requirements for insurance and banking operations;
- limit equity risk;
- limit credit risk about certain investments in corporate debt instruments.

AXA also uses derivatives as an alternative to gain exposure to certain asset classes through "synthetic positions", for example, holding cash and equity futures instead of physical equities. Another example is the combination of government bonds and credit default swaps (CDS) as a synthetic position and an alternative to the direct purchase of a corporate bond. These schemes do not add any specific risks compared with other investment assets.

The notional amount of derivatives which is used to express the volume of instruments outstanding and to provide a basis for comparison with other financial instruments most certainly overstates the level of activity and does not directly measure risk as it greatly exceeds the possible credit and market loss that could arise from such transactions. It does not represent the amounts that are effectively exchanged by the parties, and thus is not a measure of the Group's exposure to derivative instruments. For example, the Group is exposed to credit risk in respect of its counterparties to the derivative instruments but is not exposed to credit risk on the entire notional amounts. AXA actively manages counterparty risk generated by derivatives through a specific group-wide policy. This policy includes a limit framework and an exposure monitoring process. Limits are specifically set for each authorized counterparty, based on an internal scoring system. This policy also includes daily to weekly collateralization for the majority of the Group's exposure. The total net collateral given communicated for all derivative instruments including those related to derivatives held within investment funds of the "Satellite Investment Portfolio" (see Note 1.8.2) was €2.0 billion as of December 31, 2021 (€1.4 billion at the end of 2020). This net total includes amounts recognized in the Consolidated Statement of Financial Position and unrecognized commitments received or given disclosed in Note 29.

AXA is increasing or decreasing its derivative positions in accordance with AXA's governance framework for derivatives. In particular, hedging activities are one of the most important instruments to decrease the risk of the options and guarantees that are embedded in some Life & Savings and Property & Casualty products; they also lead to a reduction of the capital requirements for those business activities under Solvency II. The various policies that AXA applies with reference to the use of derivatives and hedging instruments, include a close monitoring of its hedging strategy and associated risks as part of a Systemic Risk Management Plan (SRMP), approved by the Management Committee and the Board of Directors, in the context of the policy measures that apply to Global Systemically Important Insurers (GSII).

For further detail on Asset Liability Management governance, please refer to page 255 of Section 5.2 "Internal control and Risk Management".

In 2021, the use of derivatives within the Group increased overall by €28.3 billion in terms of notional amount (see also details in Note 20.2.1):

- the notional amount of currency derivatives increased by €17.3 billion mainly in the Company, France and Hong Kong;
- the notional amount of interest rates derivatives increased by €13.9 billion mainly in France and Hong Kong;
- the notional amount of equity derivatives increased by €0.8 billion mainly in Japan;

It was partly offset:

- the notional amount of credit derivatives decreased by €3.4 billion mainly in Belgium and Japan;
- the notional amount of other derivatives decreased by €0.4 billion notably in France.

In the tables above, the column "Macro-hedges and other derivative instruments" includes derivatives that do not qualify for hedge accounting under IAS 39, but whose objective is nevertheless to provide economic hedging of a risk, with the exception notably of certain credit derivatives. They also include "macro-hedging" derivatives as defined by the IASB in IAS 39.

As of December 31, 2021, the notional amount of hedging derivative instruments as defined by IAS 39 (fair value hedge, cash flow hedge and net investment hedge) of the Group was €115.7 billion *versus* €97.1 billion at the end of 2020. The net fair value recorded was €-2,239 million as of December 31, 2021, *versus* €-52 million at the end of 2020.

20.2.1 Interest rate derivative instruments

The AXA Group's primary interest rate exposure is related to contracts with guaranteed benefits and the risk that the value of the financial assets purchased with the consideration received from the contract holders is insufficient to fund the guaranteed benefits and expected discretionary participation payable to them. To hedge against potential adverse market conditions, derivative strategies are used to reduce the risk arising from the guarantee liability over time.

As of December 31, 2021, the notional amount of interest rate derivative instruments totalled €203.6 billion (€189.7 billion at the end of 2020). Their net fair value as of December 31, 2021 amounted to €974 million (€2,075 million at the end of 2020). AXA mainly uses (i) interest rate swaps (73% of total notional amount of interest rate derivative instruments), (ii) interest rate options (13%), and (iii) futures and forwards (13%).

These instruments are mainly used to:

- manage duration gap and/or hedge convexity risk between assets and liabilities on the General Account as a part of Asset Liability Management strategies mainly in France for €79.5 billion (*versus* €71.7 billion at the end of 2020), Japan for €17.5 billion at the end of 2021 (*versus* €16.4 billion at the end of 2020) and Germany for €14.4 billion at the end of 2021 (*versus* €15.0 billion at the end of 2020);
- hedge interest rate risk and interest volatility risk as part of the Asset Liability Management strategy associated with the guaranteed minimum benefits on Variable Annuity products, with a notional amount of €37.8 billion at the end of 2021 (€35.2 billion at the end of 2020) mainly at AXA Life Europe;
- minimize the cost of Group debt and limit volatility of financial charges, mainly in the Company, with a notional amount of €13.8 billion at the end of 2021 (*versus* €13.4 billion at the end of 2020).

20.2.2 Equity derivative instruments

As of December 31, 2021, the notional amount of equity derivative instruments amounted to €12.9 billion (€12.0 billion at the end of 2020). Their net fair value amounted to €209 million as of December 31, 2021 (€101 million at the end of 2020). AXA mainly uses (i) equity option contracts (50% of total notional amount of equity derivative instruments), (ii) equity futures and forwards (28%), and (iii) equity swaps (22%).

These instruments are mainly used to:

- hedge the exposure to equity risk within the General Account assets, protecting policyholders' investments and their guaranteed liability over time, mainly in France (notional amount of €4.1 billion in 2021 compared with €1.6 billion in 2020), Switzerland (notional amount of €2.2 billion in 2021 compared with €3.4 billion in 2020) and Hong Kong (notional amount of €1.9 billion in 2021 compared with €1.6 billion in 2020);
- hedge equity risk as part of the Asset Liability Management strategy associated with the guaranteed minimum benefits on Variable Annuity products, which amounted to €0.2 billion at the end of 2021 (€0.3 billion at the end of 2020).

20.2.3 Currency derivative instruments

The Group has entered into different currency instruments to reduce its exposure to foreign currency risk. Currency derivative instruments represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date.

As of December 31, 2021, the notional amount of currency derivative amounted to €137.2 billion *versus* €119.8 billion at the end of 2020. Their market value was €-1,133 million *versus* €1,169 million at the end of 2020. AXA mainly uses (i) currency future and forward contracts (60% of total notional amount of currency derivative instruments), (ii) currency option contracts (21%), and (iii) currency swaps (18%).

One of the main objectives of currency derivatives instruments used by the Company is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates in order to protect partially the value of AXA's net foreign-currency investments in its subsidiaries to the extent of the following year's foreseeable dividends and more generally the exposure of AXA SA's liquidity to forex movements. The notional amount of derivatives used by the Company to hedge the foreign currency exposure increased from €16.3 billion at the end of 2020 to €22.9 billion at the end of 2021.

Currency derivative instruments are also used to hedge foreign exchange mismatch between assets and liabilities in insurance subsidiaries of the Group. While most of the operating units' commitments are matched by assets denominated in the same currency, some entities may invest in foreign currency denominated assets to diversify their investments. This is the case mainly in (i) Switzerland using such contracts to hedge exchange rate risk arising from their investments in equities and debt instruments denominated in non-CHF currencies (mainly Euro and US Dollar) with a total notional amount of €17.9 billion at the end of 2021 *versus* €19.1 billion at the end of 2020, (ii) Japan using future and forward foreign currency contracts to hedge exchange-rate risk arising from its investments mainly in fixed-maturity debt instruments denominated in non JPY currencies with a total notional amount of €16.5 billion at the end of 2021 *versus* €18.0 billion at the end of 2020 and (iii) Hong Kong using forward contracts and cross currency swaps to hedge exchange rate risk with a total notional amount of €19.1 billion at the end of 2021 *versus* €12.5 billion at the end of 2020.

A description of exchange-rate risk related to the operating activities of Group subsidiaries and the Company is included in Section 5.3 "Market Risks" of this Annual Report with amounts of exposures to exchange-rate risk and corresponding hedges.

In accordance with IAS 21 and IAS 39, the translation difference relating to these debt instruments used in operational entities is recognized in profit or loss and offsets most of the change in market value of associated derivative instruments, which is also recognized in profit or loss.

20.2.4 Credit derivative instruments

The Group, as part of its investment and credit Risk Management activities, uses strategies that involve credit derivatives, which consist mainly of Credit Default Swaps (CDS). These instruments are used as an alternative to corporate bonds portfolios, when coupled with government debt instruments, but also as a protection on single names or specific portfolios.

As of December 31, 2021, the notional amount of credit derivatives held by the Group was €12.4 billion compared to €15.8 billion at the end of 2020 (including the instruments held within investment funds of the "Satellite Investment Portfolio" for €2.0 billion; see Note 1.8.2).

Credit derivative instruments are mainly used to:

- hedge credit risk involving the purchase of CDS as a protection mainly on single corporate names or specific portfolios starting from a certain level of losses through tranches instruments (notional amount of €1.5 billion at the end of 2021 *versus* €2.7 billion at the end of 2020);
- enhance the return mainly on government bonds portfolios by holding government bonds and at same time selling protection on very good quality names as an alternative to the direct purchase of a corporate bond. This type of ALM strategy is implemented to compensate for the lack of depth or liquidity in some markets by taking a synthetic credit risk (notional amount of €10.9 billion at the end of 2021 *versus* €12.9 billion at the end of 2020).

20.3 EFFECT OF HEDGING ON FINANCIAL INVESTMENTS

The impact of derivative instruments is presented in the consolidated statement of financial position within their related underlying financial assets (and liabilities see Note 20.4.). The table below sets out the impact of derivative instruments on the related underlying assets.

	December 31, 2021								
	Insurance			Other activities			Total		
(in Euro million)	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]
Investment in real estate properties	**28,506**	**(151)**	**28,355**	**2,664**	**-**	**2,664**	**31,170**	**(151)**	**31,019**
Debt instruments	397,093	(2,631)	394,462	2,932	(12)	2,920	400,024	(2,643)	397,381
Equity securities	34,619	(81)	34,538	1,686	-	1,686	36,306	(81)	36,225
Non-consolidated investment funds	17,441	(62)	17,379	90	-	90	17,530	(62)	17,468
Other investments [(d)]	18,877	(48)	18,829	465	-	465	19,342	(48)	19,294
Macro-hedge and other derivatives	-	583	583	-	(116)	(116)	0	468	468
TOTAL FINANCIAL INVESTMENTS	**468,030**	**(2,238)**	**465,791**	**5,173**	**(128)**	**5,045**	**473,202**	**(2,366)**	**470,836**
Loans	**20,806**	**(12)**	**20,794**	**12,158**	**(160)**	**11,998**	**32,964**	**(171)**	**32,793**
Assets backing contracts where the financial risk is borne by policyholders	**86,324**	**(9)**	**86,315**	**-**	**-**	**-**	**86,324**	**(9)**	**86,315**
TOTAL INVESTMENTS	**603,666**	**(2,410)**	**601,256**	**19,995**	**(287)**	**19,707**	**623,661**	**(2,698)**	**620,963**

(a) Carrying value, i.e. net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(b) Including macro-hedge and other derivatives.
(c) Carrying value, including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macro-hedge and other derivatives.
(d) Other investments held through consolidated investment funds designated as at fair value through profit or loss.

	December 31, 2020								
	Insurance			Other activities			Total		
(in Euro million)	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]	Net book value excluding effect of derivatives [(a)]	Impact of derivative instruments [(b)]	Net book value including effect of derivatives [(c)]
Investment in real estate properties	**25,773**	**103**	**25,876**	**4,410**	**-**	**4,410**	**30,183**	**103**	**30,286**
Debt instruments	425,878	500	426,377	2,760	11	2,771	428,638	511	429,148
Equity securities	28,253	137	28,390	2,477	-	2,477	30,729	137	30,866
Non-consolidated investment funds	15,999	68	16,067	88	-	88	16,088	68	16,155
Other investments [(d)]	14,835	13	14,848	483	-	483	15,318	13	15,332
Macro-hedge and other derivatives	-	879	879	-	19	19	-	898	898
TOTAL FINANCIAL INVESTMENTS	**484,964**	**1,597**	**486,562**	**5,809**	**29**	**5,838**	**490,773**	**1,627**	**492,400**
Loans	**20,428**	**(31)**	**20,397**	**12,677**	**(364)**	**12,314**	**33,105**	**(394)**	**32,711**
Assets backing contracts where the financial risk is borne by policyholders	**77,781**	**21**	**77,802**	**-**	**-**	**-**	**77,781**	**21**	**77,802**
TOTAL INVESTMENTS	**608,947**	**1,690**	**610,637**	**22,896**	**(334)**	**22,562**	**631,843**	**1,356**	**633,198**

(a) Carrying value, i.e. net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(b) Including macro-hedge and other derivatives.
(c) Carrying value, including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macro-hedge and other derivatives.
(d) Other investments held through consolidated investment funds designated as at fair value through profit or loss.

20.4 EFFECT OF HEDGING ON LIABILITIES

The impact of derivative instruments is presented in the balance sheet within their related underlying financial liabilities (and assets see Note 20.3). The tables below set out the impact of derivative instruments on the related underlying liabilities:

(in Euro million)	December 31, 2021			December 31, 2020		
	Carrying value excluding effect of hedging value	Impact of derivative instruments	Carrying value including effects of derivatives	Carrying value excluding effect of hedging value	Impact of derivative instruments	Carrying value including effects of derivatives
Liabilities arising from insurance contracts	387,827	(869)	386,958	381,166	(1,416)	379,750
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	66,983	-	66,983	61,157	-	61,157
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACTS	**454,810**	**(869)**	**453,941**	**442,323**	**(1,416)**	**440,907**
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**54,750**	**(71)**	**54,679**	**53,466**	**(94)**	**53,371**
Macro-hedge and other derivative instruments on insurance and investment contracts (liabilities)	**-**	**77**	**77**	**-**	**265**	**265**
Subordinated debt	10,780	(331)	10,449	9,486	(207)	9,279
Financing debt instruments issued	800	-	800	1,569	-	1,569
Financing debt owed to credit institutions	-	-	-	-	-	-
FINANCING DEBT (a)	**11,580**	**(331)**	**11,249**	**11,055**	**(207)**	**10,848**
Liabilities arising from banking activities	**14,653**	**(9)**	**14,643**	**15,360**	**(76)**	**15,284**
PAYABLES	**92,638**	**81**	**92,719**	**97,648**	**149**	**97,796**
TOTAL DERIVATIVES		**(1,123)**			**(1,380)**	

(a) Financing debts are disclosed in the balance sheet net of the impact of derivatives. As a result, the amount showing in the column "value including effect of derivatives" is their carrying value.

As of December 31, 2021, derivatives related to banking liabilities shown in Note 15 are used to hedge interest rate risk exposures in the context of ordinary banking activities, in order to achieve an appropriate interest rate spread between its interest earning assets and interest bearing liabilities. Related hedged assets are disclosed in Note 9.4.2 and liabilities in Note 15.

20.5 BREAKDOWN OF DERIVATIVE INSTRUMENTS BY VALUATION METHOD

	December 31, 2021				December 31, 2020			
	Instruments quoted in an active market	Instruments not quoted in an active market - No active market			Instruments quoted in an active market	Instruments not quoted in an active market - No active market		
(in Euro million)	Fair value determined directly by reference to an active market (Level 1)	Fair value mainly based on observable market data (Level 2)	Fair value mainly not based on observable market data (Level 3)	Total	Fair value determined directly by reference to an active market (Level 1)	Fair value mainly based on observable market data (Level 2)	Fair value mainly not based on observable market data (Level 3)	Total
Net value of derivative instruments - assets (A)	**276**	**(2,974)**	**(0)**	**(2,698)**	**1,036**	**321**	**-**	**1,356**
Derivative instruments relating to insurance and investment contracts	3	(867)	-	(863)	(26)	(1,219)	-	(1,245)
Derivative instruments relating to financing debt, operating debt and other financial liabilities	-	(331)	-	(331)	-	(207)	-	(207)
Derivatives on liabilities arising from banking activities and payables	7	65	-	71	34	39	-	73
Net value of derivative instruments - liabilities (B)	**10**	**(1,133)**	**-**	**(1,123)**	**7**	**(1,387)**	**-**	**(1,380)**
Net fair value (C = A-B)				**(1,575)**				**2,736**

Principles applied by the Group in order to proceed with the classification of financial instruments into the IFRS 13 fair value hierarchy categories and the fair value hierarchy applicable to such instruments are described in Note 1.5. Same principles apply as far as derivatives instruments are concerned.

The Group mitigates counterparty credit risk of derivative instruments by contractually requiring collateral for most derivative contracts. As of December 31, 2021, the adjustment to the fair value of derivatives for non-performance risk was not material.

Note 21 Information by segment

For more information about the Group's segments identification, please refer to page 325 to 329 of Note 3 "Consolidated statement of income by segment".

21.1 TOTAL REVENUES

21.1.1 Revenues by segment

(in Euro million)	December 31, 2021	December 31, 2020 restated [(a)]
France	28,349	25,064
Europe	32,562	32,815
Asia	11,329	10,950
AXA XL	18,763	18,530
International	5,668	6,398
Transversal & Central Holdings	3,259	2,966
TOTAL [(b)]	**99,931**	**96,723**
of which direct premiums	*85,163*	*82,581*
of which reinsurance assumed	*11,663*	*11,334*
of which fees and charges on investment contracts with no participation features	*209*	*233*
of which revenues from other activities (including revenues from banking activities)	*2,897*	*2,575*

(a) Restated: reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.
(b) Net of intercompany eliminations.

Given the Group's scale and diversity, none of its clients accounts for more than 10% of its business.

21.1.2 Revenues from non-insurance contracts

Revenues from non-insurance contracts amount to €2,689 million and include revenues from other activities (€2,362 million), fees & charges relating to investment contracts with no participating features (€209 million), and commissions from banking activities (€118 million). These revenues from non-insurance contracts correspond to the following types of services:

	December 31, 2021					
(in Euro million)	Investment management services	Distribution of financial product	Administration services	Assistance	Other	Total
France	6	1	-	-	54	60
Europe	189	47	67	38	114	454
Asia	37	-	-	-	-	37
AXA XL	64	-	-	-	-	64
International	32	12	1	-	53	98
Transversal & Central Holdings	1,521	1	3	391	60	1,975
TOTAL	**1,849**	**61**	**70**	**429**	**281**	**2,689**
of which recognized over time	*1,605*	*13*	*67*	*264*	*113*	*2,063*
of which recognized at a point in time	*244*	*48*	*3*	*165*	*167*	*626*

	December 31, 2020 restated [(a)]					
(in Euro million)	Investment management services	Distribution of financial product	Administration services	Assistance	Other	Total
France	5	1	-	-	60	67
Europe	152	34	62	37	102	387
Asia	35	-	-	-	-	35
AXA XL	76	-	-	-	-	76
United States	-	-	-	-	-	-
International	112	13	1	-	48	174
Transversal & Central Holdings	1,269	-	3	396	57	1,724
TOTAL	**1,649**	**49**	**66**	**433**	**267**	**2,464**
of which recognized over time	*1,348*	*14*	*63*	*291*	*131*	*1,846*
of which recognized at a point in time	*301*	*34*	*3*	*142*	*137*	*617*

(a) Restated: reclassification of Architas activities (previously reported as part of Europe) to Transversal & Central Holdings.

21.2 TOTAL ASSETS

(in Euro million)	December 31, 2021	December 31, 2020 restated [(a)]
France	261,507	260,628
Europe	269,794	271,607
Asia	93,845	95,413
AXA XL	71,860	63,989
International	13,558	43,301
Transversal & Central Holdings	64,927	69,652
TOTAL [(b) (c)]	**775,491**	**804,589**

(a) Reclassification of Architas activities (previously reported as part of "Europe") into "Transversal & Central Holdings".
(b) Net of intercompany eliminations and after deduction of the value related to the shares eliminated in consolidation.
(c) Including assets held for sale.

21.3 OTHER INFORMATION BY LINE OF BUSINESS

21.3.1 Life & Savings (including Health)

	December 31, 2021			December 31, 2020		
(In Euro million)	Gross revenues	Liabilities arising from insurance contracts	Liabilities arising from investment contracts	Gross revenues	Liabilities arising from insurance contracts	Liabilities arising from investment contracts
Protection	15,059	138,514	1,057	15,087	138,406	901
G/A Savings	10,418	147,614	34,557	9,950	153,976	35,003
Unit-Linked	7,055	61,193	4,883	5,673	58,162	3,998
Health	10,971	36,534	0	10,439	36,537	-
Funds & Others	293	4,040	0	322	5,551	-
Insurance contracts and investment contracts with discretionary participation features	**43,795**	**387,895**	**40,497**	**41,471**	**392,631**	**39,902**
Investment contracts without discretionary participating features [(a)]	269		14,663	263		13,290
Fees, commissions and other revenues	212			230		
TOTAL	**44,277**	**387,895**	**55,160**	**41,963**	**392,631**	**53,192**

(a) Relates to liabilities arising from investment contracts without discretionary participation features including contracts where the financial risk is borne by policyholders.

21.3.2 Property & Casualty (including Health)

	Gross revenues		Liabilities arising from insurance contracts	
(In Euro million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Personal lines	**18,611**	**18,968**	**28,318**	**27,855**
Motor	10,147	10,604	17,628	17,808
Property Damage	4,040	3,991	3,821	3,320
Liability	408	404	865	891
Health	2,026	2,012	1,363	1,392
Other Personal lines	1,990	1,958	4,640	4,444
Commercial lines	**34,908**	**33,957**	**88,373**	**82,606**
Motor	3,646	3,607	5,861	5,779
Property Damage	5,923	5,687	8,757	8,207
Liability	1,846	1,731	7,628	7,640
Health	2,225	2,260	985	985
Specialty [a]	2,873	3,127	5,827	5,940
Reinsurance	4,634	4,665	12,358	11,255
Other Commercial lines [a]	13,761	12,880	46,956	42,779
Other	**72**	**76**	**5**	**274**
TOTAL	**53,590**	**53,000**	**116,696**	**110,734**
of which fees, commissions and other revenues	*561*	*555*	-	-

(a) Gross revenues and liabilities from insurance contracts for Specialty and Other Commercial lines have been restated to reflect the latest allocation of AXA XL's lines of business.

21.4 NET REVENUES FROM BANKING ACTIVITIES

(in Euro million)	December 31, 2021	December 31, 2020
Net interests revenues	472	398
Net commissions	64	87
NET REVENUES FROM BANKING ACTIVITIES	**535**	**486**

Note 22 Net investment result excluding financing expenses

Net investment result (excluding financing expenses) from the financial assets of insurance companies and companies in other business segments (excluding revenues from the financial assets of banks included in net revenues from banking activities) was as follows:

(in Euro million)	December 31, 2021				
	Net investment income [(a)]	Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity	Net realized gains and losses and change in fair value of other investments at fair value through profit or loss	Change in investment impairments	Net investment result
Investment in real estate properties at amortized cost	1,065	398	(0)	(134)	1,328
Investment in real estate properties as at fair value through profit or loss	50	-	(13)	-	36
Investment in real estate properties	**1,115**	**398**	**(14)**	**(134)**	**1,364**
Debt instruments held to maturity	-	-	-	-	-
Debt instruments available for sale	9,140	277	(303)	(0)	9,114
Debt instruments designated as at fair value through profit or loss [(b)]	412	-	(309)	-	103
Debt instruments held for trading	0	-	(0)	-	(0)
Non-quoted debt instruments (amortized cost)	305	13	-	-	319
Debt instruments	**9,858**	**291**	**(612)**	**(0)**	**9,536**
Equity instruments available for sale	444	2,136	(32)	(351)	2,197
Equity instruments designated as at fair value through profit or loss [(c)]	417	-	1,980	-	2,397
Equity instruments held for trading	-	-	0	-	0
Equity instruments	**861**	**2,136**	**1,948**	**(351)**	**4,594**
Non-consolidated investment funds available for sale	466	115	29	(54)	557
Non-consolidated investment funds designated as at fair value through profit or loss	343	-	295	-	638
Non-consolidated investment funds held for trading	0	-	(7)	-	(7)
Non consolidated investment funds	**809**	**115**	**318**	**(54)**	**1,188**
Other assets held by consolidated investment funds designated as at fair value through profit or loss	**85**	**-**	**26**	**-**	**111**
Loans held to maturity	(0)	-	-	(0)	(0)
Loans available for sale	4	0	-	-	4
Loans designated as at fair value through profit or loss	-	-	-	-	-
Loans held for trading	-	-	-	-	-
Loans at cost	411	11	-	(29)	392
Loans	**414**	**11**	**-**	**(29)**	**396**
Assets backing contracts where the financial risk is borne by policyholders	**-**	**-**	**7,362**	**-**	**7,362**
Derivative instruments	**(646)**	**-**	**(2,542)**	**-**	**(3,188)**
Investment management expenses	**(597)**	**-**	**-**	**-**	**(597)**
Other	**266**	**237**	**1,480**	**0**	**1,984**
NET INVESTMENT RESULT	**12,165**	**3,188**	**7,965**	**(569)**	**22,749**

(a) Includes gain/losses from derivatives hedging variable annuities.
(b) Includes debt instruments held by consolidated investment funds, designated as at fair value through profit or loss.
(c) Includes equity instruments held by consolidated investment funds, designated as at fair value through profit or loss.

	December 31, 2020				
(in Euro million)	Net investment income [(a)]	Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity	Net realized gains and losses and change in fair value of other investments at fair value through profit or loss	Change in investment impairments	Net investment result
Investment in real estate properties at amortized cost	1,122	580	(1)	(286)	1,416
Investment in real estate properties as at fair value through profit or loss	35	-	11	-	46
Investment in real estate properties	**1,157**	**580**	**11**	**(286)**	**1,461**
Debt instruments held to maturity	-	-	-	-	-
Debt instruments available for sale	8,721	537	406	(6)	9,658
Debt instruments designated as at fair value through profit or loss [(b)]	434	-	296	-	731
Debt instruments held for trading	1	-	0	-	1
Non quoted debt instruments (amortized cost)	280	(1)	-	(2)	277
Debt instruments	**9,436**	**536**	**702**	**(8)**	**10,667**
Equity instruments available for sale	486	121	(22)	(512)	73
Equity instruments designated as at fair value through profit or loss [(c)]	332	-	(189)	-	143
Equity instruments held for trading	-	-	0	-	0
Equity instruments	**818**	**121**	**(211)**	**(512)**	**216**
Non consolidated investment funds available for sale	260	40	(74)	(157)	69
Non consolidated investment funds designated as at fair value through profit or loss	476	-	(91)	-	385
Non consolidated investment funds held for trading	0	-	(1)	-	(1)
Non consolidated investment funds	**737**	**40**	**(166)**	**(157)**	**453**
Other assets held by consolidated investment funds designated as at fair value through profit or loss	**43**	**-**	**39**	**-**	**82**
Loans held to maturity	(0)	-	-	-	(0)
Loans available for sale	4	0	-	0	4
Loans designated as at fair value through profit or loss	-	-	-	-	-
Loans held for trading	-	-	-	-	-
Loans at cost	452	1	-	(35)	418
Loans	**456**	**1**	**-**	**(35)**	**421**
Assets backing contracts where the financial risk is borne by policyholders	**-**	**-**	**2,149**	**-**	**2,149**
Derivative instruments	**(146)**	**-**	**893**	**-**	**747**
Investment management expenses	**(500)**	**-**	**-**	**-**	**(500)**
Other	**169**	**1,096**	**(1,008)**	**(1)**	**256**
NET INVESTMENT RESULT	**12,171**	**2,373**	**2,408**	**(998)**	**15,953**

(a) Includes gain/losses from derivatives hedging variable annuities.
(b) Includes debt instruments held by consolidated investment funds, designated as at fair value through profit or loss.
(c) Includes equity instruments held by consolidated investment funds, designated as at fair value through profit or loss.

Net investment income is presented net of impairment charges on directly-owned investment properties, and net of amortization of debt instruments premiums/discounts. All investment management fees are also included in the aggregate figure.

Net realized gains and losses relating to investment at cost and at fair value through shareholders' equity include write back of impairment following investment sales.

Net realized gains and losses and change in fair value of investments designated as at fair value through profit or loss consist mainly of:

- adjustments relating to investments backing contracts where the financial risk is borne by policyholders which are offset by an adjustment of related policyholder reserves, as there is a full pass through of the performance of held assets to the individual contract holder;
- changes in the fair value of investments designated as at fair value through profit or loss held by funds of the "Satellite Investment Portfolios" as defined in Note 1.8.2;
- changes in fair value of underlying hedged items in fair value hedges (as designated by IAS 39) or "natural hedges" (*i.e.* underlying assets designated as at fair value through profit or loss part of an economic hedge not eligible for hedge accounting as defined by IAS 39).

The changes in investment impairments for available for sale assets include impairment charges on investments, and release of impairments only following revaluation of the recoverable amount. Write back of impairments following investment sales are included in the net realized capital gains or losses on investments aggregate.

Note 23 Net result of reinsurance ceded

Net result of reinsurance ceded was as follows:

	December 31, 2021							
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Intersegment eliminations	Total
Premiums ceded and unearned premiums ceded	(2,678)	(998)	(1,233)	(7,353)	(669)	(95)	679	(12,347)
Claims ceded (including change in claims reserves)	2,244	1,324	891	4,878	337	(65)	(479)	9,131
Commissions received from/paid to reinsurers	343	122	(234)	1,367	109	77	(82)	1,702
NET RESULT OF REINSURANCE CEDED	**(90)**	**447**	**(576)**	**(1,108)**	**(223)**	**(83)**	**118**	**(1,514)**

	December 31, 2020							
(in Euro million)	France	Europe	Asia	AXA XL	International	Transversal & Central Holdings	Intersegment eliminations	Total
Premiums ceded and unearned premiums ceded	(2,016)	(922)	(844)	(6,770)	(787)	(859)	755	(11,443)
Claims ceded (including change in claims reserves)	1,960	690	323	5,878	194	132	(255)	8,923
Commissions received from/paid to reinsurers	211	114	162	1,061	141	79	(94)	1,674
NET RESULT OF REINSURANCE CEDED	**155**	**(118)**	**(359)**	**169**	**(452)**	**(648)**	**407**	**(845)**

Note 24 Financing debt expenses

As of December 31, 2021, financing debt expenses, which include income and expenses relating to hedging derivative instruments on financing debt, amounted to €462 million (€878 million as of December 31, 2020) mainly in the Company for €337 million (€746 million as of December 31, 2020).

Note 25 Expenses by type

25.1 ACQUISITION EXPENSES

(in Euro million)	December 31, 2021			December 31, 2020
	Insurance	Intersegment eliminations	Total	Total
Acquisition expenses – gross [(a)]	13,557	(85)	13,472	13,168
Change in deferred acquisition expenses and equivalents [(b)]	(807)	-	(807)	(761)
NET ACQUISITION EXPENSES	**12,750**	**(85)**	**12,665**	**12,407**

(a) Includes all acquisition expenses relating to insurance and investment contracts before capitalization/amortization of deferred acquisition expenses and equivalents.
(b) Change (capitalization and amortization) in deferred acquisition expenses relating to insurance and investment contracts with discretionary participation features and changes in net rights to future management fees relating to investment contracts with no discretionary participation features.

25.2 EXPENSES BY TYPE

(in Euro million)	December 31, 2021				December 31, 2020
	Insurance	Other activities	Intersegment eliminations	Total	Total
Acquisition expenses – gross	13,557	-	(85)	13,472	13,168
Claims handling expenses	2,504	-	(32)	2,473	2,487
Investment management expenses	314	16	(16)	314	271
Administrative expenses	7,894	3,132	(640)	10,386	10,716
Banking expenses	-	63	-	63	79
Increase/(write back) of tangible assets amortization	(1)	7	-	6	5
Other income/expenses [(a)]	455	(400)	406	461	(251)
TOTAL EXPENSES BY DESTINATION	**24,724**	**2,818**	**(367)**	**27,175**	**26,474**
Breakdown of expenses by type					
Staff expenses	5,980	1,139	(28)	7,091	7,387
Outsourcing and professional services	683	313	(44)	953	1,107
IT expenses	1,264	202	217	1,684	1,686
Charges relating to owner occupied properties	409	115	-	524	595
Commissions paid	13,216	422	(316)	13,323	13,029
Other expenses [(a)]	3,171	626	(196)	3,601	2,670

(a) In 2021, it includes losses related to the disposal processes of Malaysia, Singapore, and an additional provision for the Gulf Region, as well as the loss related to the disposal of a General Account Savings portfolio in Belgium. In 2020, it includes the losses related to the disposal processes of AXA Bank Belgium, the Gulf Region and Greece (see Note 5.3).

