Press release

Paris, February 23, 2023 (7:00am CET)

Full Year 2022 Earnings

Strong results and continued execution

- **Gross revenues** at Euro 102 billion, +2%[1] vs. FY21
- **Underlying earnings per share**[2] at Euro 3.08, +12%[3] vs. FY21
- **Solvency II ratio**[4] at 215%, down 1 point vs. FY21
- **Dividend** of Euro 1.70 per share, +10% vs. FY21, to be proposed by the Board of Directors
- **Launch of a share buy-back program**[5] of up to Euro 1.1 billion

"AXA delivered a strong performance in 2022 despite a challenging environment, a confirmation of the resilience of our business model", said **Thomas Buberl, Chief Executive Officer of AXA.** *"Our Group is well positioned, delivering across all dimensions, with underlying earnings per share of Euro 3.08, up +12%, a Solvency II ratio at 215% and Euro 4.5 billion cash at the Holding."*

"We remain focused on executing our strategy. We recorded good growth across our technical and cash-generative businesses, particularly in P&C Insurance, Health and Protection, while continuing to reposition away from Nat Cat reinsurance and traditional General Account business. Our fundamentals are strong and our distinctive franchise can deliver sustainable growth in the future, in particular by addressing new areas of coverage, including from the energy transition."

"In 2022, we continued to invest in innovation, as reflected by the launch of the Digital Commercial Platform, which aims to bring more value-added services to our customers, and to strengthen our position in our core markets, including through a selective acquisition[6] in Spain."

"Our model is built on capital discipline, and we remain committed to delivering value for our shareholders. In light of our strong performance in 2022 and a robust balance sheet, the Board of Directors is proposing a dividend of Euro 1.70 per share, up 10%, and has, again, approved a share buy-back up to Euro 1.1 billion."

"We are well positioned to deliver on our "Driving Progress 2023" key targets, and currently expect to exceed our targeted compounded annual growth rate of 3%-7% in underlying earnings per share over the plan period."

"I would like to acknowledge the unwavering commitment of our employees, agents and partners, who have been instrumental to this year's performance, and thank our clients for their continued trust."

Key figures (in Euro million, unless otherwise noted)

	FY21	**FY22**	Change on a reported basis	Change at constant Forex
Gross revenues[1]	99,931	**102,345**	+2%	+2%
Underlying earnings[2]	6,762	**7,264**	+7%	+4%
Underlying earnings per share[2] (in Euro)	2.75	**3.08**	+12%	-
Net income	7,294	**6,675**	-8%	-11%
Return on equity[2] (%)	14.7%	**14.5%**	-0.1 pt	-
Solvency II ratio[4] (%)	217%	**215%**	-1 pt	-

FY22 key highlights

Revenues

Total revenues were up 2%[1], driven by (i) **Property & Casualty (+2%)**, with growth in Commercial lines Insurance[7] (+5%) from continued favorable price effects, as well as in Personal lines (+4%), driven by higher revenues from favorable price effects in both Motor and non-Motor, partly offset by AXA XL Reinsurance from natural catastrophe exposure reduction (-27%), and (ii) **Health (+16%)**, with strong growth across all geographies. This was partly offset by (iii) **Life & Savings (-5%)**, as growth in Protection was more than offset by lower revenues in G/A[8] Savings, mostly in France, Italy and Japan, and in Unit-Linked, including from the non-repeat of a large Group contract in France, and (iv) **Asset Management (-3%)[9]**, with lower performance and management fees, reflecting unfavorable market conditions.

Earnings

Underlying earnings[2] increased by 4% to Euro 7.3 billion, driven by (i) **Property & Casualty (+5%)**, reflecting higher investment income and a resilient underwriting result despite the impact of the war in Ukraine and the non-repeat of elevated Motor claims frequency benefits in Europe in 2021, and (ii) **Life & Savings (+11%)**, from a higher technical margin in France and Japan, and lower expenses, partly compensated by a lower investment margin. This was partly offset by (iii) **Health (-11%)**, from higher Covid-19 claims in Japan as well as from the negative impact of two large international Group contracts in France, and (iv) **Asset Management (-2%)**, from lower revenues, partly offset by lower expenses.

Underlying earnings per share[2] increased by 12%[3] to Euro 3.08, reflecting the increase in underlying earnings and the favorable impacts of share buy-backs (+4%), and foreign exchange (+4%).

Net income decreased by 11% to Euro 6.7 billion, mainly from a decline in value of invested assets and derivatives that are fair valued through P&L from unfavorable market impacts, as well as the write-off of Reso Garantia goodwill, partly offset by the increase in underlying earnings.

Balance sheet

Shareholders' equity was at Euro 45.4 billion at 31 December 2022, down Euro 25.7 billion versus December 31, 2021, driven by a decrease in net unrealized capital gains (Euro -27.1 billion), the FY21 dividend paid to shareholders, and the impact of share buy-backs executed in 2022, partly offset by the positive net income contribution. Excluding net unrealized capital gains and losses, shareholders' equity would be up Euro 1.3 billion to Euro 55.5 billion.

Solvency II ratio[4] was 215% at December 31, 2022, down 1 point versus December 31, 2021, resulting mainly from (i) the Euro 1.5 billion share buy-back completed in 2022 as well as a provision for the Euro 1.1 billion share buy-back announced today (-10 points), (ii) negative financial market effects (-3 points) notably due to increased implied volatility and lower equity performance, partly compensated by higher interest rates, and (iii) the ineligibility of subordinated debts issued by subsidiaries (-3 points), partly offset by (iv) strong operating returns net of dividend (+9 points), (v) a favorable temporary impact from the change in certain EIOPA risk-free rates relating to the IBOR transition net of the change in the Ultimate Forward Rate (+3 points), (vi) the positive impact from the purchase of additional equity hedges (+2 points), and (vii) the favorable impact from the Belgium in-force transaction (+1 point).