Expenses increased by €701 million compared to December 31, 2020. On a constant exchange rate basis, expenses increased by €1,003 million mainly from:

- Transversal & Central Holdings (€+533 million) mainly due to **(i)** exceptional costs related to the acceleration of the Group IT migration strategy from private to public cloud, **(ii)** higher staff costs and commissions in line with performance at AXA Investment Managers, and **(iii)** the non-repeat of the reversal of the loss following the termination of the sale agreement of AXA Life Europe;
- Europe (€+286 million) mainly driven by higher commissions in line with higher volumes across most geographies and the expected disposal of a General Account Savings portfolio in Belgium, partly offset by lower restructuring costs and efficiency measures, mainly in Germany; and
- France (€+232 million) mainly due to higher commissions and staff costs in line with business growth on all segments.

This was partly offset by:

- international (€-168 million) mainly driven by the partial contribution in expenses of Central & Eastern Europe (€-222 million), the Gulf Region (€-96 million), and Greece operations (€-89 million) following their disposals, partly offset by the loss related to the disposal process of Singapore (€+230 million).

Note 26 Employees

26.1 BREAKDOWN OF STAFF EXPENSES

(in Euro million)	December 31, 2021	December 31, 2020
Wages and benefits	4,963	5,221
Social contributions	823	787
Employee benefits expenses	629	639
Share based compensation	192	165
Other staff expenses and employees' profit sharing [(a)]	483	576
TOTAL STAFF EXPENSES	**7,091**	**7,387**

(a) Including redundancies and early retirement expenses (the triggering event being the set up of the plan), and profit sharing with employees in France.

26.2 EMPLOYEE BENEFITS

26.2.1 Defined contribution plans

The cost of the contributions paid was recognized as an expense in the income statement, and amounted to €248 million in 2021 (€216 million in 2020).

26.2.2 Defined benefit plans

AXA operates various defined post-employment benefit plans mainly in the United Kingdom, Germany, Switzerland, France and Belgium.

The defined benefit pension plans within AXA are mostly final salary pension plans or plans based on a cash balance formula, which provide benefits in the form of a guaranteed level of lump-sum payable at retirement age or pension payable for life. The level of benefits is generally based on members' length of service and their salary in the final years leading up to retirement.

In Switzerland, the benefit plan is a Swiss contribution-based plan classified as a defined benefit plan under IAS 19 because of guarantees, risks related to the mortality and disability coverage.

In the United Kingdom and Germany, pensions in payment are generally updated in line with the retail price index or inflation, as opposed to other countries where pensions do not necessarily receive inflationary increases once in payment.

Most of the defined benefit pension plans are funded through long-term employee benefit funds or covered by insurance policies or Mutual funds.

Benefit payments in the United Kingdom and Switzerland are from trustee-administered funds and plan assets held in trusts are governed by local regulations and practices. The Board of trustees, generally composed of representatives of the Company and plan participants in accordance with the respective plan's regulations is responsible for the governance of the plans including investment decisions and contribution schedules in order to meet the existing minimum funding requirement or funding regime objective.

In France and Belgium, benefit payments are managed by insurance companies or Mutual funds.

In the United Kingdom, the main defined benefit plan was closed to new members on August 31, 2013, and members who were part of defined benefit sections had the option to participate in defined contributions sections.

AXA XL sponsors different defined benefits: pension plans mainly in the United Kingdom, the United States, and Germany, as well as deferred cash awards for executive officers.

26.2.3 Significant actuarial assumptions

The assumptions used to value defined benefit plans are consistent with the economic and financial conditions in the countries where they are located. The weighted-average financial assumptions used by AXA for pension plans in the main regions and countries were as follows:

DECEMBER 2021 ASSUMPTIONS

	Europe	Switzerland	United Kingdom	United States	Japan	Other
Pension benefit obligation - assumptions as of December 31, 2021						
Discount rate	0.9%	0.2%	1.9%	2.8%	0.8%	6.5%
Salary increase for future years	2.4%	1.5%	N/A	N/A	2.6%	3.5%
Inflation rate	1.8%	0.9%	2.3%	2.5%	N/A	3.6%

DECEMBER 2020 ASSUMPTIONS

	Europe	Switzerland	United Kingdom	United States	Japan	Other
Pension benefit obligation - assumptions as of December 31, 2020						
Discount rate	0.5%	0.0%	1.4%	2.5%	1.0%	4.7%
Salary increase for future years	2.4%	1.5%	N/A	N/A	2.3%	3.4%
Inflation rate	1.7%	0.9%	1.9%	2.5%	N/A	3.6%

For any given plan, the discount rate is determined at the closing date by using market yields for the corresponding currency on high quality corporate bonds with consideration of AA-rated bonds and depending on the plan's duration and the maturity profile of the defined benefit obligation.

Significant demographic assumptions used by AXA are mortality tables in the measurement of the Group's obligations under its defined benefit schemes. These assumptions are often set based on actuarial advice in accordance with published statistics and experience in each country. Translated into average remaining life expectancy at retirement age (between 60 and 65 in average), the mortality assumptions would give:

- 23.15 years for male and 25.67 years for female retiring at end of December 2021;
- 23.82 years for male and 26.31 years for female retiring at end of December 2031 (*i.e.* 10 years after the reporting date).

26.2.4 Statement of financial position/balance sheet information

The table below presents the change in benefit obligation and the change in plan assets associated with pension plans and other benefit plans sponsored by AXA, together with the separate assets and the balance sheet position.

	Pension benefits		Other benefits		Total	
(in Euro million)	2021	2020	2021	2020	2021	2020
Change in benefit obligation						
Defined Benefit Obligation at the beginning of the year	19,913	19,469	217	234	20,131	19,703
Current service cost	275	270	63	110	338	380
Interest cost	95	160	0	0	95	160
Employee contributions	74	72	-	-	74	72
Plan amendments and curtailments [(a)]	2	(19)	-	(2)	2	(22)
Experience (gains) and losses	257	68	(1)	(1)	256	67
Actuarial (gains) and losses arising from changes in demographic assumptions [(b)]	(86)	27	(0)	(1)	(87)	26
Actuarial (gains) and losses arising from changes in financial assumptions [(c)]	(617)	1,048	(3)	12	(620)	1,060
Benefits paid by plan assets and by separate assets	(557)	(534)	(1)	(1)	(558)	(535)
Benefits directly paid by the employer	(278)	(310)	(100)	(121)	(377)	(431)
Settlements	(1)	1	-	-	(1)	1
Net transfer In/(Out) (including acquisitions, disposals and reclassifications) [(d)]	(175)	3	(6)	(0)	(181)	2
Other	11	8	-	-	11	8
Foreign exchange impact	686	(349)	10	(12)	696	(361)
Defined Benefit Obligation at the end of the year (A)	**19,599**	**19,913**	**180**	**217**	**19,779**	**20,131**
Change in plan assets						
Fair value of plan assets at the beginning of the year	11,867	11,465	-	6	11,867	11,470
Interest income on plan assets	77	115	-	-	77	115
Actual return on plan assets, excluding interest income	438	837	-	-	438	837
Employer contributions [(e)]	262	155	-	-	262	155
Employee contributions	63	60	-	-	63	60
Net transfer In/(Out) (including acquisitions, disposals and reclassifications)	-	-	-	-	-	-
Benefits paid by plan assets	(432)	(428)	-	-	(432)	(428)
Amounts paid in respect of settlements and curtailments	(1)	(1)	-	(6)	(1)	(6)
Other	(1)	-	-	-	(1)	-
Foreign exchange impact	646	(337)	-	-	646	(337)
Fair value of plan assets at the end of the year (B)	**12,919**	**11,867**	**-**	**-**	**12,919**	**11,867**
Change in separate assets						
Fair value of separate assets at the beginning of the year	1,303	1,276	-	-	1,303	1,276
Interest income on separate assets	2	7	-	-	2	7
Actual return on separate assets, excluding interest income	22	35	-	-	22	35
Employer contributions	97	78	1	1	97	79
Employee contributions	10	11	-	-	10	11
Net transfer In/(Out) (including acquisitions, disposals and reclassifications) [(d)]	(111)	2	-	-	(111)	2
Benefits paid by separate assets	(125)	(106)	(1)	(1)	(125)	(107)
Other	-	-	-	-	-	-
Fair value of separate assets at the end of the year	**1,199**	**1,303**	**-**	**-**	**1,199**	**1,303**
Change in the cumulative effect of asset ceiling						
Cumulative effect of asset ceiling at the beginning of the year	29	33	-	-	29	33
Interest cost on asset ceiling	0	1	-	-	0	1
Changes in the asset ceiling, excluding the interest cost	(4)	(2)	-	-	(4)	(2)
Foreign exchange impact	2	(2)	-	-	2	(2)
Cumulative effect of asset ceiling at the end of the year	**27**	**29**	**-**	**-**	**27**	**29**
Funded status						
Funded status (B)-(A)	(6,680)	(8,047)	(180)	(217)	(6,860)	(8,264)
Cumulative impact of asset ceiling	(27)	(29)	-	-	(27)	(29)
Liability and asset recognized in the statement of financial position (excluding separate assets)						
Net position (excluding separate assets)	(6,707)	(8,076)	(180)	(217)	(6,887)	(8,293)
Fair value of separate assets at the end of the year	1,199	1,303	-	-	1,199	1,303
Net balance sheet position (including separate assets)	**(5,509)**	**(6,773)**	**(180)**	**(217)**	**(5,688)**	**(6,990)**

(a) In 2021, this amount mainly reflected a plan amendment effect in Germany and a curtailment in France. In 2020, this amount reflected plan amendment effects in France, in Germany, in the United Kingdom, and an early retirement program in Japan.

(b) In 2021, actuarial gains pertaining to changes in demographic assumptions resulted mainly from the latest update of the BVG demographic tables in Switzerland. In 2020, actuarial losses were mainly due to the update of the CMI mortality projections model in the United Kingdom and the update of the proportion of plan members who will select for a lump sum payments in Germany.

(c) In 2021, actuarial gains pertaining to changes in financial assumptions resulted mainly from the overall increase in discount rate assumptions used to value liabilities. In 2020, actuarial losses resulted mainly from the overall decrease in discount rate assumptions.

(d) In 2021, the transfer out related to the sale of AXA Bank Belgium and the operations in Greece.

(e) Employer contributions to plan assets are mainly in the United Kingdom, Switzerland and Ireland. In 2021, an additional contribution of €114 million was made in the United Kingdom, following the triennial funding valuation process which is expected to be concluded in the first quarter of 2022.

Benefits classified in "Other benefits" include post-retirement benefits other than pensions, principally health care benefits for retirees, preretirement benefits and deferred cash awards.

A surplus (including minimum funding requirement effect) is recognized to the extent that it is recoverable, either through future contribution reductions or a refund to which AXA has an unconditional right, including the ability to use the surplus to generate future benefits.

26.2.5 Pension and other benefits expense

The annual expense for employee pension and other benefits recorded in the income statement (included in Note 26.1.), for the years ended December 31, 2021 and 2020 is presented below:

	Pension benefits		Other benefits		Total	
(in Euro million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Pension and other benefits expense						
Current service cost	275	270	63	110	338	380
Plan amendments and curtailments	2	(19)	-	3	2	(16)
Settlement gains or losses	-	2	-	-	-	2
Other	12	5	-	-	12	5
Total service cost	**289**	**258**	**63**	**113**	**352**	**371**
Interest cost on the defined benefit obligation	95	160	0	0	95	160
Interest income on plan assets	(77)	(115)	-	-	(77)	(115)
Interest income on separate assets	(2)	(7)	-	-	(2)	(7)
Interest cost on asset ceiling	0	1	-	-	0	1
Net interest cost/income	**16**	**39**	**0**	**0**	**17**	**39**
DEFINED PENSION AND OTHER BENEFITS EXPENSE (SERVICE COST + NET INTEREST COST/ INCOME)	**305**	**297**	**63**	**113**	**369**	**410**

The calculation of the periodic pension cost is based on a "spot rate approach" or "full yield approach" that involves the use of separate discount rates of the yield curve, to determine the related service cost, interest cost and interest income on assets associated to each discounted cashflow or segregated subsets of the plan's obligation.

26.2.6 Change in the liability (net of plan assets but excluding Separate Assets and assets within the insurance General Accounts backing employee benefits) recognized in the statement of financial position

Consistently with IAS 19, the statement of financial position liability reflects the funded status (liabilities net of plan assets and cumulative impact of asset ceiling), excluding Separate Assets and Assets within the insurance General Accounts that are backing employee benefits.

DESCRIPTION OF THE RELATIONSHIP BETWEEN SEPARATE ASSETS (OR REIMBURSEMENT RIGHT) AND RELATED OBLIGATIONS

Separate Assets amounted to €1,199 million as of December 31, 2021 (€1,303 million as of December 31, 2020) mainly in France and Belgium. This represents the fair value of assets backing Defined Benefit Obligations covered by both (i) insurance policies written within the Group that provide direct rights to the employees and, (ii) insurance policies with related parties that are outside the scope of consolidation. Under these circumstances, these assets are not considered as Plan Assets that would be deducted from the pensions' Defined Benefit Obligation (DBO), but represent reimbursement rights accounted for as Separate Assets under IAS 19. Insurance assets or liabilities (within the Group) and pension obligations remain on the balance sheet.

Furthermore, in Spain and mostly in Switzerland, there are insurance policies issued by AXA entities, backing the pensions' DBO. The allocated assets are part of the insurance General Accounts of the entities. They are disclosed as "Other Assets" covering the employer's obligations economically but not under IAS 19 accounting. Indeed, unqualified as Plan Assets, they cannot be deducted from the pensions' DBO. Unqualified as reimbursement rights, they cannot be accounted for as Separate Assets either, under IAS 19.

Consistently with IAS 19 requirements, the roll-forward of the statement of financial position liability from January 1, 2021, to December 31, 2021, shown below only captures the evolution of the liability recorded in the Group's statement of financial position net of Plan Assets and does not comprise Separate Assets nor Other Assets included in the insurance General Accounts (which are presented in Note 26.2.8.). The table below shows the detailed roll-forward of the statement of financial position liability, with the Separate Assets added at each year end.

	Pension benefits		**Other benefits**		**Total**	
(in Euro million)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Change in the liability recognized in the statement of financial position						
Statement of financial position liability at the beginning of the year	(8,076)	(8,037)	(217)	(228)	(8,293)	(8,266)
Pension and other benefits expense	(305)	(297)	(63)	(113)	(369)	(410)
Adjustment due to separate assets	(35)	(53)	-	-	(35)	(53)
Employer contributions	262	155	-	-	262	155
Benefits directly paid by the employer	278	310	100	121	377	431
Benefits paid by separate assets	125	106	1	1	125	107
Net transfer (In)/Out (including acquisitions, disposals and reclassifications)	175	(3)	6	0	181	(2)
Actuarial gains and (losses) recognized in OCI	912	(272)	4	(10)	916	(281)
Other	-	-	-	-	-	-
Foreign exchange impact	(42)	13	(10)	12	(52)	25
Statement of financial position liability at the end of the year	**(6,707)**	**(8,076)**	**(180)**	**(217)**	**(6,887)**	**(8,293)**
Fair value of separate assets at the end of the year	1,199	1,303	-	-	1,199	1,303
Net balance sheet position at the end of the year	**(5,509)**	**(6,773)**	**(180)**	**(217)**	**(5,688)**	**(6,990)**

26.2.7 Sensitivity analysis of the Defined Benefit Obligation (DBO): Gross of all assets

A description of the risk that pension schemes are exposed to is presented in Note 26.2.10. The sensitivity analysis for significant actuarial assumptions showing how the Defined Benefit Obligation (totaling €19,779 million as of December 31, 2021 and €20,131 million as of December 31, 2020) would have been affected by changes in the relevant actuarial assumption that is reasonably possible for year ended as of December 31, 2021, and 2020 is presented below:

	2021		**2020**	
	Effect of 0.50% increase	**Effect of 0.50% decrease**	**Effect of 0.50% increase**	**Effect of 0.50% decrease**
Discount rate	-6.8%	7.8%	-7.1%	8.1%
Salary growth rate	0.8%	-0.7%	0.9%	-0.8%
Inflation rate	3.3%	-3.1%	3.6%	-3.3%

One year increase in the life expectancy (derived from adjusted mortality rates) would result in an increase of 3.8% of the Defined Benefit Obligation.

The sensitivity analysis are performed plan by plan using the projected unit credit method (same than the method applied when calculating the defined benefit obligation recognized in the statement of financial position) and are based on a change in an assumption while all other assumptions remain constant.

26.2.8 Near-term cash flows (benefits paid and employer contributions)

FUNDING POLICY AND FUNDING ARRANGEMENTS THAT AFFECT FUTURE CONTRIBUTIONS

In the United Kingdom, the Pensions Act 1995 is one of the main pieces of legislation which governs the operation of occupational pension schemes and the Pensions Act 2004 is the legislation which sets out the scope of the scheme funding provisions and under which regulations were made relating to the funding of occupational defined benefit pension schemes. Central to the scheme funding regime are: the Statutory Funding Objective (SFO), which is a requirement that the Scheme has sufficient and appropriate assets to meet its technical provisions (*i.e.* the amount required, on an actuarial calculation, to make provision for the scheme's liabilities); and the Statement of Funding Principles (SFP), which is a document prepared by the trustees which sets out its policy for ensuring that the SFO is met.

As part of the triennial actuarial valuation process, acting in accordance with the scheme funding legislation and the trust deed and rules of the AXA UK Group Pension Scheme, the Trustee determines an appropriate level of employer contributions to be paid to the AXA UK Group Pension Scheme, having consulted with the Scheme Actuary and discussed this with AXA UK plc. The resulting schedule of contributions is prepared by the Trustee and the Scheme Actuary sets out what contributions are payable and by when. This is then agreed by AXA UK plc. Where there is a deficit on a technical provision funding basis, the Trustee will also need to agree and put in place a Recovery Plan, which sets out the period over which the SFO will be met. There is no prescribed period for a recovery plan, but the Pension Regulator will generally be concerned about long recovery plans. The Trustee is required to prepare the schedule of contributions following valuations but may revisit (and potentially amend) the schedule of contributions in between actuarial valuations, for example if significant events occur during the period.

In Switzerland and Belgium, entities should fund the cost of the entitlements expected to be earned on at least a yearly basis where contributions are determined as a percentage of pensionable salaries depending on the age-class of the beneficiaries.

The assets covering a large part of the retirees' obligation in Switzerland have been managed internally as a non-transferable collective insurance contract between AXA Life Switzerland and AXA pension fund. These assets have been disclosed as "Other Assets" in Note 26.2.6 and the retirees' obligation remained on the AXA balance sheet. Nevertheless, under statutory and legal regulations applicable in Switzerland, the pension fund was considered as fully funded, as the sole purpose of these assets is the coverage of the AXA pension fund liabilities. There is no requirement of additional contributions to the pension fund from AXA. However, in 2021, AXA Life Switzerland and the pension fund have commonly decided to terminate the collective insurance contract mentioned above for the retirees and to transfer the allocated assets to the pension fund. Once the assets transferred, they will be aggregated in the Plan Assets backing the global pensions' DBO in Switzerland. Indeed, the allocated assets cannot be returned to AXA and will be available only to pay or fund employee benefits but not to AXA's own creditors (even in bankruptcy). As a result, the pension fund in Switzerland will be fully funded under IAS 19. As the transfer decision became irrevocable on December 28, 2021 with an effective transfer date as of January 1, 2022, the transaction will be accounted for in the Group's 2022 financial statements.

In France, voluntary regular employer annual contributions are made to Separate Assets, with an objective of the coverage ratio remaining within a targeted range of the total defined benefit obligation after consideration of the yearly predetermined service cost.

In Germany, there is no requirement to fund employee defined benefit obligation.

In summary, considering Other Assets in Switzerland, some small Other Assets in Spain and Separate Assets *i.e.* all Assets other than Plan Assets backing the current liabilities, the net economic situation of the funding for defined benefit plans is the following:

	Pension benefits		Other benefits		Total	
(in Euro million)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Statement of financial position liability [(a)]	(6,707)	(8,076)	(180)	(217)	(6,887)	(8,293)
Assets other than plan assets [(b)]	2,565	2,685	-	-	2,565	2,685
Net economic position	**(4,142)**	**(5,391)**	**(180)**	**(217)**	**(4,322)**	**(5,608)**

(a) Amounts representing the defined benefit obligation less plan assets adjusted for assets not recoverable by asset ceiling impact.
(b) Amounts including separate assets or right to reimbursements and other assets managed within the Group but not taken into consideration in the pension disclosures as described in Note 26.2.6.

6

ESTIMATED EMPLOYER CONTRIBUTIONS TO THE PLAN FOR THE NEXT ANNUAL REPORTING PERIOD

The estimated amount of 2022 employer contributions for pension benefits is €216 million (€223 million estimated in 2020 for 2021).

ESTIMATED FUTURE BENEFITS TO BE PAID BY THE ASSETS OR THE EMPLOYER

(in Euro million)	Pension benefits	Other benefits
2022	917	82
2023	840	45
2024	831	22
2025	847	4
2026	867	4
Five years thereafter	4,403	17
From year N+11 until the last benefit payments is paid	18,707	61

These estimated future contributions and benefits expected to be paid are subject to uncertainty as they will be notably driven by economics of future years.

26.2.9 Asset mix of plan assets

As pension liabilities have a long-term nature, a mix of equity instruments, debt instruments, investment funds and real estate investments is used in Plan Assets.

The following tables disclose the fair values of Plan Assets and their level within the fair value hierarchy for the defined benefit plans of AXA Group as at December 31, 2021, and 2020, respectively (fair value hierarchy principles as described by the Group are described in Note 1.5):

	Total Group			United Kingdom			Switzerland			Other		
December 31, 2021	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total
Equity instruments	8.9%	0.0%	8.9%	0.1%	0.1%	0.2%	22.4%	0.0%	22.4%	3.9%	0.0%	3.9%
Debt instruments	45.2%	0.0%	45.2%	65.2%	0.0%	65.2%	15.3%	0.0%	15.3%	53.3%	0.0%	53.3%
Other (a)	11.5%	34.4%	45.9%	4.6%	30.1%	34.7%	18.7%	43.6%	62.3%	23.0%	19.7%	42.8%
TOTAL	**65.6%**	**34.4%**	**100.0%**	**69.8%**	**30.2%**	**100.0%**	**56.4%**	**43.6%**	**100.0%**	**80.3%**	**19.7%**	**100.0%**
TOTAL *(in Euro million)*	**8,472**	**4,446**	**12,919**	**4,847**	**2,094**	**6,941**	**2,766**	**2,141**	**4,908**	**858**	**211**	**1,069**

(a) The other category of plan assets mainly includes investment funds.

	Total Group			United Kingdom			Switzerland			Other		
December 31, 2020	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total
Equity instruments	8.4%	0.1%	8.5%	0.1%	0.1%	0.2%	21.8%	0.0%	21.8%	5.3%	0.0%	5.3%
Debt instruments	46.3%	0.0%	46.3%	65.6%	0.0%	65.6%	15.5%	0.0%	15.5%	53.5%	0.0%	53.5%
Other (a)	11.8%	33.4%	45.2%	5.6%	28.6%	34.2%	18.7%	44.0%	62.7%	21.6%	19.6%	41.2%
TOTAL	**66.6%**	**33.4%**	**100.0%**	**71.3%**	**28.7%**	**100.0%**	**56.0%**	**44.0%**	**100.0%**	**80.4%**	**19.6%**	**100.0%**
TOTAL *(in Euro million)*	**7,898**	**3,969**	**11,867**	**4,613**	**1,861**	**6,475**	**2,412**	**1,895**	**4,307**	**873**	**212**	**1,085**

(a) The other category of plan assets mainly includes investment funds.

26.2.10 Management of risks specific to the Group arising from defined benefit plans

Local operating entities and trustees have the primary responsibility for managing the risks that plans are exposed to through a defined benefit plan, in accordance with local legislation if any and the risk framework defined at local level.

Defined benefit plans expose AXA mainly to market investment risk, interest rate risk, inflationary risk and longevity risk:

- a decline in asset market value (equity, real estate, alternatives etc.) will immediately increase the balance sheet liability and the near-term cash flows for countries where there is minimum funding requirements;
- a decrease in corporate bond yields will result in an increase in plan liabilities even if this effect will be partially offset by an increase in the value of the plans' bonds; and
- an increase in inflation rate or an increase in life expectancy will result in higher plan liabilities thus, an increase in future employer contributions in countries where there is minimum funding requirements.

INVESTMENT POLICIES AND STRATEGIES USED BY ENTITIES/ TRUSTEES TO MANAGE RISKS

In most countries, Trustees or Investment Committees set the general investment policies and guidelines regarding the allocation of plan assets in accordance with the long term horizon of the benefit plans. The investment strategy is reviewed regularly, following actuarial valuations of the funded benefit plans.

The investment positions are managed within an Asset Liability Management (ALM) framework defining an optimal strategic allocation with respect to the liabilities structure. The management of the assets notably includes liquidity management, diversification of each asset type so that the failure of any specific investment does not present a material risk to the plans, and implementation of hedging programs.

In the United Kingdom, the pension scheme entered into several longevity swap transactions:

- in 2015, for economically hedging longevity risk inherent within the pensioner population;
- in 2019, for covering pensioner members that retired prior to April 1, 2019;
- in 2020, for covering longevity risk (subject to a level of retention) of the remaining unhedged members.

Furthermore, a hedging strategy has been in place to protect the scheme funding level from movements in inflation and interest rate. The strategy is reviewed on a regular basis by AXA UK, Trustees and investment advisors.

Additionally, caps on inflationary increases were in place in the United Kingdom and Ireland to protect the scheme against extreme inflation.

26.2.11 Statement of financial position/balance sheet reconciliation

(in Euro million)	December 31, 2021	December 31, 2020
Net position (excluding separate assets) (a)	(6,887)	(8,293)
- (assets)/liabilities held for sale (b)	-	185
Other liabilities	(363)	(229)
TOTAL (c)	**(7,250)**	**(8,337)**

(a) Net position (excluding separate assets) for pension benefits and other benefits as reported in Note 26.2.6.
(b) As of December 31, 2020, the amounts comprise liabilities and assets of AXA Bank Belgium and the operations in Greece for which the sale process was not finalized.
(c) It corresponds to a liability of €7,481 million as of December 31, 2021 (€8,450 million as of December 31, 2020) included in the statement of financial position under the caption "provision for risks and charges", and an asset of €232 million (€113 million as of December 31, 2020) included in the statement of financial position under the caption "other receivables".

26.3 SHARE-BASED COMPENSATION

All figures are gross of tax.

(in Euro million)	2021	2020
Cost by plan		
AXA SA Stock options	**1.2**	**2.1**
■ 2015 grants	-	0.1
■ 2016 grants	0.1	0.4
■ 2017 grants	0.4	0.8
■ 2018 grants	0.6	0.8
■ 2019 grants	-	-
■ 2020 grants	-	-
■ 2021 grants	-	-
AXA Group Shareplan	**6.9**	**3.4**
■ Classic Plan	1.4	3.4
■ Leverage Plan	5.5	-
AXA Performance Shares (in France)	**67.8**	**59.0**
■ 2017 grants	-	8.9
■ 2018 grants	3.9	16.7
■ 2019 grants	25.5	19.5
■ 2020 grants	21.4	13.8
■ 2021 grants	17.0	-
AXA International Performance Shares plans	**84.3**	**76.9**
■ 2016 grants	-	6.3
■ 2017 grants	9.2	17.0
■ 2018 grants	11.6	13.5
■ 2019 grants	20.8	24.6
■ 2020 grants	19.9	15.5
■ 2021 grants	22.9	-
AXA Retirement Performance Shares	**18.9**	**11.1**
AXA Investment Managers Performance Shares	**10.9**	**12.7**
TOTAL EMPLOYEE SHARE-BASED COMPENSATION COST	**190.1**	**165.3**

The cost includes the expenses from share-based compensation instruments issued by the Group as well as by AXA subsidiaries.

The share-based compensation instruments listed above are mostly composed of instruments settled in equity. The unit cost of the equity settled instruments does not vary for a given plan while the cash settled instruments unit cost is updated at each closing.

The total charge is amortized over the vesting period and adjusted at each future closing date for the difference between actual and expected lapse to take into account actual service conditions and actual non-market performance conditions.

A detail of each of the major plans and the associated cost is presented in Note 26.3.1 and Note 26.3.2.

26.3.1 Share-based compensation instruments issued by the Group

AXA SA STOCK OPTIONS

In 2019, after having progressively reduced the number of stock options beneficiaries over the past, AXA's Board of Directors, upon recommendation from its Compensation & Governance Committee, in order to simplify AXA's compensation policy and in line with market practice, decided to cease awarding stock options to corporate officers and AXA key employees. These options were either subscription options involving newly issued AXA ordinary shares or purchase options involving AXA treasury shares. While the precise terms and conditions of each option grant may vary, options were (i) granted at a price not less than the average closing price of the ordinary share on the Paris Stock Exchange during the 20 trading days preceding the date of grant, (ii) valid for a maximum term of ten years, and (iii) vest in instalments of 33.33% per year on each of the third, fourth and fifth anniversaries of the grant date.

From 2013, for all beneficiaries, the vesting of the final instalment has been subject to the fulfilment of the market performance conditions regarding the performance of the AXA shares compared to the STOXX Insurance Index ("SXIP").

All options granted to the members of the Management Committee have been subject to the fulfilment of this market-based performance condition.

The following table shows AXA SA stock options status:

	Options *(in million)*		Weighted exercise price *(in Euro)*	
	2021	**2020**	**2021**	**2020**
Options AXA				
Outstanding on January 1	**13.6**	**15.2**	**21.05**	**20.48**
Granted	-	-	-	-
Exercised	(3.2)	(1.1)	18.98	14.87
Cancelled and expired	(0.3)	(0.5)	18.15	17.26
Outstanding as of December 31	**10.0**	**13.6**	**21.82**	**21.05**

Including the last grant in 2018, valid for a maximum term of 10 years, the number of outstanding options and the number of exercisable options among the outstanding options are shown below by maturity date.

	Outstanding options		Exercisable options (taking into account the market-based performance condition)	
Expiry year of options *(in million)*	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
2021	-	0.5	-	0.5
2022	0.1	0.4	0.1	0.4
2023	0.2	0.6	0.2	0.6
2024	1.0	1.6	1.0	1.6
2025	2.0	2.5	2.0	1.7
2026	1.8	2.6	1.8	1.6
2027	2.4	2.7	1.6	0.9
2028	2.5	2.6	0.7	-
TOTAL AXA	**10.0**	**13.6**	**7.5**	**7.6**

	Outstanding options		Exercisable options (taking into account the market-based performance condition)	
Options AXA	**Number** *(in million)*	**Exercise price** *(in Euro)*	**Number** *(in million)*	**Exercise price** *(in Euro)*
Price range				
€6.48 – €12.96	0.1	12.22	0.1	12.22
€12.97 – €19.44	1.3	17.79	1.3	17.79
€19.45 – €25.92	8.6	22.52	6.1	22.60
€6.48 – €25.92	**10.0**	**21.82**	**7.5**	**21.65**

The fair value of AXA SA stock options was calculated using the Black & Scholes option pricing model. The effect of expected early exercise was taken into account through the use of an expected life assumption based on historical data. AXA SA share price volatility was estimated on the basis of implied volatility, which was checked against an analysis of historical volatility to ensure consistency. The expected AXA SA dividend yield was based on the market consensus. The risk-free interest rate was based on the Euro Swap Rate curve for the appropriate term.

The option pricing assumptions and fair value at grant date for plans issued for the last time in 2018 are shown below:

	2018	2017	2016
Assumptions			
Dividend yield	5.79%	6.50%	6.60%
Volatility	20.72%	25.05%	26.60%
Risk-free interest rate	0.72%	0.55%	0.36%
Expected life *(in years)*	8.6	8.5	8.5
Weighted average fair value per option at grant date in Euro	1.21	1.81	1.80

The total cost has been amortized over the vesting period and a nil estimated pre-vesting lapse rate was applied over the remaining vesting period. On that basis, the expense recognized in profit or loss for the year ended December 31, 2021 was €1.2 million (€2.1 million for the year ended December 31, 2020).

AXA GROUP SHAREPLAN

AXA offers its employees the opportunity to become shareholders through a special employee share offering. In countries that meet the legal and fiscal requirements, two investment options are available: the traditional plan and the leveraged plan.

The traditional plan allows employees to purchase, through a personal investment, AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on the country) with a discount of 20%. The shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable laws). Employees are subject to the share price evolution, up or down, as compared to the subscription price.

The leveraged plan allows employees to purchase, on the basis of 10 times their personal investment, AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on the country) with a discount. The shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable laws). Employees' personal investment is guaranteed by a bank, and employees also benefit from a portion of the share appreciation, calculated on the basis of the non-discounted reference price. At the end of the 5 years holding period, the employees can, depending on their residence country, do any one of the following: (i) receive the cash value of their investment, (ii) receive the value of their investment in the form of AXA shares, or (iii) transfer their assets invested in the leveraged plan into the traditional plan.

Due to the COVID-19 crisis, only the traditional investment option was offered in 2020. In 2021, both traditional and leveraged plans were offered to AXA employees.

The cost of the shareplan plan is valued taking into account the five-year lock-up period, as recommended by the ANC (*Autorité des normes comptables*). The ANC approach values the restricted shares through a replication strategy whereby the employee would sell the restricted shares forward at the end of the lock-up period, borrow enough money to buy unrestricted shares immediately, and uses the proceeds of the forward sale together with dividends paid during the lock-up period to finance the loan. For the leveraged plan, the cost also includes the opportunity gain implicitly provided by AXA by enabling its employees to benefit from an institutional price for derivatives as opposed to a retail price.

In 2021, AXA offered its employees to subscribe to a traditional share offering, at a price of €18.86 per share (discount of 20% to the reference price of €23.57 representing the average over the twenty trading days ending on the date preceding the Chief Executive Officer's decision setting the definitive terms of the operation) and at a price of €21.98 per share for the leveraged plan (discount of 6.75% to the reference price of €23.57). A total of 13.8 million new shares were issued, increasing the share capital by €292.8 million. This offering represented a total cost of €6.89 million taking into account the five-year lock-up period. In 2021, the cost of the lock-up period was measured at 18.35% for the traditional plan and 6.74% for the leveraged plan (due to different discounts). In addition to the lock-up cost, the opportunity gain offered to the employees under the leveraged plan was measured at 2.27%.

The table below shows the main features of the shareplan, the amounts subscribed, valuation assumptions, and the cost of the plans for 2020 and 2021:

	2021		2020
	Traditional	Leveraged	Traditional
Plan maturity *(in years)*	5	5	5
[A] Discount to face value	20.00%	6.75%	20.00%
Reference price *(in Euro)*	23.57	23.57	17.20
Subscription price *(in Euro)*	18.86	21.98	13.76
Amount subscribed by employee *(in Euro million)*	67.5	22.5	88.2
Total amount subscribed *(in Euro million)*	67.5	225.3	88.2
Total number of shares subscribed *(in million shares)*	3.6	10.2	6.4
Interest rate on employee loan	6.70%	6.74%	6.12%
5-year risk-free rate (euro zone)	-0.10%	-0.10%	-0.67%
Dividend yield	7.72%	7.72%	8.55%
Early exit rate	2.22%	2.22%	1.62%
Interest rate for borrowing securities (repo)	-0.10%	-0.10%	-0.17%
Retail/institutional volatility spread	N/A	2.12%	N/A
[B] Cost of the lock-up for the employee	18.35%	6.74%	16.88%
[C] Opportunity gain	N/A	2.27%	N/A
Total cost for AXA = [A] – [B] + [C] (as a percentage of the reference price)	**1.65%**	**2.28%**	**3.12%**
TOTAL COST FOR AXA *(in Euro million)*	**1.39**	**5.50**	**3.43**

OTHER SHARE-BASED COMPENSATION

AXA Performance Shares

Performance Shares are granted to executive officers and other key employees mainly in France. These Performance Share plans are equity-settled award plans subjected to performance conditions and a three-year vesting period. In addition, for some identified beneficiaries, a compulsory two-year holding period can be applicable after the vesting period.

In 2021, the valuation was based on a market price of €22.64 per share at grant date and an estimate 5% pre-vesting lapse rate per year. The grant date fair value of Performance Shares granted in 2021 was €15.57 (€9.75 for 2020 grants).

The total cost of Performance Shares recognized was €67.8 million as of December 31, 2021 (€59.0 million as of December 31, 2020).

AXA International Performance Shares

Since 2013, AXA has issued International Performance Shares to executive officers and other key employees mainly outside France.

Under the International Performance Shares (PSi) plan, beneficiaries have the right to receive at the settlement date, a certain number of AXA shares based on the achievement of performance criteria defined by AXA. The performance period is currently three years. The vesting period (service condition) is between three and five years. The settlement is made in shares rather than in cash (except where the settlement in shares is impossible for legal or other reasons).

The total cost of the International Performance Shares recorded as of December 31, 2021, was €84.3 million in earnings (€76.9 million as of December 31, 2020).

AXA Retirement Performance Shares

As voted by the Shareholders' Meeting of April 24, 2019, AXA's Board of Directors is authorized to grant retirement performance shares to designated senior executives in France. Under this plan, beneficiaries of Performance Shares have the right to receive at the settlement date, a certain number of AXA shares based on the achievement of a performance condition related to the average AXA Group Solvency II ratio calculated during the performance period of three years.

For the grants from 2016 to 2018, after the three-year performance period, the performance shares definitively acquired are subject to (i) an additional restriction on transfer period of two years following the performance period, and (ii) an obligation to hold the shares until retirement, provided that the beneficiaries may sell their shares for diversification purposes (following the three-year performance period and two-year restriction on transfer period), as long as the sale proceeds are invested in a long-term savings plan until the beneficiary's retirement.

From 2019 grants, the restriction on the two years transfer period is no longer applicable.

The total cost of the Performance Shares Retirement recorded as of December 31, 2021, was €18.9 million in earnings, gross of tax (€11.1 million as of December 31, 2020).

26.3.2 Share-based compensation instruments issued by AXA subsidiaries

AXA INVESTMENT MANAGERS SHARE-BASED COMPENSATION PLANS

AXA Investment Managers granted Performance Shares to certain key employees as part of its deferred remuneration policy that also includes DIP (Deferred Incentive Plan). The Investment Managers Performance Shares incentive plan is a long term award plan in which participants are allocated rights to acquire AXA Investment Managers shares upon completion of a specified vesting period depending on applicable local regulations, and subject to fulfilment of certain performance conditions. The performance condition is based on the achievement of Actual AXA Investment Managers Underlying Earnings Group share *versus* budgeted and/or investment performance conditions.

In 2021, following the change in the deferred remuneration fully in DIP, AXA Investment Managers decided to cease issuing the Investment Managers Performance Shares incentive plan. As a result, the last plan was the one granted in March 2020.

The total cost of AXA Investment Managers Performance Shares recorded as of December 31, 2021, amounted to €10.9 million in earnings (€12.7 million as of December 31, 2020), gross of tax.

26.4 COMPENSATION OF MANAGEMENT AND OFFICERS

Compensation costs/expenses:

- short-term benefits: compensation paid to members of the Management Committee in 2021 totaled €19.2 million (€20.4 million in 2020), including fixed salary, bonuses, directors' fees, benefits in kind and other short-term benefits;
- share-based compensations: the expense recognized in 2021 in respect of share-based compensations granted by AXA SA to Management Committee members was €11.7 million (€10.5 million in 2020);
- post-retirement benefits: the estimated cost to the Group of providing defined benefit pensions and other post-retirement benefits to members of the Management Committee for the current year of service measured in accordance with IAS 19 amounted to €3.9 million in 2021 (€4.1 million in 2020).

26.5 SALARIED WORKFORCE

At December 31, 2021, the Group employed 92,398 salaried people on a full-time equivalent basis (compared to 96,595 at December 31, 2020).

The decrease in salaried employees by 4,196 in 2021 was mainly driven by (i) the sale of AXA Bank Belgium and of our operations in the Gulf Region and in Greece (2,143), (ii) efficiency programs notably in the United Kingdom & Ireland, Colombia, Spain and Germany (-656), (iii) a change in scope of consolidation at AXA Assistance (-627), and (iv) at AXA Business Services (-509) mainly following the disposal of Equitable Holdings, Inc.

Note 27 Net income per ordinary share

The Group calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- the calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of outstanding ordinary shares during the period;
- the calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average stock price of the AXA share over the period.

Net income per ordinary share takes into account interest payments related to undated subordinated debt classified in shareholders' equity.

(in Euro million) [(a)]		December 31, 2021	December 31, 2020
Net income Group share		**7,294**	**3,164**
Undated subordinated debt financial charge		(194)	(177)
Net income including impact of undated subordinated debt	**A**	**7,100**	**2,987**
Weighted average number of ordinary shares (net of treasury shares) - opening		2,386	2,386
Increase in capital (excluding stock options exercised) [(b)]		1	1
Stock options exercised [(b)]		1	0
Treasury shares [(b)]		(4)	(3)
Capital increase/decrease		(3)	(3)
Weighted average number of ordinary shares	**B**	**2,380**	**2,381**
BASIC NET INCOME PER ORDINARY SHARE	**C = A/B**	**2.98**	**1.25**
Potentially dilutive instruments:			
Stock options		1	0
Other		7	6
Fully diluted - weighted average number of shares [(c)]	**D**	**2,388**	**2,387**
FULLY DILUTED NET INCOME PER ORDINARY SHARE	**E = A/D**	**2.97**	**1.25**

(a) Except for number of shares (million of units) and earnings per share (Euro).
(b) Weighted average.
(c) Taking into account the impact of potentially dilutive instruments.

In 2021, net income per ordinary share attributable to continuing operations stood at €2.98 on a basic calculation and at €2.97 on a fully diluted calculation.

In 2020, net income per ordinary share attributable to continuing operations stood at €1.25 on a basic and fully diluted calculation.

Note 28 Related-party transactions

In 2021, the Company was party to the following transactions with related parties which may be deemed to have been material to AXA or the related party in question or unusual in their nature or conditions.

28.1 RELATIONSHIPS WITH THE MUTUELLES AXA

The Mutuelles AXA (AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle, hereafter the "Mutuelles AXA") are two mutual insurance companies engaged respectively in the Property & Casualty insurance business and Life & Savings insurance business in France. On December 31, 2021, the Mutuelles AXA collectively owned 14.93% of the Company's outstanding ordinary shares representing 24.73% of the voting rights.

Each Mutuelle AXA is supervised by a Board of Directors elected by delegates representing policyholders. One member of the Company's Management Committee serves as director of the Mutuelles AXA.

The Mutuelles AXA and two of the Company's French insurance subsidiaries engaged in the Property & Casualty insurance business and Life & Savings insurance business, AXA France IARD and AXA France Vie respectively (the "Subsidiaries"), are parties to an agreement pursuant to which they provide a full range of management services to manage the insurance operations and portfolios of the Mutuelles AXA. The agreement includes provisions designed to ensure the legal independence and protection of the respective client portfolios of the Mutuelles AXA and these Subsidiaries. Certain costs and charges (excluding commissions) are allocated between the Subsidiaries and the Mutuelles AXA through an economic interest grouping (*groupement d'intérêt économique*) or "GIE".

The Property & Casualty insurance business generated in France by insurance brokers was mainly underwritten through co-insurance and reinsurance arrangements between AXA Assurances IARD Mutuelle and AXA France IARD. Aggregate written premiums under these agreements amounted to €2,143 million in 2021 (of which €2,023 million was attributed to AXA France IARD).

28.2 *GROUPEMENT D'INTÉRÊT ÉCONOMIQUE* (GIE)

From time to time the Company enters into GIEs with certain of its subsidiaries. GIEs are intercompany partnerships, governed by French law, created to perform various common services for their members and to allocate associated costs and expenses among their members. The allocation of costs and expenses invoiced to GIE members is based on various agreed criteria including particular activity drivers. The GIEs of which the Company was a member during 2021 covered a variety of common services including services performed by the Group's central functions (GIE AXA) for the benefit of AXA Group companies (*e.g.* finance, accounting and reporting, tax, legal, internal audit, human resources, information systems, risk management, cash management). Expenses invoiced by these GIEs to the Company and its subsidiaries are generally invoiced at cost and are included in the consolidated expenses reflected in Note 25 "Expenses by type" to the Group's Consolidated Financial Statements. Expenses invoiced by the GIE AXA to its members in 2021 and 2020 amounted to respectively €251 million and €259 million.

28.3 LOANS/GUARANTEES/CAPITAL CONTRIBUTIONS, ETC.

The Company has given numerous commitments, including financing commitments, guarantees given to financial institutions and customers, pledged assets, collateralized commitments and letters of credit. For a description of these commitments and guarantees, see Note 29 "Contingent assets and liabilities and unrecognized contractual commitments" to the Group's Consolidated Financial Statements.

Certain of these guarantees are given by the Company for the benefit of its subsidiaries and affiliates for various business purposes including to promote development of their business (*e.g.* to facilitate acquisitions, integration of acquired businesses, distribution arrangements, off-shoring arrangements, internal restructurings, sales or other disposals of assets or businesses, sales or renewals of products or services or similar transactions), to support their credit ratings, and/or to promote efficient use of the Group's capital resources. In this context, the Company may guarantee repayment of loans or other obligations of its subsidiaries to third parties, or provide other types of guarantees to support its subsidiaries' obligations. The beneficiaries of these guarantees are generally required to compensate the Company at a negotiated rate based on prevailing market rates for guarantees with similar conditions. In addition, from time to time, the Company may provide comfort letters or similar letters to rating agencies and/or regulators in support of its subsidiaries and affiliates for various business purposes, including facilitating specific transactions, achieving target rating levels and, more generally, helping to develop the business of these subsidiaries.

Commitments granted by the Company to its subsidiaries are disclosed in Appendix III of this Annual Report "AXA parent Company financial statements: Subsidiaries and participating interests".

The Company may enter into various types of transactions with its subsidiaries and affiliates from time to time for various business purposes including (i) in connection with liquidity, solvency and capital management initiatives designed to promote efficient use and fungibility of the Group's capital resources or (ii) to finance their business operations and/or to promote the development of their business (*e.g.* to facilitate acquisitions, integration of acquired businesses, distribution arrangements, internal restructurings, or similar transactions). These transactions may involve loans or other types of credit arrangements, capital contributions, acquisitions or sales of assets, securities or other financial instruments (including swaps or other types of derivatives), securitization transactions, and/or other types of arrangements or transactions to which the Company may be a direct party and/or guarantor. The Company may also from time to time borrow from its subsidiaries for various business purposes. These transactions are generally carried out on arms-length terms and conditions with loans bearing interest at floating rates that generally reflect prevailing market rates at the respective dates such loans were originated.

28.4 KEY MANAGEMENT AND DIRECTORS

To the best of the Company's knowledge, based on information reported to it:

- on December 31, 2021, there were no loans outstanding from the Group to the Company's two corporate officers or to any member of the Company's Board of Directors;
- various members of the Company's Board of Directors as well as various other executive officers and directors of other AXA Group companies may, from time to time, purchase insurance, wealth management or other products or services offered by AXA in the ordinary course of its business. The terms and conditions of these transactions are substantially similar to the terms and conditions generally available to the public or to AXA employees in general. In addition, certain members of the Board of Directors are corporate officers, directors or have interests, directly or indirectly, in companies that may have agreements or enter into transactions from time to time with AXA Group entities including extensions of credit, loans, purchases of securities (for their own account or for third parties), underwriting of securities and/or furnishing of other types of services or goods. These agreements or deals are generally fully negotiated and performed on arm's length terms and conditions.

Note 29 Contingent assets and liabilities and unrecognized contractual commitments

29.1 BREAKDOWN OF COMMITMENTS RECEIVED

(in Euro million)	December 31, 2021	December 31, 2020
Financing commitments	**10,548**	**10,212**
Customers	-	-
Credit institutions	10,548	10,212
Guarantee commitments	**29,546**	**26,268**
Customers	20,128	19,033
Credit institutions	9,418	7,235
Other	**14,962**	**11,771**
Pledged securities and collaterized commitments	11,592	8,915
Letters of credit	246	252
Other commitments	3,124	2,605
TOTAL	**55,057**	**48,251**

Commitments received by AXA totaled €55,057 million at the end of 2021, an increase by €6,806 million compared to the end of 2020, mainly related to guarantee commitments received for €3,278 million and Other for €3,191 million.

These commitments can be broken down as follows:

Financing commitments received totaled to €10,548 million at the end of 2021, and mainly consisted of:

- unused credit lines received by holdings for €8,627 million mainly at AXA SA (€8,489 million);
- commitment lines for €1,921 million granted to AXA XL (€1,451 million) and Japan (€470 million) as part of their operations.

Guarantee commitments received totaled to €29,546 million at the end of 2021, mainly from (i) guarantees from customers related to mortgage loans €12,499 million received mainly in Switzerland (€10,347 million), in France (€1,702 million) and Belgium (€450 million), (ii) €9,184 million guarantees related to loans mainly in France (€9,097 million), and (iii) €7,629 million other guarantees received from customers in France.

Pledged securities and collateralized commitments received totaled to €11,592 million at the end of 2021:

- collateral for derivatives totaled to €2,599 million mainly in Germany (€906 million), in France (€755 million) and Belgium (€462 million);
- collaterals for reinsurance operations totaled to €8,993 million mainly in Hong Kong (€4,503 million), in France (€3,589 million) and at AXA Global Re (€752 million).

Letters of credit received totaled to €246 million at the end of 2021 mainly at AXA Global Re (€143 million), France (€53 million) and in Turkey (€45 million) due to letter of credits related to reinsurance transactions.

Other commitments received totaled to €3,124 million at the end of 2021, mainly related to mortgages received as guarantees for debt instruments in Germany (€714 million), Japan (€465 million), Italy (€444 million), France (€387 million) and Belgium (€355 million).

29.2 BREAKDOWN OF COMMITMENTS GIVEN

	December 31, 2021					December 31, 2020
	Expiring date					
(in Euro million)	12 months or less	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years	Total	Total
Financing commitments	**549**	**182**	**76**	**0**	**807**	**1,024**
Customers	549	182	76	0	807	1,015
Credit institutions	-	-	-	-	-	9
Guarantee commitments	**4,263**	**66**	**1,327**	**1,484**	**7,141**	**7,038**
Customers	4,237	35	1	995	5,268	5,103
Credit institutions	27	31	1,326	489	1,873	1,935
Other	**12,291**	**7,374**	**3,158**	**14,127**	**36,951**	**25,399**
Pledged securities and collaterized commitments	6,390	1,315	1,471	3,831	13,006	6,555
Letters of credit	1,816	-	572	40	2,428	2,372
Other commitments	4,085	6,060	1,116	10,257	21,518	16,473
TOTAL	**17,104**	**7,622**	**4,561**	**15,612**	**44,899**	**33,461**

Commitments given totaled to €44,899 million at the end of 2021, and increased by €11,438 million compared to the end of 2020, mainly due to higher other commitments (€+5,045 million) and pledged assets and collaterals (€+6,451 million).

These commitments can be broken down as follows:

Financing commitments given totaled to €807 million at the end of 2021 and consisted of financing loans commitments to customers granted in France (€536 million) and Germany (€261 million).

Guarantee commitments given totaled to €7,141 million at the end of 2021 mainly from (i) other guarantees given to customers for €5,268 million, mainly in Germany (€4,238 million) and France (€1,016 million), as well as (ii) guarantee commitments given to credit institutions related to loans for €1,682 million mainly at AXA SA (€1,671 million).

Pledged securities and collateralized commitments given totaled to €13,006 million at the end of 2021:

- pledged assets and collaterals for derivatives instruments totaled to €9,039 million mainly from Hong Kong (€4,648 million), France (€1,501 million), Japan (€1,080 million) and Germany (€926 million);
- other pledged assets/collaterals totaled to €2,858 million mainly from France (€2,213 million) and Hong Kong (€634 million);
- pledged assets and collaterals for reinsurance operations totaled to €1,204 million mainly in France (€1,109 million).

Letters of credit given totaled to €2,428 million at the end of 2021 and were mainly at AXA XL (€2,367 million).

Other commitments given totaled to €21,518 million at the end of 2021 and mainly consisted of:

- €8,367 million commitments to invested assets other than Real Estate funds or private equity funds mainly in France (€3,881 million), Germany (€2,030 million), AXA XL (€767 million), Belgium (€678 million) and Japan (€535 million);
- €6,977 million commitments to private equity funds mainly in Germany (€2,812 million), Japan (€1,653 million) and France (€1,023 million);
- €3,236 million commitments to Real Estate funds mainly in Germany (€1,316 million) and France (€1,314 million);
- €1,071 million commitments related to group insurance contracts mainly at AXA SA (€920 million);
- €549 million commitments related to acquisition/disposals of companies mainly at AXA SA (€524 million);
- €549 million commitments related to other commitments given mainly from Belgium (€284 million), Germany (€92 million), AXA Investment Managers (€80 million) and Japan (€63 million).

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29.3 REPURCHASE AND REVERSE REPURCHASE AGREEMENTS AND SIMILAR OPERATIONS

As of December 31, 2021, pledged securities and collateralized commitments received related to reverse repurchase agreements and similar operations amounted to €14,701 million (€8,134 million as of December 31, 2020).

As of December 31, 2021, pledged securities and collateralized commitments given related to repurchase agreements and similar operations amounted to €49,487 million (€53,884 million as of December 31, 2020) (see Note 9.7).

29.4 OTHER AGREEMENTS

29.4.1 Partial disposal of UK Life & Savings operations

AXA has guaranteed the liabilities and obligations of AXA UK in connection with the sale, in 2010, of part of its Life & Savings insurance business to Resolution Ltd. This includes the potential liability of AXA UK under customary warranties and indemnities given by AXA UK to Resolution Ltd. in connection with this transaction.

29.4.2 Employee and director Indemnification Obligations

In addition to other employment-related obligations, various AXA subsidiaries are required to indemnify their employees and directors against certain liabilities and costs that they may incur from time to time in performing activities within the scope of their duties. These activities may include, for example, service as a director, officer, agent, general partner, or in a similar capacity for (i) an AXA Group company other than the employee's principal employer or (ii) a company outside the AXA Group where service is at the request of (or for the benefit of) the Group (*e.g.* joint ventures, partnerships, or special-purpose investment Companies or funds). The potential amount of compensation relating to commitments covered by these obligations cannot be evaluated with any certainty.

29.4.3 Supports provided without having a contractual or constructive obligation to do so

The Group did not provide any material support without having a contractual or constructive obligation to do so to structured entities during the period.

29.5 OTHER ITEMS: RESTRICTION ON DIVIDEND PAYMENTS TO SHAREHOLDERS

Certain AXA subsidiaries and joint ventures, principally insurance companies, are subject to restrictions on the amount of funds they may transfer in the form of cash dividends or otherwise.

In most cases, the amounts available for distribution from AXA's insurance subsidiaries and joint ventures are limited to net income for the year and retained earnings calculated in accordance with the statutory accounting policies used by the subsidiaries to prepare their local financial statements. Further restrictions may be imposed by the local insurance regulators in countries where AXA operates. In some cases, amounts available for distribution are also subject to regulatory capital adequacy tests or the approval of an independent actuary or subject to individual provisions contained in a company's by laws.

In accordance with European Union directives, insurance companies with their registered office in a European Union member country are required to maintain minimum solvency ratios which must be supported by eligible elements. AXA's insurance operations in countries outside the European Union are also subject to local capital adequacy and solvency margin regulations.

AXA SA is exposed to foreign currency fluctuations notably stemming from its Non-Euro participations. The aim of the hedging programs of the Company is to protect the shareholder value while managing the associated costs.

Note 30 Fees paid to Statutory Auditors

30.1 STATUTORY AUDITORS

Incumbent Auditors

PRICEWATERHOUSECOOPERS AUDIT

63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex, represented by Mrs. Bénédicte Vignon and Mr. Grégory Saugner, first appointed on February 28, 1989. The current appointment is for a term of 6 years, until the General Shareholders' Meeting called to approve the financial statements for the fiscal year 2023.

MEMBERSHIP IN A PROFESSIONAL BODY

PricewaterhouseCoopers Audit is registered as an independent auditor with the *Compagnie régionale des Commissaires aux comptes de Versailles*.

MAZARS

61, rue Henri Regnault – 92400 Courbevoie, represented by Messrs. Gilles Magnan and Maxime Simoen, first appointed on June 8, 1994. The current appointment is for a term of 6 years, until the General Shareholders' Meeting called to approve the financial statements for the fiscal year 2021.

MEMBERSHIP IN A PROFESSIONAL BODY

Mazars is registered as an independent auditor with the *Compagnie régionale des Commissaires aux comptes de Versailles*.

Alternate auditors

Mr. Patrice Morot: 63, rue de Villiers – 92208 Neuilly-sur-Seine, first appointed on April 25, 2018. The current appointment is for a period of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2023.

Mr. Emmanuel Charnavel: 61, rue Henri Regnault – 92400 Courbevoie Cedex, first appointed on April 27, 2016. The current appointment is for a period of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2021.

30.2 FEES PAID TO STATUTORY AUDITORS

The table below distinguishes the fee amounts paid by AXA to each of the Statutory Auditors in charge of auditing the Group's financial statements between the fees for the legal mission of Statutory Auditors of the statements and for other services.

	PwC (PricewaterhouseCoopers)							
	2021				2020			
	Amount (before VAT)				Amount (before VAT)			
(in Euro million, except percentages)	France	Rest of the world	Total	%	France	Rest of the world	Total	%
Statutory audit and certification of local and consolidated financial statements	**5**	**25**	**30**	**74%**	**5**	**24**	**29**	**74%**
AXA SA	3	-	3	7%	3	-	3	7%
Integrated subsidiaries globally	2	25	27	67%	2	24	26	67%
Other [(a)]	**4**	**7**	**10**	**26%**	**3**	**7**	**10**	**26%**
AXA SA	3	-	3	8%	3	-	3	7%
Integrated subsidiaries globally	0	7	7	17%	0	7	7	19%
TOTAL	**8**	**31**	**40**	**100%**	**8**	**31**	**39**	**100%**

(a) Fees for other services paid to Statutory Auditors mainly relate to (i) other insurance assignments - agreed upon procedures on financial information, insurance services over regulatory information, comfort letters, SSAE16/ISAE3402 reports, insurance reports on EOF and SFCR, and due diligences, (ii) tax services - out of France such as tax compliance services, and (iii) other permitted advisory services.

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	Mazars							
	2021				2020			
	Amount (before VAT)				Amount (before VAT)			
(in Euro million, except percentages)	France	Rest of the world	Total	%	France	Rest of the world	Total	%
Statutory audit and certification of local and consolidated financial statements	**3**	**6**	**9**	**74%**	**3**	**6**	**9**	**73%**
AXA SA	1	-	1	6%	1	-	1	6%
Integrated subsidiaries globally	2	6	9	68%	2	6	8	67%
Other [(a)]	**1**	**2**	**3**	**26%**	**1**	**2**	**3**	**27%**
AXA SA	1	-	1	6%	1	-	1	7%
Integrated subsidiaries globally	0	2	3	20%	0	2	3	21%
TOTAL	**4**	**9**	**13**	**100%**	**4**	**8**	**12**	**100%**

(a) Fees for other services paid to Statutory Auditors mainly relate to (i) other insurance assignments - agreed upon procedures on financial information, insurance services over regulatory information, comfort letters, SSAE16/ISAE3402 reports, insurance reports on EOF and SFCR, and due diligences, (ii) tax services - out of France such as tax compliance services, and (iii) other permitted advisory services.

External audit fees are also paid by certain Affiliates and Mutual funds which are not required to be included in the table above.

Note 31 Litigations

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable, and the amount of the loss can be reasonably estimated, we establish a reserve and record an estimated loss for the expected outcome of the litigation. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, the litigation is in its early stages, or when the litigation is highly complex or broad in scope.

31.1 MATTERS DIRECTLY CONCERNING AXA SA

AXA SA is involved in lawsuits, investigations and other actions arising in the various jurisdictions where it does business, including the following:

In 2007, AXA SA completed the squeeze out of the minority shareholders at two German subsidiaries, AXA Konzern AG (“AKAG”) and Kölnische Verwaltungs-AG für Versicherungswerte (“KVAG”). Following the effective date of these squeeze out transactions in July 2007, certain former AKAG and KVAG shareholders brought proceedings in Germany alleging that the cash compensation offered by AXA SA was not adequate. In the first half of 2016, an initial expert valuation report was delivered to the court based on recent precedents in other German minority buy-out transactions and recommending a significant increase in the cash compensation to be paid to minority shareholders. In addition, interest will be payable on any additional amount finally decided. AXA SA appointed an independent expert to challenge this report and submitted its statement in February 2017. A court-appointed expert provided a revised report in response to AXA’s expert in November 2018.

A first instance decision was issued in December 2019. The court decided that the AKAG and KVAG valuation compensation should be increased by approximately 22% of the amount paid by AXA in 2007. The minority shareholders have appealed the decision and AXA counter appealed.

31.2 MATTERS CONCERNING AXA SUBSIDIARIES

AXA and its subsidiaries are involved in various legal actions and proceedings of a character normally incidental to their business including claims litigation arising in connection with the Group’s insurance business and litigation arising from the Group’s Asset Management business.

In addition, several AXA subsidiaries are involved in lawsuits (both class action and individual), investigations, and other actions arising in the various jurisdictions where they do business, including the United States.

A number of lawsuits have been filed against insurers in the United States and elsewhere involving the scope and interpretation of policies, insurers' sales practices, alleged misconduct or misrepresentation, alleged failure to properly supervise agents, compensation of intermediaries, product features, fees or performance as well as numerous other matters. Some of these actions have resulted in the award of substantial judgments against insurers (including material amounts of punitive damages) or in substantial settlements. In certain jurisdictions, juries have broad discretion in awarding punitive damages. AXA's subsidiaries are involved in these types of litigations as well as regulatory inquiries, investigations or actions with respect to these and a wide variety of other matters related to the ownership or management of real estate, asset or investment activities, corporate transactions, employee benefit disputes, alleged discrimination in employment practices, as well as other matters.

Furthermore, a number of AXA subsidiaries are involved in a significant number of litigations relating to COVID-19 exposure under business interruption policies and non-damage business interruption extensions to business interruption policies. In certain of the countries in which those AXA subsidiaries operate (notably in France) the courts have delivered inconsistent judgments, which we expect will continue to be the case as appeals are pursued.

Some of the litigations described above have been brought on behalf of various alleged classes of claimants, and certain of the claimants in these actions seek significant or unspecified amounts of damages, including punitive damages.

31.2.1 AXA XL Division

Enedis (formerly ERDF, a subsidiary of Électricité de France, the primary electric utility in France) has notified claims for coverage under a professional liability policy underwritten by AXA Corporate Solutions Assurance, which was merged into XL Insurance Company SE on December 31, 2019 ("AXA XL Division"). The underlying liabilities in question arise out of a series of lawsuits (more than 500 individual suits) brought against Enedis by local electricity producers in France engaged in production of solar/green energy and AXA XL Division was joined to proceedings, as insurer, in over 200 cases. These local producers allege financial losses due to Enedis' delay in processing their applications to be connected to the public grid within the statutory period. AXA XL Division pleaded the illegality of the Decrees as its defense and in March 2019, the French Supreme Court upheld the decision of the ECJ. Lower courts continue to dismiss cases based on the above rulings.

Royal Bank of Scotland Plc ("RBS") has notified claims for coverage to AXA XL Division under general liability policies covering the years 2001-2004. AXA XL Division insured the primary layer (up to £5 million per claim or series of related claims) under these policies. RBS seeks coverage for potential liabilities arising out of three class actions brought against NatWest (an RBS subsidiary) between 2005-2007 in the New York Federal Court under the US Anti-Terrorism Act for aiding and abetting terrorism due to certain accounts it maintained. AXA XL Division is not a party to this litigation. NatWest succeeded in having this case dismissed in 2019 on a summary judgment motion, which plaintiffs appealed. In April 2021, the New York Second Circuit Court of Appeals affirmed the lower court decision dismissing the lawsuit. In September 2021, the plaintiffs filed for leave to appeal the dismissal to the United States Supreme Court

31.3 OTHER LITIGATION

In addition to the various matters noted above, AXA and certain of its subsidiaries are involved in numerous legal actions and proceedings arising out of transactions involving the acquisition or sale of businesses or assets, mergers or other business combination transactions, the establishment or dissolution of joint ventures or other partnerships, public exchange or tender offers, buy-outs of minority interests or similar types of transactions ("M&A Transactions"). In connection with M&A Transactions, AXA and its subsidiaries from time to time:

- are involved in legal actions or other claims brought by purchasers, joint venture partners, shareholders or other transaction parties asserting claims for damages on various theories (including misrepresentation, failure to disclose material information, failure to perform contractual duties, breach of fiduciary duties), seeking contractual indemnification, or otherwise seeking to impose liability on AXA and/or its subsidiaries; and/or
- benefit from contractual rights to indemnification from third party sellers or other transaction counterparties that are designed to protect the Group against existing or potential future litigation exposures or other types of contingent liabilities of the acquired businesses or assets. These indemnities generally constitute unsecured obligations of the indemnifying party and, consequently, their value may be substantially impaired or rendered worthless in the event of the bankruptcy or insolvency of the indemnifying party.

AXA and certain of its subsidiaries are also involved in tax assessment negotiations and/or active litigation with tax authorities over contested assessments or other matters in a number of jurisdictions including in France. These actions or assessments arise in a variety of circumstances including matters in connection with M&A, restructuring or financing transactions as well as in the ordinary course of business.