In 1Q 2023, the Solvency II ratio is expected to be impacted by (i) the reversal of the favorable temporary impact from the change in certain EIOPA risk-free rates relating to the IBOR transition (-5 points) and (ii) the change in the EIOPA reference portfolio (-4 points).

Debt gearing[2] was at 27.1% at 31 December 2022, up 0.7 point versus December 31, 2021, mainly reflecting net debt issuance of Euro 1 billion, partly offset by higher shareholders' equity excluding net unrealized capital gains and losses.

Underlying return on equity[2] was at 14.5%, down 0.1 point versus FY21, mostly from higher shareholders' equity excluding net unrealized capital gains and losses.

Cash at Holding[10] amounted to Euro 4.5 billion at December 31, 2022, above the Group's target range of Euro 1 billion to Euro 3 billion.

A **dividend** of Euro 1.70 per share (up 10% versus FY21) will be proposed at the Shareholders' Annual General Meeting on April 27, 2023. The dividend is expected to be paid on May 10, 2023 with an ex-dividend date of May 8, 2023. This would represent a payout ratio of 55% of underlying earnings, net of the interest charges on undated and deeply subordinated dated debt.

Capital management and outlook

Share buy-back program

AXA's Board of Directors approved on February 22, 2023 the launch of a share buy-back program for up to Euro 1.1 billion, to be executed in accordance with the terms of the applicable Shareholders' Annual General Meeting authorization[11]. AXA intends to cancel all shares repurchased pursuant to this share buy-back program.

The share buy-back program is expected to commence as soon as reasonably practicable, subject to market conditions, and it is expected to be completed by year end. Further details will be communicated as appropriate regarding the execution of the share buy-back program.

The up to Euro 1.1 billion share buy-back program will be carried out in addition to any other potential share buy-back transactions[12] that may be launched by AXA, including the previously announced share buy-back to be carried out following the closing of the sale of the closed life and pensions portfolio by AXA Germany.

Outlook update

AXA is resolutely focused on delivering its "Driving Progress 2023" key targets, aided by strong operational results, a very solid balance sheet, the Group's actions to counterbalance the impact of higher inflation, and measures taken to limit the Group's Nat Cat reinsurance exposure. Considering the strong overall operating performance delivered in 2022 and assuming current operating conditions persist, Management believes that AXA is positioned to deliver underlying earnings per share growth above the previously communicated 3-7% CAGR target range over the three-year period 2020[13]-2023.

Ratings

AM Best: On July 8, 2022, AM Best assigned a financial strength rating to AXA S.A. of 'A+ (Superior)', with a stable outlook, as well as a long-term issuer credit rating of 'aa- (Superior)'.

Moody's: On July 1, 2022, Moody's Investors Service reaffirmed the financial strength rating of AXA's core subsidiaries at 'Aa3', with a stable outlook. Moody's Investors Service also assigned AXA S.A. a financial strength rating at 'Aa3' and upgraded AXA S.A.'s long-term senior debt rating from 'A2' to 'A1'.

S&P: On March 28, 2022, S&P Global Ratings reaffirmed the financial strength rating of AXA core's operating subsidiaries at 'AA-', with a stable outlook. On May 11, 2022, S&P Global Ratings also assigned AXA S.A. a financial strength rating at 'A+' and upgraded AXA S.A.'s long term issuer credit rating from 'A' to 'A+'.

Main transactions in 2022

Main transactions between January 1, 2022 and December 31, 2022:

- Successful placement by AXA S.A. on January 6, 2022, of Euro 1.25 billion dated subordinated notes due 2042, with interest payable at an initial fixed rate of 1.875% per annum[14], and early repayment on January 22, 2022, of USD 850 million 5.5% undated subordinated notes
- Completed execution on February 10, 2022, of AXA's Euro 1.7 billion[15] share buy-back program announced on November 4, 2021
- Completed sale on February 11, 2022, of AXA's insurance operations[16] in Singapore for ca. Euro 0.5 billion[17]
- Completed execution on March 10, 2022, of AXA's Euro 0.5 billion[18] share buy-back program announced on February 24, 2022
- Successful placement by AXA S.A. on May 25, 2022, of Euro 1.25 billion dated subordinated notes due 2043, with interest payable at an initial fixed rate of 4.25% per annum[19]
- Successful execution on June 29, 2022, of a make-whole option by AXA XL to redeem USD 500 million 4.45% subordinated notes due 2025 and Euro 500 million 3.25% subordinated notes due 2047 (callable in 2027), announced on May 25, 2022
- Completion of AXA S.A.'s transformation into the Group's internal reinsurer following receipt of its insurance license (May 10, 2022) and its merger on June 30, 2022, with its captive internal reinsurer AXA Global Re (announced July 1, 2022)
- Announced sale on July 14, 2022, of AXA Germany closed life and pensions portfolio of Euro 16 billion insurance reserves for Euro 660 million[20]
- Completed execution on October 3, 2022, of AXA's Euro 1 billion share buy-back program announced on August 3, 2022
- Completed execution on September 26, 2022, of a cash tender offer on two series of AXA S.A. subordinated notes announced on August 29, 2022, for a total debt amount repurchased of USD 616 million
- Completed sale on August 30, 2022, of AXA's insurance operations[21] in Malaysia for ca. Euro 0.1 billion
- Successful placement by AXA S.A. on October 6, 2022, of Euro 850 million senior notes due 2030
- Announced on October 18, 2022, that AXA has entered into exclusive negotiations to acquire Groupe Assurances du Crédit Mutuel España in Spain