Over the past several years a number of jurisdictions, including France and Belgium, have enacted legislation that permits corporate entities to be charged with criminal offences. The standard for attributing criminal conduct by corporate officers and employees to corporate entities is not clearly defined in many of these jurisdictions and government prosecutors and judges have broad discretion in this area. In recent years, complaints against or indictments of corporate entities for alleged criminal offences have become increasingly common and certain AXA Group companies have been the subject of penal complaints and/or indictments from time to time including in Belgium and France. While a criminal complaint against or indictment of a corporate entity may not pose material financial risk, it has broad potential implications for a regulated financial institution like

AXA both from a reputation point of view and from a regulatory perspective because a criminal conviction can have potentially far reaching negative implications for AXA Group companies engaged in regulated businesses around the world (including for their ability to obtain or maintain licenses to engage in certain types of regulated business activities such as Asset Management, insurance and banking).

Beyond litigation risks of the type described above, AXA and its subsidiaries are subject to comprehensive regulation in the various jurisdictions where they do business. In this context, AXA and its subsidiaries are subject, from time to time, to examinations, investigations, enforcement proceedings and other actions by regulatory and law enforcement authorities (involving civil and/or penal matters) as well as to proposed changes in law and/or regulation that may significantly impact their business and results of operations. For additional information on these matters as well as other risks and contingent liabilities affecting the Group and its business, please see Section 5.1 "Risk Factors" and Section 7.3 "General Information" and Note 29 "Contingent assets and liabilities and unrecognized contractual commitments" in Part 6 "Consolidated Financial Statements" of this Annual Report.

Although the outcome of any lawsuit cannot be predicted with certainty, particularly in the early stages of an action, Management believes that the ultimate resolutions of the matters described above are not likely to have a material adverse effect on the consolidated financial position of the Group, taken as a whole. In addition, as of December 31, 2021, to the Company's knowledge, there were no other governmental, judicial or arbitration proceedings, either pending or threatened, that may have, or have had a significant impact on the financial situation or profitability of the Company or the Group over the past 12 months. However, due to the nature of such lawsuits and investigations and the frequency of large damage awards and regulatory sanctions in certain jurisdictions (particularly the United States) that bear little or no relation to actual economic damages incurred by plaintiffs or the underlying regulatory violations, Management cannot make an estimate of loss, if any, or predict whether these matters, individually or in the aggregate, will have a material adverse effect on the Group's consolidated results of operations in any particular period.

Note 32 Subsequent events

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

On January 6, 2022, AXA announced the successful placement of €1.25 billion of Reg S subordinated notes due 2042 to institutional investors, to be used for general corporate purposes including the refinancing of part of its outstanding debt [(1)].

The initial fixed coupon has been set at 1.875% *per annum* until the end of the 6-month call window period (July 2032), when it will become a floating coupon based on 3-month EURIBOR plus a margin including a 100 basis points step up. Investor demand was strong with a book subscribed more than 2 times.

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

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

AXA completed the sale of its insurance operations [(2)] in Singapore

On February 11, 2022, AXA announced that it completed the sale of AXA Insurance Pte Limited ("AXA Singapore") to HSBC Insurance (Asia-Pacific) Holdings Limited, for a total cash consideration of US$ 529 million (or €463 million [(3)]).

War in Ukraine

On February 24, 2022, Russia invaded Ukraine, triggering a war and worldwide geopolitical tensions, leading the United States, Europe and some other countries to impose unprecedented financial and trade sanctions on the Russian economy, including asset freezes and restrictions on individuals and institutions, notably the Russian Central Bank. As a consequence, the Ruble has significantly weakened and the Russian economy is facing a major crisis with repercussions on the global economy.

AXA insures risks of various types in Russia, Ukraine and neighboring countries that may or may not give rise to claims depending on a number of factors including the evolution of the conflict and its geographic scope, as well as the nature and scope of international sanctions imposed and the consequent damages.

AXA also holds a minority stake of 38.6% in "Reso Garantia", a Russian insurance company mainly selling motor insurance to local retail customers, for which financial information is disclosed in Section 6.6 - Note 10.3 "Main associates" of this Annual Report.

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

(2) Operations in Singapore related to AXA XL, AXA France, AXA Partners, MAXIS and AXA Global Healthcare are not within the scope of this transaction.

(3) EUR 1 = US$ 1.1425 as of February 9, 2022 (Source: Bloomberg).

6.7 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Régnault
92400 Courbevoie

Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2021

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulation or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting,

AXA SA
25, avenue Matignon
75008 Paris

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of AXA SA for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for in the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2021 to date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of Life & Savings future policy benefit reserves including deferred acquisition costs
(See Notes 1.7.3, 1.14.2, 4.4 and 14 to the consolidated financial statements)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the matter</th></tr>
<tr><td>At December 31, 2021, the Group has recorded material Life & Savings liabilities arising from insurance contracts (€271,492 million) and liabilities arising from investment contracts with discretionary participation features (€35,297 million), where risks are born by the Group, as described in Notes 14.2 and 14.3 to the financial statements.

The primary assumptions that must be made as part of the valuation include assumptions about mortality, longevity, lapses, morbidity, disability and costs as well as economic assumptions such as interest rates and equity market performance.

As described in Notes 1.14.2 and 4.4 to the consolidated financial statements, measurements of Life & Savings technical reserves are as follows:
■ for life and protection insurance contracts, the future policy benefit reserves relating to these contracts are generally measured based on a prospective basis using assumptions on investment yield, mortality, longevity, lapses, morbidity and expenses;
■ some of these reserves, in particular Protection & Health products, include contracts with surrender guarantees and, in some cases a guaranteed long-term rate or long-term guarantees;
■ for investment contracts with discretionary participation features, future policy benefits reserves are generally calculated using a prospective approach based on discount rates usually set at inception.

Assumptions used are generally locked-in at inception, and for some Life & Savings reserves are based on unlocked discount rates as stated in Note 14.9.2 of financial statements.

At each closing, the Company uses a Liability Adequacy Test to determine that technical reserves are sufficient, and that deferred acquisition costs are recoverable. Liability Adequacy Test is based on current best estimates of all future contractual cash flows that are valued using complex actuarial models and involve a significant degree of judgment.

Certain changes in these assumptions could result in material impact to the valuation of these liabilities and assets.

Accordingly, we deemed the valuation of the future policy benefit reserves covering these contracts to be a key audit matter.</td><td>Our audit approach to the risk relating to the valuation of these liabilities and assets in the Life & Savings line of business was as follows:
■ we assessed the compliance of the methodology with current accounting standards;
■ we updated our knowledge of the methodologies for measuring future policy benefit reserves covering these contracts as well as the models used to calculate the reserves and evaluated their appropriateness;
■ we assessed the IT systems used to process the technical data and integrate that data into the accounting system;
■ we assessed the design of the internal control system and tested the operating effectiveness of the internal controls we deemed key to our audit;
■ we tested, on a sample basis and based on our risk assessment, the calculation models applied to estimate the future cash flows used to determine the future policy benefit reserves and for the liability adequacy tests;
■ we applied procedures to test the reliability of the underlying data used in the models and reserve calculations;
■ we evaluated the reasonability of the assumptions used by management and the sensitivity of the models to the assumptions;
■ we applied analytical procedures with a view to identifying and analyzing any material unusual and/or unexpected changes.

Finally, we assessed the adequacy of the disclosures in the financial statements.</td></tr>
</table>

Measurement of claim reserves in the Property & Casualty line of business
(See Notes 1.2, 1.14.2 and 14 to the consolidated financial statements)

Key audit matter	How our audit addressed the matter
At December 31, 2021, the Group had recorded claim reserves of €89,014 million, as described in Note 14.2 to the consolidated financial statements. As stated in Note 1.14.2 to the consolidated financial statements, these reserves correspond to the estimated ultimate cost of settling an insurance claim. They include claims incurred and reported, claims incurred but not reported (IBNR) as well as claims handling costs. These reserves are calculated using statistical and actuarial methods, on the basis of historical claims data and patterns, and use assumptions to estimate ultimate claims cost. For some line of business, these estimates require a high degree of judgment, and the assumptions selected may have a significant impact on the ultimate claims cost of these reserves at the end of the reporting period as the inherent uncertainty is higher. This is especially the case for Property & Casualty lines of business that are considered long-tail such as general and professional liability, worker's compensation, and other specialty lines. In addition, estimates of gross and net loss from natural catastrophe events and large man-made losses, including business written or reinsured through AXA XL, are more difficult to project as they are less frequent but can be of higher severity. Accordingly, due to these inherent uncertainties to calculate the estimates, we deemed the measurement of claim reserves in the Property & Casualty line to be a key audit matter.	Our audit approach to the risk relating to the valuation of claim reserves was as follows: ■ we assessed the compliance of the methodology applied by the Group with current accounting standards; ■ we evaluated and tested the design and operating effectiveness of the internal controls relating to: - the management of claims and, in particular, the measurement of reserves on a case-by-case basis, - the calculation of the ultimate cost (assumptions, judgments, data, methodologies, compliance with the applicable accounting principles and methods), including any second opinions supplied by Risk Management with respect to technical reserves, - the IT systems used to process the technical data and integrate that data into the accounting system; ■ we tested the reliability and the completeness and accuracy of the underlying data; ■ we applied procedures (including monitoring the change in loss ratios) to analyse the significant changes that took place over the reporting period; ■ we evaluated the outcome of the accounting estimates made the previous year with a view to assessing the reliability of the process used by management to calculate these estimates; ■ our work also consisted in assessing the statistical methods and actuarial inputs applied, as well as of the assumptions used, with respect to the applicable regulations, market practices, on going litigations and the economic and financial context of the AXA Group taking into account contrary and corroborating evidence; ■ focusing on those classes of business where reserve estimates present a higher risk of uncertainty and judgement, we undertook an independent evaluation of the reserves for certain insurance risk categories with a view to providing a basis for our professional judgment and our assessment of the estimates used by the Group. Finally, we assessed the adequacy of the disclosures in the financial statements.

Measurement of the recoverable amount of goodwill
(See Notes 1.3.2, 1.7.1 and 5 to the consolidated financial statements)

Key audit matter	How our audit addressed the matter
At December 31, 2021, the Group's statement of financial position showed goodwill with a net carrying amount of €17,167 million (including €7,512 million related to the AXA XL cash generating unit (CGU)). As stated in Note 1.3.2 to the consolidated financial statements, goodwill corresponds to the excess of the consideration of the business combination over the net identifiable assets acquired and liabilities assumed on the acquisition date. Goodwill is allocated to the CGUs of the activities into which that business was incorporated. An impairment test of goodwill, as stated in Note 1.7.1 to the consolidated financial statements, is performed at least once a year to ensure that the net carrying amount does not exceed the recoverable amount and there is no impairment. The recoverable amount corresponds to the higher of fair value less costs to sell and value in use. As stated in Note 5 to the consolidated financial statements, value in use calculations are based on the following main assumptions: ■ cash flow projections based on business plans; ■ discount rates; and ■ growth rates, thus, requiring significant judgment from management. This is especially the case for the AXA XL CGU. Accordingly, we deemed the measurement of the recoverable amount of goodwill to be a key audit matter.	Our audit approach to the risk relating to recoverability of goodwill was as follows: ■ we assessed the compliance of the methodology applied by the Group with current accounting standards and its implementation; ■ we evaluated and tested the design and operating effectiveness of the internal controls related to goodwill impairment test process; ■ we also performed substantive procedures regarding the main assumptions to test that: - the projected future cash flows are consistent with management's most recent estimates, as calculated during the budget process, - the assumptions made with respect to projected future cash flows are reasonable in terms of the economic and financial context of the CGU and, by assessing the reasons for differences between projected and actual performances, that the process by which the estimates were calculated is reliable, - the discount rate and long-term growth rate are in a reasonable range and consistent with the projected cash flows to which they apply; ■ we also performed sensitivity analysis around the main assumptions to ascertain that selected adverse changes to main assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount; We assessed the adequacy of the disclosures in the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements, reminded that it is not our responsibility to conclude on the fair presentation and consistency with the financial statements of the solvency related information required by Article L.356-23 of the French Insurance Code (*Code des assurances*).

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of AXA SA by the Shareholders' Meetings held on February 28, 1989 (PricewaterhouseCoopers Audit) and on June 8, 1994 (Mazars). As at December 31, 2021, PricewaterhouseCoopers Audit and Mazars were in the thirty-third and in the twenty-eighth consecutive year of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and Risk Management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatements that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, March 21, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit		Mazars	
Bénédicte Vignon	Grégory Saugner	Gilles Magnan	Maxime Simoen

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SHARES, SHARE CAPITAL AND GENERAL INFORMATION

7.1 AXA SHARES

The principal trading market for AXA ordinary shares is Euronext Paris (Compartment A). Since the delisting of AXA ADRs (American Depositary Receipts representing American Depositary Shares (“ADS”), each representing one AXA ordinary share) from the New York Stock Exchange on March 26, 2010, AXA ADRs have traded on the US over-the-counter (“OTC”) market and are listed on the OTC QX platform under the symbol AXAHY.

Trading on Euronext Paris

In France, AXA ordinary shares are included in the principal index published by Euronext Paris, the CAC 40 Index, which comprises the 40 most capitalized and actively traded shares on Euronext Paris. AXA ordinary shares are also included in Euronext 100, the index representing Euronext’s blue chip companies based on market capitalization and liquidity and in EURO STOXX 50, the blue chip index comprised of the 50 most highly capitalized and most actively traded equities of the main industry sectors of the Eurozone. In addition, AXA ordinary shares are also included in STOXX® Europe 600 Insurance, the insurance sector index for European companies and in the EURO STOXX Sustainability 40, the index representing the largest sustainability leaders in the eurozone in terms of long-term environmental, social and governance criteria.

The table below sets forth, for the periods indicated, the reported high and low prices (intraday) in Euro for AXA ordinary shares on Euronext Paris:

Calendar period	Intraday High *(In Euro)*	Intraday Low *(In Euro)*
2020		
Third quarter	19.6	15.4
Fourth quarter	20.5	13.3
2021		
First quarter	23.3	18.2
Second quarter	24.2	21.2
Third quarter	24.4	20.8
Fourth quarter	26.6	23.3
Annual	26.6	18.2
2021 and 2022		
August 2021	24.4	22.4
September 2021	24.3	22.2
October 2021	25.2	23.3
November 2021	26.4	23.9
December 2021	26.6	24.5
January 2022	28.8	26.3
February 2022	29.1	23.5

7.2 SHARE CAPITAL

Capital ownership

On December 31, 2021, AXA's fully paid up and issued share capital amounted to €5,545,392,313.84 divided into 2,421,568,696 ordinary shares, each with a par value of €2.29 and eligible for dividends as of January 1, 2021.

To the best of the Company's knowledge, the table below summarizes the ownership of its issued outstanding ordinary shares and related voting rights on December 31, 2021:

	Number of shares	% of capital ownership	% of voting rights [(a)]
Mutuelles AXA [(b)]	361,466,657	14.93%	24.73%
Employees and agents	99,176,003	4.10%	5.98%
Treasury shares held directly by the Company	65,818,351	2.72%	[2.29%] [(c)]
Treasury shares held by Company subsidiaries [(d)]	223,814	0.01%	[0.01%] [(c)]
General public	1,894,883,871	78.25%	66.99%
TOTAL	**2,421,568,696 [(e)]**	**100%**	**100%**

(a) In this table, voting rights' percentages are calculated on the basis that all outstanding ordinary shares are entitled to voting rights, notwithstanding the fact that certain of these shares may be deprived of voting rights by law or otherwise (for example, treasury shares are deprived of voting rights under French law).
(b) AXA Assurances IARD Mutuelle (12.05% of capital ownership and 19.88% of voting rights) and AXA Assurances Vie Mutuelle (2.88% of capital ownership and 4.85% of voting rights).
(c) These shares will be entitled to vote when they cease to be treasury shares (e.g. upon their sale or other transfer to an unaffiliated third party).
(d) Treasury shares as indicated in Note 13 "Shareholders' equity and minority interests" in Part 6 - "Consolidated Financial Statements" of this Annual Report.
(e) Source: Euronext Notice of January 4, 2022.

AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle (the "Mutuelles AXA") are parties to agreements pursuant to which they have stated their intention to collectively vote their shares in AXA. As part of these agreements, the Mutuelles AXA have established a Strategy Committee (*Comité de Coordination Stratégique*) composed of certain directors from their respective Boards. The Strategy Committee has elected amongst its members Mr. François Martineau and Mr. Philippe Guérand as co-chairmen. It is generally consulted on all significant matters relating to the Mutuelles AXA including their collective shareholding in AXA and overall relationship with the Company and the AXA Group.

To the best of the Company's knowledge and except as indicated in the table above, only two shareholders, Amundi and BlackRock Inc., acting on behalf of the clients and funds they manage, hold more than 5% of the Company's share capital or voting rights.

Certain of the Company's shares are entitled to double voting rights as described in Section 7.3 "General information – Voting rights" of this Annual Report. Of the Company's 2,421,568,696 outstanding ordinary shares on December 31, 2021, 453,542,437 shares entitled their holders to double voting rights as of that date.

SIGNIFICANT CHANGES IN CAPITAL OWNERSHIP

Significant changes in the Company's share capital ownership between December 31, 2019, and December 31, 2021 are set forth in the table below:

	On December 31, 2021 [a]				On December 31, 2020 [a]				On December 31, 2019 [a]			
	Number of shares	Capital ownership (%)	Number of voting rights	Voting rights (%)	Number of shares	Capital ownership (%)	Number of voting rights	Voting rights (%)	Number of shares	Capital ownership (%)	Number of voting rights	Voting rights (%)
Mutuelles AXA [b]	361,466,657	14.93%	710,908,613	24.73%	361,466,657	14.95%	710,459,194	24.75%	349,441,956	14.45%	692,059,674	24.21%
Employees and agents	99,176,003	4.10%	171,997,892	5.98%	103,366,466	4.27%	177,771,805	6.19%	103,450,594	4.28%	174,037,495	6.09%
Treasury shares held directly by the Company	65,818,351	2.72%	[65,818,351] [c]	[2.29%] [c]	32,296,045	1.34%	[32,296,045] [c]	[1.12%] [c]	31,102,295	1.29%	[31,102,295] [c]	[1.09%] [c]
Treasury shares held by Company subsidiaries [d]	223,814	0.01%	[230,962] [c]	[0.01%] [c]	240,064	0.01%	[247,342] [c]	[0.01%] [c]	240,194	0.01%	[247,342] [c]	[0.01%] [c]
General public	1,894,883,871	78.25%	1,926,155,315	66.99%	1,921,020,176	79.43%	1,950,105,021	67.93%	1,933,460,084	79.97%	1,960,563,134	68.60%
TOTAL	**2,421,568,696 [e]**	**100%**	**2,875,111,133**	**100%**	**2,418,389,408**	**100%**	**2,870,879,407**	**100%**	**2,417,695,123**	**100%**	**2,858,009,940**	**100%**

(a) In this table, voting rights' percentages are calculated on the basis that all outstanding ordinary shares are entitled to voting rights, notwithstanding the fact that certain of these shares may be deprived of voting rights by law or otherwise (for example, treasury shares are deprived of voting rights under French law).
(b) AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle.
(c) These shares will be entitled to vote when they cease to be treasury shares (e.g. upon their sale or other transfer to an unaffiliated third party).
(d) Treasury shares as indicated in Note 13 "Shareholders' equity and minority interests" in Part 6 - "Consolidated Financial Statements" of this Annual Report.
(e) Source: Euronext Notice of January 4, 2022.

On December 31, 2021, to the best of the Company's knowledge based on the information available to it, the Company had 13,444 total registered holders of its ordinary shares (*i.e.* shareholders holding in nominative form).

TRANSACTIONS COMPLETED IN 2021 BY AXA INVOLVING ITS OWN SHARES

In connection with the share repurchase programs approved by AXA's shareholders during their Shareholders' Meetings held on June 30, 2020, (resolution 17) and April 29, 2021, (resolution 15) and pursuant to Article L.22-10-62 of the French Commercial Code (*Code de commerce*), (i) 55,115,373 AXA shares [(1)] were repurchased (for the purposes of (a) hedging free grants of shares to employees of the Group or (b) cancelling them) for an average weighted gross unit price per share of €24.78, and (ii) no AXA shares were sold between January 1 and December 31, 2021.

On December 31, 2021, the total number of AXA treasury shares, all allocated for hedging or cancellation purposes, was 65,818,351 (or 2.72% of AXA's share capital at that date). The booking value of these 65,818,351 treasury shares on December 31, 2021 was €1,526,567,788.95. These shares were acquired for an aggregate purchase price of €1,366,028,500.64 (with a par value of €2.29 per share).

Furthermore, for information purposes, it should be noted that on December 31, 2021, the total number of treasury shares held by Company's subsidiaries was 223,814 (or 0.01% of AXA's share capital at that date). The booking value of these 223,814 treasury shares on December 31, 2021 was €6,582,000.

EMPLOYEE SHAREHOLDERS

Shareplan

Since 1993, the AXA Group has promoted employee shareholding by offering each year to its employees an opportunity to become shareholders through a share capital increase reserved exclusively to them ("Shareplan").

By virtue of the authorization granted by the Shareholders' Meeting of April 29, 2021, the Board of Directors increased the Company's share capital through the issue of shares reserved to the Group employees under the Shareplan 2021 program. The shareholders waived their preferential subscription rights so that this offering could be made exclusively to Group employees (Shareplan 2021).

In countries that met the legal, regulatory and tax requirements to participate in Shareplan, two investment options were offered to the Group employees in 2021:

- the traditional plan, offered in 34 countries;
- the leverage plan, offered in 32 countries.

The traditional plan allowed employees to subscribe through a personal investment to AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on countries) with a 20% discount. The shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable law). Employees are subject to the share price evolution, up or down, as compared to the subscription price.

(1) Including 35,404,034 AXA shares purchased in the context of the share buy-back program announced on November 4, 2021.

The leverage plan in 2021 allowed employees to subscribe, on the basis of 10 times their personal investment, in AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on their countries of residence) with a 6.75% discount. These shares are held within the Group Company Savings Plans and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable law). Employees' personal investment is guaranteed by a bank, and employees also benefit from a portion of the share appreciation, calculated on the basis of the non-discounted reference price.

At the end of the 5 year holding period, the employees can, depending on their country of residence, do any one of the following: (i) receive the cash value of their investment; (ii) receive the value of their investment in the form of AXA shares; or (iii) transfer their assets invested in the leveraged plan into the traditional plan.

Mutual funds (FCPE) with direct voting rights have been created since 2005 to allow beneficiaries, in most cases, to directly exercise their voting rights during the Company's Shareholders' Meetings.

The Shareplan 2021 program was carried out through a capital increase that took place in November 2021. Approximately 21,000 employees took part in the Shareplan 2021 program, representing approximately 19% of eligible employees:

- the total amount invested was approximately €293 million;
- a total of approximately 14 million new shares were issued, each with a par value of €2.29. These shares began earning dividends on January 1, 2021.

On December 31, 2021, AXA employees and agents held 4.10% of the share capital and 5.98% of the voting rights. These shares are owned through Mutual funds (FCPE) or directly either in the form of ordinary shares or ADS.

Transactions involving AXA's share capital

On December 31, 2021, AXA's share capital was comprised of 2,421,568,696 ordinary shares, each with a par value of €2.29. All these shares were fully paid up and non-assessable and began earning dividends on January 1, 2021.

The following table sets forth changes in the number of shares from January 1, 2019, to December 31, 2021:

Date	Transaction	Number of shares issued or cancelled	Issue or merger premium *(in Euro)*	Number of shares after the transaction	Amount of share capital after the transaction *(in Euro)*
2019	Share capital reduction by cancellation of shares	(1,644,442)	(35,703,764)	2,423,272,184	5,549,293,301
	Share capital reduction by cancellation of shares	(9,804,700)	(212,073,425)	2,413,467,484	5,526,840,538
	Exercise of stock options	1,494,925	18,617,056	2,414,962,409	5,530,263,917
	New equity issue reserved for employees of AXA (Shareplan 2019)	17,815,616	332,631,486	2,432,778,025	5,571,061,677
	Share capital reduction by cancellation of shares	(17,815,616)	(368,227,901)	2,414,962,409	5,530,263,917
	Exercise of stock options	2,732,714	38,290,141	2,417,695,123	5,536,521,832
2020	Share capital reduction by cancellation of shares	(399,756)	(8,640,255)	2,417,295,367	5,535,606,390
	Exercise of stock options	403,907	5,272,316	2,417,699,274	5,536,531,337
	New equity issue reserved for employees of AXA (Shareplan 2020)	6,407,730	73,496,663	2,424,107,004	5,551,205,039
	Share capital reduction by cancellation of shares	(6,407,730)	(95,486,643)	2,417,699,274	5,536,531,337
	Exercise of stock options	690,134	8,494,702	2,418,389,408	5,538,111,744
2021	Share capital reduction by cancellation of shares	(64,393)	(1,451,933)	2,418,325,015	5,537,964,284
	Exercise of stock options	831,610	10,861,541	2,419,156,625	5,539,868,671
	New equity issue reserved for employees of AXA (Shareplan 2021)	13,828,756	261,120,509	2,432,985,381	5,571,536,522
	Share capital reduction by cancellation of shares	(13,828,756)	(294,951,226)	2,419,156,625	5,539,868,671
31/12/2021	Exercise of stock options	2,412,071	43,263,893	2,421,568,696	5,545,392,314

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Fully diluted capital on December 31, 2021

The following table indicates the Company's fully diluted share capital, assuming that the maximum number of new shares is issued following the exercise of all outstanding stock options.

	Fully diluted capital
Ordinary shares issued on December 31, 2021 [a]	2,421,568,696
Stock options	9,988,710
Maximum total number of shares	2,431,557,406

(a) Source: Euronext Notice of January 4, 2022.

Financial authorizations

FINANCIAL AUTHORIZATIONS VALID AS OF DECEMBER 31, 2021

AXA's authorizations to issue shares or other types of securities that were valid as of December 31, 2021, are summarized in the tables below:

Issues with preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro)*	Term	Expiration date
Capitalization of reserves, earnings or premiums	–	1 billion [a]	26 months	June 29, 2023
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [b]	6 billion [c]	2 billion [d]	26 months	June 29, 2023

(a) Independent ceiling.
(b) Including the issue of ordinary shares as result of securities issued by subsidiaries of AXA.
(c) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion.
(d) The aggregate nominal value of the capital increase with or without preferential subscription rights may not exceed €2 billion in nominal value.

Issues without preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro or in % of the share capital)*	Term	Expiration date
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(a)]	6 billion [(b)]	550 million	26 months	June 29, 2023
Ordinary shares or securities giving access to the capital, reserved for employees	–	135 million [(c)]	18 months	October 29, 2022
Ordinary shares reserved for a specific category of beneficiaries in connection with offerings for employees	–	135 million [(c)]	18 months	October 29, 2022
Performance shares (*actions de performance*) [(d)]	–	1% [(e)]	38 months	June 24, 2022
Performance shares (*actions de performance*) [(d) (f)]	–	0.40% [(e)]	38 months	June 24, 2022

(a) Including the issue of ordinary shares or securities (i) in the event of private investments or through public offers, (ii) in the event of public exchange offers initiated by the Company, (iii) in consideration for contributions-in-kind for up to 10% of the Company's share capital, or (iv) as result of securities issued by subsidiaries of AXA.
(b) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion.
(c) Common and independent ceiling.
(d) Existing shares and/or newly issued shares.
(e) At the date on which performance shares are granted by the Board of Directors.
(f) Dedicated to retirement.

NEW FINANCIAL AUTHORIZATIONS

The following authorizations to issue shares or securities giving a claim to ordinary shares of the Company and will be submitted to the Shareholders' Meeting on April 28, 2022:

Issues without preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro or in % of the share capital)*	Term	Expiration date
Ordinary shares or securities giving access to the capital, reserved for employees	–	135 million [(a)]	18 months	October 28, 2023
Ordinary shares reserved for a specific category of beneficiaries in connection with offerings for employees	–	135 million [(a)]	18 months	October 28, 2023
Performance shares (*actions de performance*) [(b)]	-	1% [(c)]	38 months	June 28, 2025
Performance shares (*actions de performance*) [(b) (d)]	-	0.40% [(c)]	38 months	June 28, 2025

(a) Common and independent ceiling.
(b) Existing shares and/or newly issued shares.
(c) At the date on which performance shares are granted by the Board of Directors.
(d) Dedicated to retirement.

USE OF THE FINANCIAL AUTHORIZATIONS IN 2021

Equity issue reserved for employees

Please see paragraph “Employee shareholders” of the present Section 7.2 of this Annual Report.

Performance shares

In 2021, by virtue of the authorizations granted by the shareholders at the Shareholders’ Meeting of April 24, 2019 (resolutions 23 and 24) respectively 3,102,813 performance shares and 627,864 performance shares dedicated to retirement were granted by the AXA Board of Directors.

7.3 GENERAL INFORMATION

AXA is a *société anonyme* (a public limited company) organized under the laws of France, and is the publicly traded parent company of the AXA Group. The Company’s registered office is located at 25, avenue Matignon, 75008 Paris, France and its telephone number is +33 (0) 1 40 75 57 00. AXA SA was incorporated in 1957 but the origin of its activities dates to 1852. The Company’s corporate existence will continue, subject to dissolution or prolongation, until December 31, 2059. The Company is registered with the Paris Trade and Companies Register (*Registre du commerce et des sociétés*) under number 572 093 920. AXA’s legal entity identifier (LEI) is F5WCUMTUM4RKZ1MAIE39.

The following documents may be consulted at the AXA Group Legal Department (Tour Majunga - 6, place de la Pyramide - 92908 Paris La Défense, France) until the filing of AXA’s next Universal Registration Document with the *Autorité des marchés financiers* (the “AMF”): (i) the bylaws of the Company, (ii) the reports or other documents prepared by any expert at the Company’s request which are (in whole or in part) included or referred to in this Universal Registration Document, and (iii) AXA SA’s financial statements and Consolidated Financial Statements for each of the three financial years preceding the publication of this Universal Registration Document. These documents are also available on AXA’s website and, more specifically, at the following links for the bylaws of the Company (https://group.axa.com/en/about-us/governance-overview) and the documents referred to in (ii) and (iii) (https://group.axa.com/en/investor/annual-and-interim-reports).

Regulation and Supervision

AXA is engaged in regulated business activities on a global scale through numerous operating subsidiaries. The Group’s principal business activities of insurance, reinsurance and asset management are subject to comprehensive regulation and supervision in each of the various jurisdictions where the Group operates. AXA SA, the ultimate parent holding company of the AXA Group, is also subject to extensive regulation as a result of its listing on Euronext Paris and its direct and indirect shareholding in numerous regulated insurance and asset management subsidiaries. Given that the AXA Group is headquartered in Paris, France, this supervision is based to a significant extent on European Union directives and regulations and on the French regulatory system. AXA’s principal regulators and supervisory authorities in France are the AMF, which is the financial markets regulator, and the *Autorité de contrôle prudentiel et de résolution* (the “ACPR”), which is the insurance, reinsurance and financial services supervisor.

As a global company operating in numerous jurisdictions, the AXA Group is subject to various laws and regulations. This section does not purport to describe all of the regulations to which AXA Group is subject nor to provide all of the information in connection with the AXA Group’s supervision in every jurisdiction in which the AXA Group is present.

This section presents what the AXA Group considers to be the most significant regulations and supervision mechanisms to which the AXA Group is subject as of the filing date of this Annual Report with the AMF.

As discussed in Section 2.1 “Operating highlights” of this Annual Report, AXA SA intends to transform into the Group’s internal reinsurer while remaining the holding company of the Group (the “Internal Reinsurance Transformation”). AXA SA has therefore applied to obtain a reinsurance license from the ACPR. The Internal Reinsurance Transformation is subject to the prior approval of AXA SA's shareholders, expected to be sought at the Shareholders' Meeting on April 28, 2022, in connection with the necessary changes to AXA SA's bylaws. Upon receipt of the reinsurance license, AXA SA would become a licensed reinsurance company subject to the applicable ACPR regulations governing reinsurance entities and activities, and would enter into annually renewable 25% quota share reinsurance treaties with certain of AXA's European Property & Casualty carriers. As part of the Internal Reinsurance Transformation, AXA Global Re, the Group's existing internal reinsurance entity, would also be merged with and into AXA SA, with AXA SA as the surviving entity.

INSURANCE AND REINSURANCE OPERATIONS

While the extent and nature of regulation varies from country to country, most jurisdictions in which AXA's insurance and reinsurance subsidiaries operate have laws and regulations governing distribution practices, standards of solvency, levels of capital and reserves, permitted types and concentrations of investments, and business conduct to be maintained by insurance and reinsurance companies, as well as agent licensing, approval of policy forms and, for certain lines of insurance, approval or filing of rates. In certain jurisdictions, regulations limit sales commissions, fees and certain other marketing expenses that may be incurred by the insurer and impose product suitability and disclosure requirements. In general, insurers and reinsurers are required to file detailed annual financial statements with their supervisory agencies in each of the jurisdictions in which they do business. Such agencies may conduct regular or unexpected examinations of the insurers' and reinsurers' operations and accounts and request additional information from the insurer and reinsurer. Certain jurisdictions also require registration and periodic reporting by holding companies that control a licensed insurer and reinsurer. This holding company legislation typically requires periodic disclosure, reporting concerning the corporation that controls the licensed insurer or reinsurer and other affiliated companies, including prior approval (or notice) of transactions between the insurer or reinsurer and other affiliates such as intra-group transfers of assets and payment of dividends by the controlled insurer or reinsurer. In addition, such legislation generally provides that any direct or indirect acquisition of "control" of our insurance or reinsurance subsidiaries domiciled in a given jurisdiction will be subject to the prior approval of the insurance and reinsurance regulatory authorities in such jurisdiction; the definition of "control" for such purposes generally includes any direct or indirect acquisition of shares or other instruments representing more than a 9.9% voting interest, and would include the acquisition of shares of AXA SA as an insurance holding company. In general, these regulatory schemes are designed to protect the interests of policyholders rather than shareholders. For additional information, see the paragraph "The Group and our businesses are subject to extensive regulation, regulatory supervision and adverse judicial decisions in the various jurisdictions in which we operate" in Section 5.1 "Risk Factors" of this Annual Report.

REGULATORY CAPITAL AND SOLVENCY REQUIREMENTS

The Group and its insurance and reinsurance entities are subject to regulatory capital requirements in the jurisdictions where they do business, which are designed to monitor capital adequacy and to protect policyholders. While the specific regulatory capital requirements (including the definition of admitted assets and methods of calculation) vary between jurisdictions, an insurer's or reinsurer's required regulatory capital can be impacted by a wide variety of factors, including, but not limited to, business mix, product design, sales volume, invested assets, liabilities, reserves and movements in the capital markets, including interest rates and financial markets. Regulatory capital requirements may increase, possibly significantly, during periods of declining financial markets and/or lower interest rates.

Solvency II

The European Union has implemented a regulatory regime for European insurers which became effective on January 1, 2016, following the adoption of Directive 2009/138/EC dated November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance, as amended (the "Solvency II Directive") and the regulations promulgated thereunder (together with the Solvency II Directive, "Solvency II"). Solvency II was implemented into French law beginning in 2015. In June 2019, amendments to the delegated regulations enacted under the Solvency II Directive were issued in connection with the 2018 interim review of Solvency II.

Solvency II is designed to implement solvency requirements that reflect the risks that insurance and reinsurance companies face and build a supervisory system that is consistent across all EU Member States. Solvency II is based on three pillars: (1) Pillar 1 consists of the quantitative requirements around own funds, valuation rules for assets and liabilities and solvency capital requirements; (2) Pillar 2 sets out qualitative requirements for the governance and risk management of insurers, as well as for the effective supervision of insurers, including the requirement for insurers to submit an Own Risk and Solvency Assessment ("ORSA"); and (3) Pillar 3 introduces an enhanced reporting and disclosure regime, pursuant to which subject insurance undertakings headquartered in the European Union are required to prepare a Regular Supervisory Report ("RSR"), to be submitted by the undertaking to the competent national supervisory authority on a regular basis as determined by the regulation, and a Solvency and Financial Condition Report ("SFCR"), to be made publicly available on an annual basis. Solvency II covers, among other matters, the valuation of assets and liabilities, the treatment of insurance and reinsurance groups, the definition of capital and the overall level of required capital. A key aspect of Solvency II is that assessment of the Group's risks and capital requirements is aligned closely with economic capital methodologies and allows the use of either a standard model or an insurer's or reinsurer's own internal economic capital model (to permit a better understanding of the actual risks and Risk Management of the insurer or reinsurer) to calculate the Solvency

Capital Requirement ("SCR"), subject in the latter case to the approval of the insurer's lead supervisor.

Solvency II provides for two separate levels of solvency capital requirements: (i) the Minimum Capital Requirement ("MCR"), which is the amount of own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk should the insurance or reinsurance companies be allowed to continue their operations, and (ii) the SCR, which corresponds to a level of eligible own funds that enables insurance or reinsurance companies to absorb significant losses and that gives reasonable assurance to policyholders and beneficiaries that payments will be made.

The ACPR has approved the use by AXA of its internal model (the "Internal Model") to calculate its SCR under Solvency II. The Solvency II ratio of the Group as of December 31, 2021, published on February 24, 2022, was estimated at 217% [(1)], compared to 200% as of December 31, 2020. The Group maintained eligible own funds in excess of its SCR at all times during 2021.

AXA continues to regularly review the scope, underlying methodologies and assumptions of the Internal Model, and will adjust its SCR accordingly. In addition, AXA's Internal Model has been and may be revised from time to time in accordance with applicable regulations. However, any significant change to the Internal Model would be subject to the prior approval of the ACPR, which may require adjustments to the level of SCR.

For more information on the Internal Model, please refer to Section 5.2.3 "Internal Model" of this Annual Report. For further information on AXA's SCR, Internal Model and other Solvency II disclosures, please refer to the AXA Group's SFCR for the year ended December 31, 2020, available on AXA's website (www.axa.com). AXA Group's SFCR for the year ended December 31, 2021, is expected to be published on May 20, 2022, on the same website.

Solvency II review

The Solvency II framework is currently under review by the European Commission, the European Parliament and the Council of the European Union. Following the opinion submitted by EIOPA to the European Commission on December 17, 2020 as part of the review of the Solvency II framework (the "Solvency II Opinion"), the European Commission published on September 22, 2021, its proposed directive amending the Solvency II Directive and explained its overall intentions on the most important aspects of the forthcoming level 2 amendments (in particular with respect to risk margin). Proposed amendments to the Solvency II framework include, among others, (i) the extrapolation method and changes to the volatility adjustment, including the introduction of principles for the modelling of the dynamic volatility adjustment; (ii) new reporting requirements such as (a) the assessment of the impact of long-term climate change scenarios on our business in the ORSA, (b) structural changes to the Solvency and Financial Condition Report (SFCR) that would require undertakings to split their content into a part addressed to policyholders and a part addressed to other market participants, and (c) the requirement for internal model users to calculate and report their solvency and financial condition using the standard formula; (iii) the introduction of macro-prudential tools, including the integration of macroeconomic considerations in the ORSA and granting supervisory authorities extended powers with respect to macro prudential concerns, allowing them to impose additional measures to reinforce insurance groups and companies' financial condition, such as restricting or suspending dividend or other payments to shareholders (including share buybacks) and other implementing measures aimed at mitigating liquidity risk-related concerns; and (iv) amending the group supervision regime (including the required amount of eligible own funds ("EOF") requirements and the MCR for groups).

Recovery and resolution regimes for insurers and reinsurers

Currently, insurance and reinsurance recovery and resolution systems are national and only in place in some but not all EU Member States. In the event of a failure by an insurance or reinsurance company or an insurance holding company to meet applicable regulatory capital requirements (including the MCR and the SCR, as applicable), insurance supervisors generally have broad authority to require or take various regulatory actions, including limiting or prohibiting the issuance of new business, prohibiting or restricting payment of dividends or other shareholder distributions, and/or putting a company into rehabilitation or insolvency proceedings. In particular, under the French recovery and resolution framework for the insurance industry, set forth in Order No. 2017-1608 of November 27, 2017, and its various implementing measures (the "French Resolution Framework"), the ACPR has broad resolution powers with respect to insurance groups, insurance holding companies, such as AXA SA, and insurance or reinsurance companies, including prohibiting payment of dividends, ordering portfolio transfers, establishing temporary bridge institutions and imposing a temporary stay on early termination rights. Under the French Resolution Framework, French major insurance groups, such as the AXA Group, are required to prepare and file with the ACPR a pre-emptive recovery plan (*plan préventif de rétablissement*) covering insurance holding companies, insurance and reinsurance subsidiaries thereof, and any other entity of such

(1) The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. For additional information, please refer to Section 5.2.3 "Internal Model" of this Annual Report. The Solvency II ratio will be finalized prior to the publication of the AXA Group's SFCR currently expected to be on May 20, 2022.

groups, providing key services (*services indispensables*) thereto, and to ensure that such recovery plan remains up-to-date thereafter.

Furthermore, the proposals and continuing discussions regarding recovery and resolution in the insurance sector may broaden the scope and extent of regulatory measures available to insurance supervisory authorities. In particular, EIOPA proposed in its Solvency II Opinion to establish a minimum harmonized and comprehensive recovery and resolution framework, advocating for strengthened preventive and resolution powers available to national authorities, while the Financial Stability Board (the "FSB") and the IAIS are increasingly focusing on the development of recovery and resolution frameworks, strategies and supervisory practices in the insurance industry. For instance, on August 25, 2020, the FSB published its Key Attributes Assessment Methodology for the Insurance Sector, which sets out essential criteria to guide the assessment of the compliance of a jurisdiction's insurance resolution framework with the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions, as updated in 2014, which constitute the FSB's "umbrella" standard for resolution regimes for all types of financial institutions. On the same date, the FSB also issued a note explaining the application of the aforementioned methodology and key attributes during the period of suspension of the designation of global systemically important insurers ("G-SIIs"), and indicated that the Key Attributes should continue to apply during the suspension period to any insurer that could be systemically significant. Furthermore, as part of its work on recovery and resolution, the IAIS published an Application Paper on Recovery Planning on November 18, 2019, and an Application Paper on Resolution Powers and Planning on June 23, 2021, which aim to provide guidance on supervisory practices related to resolution and on the application of certain insurance core principles ("ICPs") and related ComFrame standards in a resolution context.

On September 22, 2021, the European Commission published its proposed directive establishing a framework for the recovery and resolution of insurance and reinsurance companies with a view towards harmonizing national laws on recovery and resolution of insurers and reinsurers, ensuring that Member States have the same tools and procedures to address failures of insurers and reinsurers, safeguarding the interests of policyholders, preserving the real economy and facilitating cooperation between national supervisory authorities when dealing with the failure of cross-border insurance and reinsurance groups. The proposed directive includes requirements for, among others, (i) content, timing and monitoring of individual and group pre-emptive recovery plans; (ii) resolvability assessments; and (iii) content and governance with respect to individual and cross-border group resolution plans.

EU-US Covered Agreement

In connection with Solvency II, on September 22, 2017, the European Union and the United States signed the "Bilateral Agreement between the European Union and the United States of America on Prudential Measures Regarding Insurance and Reinsurance" (the "Covered Agreement") which sets out principles governing the imposition of Group capital and supervisory standards for insurance groups headquartered in an EU Member State or the United States with operations in both. Following approval by the European Parliament on March 1, 2018, and the Council of the European Union on March 20, 2018, the Covered Agreement entered into force on April 4, 2018, and will be fully implemented within five years from its signing date. Pursuant to the Covered Agreement, the AXA Group will remain subject to group supervisory and capital requirements, as currently provided under Solvency II, with AXA's US insurance and reinsurance subsidiaries remaining subject to local requirements. The Covered Agreement also addresses various regulatory information-sharing and reporting matters, as well as EU/US reinsurance market issues.

On October 28, 2021, the European Union and the United States held the fourth meeting of the joint committee. Participants provided updates regarding the implementation of the Covered Agreement with respect to reinsurance activities, group supervision and the exchange of information between insurance supervisors. Participants acknowledged the progress made towards the timely implementation of the Covered Agreement and discussed the status of the removal of collateral and local presence requirements, the procedure for potential preemption and the provisions on group supervision and the exchange of information. In addition, the United States and the European Union reaffirmed their commitment to close coordination and the continuous review of the progress on the Covered Agreement. Consistent with the Covered Agreement, both the United States and European Union are continuing to encourage relevant authorities to refrain from taking any measures that are inconsistent with any of the provisions of the Covered Agreement.

LLOYD'S

Following the acquisition of the XL Group in 2018, AXA has been managing, through Catlin Underwriting Agencies Limited, Syndicate 2003, one of the larger syndicates at Lloyd's. As a result, AXA is exposed to a variety of Lloyd's-related regulatory matters, such as the Council of Lloyd's wide discretionary powers to regulate members of Lloyd's, vary the method by which the capital solvency ratio is calculated, or impose additional or special levies on members.

For further information on the risks related to regulatory capital requirements, see the paragraph "the Group's or its insurance or reinsurance entities' failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition” in Section 5.1 “Risk Factors” of this Annual Report.

IAIS AND INTERNATIONALLY ACTIVE INSURANCE GROUP (“IAIG”) STATUS

The IAIS has developed several sets of supervisory requirements and actions applicable to the insurance industry: (i) ICPs, which are intended to apply to the supervision of all insurers and insurance groups, regardless of size or importance; (ii) the Common Framework (“ComFrame”), which builds and expands on the standards and guidance set forth in the ICPs to establish supervisory standards and guidance focusing on the effective group-wide supervision of IAIGs, as well as a globally comparable risk-based measure of capital adequacy of IAIGs, the Insurance Capital Standard (the “ICS”); and (iii) policy measures for GSIIs and an assessment methodology for designating GSIIs. From 2013 to 2016, the FSB, in consultation with the IAIS and national authorities, annually published a list of GSIIs, which included AXA in each of such years. On May 18, 2020, EIOPA published an updated list of IAIGs headquartered in the European Union, established in accordance with ComFrame, which included AXA.

On November 14, 2019, the IAIS adopted the ComFrame, which includes the version 2.0 of the ICS. As part of the IAIS implementation schedule, ICS 2.0 is first subject to a five-year monitoring period, starting in January 2020, during which IAIGs can be asked by their supervisors to compute an ICS, on a voluntary basis, for confidential reporting and discussion in supervisory colleges. The end objective for the IAIS is to have the ICS implemented in all jurisdictions as a group-wide prescribed capital requirement for IAIGs after the monitoring period. On November 14, 2019, the IAIS also adopted a holistic framework for the assessment and mitigation of systemic risk in the insurance sector (the “Holistic Framework”), in lieu of the previous individual GSII designation mechanism, which continues to be implemented.

The Holistic Framework comprises a set of enhanced supervisory measures and powers of intervention (*e.g.*, ongoing supervisory requirements, applied to insurers, enhanced macro-prudential surveillance, crisis management and recovery planning), which are embedded within certain ICPs and ComFrame materials, an annual global monitoring exercise by the IAIS (at individual insurer and sector-wide levels), as well as implementation assessment activities aimed at assessing and mitigating the potential build-up of systemic risk in the global insurance sector. The Holistic Framework moves away from the previous binary approach, in which a set of pre-determined policy measures applied to only a small group of identified GSIIs, to an approach promoting a proportionate application of an enhanced set of supervisory policy measures and powers of intervention for macro-prudential purposes to a broader portion of the insurance sector.

The IAIS will however continue to use risk factors similar to those used in the past to identify GSIIs, to assess potential systemic risk at individual insurers as part of its global monitoring exercise and systemic risk assessment. In addition, many of the enhanced supervisory measures reflected in the Holistic Framework are similar to and derived from the enhanced policy measures the IAIS had formerly adopted for application to GSIIs only. In light of the development and adoption of the Holistic Framework by the IAIS, the FSB has decided to continue suspending the annual identification of GSIIs as from the beginning of 2020. In November 2022, the FSB will review the need to either discontinue or re-establish an annual identification of GSIIs based on the initial implementation of the Holistic Framework.

AXA will continue to monitor the development of the Holistic Framework, ICPs and ComFrame and expects the regulatory landscape with respect to insurance, reinsurance and financial markets to continue to evolve in 2022 and beyond with further legislative and regulatory initiatives.

In connection with the Internal Reinsurance Transformation, AXA SA has applied to obtain a reinsurance license from the ACPR, and would, upon receipt thereof, become a licensed reinsurance company subject to the applicable ACPR regulations governing reinsurance entities and activities, and would enter into annually renewable 25% quota share reinsurance treaties with certain of AXA’s European Property & Casualty carriers. As part of the Internal Reinsurance Transformation, AXA Global Re, the Group’s existing internal reinsurance entity, would be merged with and into AXA SA, with AXA SA as the surviving entity. For additional information, see paragraphs “The Group’s or its insurance or reinsurance entities’ failure to meet their solvency and capital adequacy requirements could have a material adverse effect on our business, liquidity, ratings, results of operations and financial condition”, “We are dependent on our subsidiaries to cover our operating expenses and dividend payments” and “The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging social and reputational trends in the various jurisdictions in which we operate” in Section 5.1 “Risk Factors” of this Annual Report.

ASSET MANAGEMENT & BANKING ACTIVITIES

AXA Investment Managers and other AXA asset management entities are subject to extensive regulations in the various jurisdictions in which they operate. These include, in Europe, Directive 2011/61/EU dated June 8, 2011 on Alternative Investment Fund Managers (as amended, “AIFMD”), and Directive 2009/65/EC dated July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (“UCITS”), and their various implementing regulations and transposition measures. AIFMD is currently undergoing a review by the European Commission, which published draft legislative proposals on November 25, 2021, which might also lead to further adjustments to the rules applicable to UCITS. In addition, AXA's investment management operations in the United States are subject to regulation by the SEC.

These regulations are generally designed to safeguard client assets and ensure the adequacy of disclosures concerning investment returns, the risk characteristics of invested assets in various funds, the suitability of investments for client investment objectives and risk tolerance, as well as the identity, regulatory approvals and qualifications of the investment manager. These regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment company, censures and/or fines.

In addition, certain AXA entities must comply with revised obligations on capital resources for banks and certain investment firms, including Directive 2013/36/EU dated June 26, 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (as amended "CRD"), and Regulation (EU) No. 575/2013 dated June 26, 2013, on prudential requirements for credit institutions and investment firms, as amended, which set forth specific capital, governance and remuneration requirements (as amended "CRR"). On June 27, 2019, Directive (EU) 2019/878 dated May 20, 2019 ("CRD II") and Regulation (EU) 2019/876 dated May 20, 2019 ("CRR II"), which respectively amend CRD and CRR, entered into force. CRD II and CRR II further implement the Basel III framework by amending various CRD and CRR provisions regarding, *e.g.*, holding company rules, leverage ratios, large exposures, liquidity, market risk and counterparty credit risk, as well as reporting and disclosure requirements (including on remuneration). Most provisions of CRD II had to be transposed into national law by EU Member states by December 28, 2020, and were transposed in France by Order No. 2020-1635 dated December 21, 2020, while most CRR II requirements will be applicable from June 28, 2021.

Moreover, certain AXA entities are subject to Directive 2014/65/EU dated May 15, 2014, on markets in financial instruments (as amended, "MiFID II") and Regulation (EU) No. 600/2014 on markets in financial instruments, as amended ("MiFIR" and, together with MiFID II, and the various regulations promulgated thereunder, the "MiFID II Package") which entered into force in 2018. The MiFID II Package, which was designed to better integrate the European Union's financial markets and increase cross-border investments, market transparency and investor protection, imposes a wide variety of new requirements including with respect to trading/clearing of certain derivatives on organized platforms, regular reporting with respect to derivatives positions and certain other types of financial instruments, enhanced governance and investor protection standards, restrictions and/or prohibitions on certain types of compensation arrangements or other monetary inducements to firms providing independent investment advice and greater regulation of structured products and other complex financial instruments.

The reforms introduced by the MiFID II Package significantly impacted EU securities and derivatives markets. The European Commission conducted a public consultation on the review of the MiFID II Package, which expired in May 2020, and consequently revised the MiFID II Package in successive Commission delegated regulations published on March 26, 2021, July 14, 2021 and August 2, 2021. These regulations require investment firms that manufacture and distribute financial instruments to, among other things, (i) clarify that their processes and internal control systems appropriately reflect sustainability risks, (ii) confirm that they have the knowledge and technical capacities to analyze those risks, and (iii) confirm that, for each financial instrument that is intended to be distributed to clients seeking to invest in financial instruments with a sustainability-related profile, sustainability factors are considered in (a) the product approval process and (b) other product governance and oversight arrangements.

In addition, the European Securities and Markets Authority ("ESMA") simultaneously conducted a public consultation on several issues arising out of the MiFID II Package and published its MiFIR review report on March 23, 2021, specifically on the obligations to report transactions and reference data, with a view towards simplifying the current reporting regimes whilst ensuring the quality and usability of the reported data. ESMA is expected to provide additional technical advice on the proposals contained in the report and the European Commission is expected to adopt legislative proposals based on the report.

A legislative review of certain aspects of the MiFID II Package, related to market structure topics, was proposed by the European Commission on November 25, 2021.

Some AXA entities are directly or indirectly subject to Regulation (EU) No. 1286/2014 dated November 26, 2014, on key information documents for packaged retail and insurance-based investment products (as amended, the "PRIIPs Regulation") which entered into force in 2018, the objective of which is to enhance retail investor protection by standardizing the information through predefined key information documents. While the PRIIPs Regulation has already impacted insurance undertakings, banks and asset managers, its technical regulatory standards are under review by the European Commission, and review of the PRIIPS Regulations under consideration by the European Union in order to reach better convergence with other EU regulations.

The European Union (Regulation (EU) 648/2012 dated July 4, 2012, also referred to as the European Market Infrastructure Regulation – "EMIR") and similar US regulations (principally under the Dodd-Frank Wall Street Reform and Consumer Protection Act), as amended from time to time, establish various requirements and prescriptive guidelines which impact operations, liquidity and credit risk management for derivatives. AXA's asset managers and banks, which manage derivatives on behalf of various AXA Group affiliates (including on behalf of AXA), operate in conformity with these rules, in line with the Group's overall financial risk framework.

For additional information, see the paragraph "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging social and reputational trends in the various jurisdictions in which we operate" in Section 5.1 "Risk Factors" of this Annual Report.

OTHER SIGNIFICANT LEGISLATIVE AND REGULATORY FRAMEWORKS

EU Data Protection Reform

The EU Data Protection Reform, which was adopted in 2016 and entered into force in 2018, establishes a comprehensive framework governing the protection and processing of personal data in the private and public sectors, which includes the GDPR.

The main principles of the GDPR include (i) the strengthening of citizens' fundamental rights, giving them more control over their personal data and making it easier for them to access it, (ii) an increased harmonization of the applicable law across the European Union and a "one-stop-shop" that will streamline cooperation between the data protection authorities on issues with implications for all the European Union, and (iii) a stronger enforcement regime, under which competent data protection authorities are able to fine companies that do not comply with EU rules up to 4% of their global annual turnover. The GDPR applies to both EU and non-EU companies, if the latter are offering goods and services or monitoring the behaviour of individuals in the European Union. As insurance and reinsurance companies need an EU license for providing insurance services in the European Union, the GDPR applies primarily, in the insurance and reinsurance sector, to companies operating in the European Union.

In France, the EU Data Protection Reform has been transposed by Law No. 2018-493 regarding personal data protection, which entered into force on May 25, 2018, and various implementing measures, including Decree No. 2018-687 dated August 1, 2018.

For further information concerning data protection, please see the paragraph "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business" in Section 5.1 "Risk Factors" of this Annual Report.

Personal data transfers to non-EU jurisdictions (without an adequacy decision adopted by the European Commission)

Following invalidation in 2015 of the European Commission's Safe Harbor Decision by the European Union Court of Justice (the "2015 ECJ Decision"), which had allowed, under certain conditions, for the transfer of personal information for commercial purposes from companies in the European Union to companies in the United States which had signed up to the US Department of Commerce "Safe Harbor Privacy Principles," transatlantic data flows between companies continued using other mechanisms, such as standard contractual clauses with US companies and binding corporate rules for transfers within a multinational corporate group. Following the 2015 ECJ Decision, a new safe harbor, referred to as the "EU-US Privacy Shield," had been created in July 2016, but was invalidated by the European Union Court of Justice on July 16, 2020 (the "2020 ECJ Decision"), which also required that supplementary measures be considered for other mechanisms for data transfers to any non-EU jurisdiction (without an adequacy decision adopted by the European Commission). As banks, insurance and reinsurance companies were generally not eligible to register and participate in the EU-US Privacy Shield, the AXA Group has continued to rely on standard contractual clauses when transferring data to non-AXA non-EU companies, and binding corporate rules when transferring personal data between companies within the AXA Group. We currently believe that we can continue using such mechanisms to transfer data to the US and to other non-EU jurisdictions and add supplementary measures as required. For further information concerning transatlantic data transfers, please see the paragraph "The evolving and complex regulatory environment surrounding data protection and transfer worldwide could increase our costs and adversely impact our business" in Section 5.1 "Risk Factors" of this Annual Report.

Information and Communication Technology (ICT)

In February 2020, EIOPA finalized its "Guidelines on outsourcing to cloud service providers", which national supervisors have been enforcing since January 2021. In addition, on October 8, 2020, EIOPA issued an additional set of guidelines, the "Guidelines on information and communication technology security and governance", aimed at promoting the operational resilience of the digital operations of insurance and reinsurance undertakings. Both sets of guidelines provide guidance to national competent authorities and insurance and reinsurance undertakings on the information and communication technology ("ICT") security and governance requirements envisaged under Solvency II, and have applied since July 1, 2021. AXA Group has tracked the progress of both sets of guidelines, provided feedback to EIOPA and confirmed the alignment of its practices or strategy with the guidelines.

These guidelines set out the principles developed for the financial sector under the European Commission's Digital Operational Resilience Act ("DORA"). On November 24, 2021, the Council of the European Union approved the draft DORA regulation, which is now being submitted for final consideration by the European Parliament before adoption. DORA is designed to establish a comprehensive framework on digital operational resilience for EU financial institutions, including insurance and reinsurance undertakings and intermediaries, credit institutions, investment firms, alternative investment fund managers and UCITS management companies. This framework is aimed at enhancing the ICT risk management conducted by financial institutions, establishing a thorough testing of ICT systems, increasing supervisors' awareness of cyber risks and ICT-related incidents faced by financial institutions, as well as introducing powers for competent supervisory authorities to oversee risks stemming from financial institutions' dependency on ICT third-party service providers. DORA also proposes to create a consistent incident reporting mechanism in order to strengthen supervisory effectiveness. This draft regulation is currently being considered by the European Parliament through the regular EU legislative process.

Executive compensation

Solvency II sets out the remuneration policy principles and governance requirements to be implemented by European insurers and specifies that the companies subject to Solvency II must adopt a written remuneration policy compliant with a number of principles set out in Delegated Regulation (EU) 2015/35 dated October 10, 2014 (as amended, the "Solvency II Regulation") which promotes sound and effective risk management and does not encourage risk-taking that exceeds the risk tolerance limits of the Company. In this context, AXA has reviewed and formalized its existing Group remuneration policy, identified the individuals responsible for managing and having an impact on the Group's overall risk profile, and defined a consistent approach to manage remuneration of individuals in charge of control functions. AXA's Compensation & Governance Committee is in charge of overseeing the design of the remuneration policy and remuneration practices, their implementation and operation.

Since 2008, there have been a variety of proposals with respect to executive compensation practices at financial institutions including from the FSB and other regulatory bodies. Certain of these proposals have been embodied in regulation or legislation, while others remain best practice recommendations.

In 2009, the FSB published the "Principles for Sound Compensation Practices", together with implementation standards. Among the matters covered in these standards and principles are a variety of mechanisms (including minimum recommended deferrals of cash bonuses, greater use of long-term equity grants rather than cash as a form of compensation, minimum vesting/deferral periods, and performance criteria for vesting of long-term awards) that are designed to ensure an appropriate alignment of interests between (i) Executive Management and certain employees (such as traders) who can have a potentially significant impact on the nature and duration of risks incurred, (ii) the Company and (iii) shareholders. The FSB's principles were supplemented by additional guidance published by the FSB in 2018, which has been developed in the form of recommendations regarding improvements in compensation practices and tools that could be used to reduce misconduct risk and address misconduct incidents.

In addition, on April 7, 2020, EIOPA published an opinion on the supervision of remuneration principles in the insurance sector. This opinion is based on EIOPA's views that the remuneration principles defined in the Solvency II Regulation are high-level and leave considerable discretion to undertakings and supervisory authorities, and aims at ensuring that consistent practices be applied in the application of the remuneration principles included in the Solvency II framework. As a result, EIOPA's opinion sets out guidance to national supervisory authorities on how to challenge the application of certain remuneration principles, and focuses on employees identified as potential higher profile risk-takers including, subject to certain variable compensation thresholds, (i) members of the administrative, management or supervisory body of the undertaking, (ii) Executive Directors who effectively run the undertaking, (iii) key function holders within the meaning of the Solvency II regulations (*i.e.*, risk management, compliance, internal audit and actuarial), and (iv) employees whose professional activities have a material impact on the undertakings' risk profile. EIOPA has indicated that it will begin monitoring the application of this opinion by national supervisory authorities two years after its publication (*i.e.*, after April 7, 2022).

These principles and standards are reflected in a variety of regulations and legislative initiatives that have been enacted over the past few years in various jurisdictions where the Group does business. While these restrictions do not apply uniformly to

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the Group across the various jurisdictions where it does business, the Group has largely aligned its global executive compensation practices with these standards and principles, and conducts regular reviews of its compensation practices and policies in light of these standards as well as applicable legal and regulatory requirements. The application of these principles and standards may vary among the different actors in the financial sector (such as banks, insurers, asset managers, private equity funds and hedge funds) and across the various jurisdictions where the Group does business, which may give rise to certain competitive issues for the Group, including by affecting the Group's ability to attract and retain top-rate talents.

Evolution of accounting standards

Policyholders' liabilities are currently accounted for according to IFRS 4, which generally allows the use of a wide variety of accounting practices for insurance contracts, reflecting different national accounting requirements, and the continuation of accounting policies applied prior to conversion to IFRS. On May 18, 2017, the International Accounting Standards Board ("IASB") issued the IFRS 17 - Insurance Contracts, which will replace IFRS 4, finalizing a long-standing project of the IASB to develop a single and consistent approach to the accounting for insurance contracts. In particular, IFRS 17 requires insurance obligations to be accounted for using current values, instead of historical costs. Following amendments decided on June 25, 2020, by the IASB, the updated IFRS 17 will be effective for annual periods beginning on or after January 1, 2023. The amended version of IFRS 17 was adopted by the European Union on November 19, 2021 with an exemption setting forth that a company may choose not to apply the annual cohort requirement prescribed in IFRS 17 to certain groups of investment contracts under certain circumstances.

In parallel with IFRS 17, the Group will apply the IFRS 9 - Financial Instruments. The published effective date of IFRS 9 was January 1, 2018. However, given the interaction between financial assets and insurance liabilities, the IASB issued amendments to IFRS 4 allowing, under certain criteria, entities issuing insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until the effective date of IFRS 17, but no later than January 1, 2023, so that qualifying insurers could apply both standards for the first time simultaneously. The Group is eligible for this temporary exemption and has decided to apply it.

The implementation of these two standards within the Group is in progress and management is currently assessing the impact of their adoption.

Climate and sustainable finance-related regulatory initiatives SNFP

There are various initiatives at the French, EU and international levels with respect to climate change and sustainable finance, which generally aim at proposing reforms to and potential changes affecting investment activities, disclosure requirements and requirements relating to the inclusion of (i) environmental, social and governance ("ESG") considerations in insurance and asset management products and advice and (ii) climate change in stress testing.

Disclosure requirements with respect to climate change and sustainable finance

In France, the national framework for non-financial reporting requirements for companies (including financial institutions) has been successively strengthened by (i) Article 173-VI of Law No. 2015-992 dated August 17, 2015, on the energy transition for green growth ("Article 173") and (ii) Article 29 of Law No. 2019-1147 dated November 8, 2019, on energy and climate ("Article 29") and the decree implementing Article 29 published on May 27, 2021.

Article 173 imposes increased transparency obligations on investors (including institutional investors), requiring them to disclose how they incorporate ESG objectives, including the specific consideration of climate risk, into their investment strategies and the measures implemented to support the energy and ecological transition.

Article 29 maintains the current disclosure framework under Article 173 and strengthens certain of its provisions, particularly with respect to the publication of risks related to climate change and biodiversity erosion. The decree implementing Article 29 published on May 27, 2021, provides a framework for extra-financial reporting by market participants, which will include certain entities of the AXA Group, and defines how ESG qualitative information and the means implemented to support the energy and ecological transition are to be presented.

At the European Union level, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") was adopted on November 27, 2019. The SFDR sets out harmonized rules for financial market participants, which includes certain AXA Group entities, on transparency with respect to the integration of sustainability risks, the consideration of adverse sustainability impacts of market participants' processes and the provision of sustainability-related information of certain financial products. The final report on regulatory technical standards for the content and presentation of disclosure requirements under SFDR was published by the ESMA on October 22, 2021. However, the application of the final regulatory technical standards has been delayed until January 1, 2023.

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") was adopted on June 18, 2020. The Taxonomy Regulation applies, in particular, to undertakings (such as the Company) that are required to publish a non-financial statement. The Taxonomy Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable. Commission Delegated Regulation (EU) 2021/2139 dated June 4, 2021, and Commission Delegated Regulation (EU) 2021/2178 dated July 6, 2021, supplement the Taxonomy Regulation by, among other things, specifying the content and presentation of the information to be disclosed in a non-financial statement.

Regulation (EU) 2019/2089 amending the EU Benchmark Regulation in connection with the EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for the benchmarks was adopted on November 27, 2019, and seeks to, among other things, ensure the integrity of low-carbon benchmarks. Directive 2014/95/EU (also known as the Non-Financial reporting Directive, or "NFRD") is an amendment to Directive 2013/34/EU (the "Accounting Directive") that requires certain large companies, such as AXA SA, to publish annually a non-financial statement. The European Commission is currently reviewing the NFRD as part of its strategy to strengthen the foundations for sustainable investment and conducted a public consultation that closed on June 11, 2020. On April 21, 2021, the European Commission published: the Corporate Sustainability Reporting Directive (the "CSRD") which, with respect to corporate sustainability reporting, amends the Accounting Directive, Directive 2004/109/EC (the Transparency Directive, as amended), Directive 2006/43/EC and Regulation (EU) No. 537/2014. In the CSRD, the European Commission, among other things, introduced new sustainability-related reporting requirements for companies, including (i) the principal risks the issuer faces with respect to sustainability matters and how the issuer manages those risks, (ii) the resilience of the issuer's business model and strategy in light of risks related to sustainability matters, (iii) the opportunities which sustainability matters may present for the issuer, (iv) the issuer's plan(s) to ensure that its business model and strategy are compatible with the transition to a sustainable economy and with the global warming limit of 1.5°C set by the Paris Agreement, an international climate change agreement that entered into force on November 4, 2016, (v) a description of the targets set by the issuer related to sustainability matters and the progress the issuer has made towards achieving those targets, (vi) the role of the administrative, management and supervisory bodies with regards to sustainability matters, and (vii) the due diligence process(es) implemented by the issuer with respect to sustainability matters.

Finally, the Group supports and implements the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and publishes voluntary information in line with these recommendations, which include, among others, recommendations with respect to disclosure of actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, disclosure of the organization's governance around climate-related risks and opportunities and disclosure of metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Requirements relating to the inclusion of environmental, social and governance considerations in insurance and Asset Management products and advice

On April 30, 2019, EIOPA issued a technical opinion to the European Commission with respect to the integration of sustainability risks and factors in the delegated acts under the Solvency II Directive and Directive (EU) 2016/97 dated January 20, 2016, on insurance distribution (as amended, "IDD"). On September 30, 2019, EIOPA issued its opinion on sustainability under Solvency II framework.

Based on the public consultation conducted by the European Commission between June 2020 and July 2020, the European Commission adopted on April 21, 2021, Delegated Regulation (EU) 2021/1257 amending the regime for the integration of sustainability factors, risks and preferences into the product oversight and governance requirements for insurance undertakings and insurance distributors and into the rules on conduct of business and investment advice for insurance-based investment products. Delegated Regulation (EU) 2021/1257 will be applicable on August 2, 2022, when sustainability factors (as defined in Article 2(24) of Regulation (EU) 2019/2088) will, *inter alia*, have to be taken into account in the definition of the target market of each insurance product, in the marketing of insurance products and in the appropriate tests.

At the international level, the IAIS completed in January 2021 a public consultation on a draft Application Paper on the supervision of climate-related risks in the insurance sector, developed to support insurance supervisory authorities in their efforts to integrate climate-related risks into their respective supervisory frameworks.

Requirements in connection with climate change in stress testing

The ACPR conducted an initial climate pilot exercise that incorporated certain climate change scenarios and assumptions into stress testing, the first results of which were published in May 2021. Pursuant to these first results, the exposure of French financial institutions to the sectors that are most impacted by the risks related to the ecological transition (as identified in the climate pilot exercise) is relatively limited.

These or similar initiatives are expected to continue in 2022 and could result in new or additional requirements for financial institutions.

For further information on climate change, please refer to Section 4.3 "Climate change and ESG integration" of this Annual Report.

Reform and potential changes to reference rates and indices (benchmarks)

Reforms to interest rate, equity, foreign exchange rate and other types of indices (also known as "benchmarks") have been recently enacted, and regulatory authorities have also proposed further reforms to and potential changes affecting benchmarks. In particular, Regulation (EU) 2016/1011 dated June 8, 2016 (as amended, the "EU Benchmark Regulation"), which entered into force on January 1, 2018, as well as the EU Benchmark Regulation as incorporated into UK law as from January 1, 2021 (the "UK Benchmark Regulation" and, together with the EU Benchmark Regulation, the "Benchmark Regulation") imposed additional requirements on the provision of financial market-related benchmarks, the contribution of input data to a benchmark and the use of benchmarks within the EU and the UK.

Several interbank market benchmarks have been designated as critical benchmarks under the Benchmark Regulation, including LIBOR, EURIBOR and EONIA, and their related benchmark methodologies have been made subject to review. Certain critical benchmarks have been or might be discontinued in the future, including, EONIA, which ceased to be published in January 2022, and LIBOR (publication of most LIBOR settings ceased on December 31, 2021, and publication of certain USD LIBOR settings are expected to cease on June 30, 2023). In this context, Regulation (EU) 2021/168 amending the EU Benchmark Regulation was adopted on February 10, 2021, and allows the European Commission to impose a statutory replacement for certain critical benchmarks, whose cessation might result in significant disruption to the EU financial markets' operations. This new statutory benchmark would replace other benchmarks used in contracts and financial instruments, which (i) have not been renegotiated before the date of cessation of the benchmark, and (ii) contain either no contractual replacement (or so-called "fallback provision"), or a fallback provision which is deemed unsuitable be supervisors. The European Commission has designated statutory replacements for EONIA and CHF LIBOR. The FCA has also exercised certain powers under the UK Benchmark Regulation to compel the publication of the 1-, 3- and 6-month GBP and JPY LIBOR settings on the basis of a changed or "synthetic" methodology until December 31, 2022.

Because these reforms are affecting the whole financial sector, the transition to the new benchmarks creates industry-wide risks, to which AXA is therefore exposed. AXA is conducting a Group-wide project to manage this transition and manage the impacts of future benchmark changes, which could have implications for our capital models, risk management efforts, investment strategies and product design, among others.

Evolution of the regulatory and litigation environment

The Group's insurance, reinsurance, asset management and banking operations are subject to an increasing number of legislative and regulatory initiatives designed to increase consumer protection in the sector of financial services. In the European Union, initiatives related to the financial sector include in particular the IDD, MiFID II and the PRIIPs Regulation. Similar initiatives are under review (or in the course of implementation) in other jurisdictions where the Group operates, and these initiatives are likely to continue to expand, resulting in increased operational compliance costs to meet regulatory expectations.

The IDD superseded the Insurance Mediation Directive and is designed to improve consumer protection by ensuring that all distributors of insurance products operate on a level playing field. The main provisions of the IDD relate to enhanced professional requirements (*e.g.*, continuing training and development for distributors), conduct of business rules, conflicts of interest (relating to fees, commissions and bonuses), increased disclosure and transparency and extensive product governance requirements. It also includes additional requirements for the sale of insurance products with investment elements in order to ensure that policyholders receive a similar level of protection as buyers of retail investment products regulated under MiFID II (*e.g.*, when providing advice, distributors have to assess whether the insurance-based investment product is suitable for the customer).

The IDD entered into force on October 1, 2018, while MiFID II and the PRIIPs Regulation entered into force at the beginning of January 2018.

Financial crime compliance programs of financial institutions (anti-money laundering, anti-corruption and international sanctions compliance) continue to be a major focus for regulatory and law enforcement authorities, with increasingly significant penalties imposed for compliance failures. In particular, French Law No. 2016-1691 dated December 9, 2016, on transparency, the fight against corruption and modernization of the economy, known as "Sapin II", which was introduced in June 2017, included new requirements for all large French companies to establish internal procedures to prevent and detect acts of corruption and influence peddling committed in France and abroad. Sapin II also established a new French anti-corruption agency (*Agence française anticorruption*), which was given strengthened supervisory and enforcement powers. Furthermore, Orders No. 2020-1342 of November 4, 2020 and No. 2020-115 of February 12, 2020, enhanced the requirements for French financial institutions, including the reinforcement of internal procedures to implement asset-freezing measures and prevent and detect acts of corruption committed in France and abroad, while strengthening the supervisory and enforcement powers of supervisory authorities.

In light of this and other initiatives in respect of compliance requirements, Management believes that the complexity and risks for international financial institutions like AXA in this area will likely continue to increase, and that compliance costs will also increase accordingly.

The litigation environment in which the Group operates also continues to evolve. In continental Europe, the introduction of class actions, including in France in 2014, has, and is likely to continue to, increase litigation risks and costs for insurers, asset managers and other financial institutions. Most recently, the adoption of Directive (EU) 2020/1828 dated November 25, 2020, on representative actions for the protection of the collective interests of consumers at the EU level aims at enabling qualified entities to seek remedy through representative actions against infringements of provisions of EU law in a variety of areas (including data protection and financial services), in order to provide an effective and efficient way of protecting the collective interests of consumers. This Directive must be transposed by EU Member States by December 25, 2022, for a scheduled application date of June 25, 2023.

In addition, the litigation environment has been evolving in the context of the COVID-19 pandemic, with holders of property and casualty insurance policies increasingly seeking coverage for losses caused by the governmental actions and measures implemented to contain the spread of COVID-19, such as lockdown measures. A number of lawsuits have been and may be introduced against insurers, such as AXA, in multiple jurisdictions.

For additional information, please see "The Group and our businesses are subject to extensive regulation, regulatory supervision, adverse judicial decisions and emerging social and reputational trends in the various jurisdictions in which we operate" and "We have been and may become in the future subject to lawsuits, regulatory investigations and/or other proceedings (including activism related to environmental, social and governance matters and other societal and reputational trends) which may affect our business, brand, reputation, relations with regulators and/or results of operations" in Section 5.1 "Risk Factors" and Section 5.8 "Other material risks – Regulatory risks" of this Annual Report.

AXA Group Tax Policy

Both as a multinational company and as a provider of investments and savings products, the AXA Group follows a responsible and transparent approach on tax issues.

The taxes AXA pays are an important part of its wider economic and social impact and play a key role in the development of countries where it operates [(1)]. AXA regards it as a critical element of its commitment to grow in a sustainable, responsible and socially inclusive way.

AXA also squares its responsibilities as a co-operative, compliant taxpayer in each and every country in which it operates, with the need to support competitive business growth – serving all its stakeholders including investors, suppliers and employees.

TAX ASPECTS IN RELATION TO AXA AS A MULTINATIONAL COMPANY

The AXA Group's approach to tax issues

In the countries where it operates, AXA is both a taxpayer and a tax collector, given that many specific taxes are levied on insurance and reinsurance policies and collected from our customers as part of the insurance, reinsurance and asset management revenues while others are remitted to the various state and federal administrations around the world.

The tax function is organized within the Group to ensure full compliance with all tax legislation in the countries where AXA operates. In addition to the Group Tax Department based in France, all key operational entities/countries/geographic zones have a tax team in charge of ensuring that tax regulations are well understood and fully satisfied by the entities.

As a part of the global internal risk assessment, a specific tax internal control program is implemented. These controls must be reported and documented by each team in scope to ensure full compliance.

A Tax Code of Ethics, agreed between Group Tax Department and local tax teams, highlights the key principles guiding the actions of the various tax teams:

- to remain up to date with respect to applicable laws and regulations;
- to comply with tax laws and regulations;
- to maintain a good relationship with the local tax authorities; and
- not to engage in aggressive tax driven transactions that could compromise the good reputation of the Group.

(1) The list of the Group's main subsidiaries and participating interests is available in Appendix III "AXA parent company financial statements" of this Annual Report. The legal organizational chart of the Group is also published on the Company's website (www.axa.com).

The satisfaction of this Code of Ethics is a prerequisite of the activities performed by all AXA tax teams and gives rise to an annual certification by each head of tax, which is provided to the Group tax team. In addition, a bi-annual tax review process of each key entity or business line is performed by the Group Tax Department in connection with each local team. During these reviews, specific attention is given to tax audits and associated tax risks as well as market positions on tax matters that may impact AXA. These reviews offer a global framework for the tax teams to identify, analyze, control, and report tax risks.

Lastly, an International Tax Committee composed of various senior tax executives within AXA tax teams meets every quarter to ensure consistency in approach on some technical topics, as well as agreements on guidelines, when necessary, connected to specific items.

As an international group operating in several countries, the AXA Group is subject to various tax regimes and regulations and takes into account any changes in tax law. AXA is specifically vigilant about the changes that could result in higher tax expenses and payments, higher compliance costs or that may affect the AXA Group's tax liability, return on investments and business operations. In particular, please see the paragraph "Changes in tax laws or uncertainties in the interpretation of certain tax laws may result in adverse consequences to our business and our results of operations" in Section 5.1 "Risk Factors" of this Annual Report.

When considering how AXA entities structure commercial arrangements, tax implications are analyzed in parallel with other consequences such as capital efficiency and legal and regulatory aspects when deciding between potential alternative arrangements.

AXA has no licensed insurance or operating business activities in the countries specifically identified as non-cooperative jurisdictions [1] under French and European rules, except in Panama. The presence in this jurisdiction is purely driven by operational purposes.

AXA still holds two non-consolidated operating companies in Panama (one providing assistance services to local customers, and the other delivering health claim services) employing circa 45 people at the end of 2021.

More globally, AXA does not use non cooperative jurisdictions to avoid taxes on operational activities performed elsewhere.

Any presence in countries in which AXA operates with tax rates lower than France are driven by business operations. With the acquisition of the XL Group in September 2018, AXA now has a material presence and substance in Bermuda with nearly 200 employees working for AXA XL there. Despite the fact that Bermuda is a low-tax jurisdiction, it is a center of expertise and one of the key locations of the worldwide reinsurance market. It is not considered as a non-cooperative jurisdiction according to the French and European Union laws. This presence is mainly driven by local capital management regulation enabling flexibility on the required capital for reinsurance activities and AXA supports the Economic Substance legislation enacted in this country. This situation will in no way change how the AXA Group is managed on the tax side. AXA will continue to tax its operations in the various countries where operational profits are made.

Disclosure on tax matters and information on taxes connected with the Group's activities in each country

The consolidated financial statements are prepared in compliance with IFRS standards (as disclosed in Section 6.6 – Note 1 "Accounting principles" of this Annual Report). Accounting for income taxes recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of the entity's assets and liabilities, as required by IAS 12 (see Section 6.6 – Note 1.17.1 "Income taxes" of this Annual Report).

The Consolidated Financial Statements present the reconciliation between the theoretical tax charge and the effective tax charge under IFRS. All differences are fully explained (see Section 6.6 – Note 19 "Tax" of this Annual Report). It should be noted that in many jurisdictions where AXA operates, the income and capital gains on savings-products benefit from a favorable tax treatment, also when such products are included in life insurance products. This leads to a lower effective tax rate for life insurance companies.

(1) The list of non-cooperative jurisdictions under French tax rules is given by a ministerial decree dated February 26, 2021, and is composed of the following countries: Anguilla, Dominica, Fiji, Guam, US Virgin Islands, British Virgin Islands, Palau, Panama, Samoa, American Samoa, Seychelles, Trinidad and Tobago and Vanuatu. Pursuant to Article 238-0 A of the French Code général des impôts, this list is updated at least once a year and any update must include the states and jurisdictions on the blacklist set out in Annex I to the conclusions adopted by the Council of the European Union on December 5, 2017, as updated from time to time. On October 5, 2021, the Council of the European Union adopted a revised list of non-cooperative jurisdictions which is composed of US Virgin Islands, Fiji, Guam, Palau, Panama, American Samoa, Samoa, Trinidad and Tobago and Vanuatu. The list of non-cooperative jurisdictions under French tax rules adopted on February 26, 2021, may be amended as a result of this new list adopted by the Council of the European Union adopted on October 5, 2021. However, the update of such list is not automatic and requires a decree to be adopted in order to amend the list of non-cooperative juridictions.

In addition to the details reported around the Group effective tax rate, AXA reports substantial information on the impacts of any change in local tax regulations on its business, as well as details of the tax burden per line of business and per country. AXA's income tax expenses/benefits are extensively disclosed in the Annual Report and are broken down by business segment and country. For each, a dedicated paragraph provides a comment about the line related to Tax Income (see Section 2.3 "Activity Report – Underlying Earnings, Adjusted Earnings and Net Income Group share" of this Annual Report).

Since 2019, AXA has been annually reporting a Tax Transparency report where it discloses a lot of information around its tax footprint in its key geographies, as well as key principles of its tax policy. This report is available on the AXA website (www.axa.com) at the end of the AXA Group Tax Policy page. AXA updates this report annually and the most recent version was issued in May 2021.

TAX ASPECTS OF ACTIVITIES AND PRODUCTS OFFERED BY THE GROUP

Activities of the Group

The Group's activities are subject to strict regulations and rigorous control in each territory in which AXA operates. In addition to these regulations, AXA has developed a set of detailed internal standards that applies to all Group entities that are managed or controlled by AXA, regardless of the activities undertaken by the entity or its ownership structure.

According to these internal standards, Chief Executive Officers must ensure that staff are fully conversant, and comply with applicable laws, mandatory Codes of Conduct, rules and regulations (including applicable tax laws and regulations) relevant to their area of operations.

This means that local senior management must appreciate the tax implications of the activities in their entity. The main considerations are:

- compliance with the taxation of employees in the territory in which they are employed;
- compliance with the taxation of business undertaken in the territory (including levies and sales taxes); and
- cross-border tax issues.

A specific focus on transfer pricing is made in application of these standards, to ensure that the pricing of our intra-group activities is consistent with the OECD "arm's length" principle as well as with local transfer pricing rules to pay adequate tax on profits where the value is created.

In particular, Chief Financial Officers must ensure that insurance and reinsurance policies entered into represent a true transfer of risk and that their status as insurance or reinsurance contracts could not be subject to challenge. Business between Group companies must be transacted at market prices where a market price exists, or in the absence of market prices, must be supported by formally documented justification for the charge made.

Products offered by the Group

AXA products are not designed to allow or encourage tax evasion. The Group has set up a validation framework to ensure that new products undergo a thorough approval process before they go to market.

The local decision to launch a new product must result from a documented approval process that complies with the AXA Group's standards in terms of product features, pricing, asset-liability management and aspects related to legal, compliance, regulatory, accounting and reputation.

Moreover, AXA has established strict policies regarding its cross-border activities and knowledge of its customers, in order to ensure that our products and services are not misused for money laundering or tax evasion purposes and are governed by specific rules according to which cross-border life insurance proposals must be presented to the Group Tax and Compliance Departments for validation.

While all Group entities must in any case comply with local regulations, the Group Tax Department can veto a product if this product is not compliant with internal rules.

Pursuant to Directive (EU) 2018/822, AXA may, as a provider of investments and savings products, have tax reporting obligations with respect to certain cross-border products it designs or implements. In particular, certain investments and savings products with no particular tax motive may be reportable under the above-mentioned Directive.

Bylaws

Certain material provisions of applicable French law, in force at the filing date of this Annual Report, and of the Company's bylaws are summarized below. Copies of AXA SA's bylaws are available at the Paris Trade and Companies Register (*Registre du commerce et des sociétés du Tribunal de commerce de Paris*) and on the Company's website (www.axa.com).

CORPORATE PURPOSE

Pursuant to Article 3 of its bylaws, AXA SA's corporate purpose is generally to:

- acquire all types of ownership interests in any French or foreign company or business, including insurance companies;
- acquire, manage and sell all listed or unlisted shares and securities, as well as personal or real estate properties, rights, shares or securities, whether listed or unlisted, that are related to such properties; and
- perform all industrial, commercial, financial, personal or real estate property transactions, directly or indirectly, related to any of the foregoing.

As discussed in Section 2.1 "Operating highlights" of this Annual Report, AXA SA has applied to obtain a reinsurance license from the ACPR. As a result, AXA SA would become a licensed reinsurance company subject to the applicable ACPR regulations governing reinsurance entities and activities, and AXA SA's corporate purpose as currently described in Article 3 of its bylaws would be amended, subject to the approval of two-thirds of the shareholders attending or represented at the Extraordinary Shareholders' Meeting to be held on April 28, 2022 (for more information about the amendment of AXA SA's bylaws and AXA SA's Shareholders' Meetings, please refer to the paragraphs below "Modification of shareholders' rights" and "Shareholders' Meetings"). AXA SA's bylaws, as amended, will be available on the website of the Company.

MEMBERS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS

In addition to French law provisions, AXA SA's bylaws and the terms of reference of the Board of Directors include a number of specific provisions concerning members of the Board of Directors and corporate officers, including the following:

Compensation

The corporate officers of the Company receive compensation in the amount and on conditions set by the Board of Directors, upon proposal of the Compensation & Governance Committee.

Members of the Board of Directors receive a fixed annual directors' fee, the maximum overall amount of which is determined by the Shareholders' Meeting and apportioned by the Board of Directors among its members, pursuant to the rules set forth in the terms of reference of the Board of Directors. Notwithstanding the above, the terms of reference of the Board of Directors provide that no directors' fee shall be paid to corporate officers.

For further information, please see Part 3 "Corporate governance" of this Annual Report.

Age limit

Notwithstanding the term of office for which the Chairman of the Board of Directors is appointed, his/her functions shall terminate, at the latest, at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the preceding fiscal year and held during the year the Chairman reaches the age of 70.

Notwithstanding the term of office for which the Chief Executive Officer is appointed, his/her functions shall terminate at the latest at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the preceding fiscal year and held during the year the Chief Executive Officer reaches the age of 65. The same rule applies for the Deputy Chief Executive Officers.

An individual aged 70 or older may be appointed or reappointed to the Board of Directors exclusively for a two-year term of office. His/her term of office can be renewed only once.

When the number of Board members aged 70 or older exceeds one-third of the directors in office, the oldest director is deemed to have resigned automatically unless any member of the Board of Directors aged 70 or older voluntarily resigns within three months.

When the permanent representative of a legal entity member of the Board of Directors reaches 70 years old, the legal entity is deemed to have resigned automatically unless it designates a new representative within three months.

Shareholding

In accordance with the Afep-Medef Code and regardless of any statutory obligation of holding shares, the directors, with the exception of directors representing employees, shall personally be shareholders of the Company and own a significant number of shares in the Company; if they do not own such shares at the time they are first appointed, they shall use their directors' fees to acquire AXA shares. Accordingly, the Board of Directors has set for each Board member, whether an individual or a permanent representative of a legal entity to whom directors' fees were paid, the objective of holding, within two years after first being appointed, a number of shares in the Company, the value of which, on the basis of the closing price of the AXA share on December 31 of the preceding fiscal year, shall correspond to an amount at least equivalent to the gross director's fees earned in respect of the previous fiscal year. The shares purchased for the purpose of this holding objective will be held in registered form.

For additional information regarding the Board of Directors and corporate officers of the Company, please see Part 3 "Corporate governance" of this Annual Report.

RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO THE SHARES

Voting rights

Each AXA share entitles its holder to one vote at every AXA SA's Shareholders' Meeting, subject to the provisions regarding double voting rights described below. On May 26, 1977, the Shareholders' Meeting decided that each ordinary share fully paid up and held in registered form by the same person for at least two full fiscal years entitled its holder to double voting rights with respect to such share.

In the event of a capital increase by capitalization of existing reserves, profits or premiums, shares granted for free to any shareholder holding shares entitled to double voting rights will also carry double voting rights.

The rights of the holders of double voting rights may only be modified or cancelled upon the decision of an Extraordinary Shareholders' Meeting and after authorization by a special meeting of the holders of these rights.

With the exception of double voting rights, there is currently only one class of shares with equal rights for all shareholders.

Dividends

Upon proposal by the Board of Directors of AXA SA, the shareholders of AXA SA may decide to allocate all or part of distributable profits to special or general reserves, to carry them forward to the next fiscal year as retained earnings, or to allocate them to the shareholders as dividends. If AXA SA has earned a distributable profit since the end of the previous fiscal year, as reflected in an interim balance sheet certified by its Statutory Auditors, the Board of Directors may distribute interim dividends to the extent of the distributable profit without prior approval of the shareholders. AXA SA's Bylaws require AXA SA to distribute any dividends between its shareholders in proportion to their share in the capital.

Under the provisions of AXA SA's Bylaws, the actual dividend payment date is decided by the Board of Directors.

AXA SA's Bylaws provide that, the Shareholders' Meeting may grant each shareholder the choice to receive dividends in either cash or additional ordinary shares.

Pre-emptive rights

Under French law, shareholders have preferential subscription rights to subscribe, on a *pro rata* basis, additional ordinary shares (and/or convertible, exchangeable or other securities giving a claim, directly or indirectly, to AXA SA ordinary shares). This subscription right is transferable and normally trades separately during the subscription period for a capital increase. Issuing additional shares without preferential subscription rights requires the approval of two-thirds of the shareholders attending or represented at an Extraordinary Shareholders' Meeting.

Liquidation rights

If AXA SA is liquidated, the assets remaining after it pays its debts, liquidation expenses and all prior claims will be used to repay AXA SA's shareholders up to the amount of the liquidation balance and the par value of the shares held by each shareholder. Any surplus will be divided among all shareholders, subject to rights arising, if any, from different classes of shares, in proportion to the rights they own in the Company's share capital.

MODIFICATION OF SHAREHOLDERS' RIGHTS

Under French law, shareholders of a French public company (*société anonyme*) have the power to amend AXA SA's bylaws. Such an amendment generally requires the approval of two-thirds of the shareholders attending or represented at an Extraordinary Shareholders' Meeting. However, no such Extraordinary Shareholders' Meetings may decide (i) to increase the liability of the shareholders in respect of the Company or a third party; or (ii) to reduce the individual rights vested in each shareholder (such as voting rights, right to distributable profits of the Company, right to sell one's shares and right to sue the Company).

SHAREHOLDERS' MEETINGS

Shareholders are convened, meet and deliberate in accordance with applicable French laws and AXA SA's bylaws.

A notice of meeting must be published in the *Bulletin des annonces légales obligatoires* ("BALO"), at least 35 days before any Shareholders' Meeting (or 15 days in certain specific cases), and must indicate, in particular, the agenda and the proposed resolutions.

At least 15 days (or six days in certain cases) prior to the date set for the meeting on first call, and at least 10 days (or four days in certain cases) before any second call, the Company shall send a final notice containing all the information requested by law by mail to all registered shareholders who have held shares for more than one month prior to the date of this final notice and publish a final notice in a bulletin of legal notices, as well as the BALO.

All shareholders are entitled to attend these meetings, either in person or by proxy, provided that they show valid proof of ID and share ownership as specified under French law. This ownership is justified by a book entry showing the number of shares in the name of the shareholder (or the intermediary for the account), on the second business day preceding the meeting at 0:00 am, Paris time (France), either in the registered share accounts kept by the Company or in the bearer share accounts kept by a qualified intermediary.

In accordance with the provisions of Article L.22.10-10 5° of the French Commercial Code, the conditions for the participation to Shareholders' Meetings are detailed in Article 23 of AXA SA's bylaws, which is expressly incorporated by reference herein.

In addition, the information referred to in Article L.22-10-11 of the French Commercial Code is made public in the corporate governance report approved by AXA SA's Board of Directors' and attached to the Board of Directors' report of AXA SA included in this Annual Report. For further information, please refer to Appendix VII "Corporate governance report – Cross-Reference Table" to this Annual Report.

ANTI-TAKEOVER PROVISIONS

There are no French anti-takeover statutes similar to the anti-takeover statutes enacted by certain states in the United States and other jurisdictions. However, a number of French law provisions, in particular those resulting from Law No. 2014-384 dated March 29, 2014 (*visant à reconquérir l'économie réelle*), from Law No. 2019-486 dated May 22, 2019 (*relative à la croissance et la transformation des entreprises*), known as "PACTE", or from certain provisions of Directive 2004/25/EC dated April 21, 2004 on takeover bids (which was implemented in France in 2006), may have certain anti-takeover effects. In the case of AXA, the relevant provisions include, among other things, the existence of AXA shares with double voting rights, which are described above, and specific notification requirements applicable when holdings exceed specified thresholds, as described below.

French law generally requires mergers and certain consolidations to be approved by two-thirds of the shareholders attending or represented at the Extraordinary Shareholders' Meeting convened to decide on such matters.

NOTIFICATION REQUIREMENTS WHEN HOLDINGS EXCEED SPECIFIED THRESHOLDS

Pursuant to Article 7 of AXA SA's bylaws, any person, acting alone or jointly, who comes to hold, directly or indirectly, through companies it controls within the meaning of Article L.233-3 of the French Commercial Code, a number of shares representing 0.5% of the Company's share capital or voting rights, shall notify the Company by registered letter with acknowledgment of receipt within five days from the threshold crossing. This notification shall detail the total number of shares and voting rights held as well as the total number of securities giving a differed claim to the share capital and the potential voting rights attached thereto.

The notification shall be repeated in the conditions stated above each time an additional fraction of 0.5% of the share capital or voting rights is crossed upward or downward.

In the event of failure to comply with the notification requirements described above, shares exceeding the fraction that should have been notified will be deprived of voting rights at the Shareholders' Meetings if, at such meetings, the notification failure has been recorded and if one or more shareholders jointly holding at least 5% of the share capital so request. Loss of voting rights shall be applicable in all Shareholders' Meetings that would be held up until two years following proper notification.

CHANGES IN CAPITAL

The Company's share capital may be modified only under the conditions stipulated by the legal and regulatory provisions in force. The provisions of the bylaws or the terms of reference of the Board of Directors of AXA SA shall not prevail over changes in the law governing the Company's share capital.

APPENDICES

APPENDIX I MANAGEMENT'S ANNUAL EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The AXA Group's Internal Control Over Financial Reporting (ICOFR) is a process designed under the supervision of the Group Chief Financial Officer (CFO) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements.

Since its delisting from the New York Stock Exchange (NYSE) in March 2010 and its deregistration with the United States Securities and Exchange Commission (SEC) in June 2010, the Group has maintained an annual Internal Financial Control (IFC) program designed to evaluate the effectiveness of AXA Group's ICOFR. AXA's Statutory Auditors provide a reasonable assurance report on AXA Group's ICOFR each year.

The IFC program is based on the Group Internal Control Standard and the Group Internal Control Policy, which include additional specific requirements for the IFC framework.

(a) IFC framework

The IFC framework is based on the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It is designed to define the IFC scope, governance, and principles in order to ensure consistency and quality in AXA Group's financial reporting.

(A.1) IFC SCOPE

The IFC program includes primarily the entities which are individually significant to consolidated financial position or results of operations, as well as the entities which provide significant services to AXA and/or its consolidated subsidiaries (the "Group").

(A.2) IFC GOVERNANCE

Management, including the Group Chief Executive Officer (CEO), is responsible for establishing and maintaining adequate ICOFR.

The IFC program is steered by the Group IFC Committee chaired by the Group CFO and involves the Planning Budgets Results Central (PBRC) Department, other relevant AXA departments, and representatives from each in-scope entity. The IFC program and the conclusion of management as to the effectiveness of AXA Group's ICOFR are also reviewed by AXA's Audit Committee.

(A.3) IFC PRINCIPLES

AXA Group's ICOFR includes policies and procedures that provide reasonable assurance that:

- the maintenance of records accurately and fairly reflect the transactions and dispositions of Group assets;
- the transactions are recorded as necessary to permit the preparation of financial statements in accordance with the applicable generally accepted accounting principles;
- the receipts and expenditures are being made only in accordance with the authorization of management and directors of the Group; and
- unauthorized acquisition, use or disposition of Group assets that could have a material effect on the Group's financial statements would be prevented or detected in a timely manner.

In order to assess the effectiveness of ICOFR, financial reporting risks are initially identified at Group level with a focus on identifying those risks that may result in a material misstatement of Consolidated Financial Statements not being prevented or detected in a timely manner. This top-down and risk-based approach enables to identify in-scope entities and processes.

In line with the COSO framework, AXA Group's ICOFR is organized around the following key process categories: Entity-Level Controls (ELC), IT ELC, Financial Statement Closing Process, Business Processes, and IT General Controls.

For every key process category, the in-scope entities (i) document the significant processes and/or controls, as well as the rationale of how the associated risk of material misstatement due to error or fraud can be reduced to an acceptable level, (ii) test the design and operational effectiveness of key controls based on the test plans elaborated with insight into risks, and (iii) remediate identified control deficiencies.

Outstanding control deficiencies are consolidated at Group level to evaluate their impact on Consolidated Financial Statements, compensating controls and other qualitative factors. This evaluation process is designed to identify any control deficiencies that may rise to the level of a material weakness. A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on time.

(A.4) IFC CERTIFICATION

At each year-end, the in-scope entities are required to perform an evaluation of their ICOFR as part of an internal certification process. This process involves formal sign-off by the entity's process owners and culminates with a formal management report from the entity's CFO or another senior executive officer stating their conclusion as to the effectiveness of the entity's ICOFR.

This internal certification process across all in-scope entities is designed to assist AXA's management in its evaluation of AXA Group's ICOFR and to support its conclusion as to the effectiveness of AXA Group's ICOFR.

(b) Management's annual evaluation on ICOFR based on the IFC framework

Management conducted an evaluation of the effectiveness of AXA Group's ICOFR in accordance with the IFC framework as described above. Based on this evaluation, management concluded that AXA Group's ICOFR was effective as of December 31, 2021.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or if the degree of compliance with the policies or procedures deteriorates.

(c) Report of the Statutory Auditors on ICOFR

PricewaterhouseCoopers Audit and Mazars have performed audit procedures in order to be able to obtain reasonable assurance as to whether management's conclusion as to the effectiveness of AXA Group's ICOFR based on the IFC framework is fairly stated.

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

Mazars
61, rue Henri Régnault
92400 Courbevoie

Report of the Statutory Auditors on internal control over financial reporting

To the Board of Directors of AXA:

As Statutory Auditors of AXA and in response to your request, we have performed audit procedures on AXA and its subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2021, in order to be able to obtain reasonable assurance as to whether AXA's management's assertion that internal control over financial reporting is effective, as included in management's annual evaluation of internal control over financial reporting, is fairly stated.

The Company's management is responsible for maintaining effective internal control over financial reporting and for establishing a statement on its assessment of the effectiveness of internal control over financial reporting as of December 31, 2021. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS accounting principles. The assessment of the effectiveness of internal control over financial reporting is based on criteria established in the Internal Financial Control (IFC) framework, as described in management's annual evaluation of internal control over financial reporting on pages 472 and 473 of this Annual Report. Our responsibility is to express an opinion on the Company's management's assertion, based on our audit procedures.

We conducted our work in accordance with French professional standards and ISAE 3000 ("Assurance engagements other than audits or reviews of historical financial information"). These standards require that we plan and perform the audit procedures to obtain reasonable assurance about whether AXA management's assertion that internal control over financial reporting is effective, was fairly stated in all material respects. Our audit procedures included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe the evidence gathered is sufficient and appropriate to express our opinion.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or if the degree of compliance with the principles or procedures may deteriorate.

In our opinion, the Company's management's assertion that internal control over financial reporting as of December 31, 2021 is effective, in all material respects, is fairly stated based on the criteria determined in the IFC framework.

Neuilly-sur-Seine and Courbevoie, March 21, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bénédicte Vignon – Grégory Saugner	Gilles Magnan – Maxime Simoen

APPENDIX II STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I, the undersigned, hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no material omission likely to render it misleading or inaccurate.

I confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and fairly present the assets and liabilities, the financial position and the profit or loss of the Company and its consolidated subsidiaries, and that the Board of Directors' report presented in page 506 fairly presents the evolution of the business, results and financial position of the Company and its consolidated subsidiaries, and describes the principal risks and contingencies facing the Group.

Paris, March 22, 2022

Thomas Buberl

Chief Executive Officer of AXA

APPENDIX III AXA PARENT COMPANY FINANCIAL STATEMENTS

BOARD OF DIRECTORS' REPORT

Net Income

Net income for the fiscal year ended December 31, 2021 resulted in a profit of €2,819 million compared to a profit of €4,236 million for the year ended December 31, 2020.

Dividends received from subsidiaries amounted to €3,495 million, *versus* €3,980 million in 2020, representing a decrease of €485 million.

Net financial charges, which include interests and similar charges net of income from loans and investments, amounted to €783 million compared to €1,179 million in 2020, a decrease of €397 million, considering (i) the fact that the previous financial year took into account a loss of €358 million related to the unwinding of most interest rate derivate positions, and (ii) the reimbursement of debt in 2020.

Operating expenses amounted to €434 million *versus* €399 million in 2020, given the increase in investments to accelerate the IT transformation strategy.

Capital operations resulted in a loss of €71 million, *versus* a profit of €1,311 million in 2020, broken down as follows:

- €117 million in gains following the disposal of the remaining stake in Equitable Holdings Inc., and the sale of AXA Bank Belgium;
- partly offset by €90 million net allowance for impairment on investments in subsidiaries and by €94 million of foreign exchange loss as part of the protection of the Company's cash flows.

It should be recalled that 2020 notably took in account €541 million in gains relating to equity options and €304 million in foreign exchange gain, primarily related to the reimbursement of a debt denominated in pound sterling.

The corporate income tax benefit amounted to €665 million, and included €744 million of tax receivables from members of the tax consolidation group.

BALANCE SHEET

As of December 31, 2021, total assets amounted to €77,695 million, *versus* €78,131 million as of December 31, 2020.

Assets

Intangible assets totaled €322 million, mainly including the AXA brand valued at €308 million.

Investments in subsidiaries, net of valuation allowances, totaled €66,028 million *versus* €67,417 million at year-end 2020, representing a decrease of €1,389 million, reflecting:

- the book value, net of impairment, of €1,686 million on shares sold, of which €928 million related to the remaining stake in Equitable Holdings, Inc., and € 590 million following the disposal of AXA Bank Belgium;
- €150 million of capital redemption in AXA Life Europe;
- €90 million of the above-mentioned net allowance for impairment;
- partly offset by capital increases up to €511 million.

Receivables from subsidiaries amounted to €938 million compared to €1,048 million at year-end 2020, a decrease of €109 million, including repayments up to € 147 million.

Other financial assets amounted €369 million *versus* €214 million at year-end 2020, an increase of €155 million due to the subscription to the debt Tier 1 issued by Crelan.

Marketable securities of €1,527 million, represented 65.8 million of AXA shares, in which 35.4 million under the share buyback program for €900 million and 30.4 million for €627 million to meet its obligations to deliver shares and to eliminate the dilutive effect of certain share-based compensation schemes.

Cash and cash equivalents totaled €4,349 million compared to €4,067 million at the end of 2020, up €282 million.

Unrealized foreign exchange losses amounted to €3,579 million, of which €3,301 million related to the deferred recognition of net foreign exchange losses in line with statutory hedge accounting principles, more than offset by unrealized gains on equity investments in subsidiaries. This item also reflects unrealized losses on assets and liabilities denominated in foreign currencies attributable to the effects of their revaluation at the closing exchange rate.

Liabilities

Shareholders' equity, before net income for the period and after the payment of the dividends relating to the prior fiscal year, stood at €40,544 million, representing an increase of €25 million, of which €292 million for the capital increase reserved for employees, €62 million following the exercise of stock options, partly offset by €328 million mainly related to the cancellation of shares in order to eliminate the dilutive effect following the capital increase for employees.

Other shareholders' equity including the undated super subordinated debts, totaled €3,867 million compared to €3,729 million in 2020, mainly due to a foreign exchange rate impact of €134 million.

Provisions for risks and charges amounted to €768 million, compared to €820 million in 2020, and mainly included €214 million of provisions for the possible repayment of tax savings to subsidiaries belonging to the French tax consolidation group, €238 million provision for internal guarantees in the context of a business litigation as well as €57 million provision for exchange-rate risk.

Subordinated debt amounted to €12,264 million compared to €10,906 million in 2020, up to €1,358 million due to the green bond issue for €1,000 million, and a foreign exchange impact of €346 million.

Financial debts amounted to €16,367 million from €17,286 million as of December 31, 2020, reflecting a decrease of €919 million, of which €703 million of the repayment of the mandatory exchangeable bonds for Equitable Holdings, Inc., shares and €295 million in outstanding commercial papers repayment.

Unrealized foreign exchange gains totaled €686 million compared to €1,071 million as of December 31, 2020, reflecting the revaluation of foreign currency denominated assets and liabilities at the closing exchange rates, which was down compared to 2020, primarily on account of the appreciation of the US Dollar and the British Pound Sterling.

Other information

In accordance with Article L.225-102 of the French Commercial Code (*Code de commerce*), disclosures related to the Company's executive compensation appear in Section 3.2 "Executive compensation and share ownership" of this Annual Report.

	Payment delay group					
Invoices issued during the period and not paid at the closing date	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 91 days**	**Total (1 day and more)**
Number of invoices concerned	100	0		6	20	26
Total Amount VAT included of invoices concerned *(in Euro)*	24,075,315	-	-	1,557,522	1,627,918	3,185,440
Percentage of revenue VAT included of the period	32.83%	0.00%	0.00%	2.12%	2.22%	4.34%

	Payment delay group					
Invoices received and not paid at the closing date	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 91 days**	**Total (1 day and more)**
Number of invoices concerned	13	5	0	0	5	10
Total Amount VAT included of invoices concerned *(in Euro)*	7,523,539	12,994,058	-	-	472,809	13,466,867
Percentage of the total amount VAT included period purchases *(in Euro)*	1.21%	2.09%	0.00%	0.00%	0.08%	2.17%

Payment delay used for these calculation is French legal delay (30 days after the invoice issuing day).

Acquisition of equity interests

In 2021, the Company did not acquire any significant equity interests within the meaning of Article L.233-6 of the French Commercial Code.

BALANCE SHEET

Assets

(in Euro million)		December 31, 2021			
		Gross carrying value	Amortizations and provisions	Net carrying value	Net carrying value as at December 31, 2020
Fixed assets					
Intangible assets		**376**	**54**	**322**	**326**
Tangible assets					
Land		-	-	-	-
Buildings and other fixed assets		1	-	1	1
Financial assets					
Investments in subsidiaries		67,272	1,244	66,028	67,417
Receivables from subsidiaries		939	1	938	1,048
Other financial assets		466	97	369	214
Loans		138	-	138	74
	I	**69,192**	**1,396**	**67,796**	**69,079**
Current assets					
Operating receivables					
Tax receivables		102	-	102	-
Receivables and subsidiaries' current accounts		285	-	285	708
Marketable securities		1,527	-	1,527	678
Cash instruments		-	-	-	145
Cash and cash equivalents		4,349	-	4,349	4,067
Prepaid expenses		8	-	8	8
	II	**6,271**	**-**	**6,271**	**5,605**
Prepayments and accrued income					
Deferred charges		328	309	19	21
Bond redemption premiums		30	-	30	23
Unrealized foreign exchange losses		3,579	-	3,579	3,404
TOTAL ASSETS		**79,400**	**1,705**	**77,695**	**78,131**

Liabilities

(in Euro million)		December 31, 2021	December 31, 2020
Shareholders' equity			
Capital			
Ordinary shares		5,545	5,538
Capital in excess of nominal value			
Issue premiums		18,753	18,735
Merger and contribution premiums		2,076	2,076
Reserves			
Legal reserve		555	555
Specific reserves for long term capital gains		2,316	2,316
Other reserves		3,180	3,180
Retained earnings		8,085	7,251
Tax driven provision		45	45
Net income for the financial year		2,819	4,236
	I	**43,374**	**43,932**
Other shareholders' equity			
Undated subordinated notes		3,867	3,729
	II	**3,867**	**3,729**
Provisions for risks and charges	**III**	**768**	**820**
Liabilities			
Subordinated debt		**12,264**	**10,906**
Financial debt		**16,367**	**17,286**
Operating payables			
Tax payables		7	65
Social payables		-	-
Other payables			
Debt on fixed assets		75	75
Other		201	247
Cash instruments		86	-
Deferred income		-	-
	IV	**29,000**	**28,579**
Prepayments and accrued expense			
Unrealized foreign exchange gains		686	1,071
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**77,695**	**78,131**

A

INCOME STATEMENT

(in Euro million)		2021	2020
I. Result on ordinary activities			
Financial & operating revenues			
Dividends received from subsidiaries		3,495	3,980
Revenues on short-term investments		177	109
Other revenues		73	55
	I	**3,745**	**4,144**
Operating expenses			
External expenses and other expenses		(482)	(428)
Tax expenses		(1)	(2)
Payroll and compensation		(15)	(11)
Interest expenses		(960)	(1,289)
Allowances for depreciation of buildings and deferred charges		(9)	(12)
	II	**(1,467)**	**(1,742)**
Operating profit	**(III = I + II)**	**2,278**	**2,402**
Contribution on common operations	**IV**	**-**	**-**
Financial operations on securities			
Reversals to provisions for marketable securities		-	-
Net income on sale of short-term securities		(53)	(59)
Allowances to provisions for marketable securities		-	-
Investment result on securities	**V**	**(53)**	**(59)**
Profit on ordinary activities before tax	**(VI = III + IV + V)**	**2,225**	**2,343**
II. Result on capital operations			
Proceeds from the sale of fixed assets		1,795	1,812
Releases of provisions for risks and charges		80	257
Releases of equity securities provisions		771	61
Foreign exchange result		(94)	303
Net book value on the sale of fixed assets		(2,301)	(1,839)
Allowances to provisions for risks and charges		(71)	(46)
Allowances to equity shares provisions		(246)	(178)
Exceptional result		(5)	941
	VII	**(71)**	**1,311**
Income tax benefit/(expense)	**VIII**	**665**	**582**
III. NET INCOME FOR THE FINANCIAL YEAR	**VI + VII + VIII**	**2,819**	**4,236**

FINANCIAL RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
1 – Closing balance sheet summary					
a) Capital – Ordinary shares *(in Euro million)*	5,554	5,553	5,536	5,538	5,545
b) Ordinary shares *(numbers in million)*	2,425	2,425	2,418	2,418	2,422
c) Bonds convertible into ordinary shares *(numbers in million)*	-	-	-	-	-
2 – Income statement summary *(in Euro million)*					
a) Gross revenues before sales tax	5,287	4,161	6,011	4,089	3,672
b) Pre-tax income from continuing operations, before depreciation, amortization and releases	3,799	2,610	4,492	2,359	2,239
c) Income tax expense/benefit	1,048	762	909	582	665
d) Net after-tax income after depreciation, amortization and releases	4,958	307	4,301	4,236	2,819
e) Net dividend distribution	3,056	3,249	1,740	3,458	3,729
3 – Per share data *(in Euro)*					
a) After tax income, before depreciation, amortization and releases	1.44	0.90	1.57	1.50	0.94
b) After tax income, after depreciation, amortization and releases	2.04	0.13	1.78	1.75	1.16
c) Net dividend per share [(a)]	1.26	1.34	0.73	1.43	1.54

(a) Dividend proposed at year end 2021 is submitted to the Shareholders' Meeting of April, 28, 2022 and based on 2,421,568,696 outstanding ordinary shares.

A

STATEMENT OF CASH FLOWS

(in Euro million)	December 31, 2021	December 31, 2020
Cash inflows		
Profit on ordinary activities before tax	2,226	2,343
Result on capital operations before tax	(71)	1,311
Income tax expense/benefit	664	582
Changes in reserves and amortization	(564)	(609)
Cash flow for the year	**2,255**	**3,627**
Increases in shareholders' equity	354	104
New borrowings	1,000	1,082
Sale or decrease in fixed assets		
■ Intangible assets	-	-
■ Tangible fixed assets	-	-
■ Financial assets	1,787	1,899
TOTAL CASH INFLOWS	**5,396**	**6,712**
Cash outflows		
Dividends paid out during the year	3,403	1,740
Reduction in shareholders' equity	328	120
Repayment of financial debt	226	1,983
Purchase of fixed assets		
■ Intangible assets	-	-
■ Tangible fixed assets	-	-
■ Financial assets	635	1,724
Expenses amortized over several years	15	-
TOTAL CASH OUTFLOWS	**4,607**	**5,566**
Change in working capital	**789**	**1,146**
Short-term equivalents		
Change in:		
■ operating receivables	(321)	315
■ operating payables	114	38
■ cash and cash equivalent	996	793
TOTAL	**789**	**1,146**

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SUBSIDIARIES AND PARTICIPATING INTERESTS

(in Euro thousand)	Share capital	Other shareholders' equity	Percentage of capital held	Gross Book Value of securities held
	1	2	3	4
A. DETAILED INFORMATION CONCERNING SUBSIDIARIES AND INVESTMENTS ACCOUNTING FOR IN EXCESS OF 1% OF AXA'S SHAREHOLDERS' EQUITY				
1) Subsidiaries (at least 50%-owned)				
AXA ASIA	8,401,354	701,986	100.00%	8,413,436
21, avenue Matignon – 75008 Paris – France	-	-		-
ARCHITAS LIMITED	7	50,977	100.00%	76,851
20, Gracechurch Street – London EC3V 0BG – England	-	-		-
AXA PARTNERS HOLDINGS SA	424,952	10,630	100.00%	445,138
6, rue André Gide – 92320 Chatillon – France	-	-		-
AXA CHINA	461,655	(13,851)	51.00%	235,448
23, avenue Matignon – 75008 Paris – France	-	-		-
AXA FRANCE VIE	487,725	6,558,574	98.34%	2,525,109
313,Terrasses de l'Arche – 92727 Nanterre – France	-	-		-
AXA FRANCE IARD	214,799	2,271,344	99.92%	1,801,832
313,Terrasses de l'Arche – 92727 Nanterre – France	-	-		-
AXA FRANCE PARTICIPATIONS	746,755	9,333	100.00%	746,755
313,Terrasses de l'Arche – 92727 Nanterre – France	-	-		-
XL Group	-	19,031,374	100.00%	17,285,977
O'Hara House, One Bermudiana Road – Hamilton – Bermuda HM 08 – Bermuda	-	-		-
AXA GENERAL INSURANCE	185,566	46,964	99.71%	293,728
395-70, Shindaebang-dong, Dongjak-gu – Seoul – South Korea	-	-		-
AXA GLOBAL RE	367,974	608,861	100.00%	860,269
61, Rue Mstislav Rostropovitch 75017 Paris – France	-	-		-
AXA HOLDINGS BELGIUM	453,101	861,785	100.00%	4,493,243
1, Place du Trone – 1000 Brussels – Belgium	-	-		-
AXA INVESTMENT MANAGERS	52,843	1,257,658	65.75%	1,302,489
Cœur Défense – Tour B – La Défense 4 – 100 Esplanade du	-	-		-
Général de Gaulle – 92932 Paris Defence – France	-	-		-
AXA HOLDING JAPAN	649,082	2,526,198	78.55%	2,384,259
NBF Platinium Tower 1-17-3 Shirokane – Minato-ku	-	-		-
108 – 8020 Tokyo – Japan	-	-		-
AXA LIFE EUROPE	99,960	1,216,343	100.00%	869,424
Wolfe Tone House, Dublin – Ireland	-	-		-
ARCHITAS SOLUTIONS	120,000	(105,426)	100.00%	120,000
Wolfe Tone House, Dublin – Ireland	-	-		-
AXA MEDITERRANEAN HOLDING	211,477	3,358,706	100.00%	4,485,474
Calle Monseñor Palmer, 1 – Palma de Mallorca – Spain	-	-		-
AXA Group OPERATIONS SAS	198,893	108,663	99.98%	396,406
81, rue Mstislav Rostropovitch – Immeuble Enjoy 75017 Paris – France	-	-		-
AXA UK PLC (b)	966,636	5,567,736	100.00%	5,689,934
20, Gracechurch Street – LONDON EC3V 0BG – England	-	-		-

(a) For Insurance companies: gross written premiums. For real estate companies: rental revenues. For holding companies: dividends. For financial services companies: gross banking revenues.
(b) Consolidated data.

Net Book Value of securities held	Loans and cash advances given by the Company still outstanding	Guarantees and commitments given by the Company under commitments made by subsidiary/participation	Last closing revenues available [(a)]	Last closing result available	Dividends received	Closing date and other observations
5	6	7	8	9	10	11
8,413,436	-	-	79,305	(335,584)	-	December 31, 2021
-	-	-	-	-	-	
76,851	-	-	32,604	29,795	44,189	December 31, 2021
-	-	-	-	-	-	
445,138	69,000	-	1,749,607	(50,341)	-	December 31, 2021
-	-	-	-	-	-	
235,448	-	-	13,104	13,185	-	December 31, 2021
-	-	-	-	-	-	
2,525,109	-	320,000	20,418,612	717,418	-	December 31, 2021
-	-	-	-	-	-	
1,801,832	-	-	7,385,989	924,993	576,706	December 31, 2021
-	-	-	-	-	-	
746,754	-	-	8,939	8,664	-	December 31, 2021
-	-	-	-	-	-	
17,285,977	488,257	1,670,737	-	1,192,261	-	December 31, 2021
-	-	-	-	-	-	
293,728	-	-	645,293	28,606	-	December 31, 2021
-	-	-	-	-	-	
860,269	-	-	3,962,582	182,356	55,973	December 31, 2021
-	-	-	-	-	-	
4,493,243	-	-	333,419	333,912	4,300	December 31, 2021
-	-	-	-	-	-	
1,302,489	-	125,326	298,002	239,000	154,520	December 31, 2021
-	-	-	-	-	-	
-	-	-	-	-	-	
2,384,259	-	-	5,166,216	338,575	267,659	December 31, 2021
-	-	-	-	-	-	
-	-	-	-	-	-	
869,424	-	-	234,217	43,751	-	December 31, 2021
-	-	-	-	-	-	
15,583	-	-	4,735	674	-	December 31, 2021
-	-	-	-	-	-	
4,485,474	345,500	331,274	457,882	364,018	534,411	December 31, 2021
-	-	-	-	-	-	
139,631	35,000	-	-	(167,915)	-	December 31, 2021
-	-	-	-	-	-	
5,689,934	-	1,428,095	-	(12,733)	184,526	December 31, 2021
-	-	-	-	-	-	

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(in Euro thousand)	Share capital	Other shareholders' equity	Percentage of capital held	Gross Book Value of securities held
	1	2	3	4
AXA VERSICHERUNGEN AG	162,819	2,957,666	100.00%	5,171,327
General Guisan-str,40 – CH-8401 Winterthur – Switzerland	-	-		-
CFP MANAGEMENT	1,300	12,230	100.00%	139,808
21, avenue Matignon – 75008 Paris – France	-	-		-
COLISEE RE	95,436	74,532	100.00%	619,892
61, rue Mstislav Rostropovitch – 75017 Paris – France	-	-		-
HOLDING VENDOME 3	3,760	(80)	100.00%	163,015
21, avenue Matignon – 75008 Paris – France	-	-		-
AXA NEXT	60,451	-	100.00%	110,720
21, avenue Matignon – 75008 Paris – France	-	-		-
SOCIETE BEAUJON	9,738	208,910	99.95%	254,897
21, avenue Matignon – 75008 Paris – France	-	-		-
AXA KONZERN AG	79,840	2,193,015	74.37%	3,606,082
Colonia Allee, 10-20 – 51067 Cologne – Germany	-	-		-
KOLNISCHE VERWALTUNGS	13,498	(30,119)	76.98%	1,122,697
Marie-Curie Strasse 8 51377 Leverkusen – Germany	-	-		-
LOR PATRIMOINE	59,035	2,003	100.00%	59,043
21, avenue Matignon 75008 Paris – France	-	-		-
2) Participations (10 à 50% du capital détenu)	-	-		-
AXA HOLDING AS	83,001	2,617	16.76%	112,497
Meclisi Mebusan cadn° 15 – Salipazari	-	-		-
34433 Istanbul – Turkey	-	-		-
LOR MATIGNON	8,538	166,630	27.78%	56,695
100, Esplanade du Général De Gaulle – Cœur Défense Tour B	-	-		-
92400 Courbevoie – France	-	-		-
RESO GARANTIA	49,665	517,220	38.61%	700,000
Ul, Svetlanskaya, 250/1, Vladivostok, Primorsky Territory	-	-		-
Far Eastern federal district, 690000 Russian Federation	-	-		-
Sub-total A	**14,669,860**	**50,172,479**		**64,542,445**
B. GENERAL INFORMATION ABOUT OTHER UNITS AND PARTICIPATING INTERESTS				
a) French subsidiaries (total)	**-**	**-**		**43,872**
b) Foreign subsidiaries (total)	**-**	**-**		**104,583**
2) Participating interests not shown in section A	-	-		-
a) in French companies (total)	**-**	**-**		**-**
b) in foreign companies (total)	**-**	**-**		**69,875**
TOTAL (A + B)	**-**	**-**		**64,760,775**

(a) For Insurance companies: gross written premiums. For real estate companies: rental revenues. For holding companies: dividends. For financial services companies: gross banking revenues.
(b) Consolidated data.

Net Book Value of securities held	Loans and cash advances given by the Company still outstanding	Guarantees and commitments given by the Company under commitments made by subsidiary/participation	Last closing revenues available [(a)]	Last closing result available	Dividends received	Closing date and other observations
5	6	7	8	9	10	11
5,171,327	-	-	3,317,686	1,511,974	1,015,505	December 31, 2021
-	-	-	-	-	-	
25,420	-	-	-	11,890	2,081	December 31, 2021
-	-	-	-	-	-	
223,742	-	-	3,301	81,251	24,206	December 31, 2021
-	-	-	-	-	-	
3,680	-	-	-	(4)	-	December 31, 2021
-	-	-	-	-	-	
45,261	-	-	358	(13,013)	-	December 31, 2021
-	-	-	-	-	-	
254,897	-	1,117,048	23,687	225,861	-	December 31, 2021
-	-	-	-	-	-	
3,606,082	-	-	506,668	557,062	112,994	December 31, 2021
-	-	-	-	-	-	
1,122,697	-	-	83,517	82,396	8,221	December 31, 2021
-	-	-	-	-	-	
59,043	-	-	155	(1)	-	December 31, 2021
-	-	-	-	-	-	
-	-	-	-	-	-	
72,573	-	-	-	37,063	966	December 31, 2021
-	-	-	-	-	-	
-	-	-	-	-	-	
56,695	-	-	-	3,432	-	December 31, 2021
-	-	-	-	-	-	
-	-	-	-	-	-	
700,000	-	-	-	(13,082)	79,798	December 31, 2021
-	-	-	-	-	-	
-	-	-	-	-	-	
63,405,996	**937,757**	**4,992,480**	**44,725,878**	**6,335,464**	**3,066,055**	
8,090	**-**	**1,073**	**-**	**-**	**47,187**	
75,436	**800**	**-**	**-**	**-**	**172,254**	
-	-	-	-	-	-	
-	**-**	**-**	**-**	**-**	**-**	
27,060	**744**	**-**	**-**	**-**	**1,761**	
63,516,582	**939,301**	**4,993,553**	**44,725,878**	**6,335,464**	**3,287,257**	

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Notes to the financial statements as at December 31, 2021

Net Income

Net income for the fiscal year ended December 31, 2021, resulted in a profit of €2,819 million compared to a profit of €4,236 million for the year ended December 31, 2020.

1. HIGHLIGHTS

The significant account movements are presented in the tables in these notes.

2. ACCOUNTING PRINCIPLES

2.1 General principles

The financial statements as at December 31, 2021, are prepared and presented in accordance with the provisions of the 2014 Chart of Accounts (regulation ANC n°2014-03 dated June 5, 2014).

Since January 1, 2011, AXA has applied regulation ANC n°2015-05 linked to term financial instrument and hedge operation.

Since January 1, 2005, AXA has applied regulations CRC 2002-10 related to depreciation and amortization of assets (amended by regulations CRC 2003-07 and CRC 2005-09), and CRC 2004-06 related to the definition, recognition and measurement of assets, repealed and replaced by regulation ANC n°2014-03 chapter "*titre II, chapitre I Actifs non financiers*"; application of these regulations has had no impact on the Company's financial statements.

In accordance to regulation CRC 2008-15, repealed and replaced by regulation ANC n°2014-03 chapter "*titre VI, chapitre II, Section 4 Plans d'options d'achat ou de souscription d'actions et plans d'attribution d'actions gratuites aux salariés*" (especially Articles 624-15 and 624-16) and chapters "*titre IX, chapitre IV, Section 5 Comptes financiers*" (especially Article 945-50) treasury shares are recorded in "Marketable securities". As of December 31, 2021, 65,818,351 shares were allocated to hedging purposes, representing €1,527 million.

The application of regulations relating to the accounting treatment of stock options (subscription and purchase) and performance shares/units (free shares granted to employees and subject to performance conditions) had no impact on the Company's financial statements (regulation ANC n°2014-03 chapter "*titre VI, chapitre II, Section 4 Plans d'options d'achat ou de souscription d'actions et plans d'attribution d'actions gratuites aux salaries*").

Find below a summary of options and performance shares or units shares granted in 2021 and 2020 to members of the Management Committee paid by the Company:

	Year 2021		Year 2020	
(in Euro)	Value of options granted during the year	Value of performance shares and performance units granted during the year	Value of options granted during the year	Value of performance shares granted during the year
TOTAL	**-**	**3,955,416**	**-**	**4,037,100**

Stocks options, performance shares and performance units plans are described in Section 3.2 "Executive compensation and share ownership" of this Annual Report.

2.2 Presentation of the financial statements

BALANCE SHEET

Intangible assets include concessions, patents, brands and software.

Tangible assets include investments in real estate, split between land and buildings, as well as fixtures and fittings.

Financial assets consist in (i) investments in and receivables from subsidiaries and affiliates, and (ii) other financial assets and loans.

Securities are classified using the following criteria:

- investments in subsidiaries and affiliates are securities representing at least 10% of the share capital of the issuing company plus those which the Company deems held for the long term;
- other financial assets comprise securities representing less than 10% of the share capital and which are not investments in subsidiaries and affiliates.

INCOME

The income statement distinguishes between ordinary operations and capital operations:

- ordinary operations include dividends, revenues from other investments, financial expenses, operating expenses and income from transactions in marketable securities;

- capital operations include gains or losses on the disposal of investments in subsidiaries and affiliates and portfolio management investments, impairment charges and reversals in respect of these securities and related receivables, gains and losses arising from exchange rate movements, charges and reversals of provisions for risks and charges, and exceptional income and expense.

Disposals of investments in subsidiaries and affiliates are measured using the weighted average unit cost method.

To improve the transparency of the financial statements, (i) charges and releases of provisions for exchange rate risk are recognized in foreign exchange result, and (ii) charges and reversals of provisions for tax repayment risk are recognized in income tax benefit/expense.

2.3 Intangible assets

Intangible assets totaled €322 million which mainly included the AXA brand valued at €308 million.

2.4 Tangible assets

Tangible assets are recognized at acquisition cost or transfer value. Buildings are depreciated using the straight line method over fifty years, and fitting work is depreciated over five or ten years as appropriate.

2.5 Financial assets

Financial assets are measured at acquisition cost or transfer cost. At the balance sheet date, the acquisition cost is compared to the fair value, and the lower of these two values is then recognized in the balance sheet.

The fair value of investments in subsidiaries and affiliates is their going concern value for the firm. This may be determined as a function of (i) their share price, (ii) their shareholders' equity (including unrealized gains) or (iii) prospects for the subsidiary.

This multi-criteria analysis reflects the long-term nature of AXA's ownership in these subsidiaries and excludes factors relating to short-term market volatility. Net book value is compared with the going concern value, which is the value of the assets and expected profits of existing and new business, taking into account the entity's future prospects. The value of future profits is estimated on the basis of calculations of the European Embedded Value of the Life & Savings business published by the Group, or similar calculations for other activities.

For other investments, the fair value is the share price for listed securities and the likely trading value for unlisted securities.

2.6 Receivables

Receivables are measured at nominal value. An impairment provision is charged in the event of risk of non-recovery.

2.7 Marketable securities

At the balance sheet date, the acquisition cost is compared to the fair value, which corresponds to the exit value for SICAV and FCP Mutual funds and to the average share price over the last month before the balance sheet date for the other securities.

2.8 Prepayments and accrued income

Deferred charges correspond to debt issue costs, which are spread over the lifetime of the issue or for a maximum of 10 years when the debt has no predetermined maturity.

2.9 Employee benefits

Employee benefit liability was reviewed and a valuation was carried out, in accordance with the Recommendation ANC n° 2013-02, so as to measure any additional adjustment necessary to ensure the coverage of defined post-retirement benefit obligations and for accounting purposes. The method 1, as defined by this Recommendation has been applied: past service costs are recognized in profit and loss over the vesting period and the expected return on asset is used in developing the net periodic pension cost. Pursuant to this review, the employee benefit liability recognized was nil as at December 31, 2021. Additional information on employees' defined benefit obligations is provided in Note 26.2 of Consolidated Financial Statements.

2.10 Unrealized foreign exchange gains/losses

Foreign currency receivables and liabilities are adjusted at the balance sheet date exchange rate. The matching item for this adjustment is a translation variance asset account when the difference is an unrealized loss, and a translation variance liability account when it is an unrealized gain. These items do not flow through the income statement but a provision for foreign exchange risk is made to recognize unrealized losses relating to the translation variance asset.

When a loan or borrowing generates an unrealized translation loss, but is hedged, a provision for unhedged risk is registered.

2.11 Derivative products

- Interest rate swaps: these transactions are recognized by applying the accrued interest method. A distinction is made in the income statement and balance sheet between income from the principal transaction, which is the subject of the swap, and the net income from the swap transaction. The nominal value of the swaps serving as a basis for interest rate swaps is recognized off-balance sheet;
- Derivative products qualifying as hedges against foreign exchange risk (exchange rate or currency swaps, currency futures) are recognized off-balance sheet as a reciprocal liability and receivable commitment. For currency options, the premium paid on acquisition is recognized as an asset on the balance

sheet in the "cash instruments" account. When the option is exercised, the premium is recorded in the income statement. The same is true when the option is not exercised at term. For option sales, a provision for risks and charges is recognized to take into account the unrealized loss. Other derivative instruments are recognized off-balance sheet at their nominal value. Unrealized losses arising from the estimated market value of these financial instruments give rise to recognition of a provision for foreign exchange loss when the hedge accounting cannot be applied;

- Equity derivative products: equity option rights paid or received are posted in a suspense account on payment or receipt of funds. At the balance sheet date, if the option has not been exercised, the rights received, representing possible income, are not recognized in the income statement. A provision is created against rights paid if it is likely, given market trends, that the option will not be exercised. When the option is exercised, this represents an addition to the acquisition price of the underlying instrument and an addition to the sale price when the option is sold.

2.12 Other shareholders' equity

Undated deeply subordinated notes are classified as "Other shareholders' equity" when, like for ordinary shares, there is no contractual obligation to remit cash or any other financial assets.

Other shareholders' equity included the undated deeply subordinated debts (TSS), amounting to €3,867 million compared to €3,729 million in 2020, mainly due to a foreign exchange impact of €134 million.

2.13 Provisions for risks and charges

The Company is the head of a French tax consolidation regime group. The tax consolidation regime provides that tax savings should be recognized directly in the Company's financial statements. However, a provision for the return of tax savings is recognized when there is a high probability that the benefit will accrue to subsidiaries as a result of the prospect of future taxable income resulting from the Group's strategic planning.

3. NOTES TO THE BALANCE SHEET

3.1 Movements in intangible assets

This account included the AXA brand valued at €308 million.

3.2 Changes in financial assets (before provisions)

(in Euro million)	Gross value at December 31, 2020	Acquisitions	Disposals/ Translation variance and accrued interests	Gross value at December 31, 2021
Investments in subsidiaries [(a)]	69,186	387	2,301	67,272
Receivables from subsidiaries [(b)]	1,048	532	641	939
Other financial assets	311	155	-	466
Loans	74	152	88	138
TOTAL	**70,619**	**1,226**	**3,030**	**68,815**

(a) The net decrease of €1,914 million is mainly explained by €2,301 million book value on shares sold, of which €1,039 million related to the remaining stake in Equitable Holdings Inc., and €915 million following the disposal of AXA Bank Belgium.
(b) A decrease of €109 million, including a €147 million of repayments.

3.3 Changes in provisions for impairment of financial assets

(in Euro million)	Provisions at December 31, 2020	Allowances	Releases	Provisions at December 31, 2021
Investments in subsidiaries	1,769	246	771	1,244
Receivables from subsidiaries	1	-	-	1
Other financial assets	97	-	-	97
TOTAL	**1,867**	**246**	**771**	**1,342**

3.4 Statement of receivables by maturity

(in Euro million)	Gross value at December 31, 2021	Less than 1 year	1 to 5 years	More than 5 years
Receivables on affiliates	939	489	450	-
Loans	138	51	-	87
Miscellaneous receivables and currents accounts with subsidiaries	285	285	-	-
Tax receivable	102	102		-
TOTAL	**1,464**	**927**	**450**	**87**

3.5 Miscellaneous receivables and subsidiaries' current accounts

(in Euro million)	Net value at December 31, 2021
Income receivable	5
Miscellaneous debtors	61
Accrued interest on *swaps*	68
Subsidiaries' current accounts	151
TOTAL	**285**

3.6 Expenses payable over more than one period

(in Euro million)	Gross value at December 31, 2021	Amount amortized at December 31, 2020	Charge and increase for the period	Net value at December 31, 2021
Debts issue expenses	257	233	6	18
Investment acquisition expenses	71	71	-	-
TOTAL	**328**	**304**	**6**	**18**

3.7 Unrealized foreign exchange losses

Unrealized foreign exchange losses amounted to €3,579 million, including €3,301 million related to the deferred recognition of foreign exchange losses in line with statutory hedge accounting principles, more than offset by unrealized gains on equity investments in subsidiaries. This item also reflects unrealized losses on assets and liabilities denominated in foreign currencies attributable to the effects of their revaluation at the closing exchange rate.

3.8 Share capital

The Company's share capital is represented by 2,421,568,696 shares with a par value of €2.29, giving a total value of €5,545,392,314 as at December 31, 2021. These shares were all entirely subscribed and paid with rights from January 1, 2021.

3.9 Movement in shareholders' equity

(in Euro million)	Year ending December 31, 2020	Year ending December 31, 2021
Net income	4,236	2,819
Per share	1.75	1.16
Movement in shareholders' equity compared to opening balance	2,480	(559)
Per share	1.03	(0.23)
Proposed dividend [(a)]	3,458	3,729
Per share	1.43	1.54

(a) Proposed dividend at year-end 2021 is submitted to Shareholders' Meeting of April, 28, 2022.

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(in Euro million)	
Equity at December 31, 2020	**43,932**
Capital increase for employees	292
Exercise of equity instruments	62
Shares buyback/cancellation	(328)
Dividends paid out	(3,403)
Net income for the period	2,819
Tax driven provision and others	-
Equity at December 31, 2021	**43,374**

3.10 Other shareholders' equity

Other shareholders' equity includes the undated deeply subordinated debts (TSS), and amounted to €3,867 million compared to €3,729 million in 2020.

(in Euro million)	Value at December 31, 2020	Repayment	Translation variance/ accrued interests	Value at December 31, 2021
Undated deeply Subordinated Notes (nominal)	3,665	-	134	3,799
Accrued interests	64	-	4	68
TOTAL	**3,729**	**-**	**138**	**3,867**

3.11 Provisions for risks and charges

(in Euro million)	Value at beginning of period	Allowances for the period	Releases for the period (provisions used)	Releases for the period (provisions not used)	Value at end of period
Provisions for deferred taxes	237	9	3	-	243
Provision for foreign exchange losses	63	19	25	-	57
Other provisions for risks	520	115	167	-	468
TOTAL	**820**	**143**	**195**	**-**	**768**

3.12 Subordinated debt

(in Euro million)	Value at December 31, 2021	Less than one year	1 to 5 years	More than 5 years
Undated subordinated debt	207	-	-	207
Undated subordinated Euro Medium Term Notes	2,706	-	-	2,706
Subordinated bonds 5,125% due 2043	1,000	-	-	1,000
Subordinated bonds 4,5% due 2046 ($)	750	-	-	750
Subordinated bonds 3,375% due 2047	1,500	-	-	1,500
Subordinated bonds 5,625% due 2054 (£)	893	-	-	893
Subordinated bonds 5,125% due 2047 ($)	883	-	-	883
Subordinated bonds 3,337% due 2049	2,000	-	-	2,000
Subordinated bonds 1.495% due 2041	1,000	-	-	1,000
Redeemable subordinated bonds 8,60% due 2030 ($)	1,104	-	-	1,104
Subordinated EMTN	10	-	10	-
Accrued interests	211	211	-	-
TOTAL	**12,264**	**211**	**10**	**12,043**

Subordinated debt amounted to €12,264 million compared to €10,906 million in 2020, up to €1,358 million due to the green bond issue for €1,000 million, and a foreign exchange impact of €346 million.

The perpetual subordinated notes are undated bonds. The Company has the option of deferring payment of the coupons under certain conditions. Nonetheless, the coupons must be paid when these conditions cease to be met or on redemption of the instruments. When payment is deferred for an extended period, the coupons remain payable by law. Similarly, in the absence of dividends being paid, unpaid coupons accumulated over the years will be recognized as payable upon liquidation, if any. These instruments are classified as debt on the basis of this contractual obligation to pay the coupons.

3.13 Financial debt

(in Euro million)	Value at December 31, 2021	Less than one year	1 to 5 years	More than 5 years
Euro Medium Term Notes	500	-	-	500
Bonds of which €3,686m related to the Group entites	3,686	200	2,505	981
Deposits under collateral agreements	123	123	-	-
Loans granted by Group entities	11,477	1,168	3,467	6,842
Commercial papers	500	500	-	-
Accrued interests	81	81	-	-
TOTAL	**16,367**	**2,072**	**5,972**	**8,323**

Financial debt amounted to €16,367 million from €17,286 million as of December 31, 2020, reflecting a decrease of €919 million, of which €703 million of the repayment of the mandatory exchangeable bonds for Equitable Holding, Inc., shares and €295 million in outstanding commercial papers repayment.

3.14 Statement of operating payables

(in Euro million)	Value at December 31, 2021	Less than 1 year	1 to 5 years
Debt on fixed assets [(a)]	75	-	75
Other payables, including tax and social payables [(b)]	201	201	-
TOTAL	**276**	**201**	**75**

(a) Debt relating to non-current assets totaled €75 million and included shares issued by AXA Life Europe but not yet fully paid.
(b) Of which 138 million of expenses payables.

3.15 Unrealized foreign exchange gains

Unrealized foreign exchange gains totaled €686 million compared to €1,071 million as at December 31, 2020, reflecting the revaluation of foreign currency denominated assets and liabilities at the closing exchange rates, which was down compared to 2020, primarily on account of the appreciation of the US Dollar and the British Pound Sterling.

4. NOTES TO THE STATEMENT OF INCOME

4.1 Executive remuneration

- Directors' fees allocated to members of the Board of Directors: €1.7 million.
- Other remuneration (net of recharging): €9.6 million.

The Company had 4 employees and 2 executive officers at the balance sheet date.

4.2 Income tax

(in Euro million)	Income before tax	Tax benefit/ expense *	Net income
Ordinary income [(a)]	2,225	-	2,225
Loss from capital operations	(71)	-	(71)
Income tax expense [(b)]	-	665	665
TOTAL	**2,154**	**665**	**2,819**

* *A positive sign indicates tax benefit.*
(a) Dividends received from investments in subsidiaries with more than 5% ownership for more than 2 years are tax-exempt, apart from a share of the costs and charges equal to 5% for non-European entities or 1% for European entities.
(b) The corporate income tax benefit amounted to €665 million compared to €582 million in 2020. It mainly included €744 million of tax receivables from members of the tax consolidation group.

5. OFF-BALANCE SHEET COMMITMENTS

(in Euro million)	Notional value (Commitments given)	Market value
Financial futures instruments	**38,057**	**197**
Foreign exchange Forward	**193**	**(9)**
Swaps	**23,025**	**266**
Interest rate swaps	12,780	479
Cross Currency swaps (long term)	7,331	(201)
Foreign Exchange swaps (short term)	2,914	(12)
Options	**14,839**	**(60)**
Foreign Exchange Options	13,839	(72)
Equity options	-	-
Index options	-	-
Swaption	1,000	12
Floor	-	-
Other commitments	**Commitments given**	**Commitments received**
Credit facilities (authorized but not drawn)	**943**	**8,489**
Guarantees and securities		
Commitments to buy back shares and bonds from Group entities	-	-
Other commitments	10,438	31
of which financial guarantees given to Group entities	*7,322*	-

6. SENSITIVITY

By virtue of its business, the Company is mainly exposed to interest rate and exchange rate risks.

The table below shows an estimate of changes in the fair value of debt, loans and hedging instruments in the event of a 1% rise in the interest rate curve or a 10% depreciation of the Euro.

(in Euro million) **Sensitivity**	Change in fair value: Interest rates: +100 bps [(1)]	Change in fair value: Depreciation of the Euro: 10% [(2)]
Debt [(a)]	7.1%	6.2%
Derivatives [(b)]	114.0%	18.0%
Loans [(c)]	-4.2%	-7.3%

(a) External and internal debts.
(b) Both eligible and not eligible derivatives to hedge accounting.
(c) External and internal loans.
(1) A 100 bps rise in interest rates leads to a 7.1% improvement in the fair value of debt, a -4.2% deterioration in the fair value of loans, and an improvement of 114% in the fair value of derivatives.
(2) A 10% depreciation of the Euro leads to a 6.2% improvement in the fair value of debt, a -7.3% deterioration in the fair value of loans, and a 18% improvement in the fair value of derivatives.
The information on fair value presented above should be used with care:
- *since these estimates are based on the use of measurements such as interest rates and spreads at the balance sheet date; such measurements may fluctuate over time; and*
- *because there are a number of possible ways to perform these calculations.*

The information used for calculating the fair value of financing debt is market prices at the end of the period, using (i) market rates for each currency, (ii) AXA's average spread by maturity and for the main currencies, distinguishing subordinated debt and senior debt, and (iii) options included in issue contracts, such as issuer redemption options.

This note does not omit any material commitment or any which might become material in the future.

7. OTHER INFORMATION

None of the transactions operated by related parties, that are still outstanding at year end or that occurred during the course of the year, account for the distinctive characteristics of transactions to be disclosed in accordance with the ANC regulations n° 2014-03 (Article 831-3).

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

Mazars
61, rue Henri Régnault
92400 Courbevoie

Statutory Auditors' report on the financial statements

For the year ended December 31, 2021

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting,

AXA SA
25, Avenue Matignon
75008 Paris
France

OPINION

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of AXA SA for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (*Code de commerce*) and the French Code of ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in subsidiaries and affiliates
(See Notes 2.5 to the financial statements)

Key audit matter	How our audit addressed the matter
At December 31, 2021, investments in subsidiaries and affiliates represented €66,028 million, a significant balance sheet item. These investments are initially carried at acquisition cost or their contribution value. At the end of the fiscal year, an impairment allowance is recognized if the value at closing date is less than the acquisition cost. As described in Note 2.5 to the financial statements, the value at closing date corresponds to the value in use and is determined by management on the basis of the share price, the equity value (including unrealized gains), or the future prospects of the subsidiary. Estimating the value in use of these types of investments requires a significant degree of judgment from management in terms of selecting the measurement methods, depending on the investment in question, and in determining which data and assumptions should be used to estimate the expected profits when these are taken into account in the valuation. The value of future profits is estimated on the basis of the European Embedded Value (EEV) calculations for the Life & Savings segment published by the Group, or similar calculations for the other activities. Given the inherent uncertainty involved in the use of forecasts (in terms of whether or not they will be achieved) and in the judgment required to assess value in use, we deemed the correct measurement of investments in subsidiaries and affiliates, particularly those based on forward-looking data, to be a key audit matter.	To assess the reasonableness of the estimated value in use of investments in subsidiaries and affiliates, based on the information provided to us, our audit work consisted primarily of verifying that the estimated values determined by management were based on an appropriate measurement method and assumptions, depending on the investment concerned. For valuations based on forecast data: ■ assess the appropriateness of the methodology and assumptions used with regard to the Solvency II texts and the European Embedded Value principles published by the CFO Forum when the values in use of life and non-Life insurance companies are based on these frameworks; ■ for the other entities, obtain the projections for cash flow and operating cash flow for the businesses produced by their respective operational management teams, and: - check the consistency of the historical data used with the financial statements of the audited entities, - check that the assumptions made are consistent with the economic environment at the closing date and at the date the financial statements were prepared, - compare projections made in previous periods with actual results in order to assess the reliability of the estimates, - verify the accuracy of the value in use calculated, - confirm that the value in use, which is based on projected cash flows, has been adjusted to account for debts. We also verified the recording of provisions for contingencies where the Company is exposed to the losses of a subsidiary with negative equity. Finally, we assessed the adequacy of the disclosures in the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 et L.22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled companies which are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the financial statements included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the Annual Financial Report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the Annual Financial Report complies, in all material respects, with the European single electronic format.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of AXA SA by the Shareholders' Meetings held on February 28, 1989 for PricewaterhouseCoopers Audit and on June 8, 1994 for Mazars. As at December 31, 2020, PricewaterhouseCoopers Audit and Mazars were in the thirty-third and in the twenty-eigth consecutive year of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, March 21, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bénédicte Vignon – Grégory Saugner	Gilles Magnan – Maxime Simoen

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APPENDIX IV GROUP EMBEDDED VALUE AND SOLVENCY II OWN FUNDS

The information is disclosed in the “Embedded Value and Solvency II Own Funds Report 2021” which is available on AXA’s website (www.axa.com).

APPENDIX V GLOSSARY

This glossary includes definitions of non-GAAP financial measures, or alternative performance measures ("APMs"), indicated by an asterisk (*), that Management believes are useful to understand the Group's business and analyze the Group's performance.

SCOPE AND COMPARABLE BASIS

Split by geography

The split by geography is detailed below:

- **France** (insurance and banking activities, and holding);
- **Europe**, consisting of:
  - Switzerland (insurance activities),
  - Germany (insurance activities, holding, and banking activities until its disposal on December 31, 2020),
  - Belgium (insurance activities and holding),
  - United Kingdom and Ireland (insurance activities and holding),
  - Spain (insurance activities),
  - Italy (insurance activities);
- **Asia**, consisting of:
  - Japan (insurance activities and holding),
  - Hong Kong (insurance activities),
  - Asia High Potentials, consisting of:
    - Thailand (insurance activities),
    - Indonesia (insurance activities),
    - China (insurance activities),
    - The Philippines (insurance activities);
  - South Korea (insurance activities),
  - Asia Holdings;
- **AXA XL** (insurance activities and holding);
- **International**, consisting of:
  - EME-LATAM:
    - AXA Bank Belgium (disposed on December 31, 2021),
    - Brazil (insurance activities and holding),
    - Colombia (insurance activities),
    - Czech Republic and Slovak Republic (insurance activities) until September 2020 (disposed on October 15, 2020),
    - Greece (insurance activities) until March 2021 (disposed on May 31, 2021),
    - The Gulf Region (insurance activities until June 2021 (disposed on September 7, 2021), and holding),
    - Luxembourg (insurance activities and holding),
    - Mexico (insurance activities),
    - Poland (insurance activities) until September 2020 (disposed on October 15, 2020),
    - Russia (Reso) (insurance activities),
    - Turkey (insurance activities and holding);
  - Africa & Asia:
    - India (Property & Casualty activities until June 2021 (disposed on September 8, 2021), Life & Savings activities and holding),
    - Malaysia (insurance activities held for sale),
    - Morocco (insurance activities and holding),
    - Nigeria (insurance activities and holding),
    - Singapore (insurance activities held for sale until December 31, 2021 and disposed on February 11, 2022, and holding);
  - AXA Mediterranean Holdings;
- **Transversal & Central Holdings,** consisting of:
  - AXA Investment Managers,
  - AXA Assistance,
  - AXA Liabilities Managers,
  - AXA Global Re,
  - AXA Life Europe,
  - Architas,
  - AXA SA and other Central Holdings.

Current engines and High Potentials

The split between current engines and high potentials is detailed below:

- **Current Engines:** Belgium, France, Germany, Hong Kong, Italy, Japan, Spain, Switzerland, UK & Ireland and AXA XL;
- **High Potentials:** Brazil, China, Indonesia, Mexico, the Philippines and Thailand.

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Comparable basis for revenues, Annual Premium Equivalent and NBV Margin

"On a comparable basis" means:

- data for the current period were restated using the prevailing foreign currency exchange rates for the same period of prior year (**constant exchange rate basis**);
- data in one of the two periods being compared were restated for the results of acquisitions, disposals and business transfers (**constant structural basis**) and for changes in accounting principles (**constant methodological basis**).

EARNINGS AND CAPITAL

Underlying earnings*

Underlying earnings represent the net income (Group share) as disclosed in the table set forth on pages 49 and 50 of this Annual Report, before the impact of the following items net of policyholder participation, deferred acquisition costs, Value of Business in-force, taxes and minority interests:

- realized gains and losses, change in impairment valuation allowances (on assets not designated under fair value option or trading assets) and cost at inception, intrinsic value and pay-off of derivatives used for the economic hedging of realized gains and impairments of equity securities (other than the funds backing contracts where the financial risk is borne by policyholders);
- profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets and liabilities.

  Derivatives related to invested assets and liabilities:

  - include all foreign exchange derivatives, except the pay-off related to currency options in earnings hedging strategies which are included in underlying earning,
  - include all interest rate derivatives, except the pay-off related to rate instrument in earnings hedging strategies which are included in underlying earning,
  - exclude derivatives related to insurance contracts evaluated according to the "selective unlocking" accounting policy;
- impairments of goodwill, impairments and amortization of intangibles related to customers and distribution;
- integration and restructuring costs related to new acquired companies as well as restructuring and associated costs related to productivity improvement plans; and
- exceptional operations (primarily changes in scope and discontinued operations).

Earnings per share

Earnings per share (**EPS**) represent AXA's consolidated earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders' equity) divided by the weighted average number of outstanding ordinary shares over the period.

Diluted earnings per share (**diluted EPS**) represent AXA's consolidated earnings (net of financial charges related to undated and deeply subordinated debts recorded through shareholders' equity) divided by the weighted average number of outstanding ordinary shares over the period, on a diluted basis (*i.e.* including the potential impact of all outstanding dilutive stock options being exercised, performance shares, and conversion of existing convertible debt into shares, provided that their impact is not anti-dilutive).

Underlying Earnings per share* correspond to underlying Earnings (net of financial charges related to undated subordinated debts recorded through shareholders' equity) divided by the weighted average number of outstanding ordinary shares over the period.

Return on Equity

The **Return on Equity ("RoE") presented herein and in the 2020 Universal Registration Document** is calculated as earnings net of interest charges related to undated and deeply subordinated debts divided by the average of opening and closing shareholders' equity both excluding:

- for underlying RoE*:
  - reserves relating to the change in the fair value through shareholders' equity,
  - undated and deeply subordinated debts since they are treated as financing debt;
- for net income RoE:
  - reserves relating to the change in the fair value of available for sale fixed income securities assets through shareholders' equity,
  - undated and deeply subordinated debts since they are treated as financing debt.

Free cash flows

Free cash flows are defined as a measure of dividend capacity calculated as the sum of earnings and required capital change.

EOF (Eligible Own Funds)

Surplus derived from a Solvency II balance sheet. It is defined as the excess of market value of assets over best estimate liabilities and Risk Margin as per Solvency II regulation.

Solvency II ratio

This ratio is calculated as per Solvency II and is equal to the total amount of the Group's Eligible Own Funds ("EOF") divided by the Group's Solvency Capital Requirement ("SCR"). The Solvency Capital Requirement, *i.e.* the denominator of the Solvency II ratio, is set at a level ensuring that insurers and reinsurers are able to meet their obligations towards policyholders and beneficiaries over the next 12 months, with a 99.5% probability. The Solvency Capital Requirement can be calculated either based on the standard formula or an internal model. The Group is using an internal model.

The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's Solvency and Financial Condition Report (SFCR) as of December 31, 2021, available on AXA's website (www.axa.com).

Debt Gearing*

Debt Gearing refers to the level of a company's debt related to its equity 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 the gross debt (financing debt and undated and deeply subordinated debts) by total capital employed (consolidated shareholders' equity excluding undated and deeply subordinated debts and reserves relating to the change in the fair value of financial instruments and of hedge accounting derivatives plus the gross debt). Furthermore, mandatory exchangeable bonds into EQH shares issued by AXA in May 2018, and redeemed in May 2021 in exchange of EQH shares, were excluded from Debt Gearing since EQH had been deconsolidated.

ACTIVITIES

Insurance

LIFE & SAVINGS HYBRID AND GENERAL ACCOUNT CAPITAL LIGHT PRODUCTS

Hybrid products: Savings products allowing clients to invest in both Unit-Linked and General Account funds.

General Account Capital-Light products: General Account Savings products which, at inception, create more EOF than the economic capital they consume.

LIFE & SAVINGS NET INFLOWS

Life & Savings Net Inflows are defined as the collected premiums (including risk premiums, fees and revenues), net of surrenders, maturities, claims paid, and other benefits paid. This definition is applicable to all Life & Savings products as well as Life-like Health products, except for Mutual funds products.

NEW BUSINESS APE (NEW BUSINESS ANNUAL PREMIUM EQUIVALENT)

New business APE represents 100% of new regular premiums plus 10% of single premiums, in line with EEV methodology. APE is Group share.

NBV (NEW BUSINESS VALUE)

The value of newly issued contracts during the current year. It consists of the present value of future profits after the costs of acquiring business, less **(i)** an allowance for the time value of financial option and guarantees, and **(ii)** cost of capital and non-financial risks. AXA calculates this value net of tax.

NBV MARGIN (NEW BUSINESS VALUE MARGIN)

New Business Value Margin is the ratio of:

- New Business Value representing the value of newly issued contracts during the current year; to
- Annual Premium Equivalent.

This ratio represents the profitability of the new business.

MARGIN ANALYSIS

The Margin Analysis is presented on an underlying earnings basis.

Even though the presentation of the Margin Analysis is not the same as the Statement of Income (underlying basis), it is based on the same GAAP measures as used to prepare the Statement of Income in accordance with IFRS.

Underlying investment margin includes the following items:

- net investment income; and
- interests and bonuses credited to policyholders and unallocated policyholder bonuses (and the change in specific reserves purely linked to invested assets returns) related to the net investment income as well as the unwind of the discount rate used in calculating technical reserves.

Underlying fees & revenues include:

- loadings charged to policyholders (or contractual charges) on premiums of all Life & Savings products;
- loadings on deposits received on all Life & Savings products and fees on funds under management for separate account (Unit-Linked) business;
- capitalization of deferred income linked to new business: Unearned Revenue Reserve (URR) and Unearned Fee Reserve (UFR);
- amortization of Unearned Revenue Reserve (URR) and Unearned Fee Reserve (UFR), including the impact of interest capitalized;
- revenues derived from mutual fund sales (which are part of consolidated revenues); and

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- other fee revenues, *e.g.* fees received on financial planning or sales of third-party products.

Underlying net technical margin includes the following components:

- mortality and morbidity margin: the difference between income or earned premiums for assuming risk and the cost of benefits and claims charges directly linked to the claims experience or its anticipation (death or disability) as well as other changes in claims and insurance reserves: all the reserve strengthening or release coming from changes in valuation assumptions and other technical impacts such as premium deficiencies net of derivatives if any;
- surrender margin: the difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination;
- GMxB (Variable Annuity guarantees) active financial Risk Management: the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedging. It also includes the unhedged business result;
- policyholder bonuses if the policyholders participate in the risk margin;
- ceded reinsurance results; and
- claims handling costs.

Expenses include the following components:

- acquisition expenses, including commissions and general expenses allocated to new business;
- capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF;
- amortization of Deferred Acquisition Costs (DAC) and net rights to future management fees for investment contracts without DPF, including the impact of interest capitalized;
- administrative expenses; and
- policyholder bonuses if the policyholder participates in the expenses of the Company.

Underlying VBI amortization includes VBI (Value of Purchased Life Business In-force) amortization related to underlying margins.

There are certain material differences between the detailed line-by-line presentation in the Statement of Income and the components of Life & Savings Margin Analysis as set out below:

- for insurance contracts and investment contracts with Discretionary Participation Features (DPF):
  - gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees & Revenues" and "Net Technical Margin",
  - policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, *i.e.* primarily "Investment Margin" and "Net Technical Margin",
  - the "Investment margin" represents the net investment result in the Statement of Income and is adjusted to consider the related policyholder participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees & Revenues",
  - change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis;
- for investment contracts without DPF:
  - deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the Underlying Statement of Income within Gross Consolidated Revenues on a separate line, and in Margin Analysis in the lines "Fees & Revenues" and "Net Technical Margin",
  - change in UFR (Unearned Fee Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the Underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis.

INSURANCE RATIOS (APPLICABLE TO PROPERTY & CASUALTY, HEALTH AND PROTECTION ACTIVITIES)

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

- current year claims charge gross of reinsurance + claims handling costs + result of reinsurance ceded on current accident year, excluding for the discounted reserves the unwind of the discount rate used in calculating technical reserves; to
- earned revenues gross of reinsurance.

All accident year loss ratio net of reinsurance is the ratio of:

- all accident years claims charge gross of reinsurance + claims handling costs + result of reinsurance ceded on all accident years, excluding the unwind of the discount rate used in calculating technical reserves; to
- arned revenues gross of reinsurance.

Expense ratio is the ratio of:

- expenses (excluding claims handling costs, including changes in VBI amortization); to
- earned revenues gross of reinsurance.

Expenses include two components: expenses (including commissions) related to the acquisition of contracts (with the related **acquisition expense ratio**) and all other expenses excluding claims handling costs (with the related **administrative expense ratio**). Expenses exclude customer intangible amortization but include the impact from the changes in VBI amortization.

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

Asset Management

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

Underlying cost income ratio is the ratio of:

- general expenses excluding distribution related expenses; to
- gross revenues excluding distribution fees received.

Assets under management (AUM) are defined as the assets whose management has been delegated by their owner to an Asset Management company such as AXA Investment Managers. AUM only include funds and mandates which generate fees and exclude double counting.

Banking

Operating net banking revenues are disclosed before intercompany eliminations and before realized capital gains/losses or changes in fair value of "fair-value-P&L" assets and hedging derivatives.

APPENDIX VI BOARD OF DIRECTORS' REPORT – CROSS-REFERENCE TABLE

This Annual Report includes all the elements required to be included in the Board of Directors' report of AXA established pursuant to Articles L.225-100 *et seq.* and L.22-10-35 *et seq.* of the French Commercial Code (*Code de commerce*).

The following references to the Sections of this Annual Report correspond to the components of the Board of Directors' report as approved by the Board of Directors of the Company.

Sections		Pages
1.	Trends/Earnings/Financial position and key performance indicators	14 to 18; 32 to 95 and 476 to 495
2.	Use of financial instruments by the Company when relevant for assessing its assets and liabilities, financial position, and profits and losses	87 to 93; 255 to 287 and 344 to 363
3.	Description of major risk factors and uncertainties	232 to 254; 269 to 287
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APPENDIX VII CORPORATE GOVERNANCE REPORT – CROSS-REFERENCE TABLE

This Annual Report includes all the elements required to be included in AXA's corporate governance report established pursuant to Articles L.225-37 *et seq.* and L.22-10-8 *et seq.* of the French Commercial Code (*Code de commerce*).

The following references to the Sections of this Annual Report correspond to the components of the corporate governance report as approved by the Board of Directors of the Company.

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APPENDIX VIII COMMISSION DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019 – CROSS-REFERENCE TABLE

Universal Registration Document filed with the *Autorité des marchés financiers* ("AMF") on March 22, 2022.

ANNEX 1 OF COMMISSION DELEGATED REGULATION (EU) 2019/980

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	1.3		Statement or report attributed to a person as an expert	n/a
	1.4		Information obtained from third parties	n/a
	1.5		Statement of approval of the Registration Document by the competent authority	n/a
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(a) No information, document or material from the website of the Company (www.axa.com) or any other source shall form part of this Universal Registration Document, unless such information, document or material is expressly incorporated by reference into this Universal Registration Document.

Items			Pages
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Pursuant to Article 19 of Regulation (EU) 2017/1129, the following items are incorporated by reference into this Universal Registration Document:

- the following Sections of AXA's Universal Registration Document for the year ended December 31, 2020 (the "2020 URD"), the French version of which was filed with the AMF on March 22, 2021 under number D.21-0162 and is available on the AMF's website within the AMF's Decisions and Financial Disclosures Database (the "BDIF") (https://bdif.amf-france.org/fr/details/D_21-0162):

(a) Section 2.1 "Operating Highlights" on pages 32 to 37,

(b) the report of the Board of Directors of AXA for the year ended December 31, 2020, including all Sections listed in Appendix VI "Board of Directors' report – Cross-Reference Table" on page 484, and

(c) Part 6 "Consolidated Financial Statements", which includes AXA's consolidated financial statements for the year ended December 31, 2020 and the Statutory Auditors' report thereon, respectively, on pages 268 to 418 and pages 419 to 424;

- the following Sections of AXA's Universal Registration Document for the year ended December 31, 2019 (the "2019 URD"), the French version of which was filed with the AMF on March 19, 2020 under number D.20-0142 and is available on the AMF's website within the BDIF (https://bdif.amf-france.org/fr/details/D_20-0142):

(a) Section 2.2 "Operating Highlights" on pages 35 to 39,

(b) the report of the Board of Directors of AXA for the year ended December 31, 2019, including all Sections listed in Appendix VI "Board of Directors' report – Cross-Reference Table" on page 476, and

(c) Part 5 "Consolidated Financial Statements", which includes AXA's consolidated financial statements for the year ended December 31, 2019 and the Statutory Auditors' report thereon, respectively, on pages 210 to 365 and pages 366 to 371;

- the Bylaws of AXA SA, as amended from time to time, are available on the website of the Company (https://group.axa.com/en/about-us/governance-overview).

The non-incorporated parts of the 2019 and 2020 URDs are either not relevant for investors or covered elsewhere in this Universal Registration Document.

APPENDIX IX ANNUAL FINANCIAL REPORT – CROSS-REFERENCE TABLE

This Annual Report includes all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) as well as in Article 222-3 of the AMF General Regulation.

The following references to sections of this Annual Report correspond to the components of the Annual Financial Report.

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www.axa.com

on which you will find the aggregate regulated information published by our Company.

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