



# Press release

Paris, November 2, 2022

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

AXA published today a presentation for investors and analysts on its implementation of IFRS 17 and IFRS 9 accounting standards, which will become effective on January 1, 2023.

The key highlights of the presentation are the following<sup>1</sup>:

- Underlying earnings power is expected to be unaffected in aggregate post-transition,
- Shareholders' Equity<sup>2</sup> is expected to be broadly stable on transition,
- A Contractual Service Margin of Euro ca. 34 billion<sup>3</sup> is expected to be created on transition,
- The implementation is expected to result in limited reporting changes, reflecting the Group's focus on technical lines,
- The new standards will have no impact on the Group's cash and capital management, its Solvency II ratio, or its strategy, and
- The Group's 'Driving Progress 2023' key financial targets<sup>4</sup> are re-affirmed.

*"This announcement marks a key milestone in the IFRS 17 journey that has mobilized our Finance teams across the Group for the last few years", said **Alban de Mailly Nesle, Chief Financial Officer of AXA.** "We expect limited impacts overall, including on our Shareholders' Equity and on the Group's underlying earnings power, which reflect our business model, primarily oriented towards technical and fee-based lines. We would like to thank all our colleagues who took part in this project for their unwavering commitment through the past years."*

Alban de Mailly Nesle, AXA's Chief Financial Officer, and Grégoire de Montchalin, AXA's Chief Accounting & Reporting Officer, will be hosting an investor presentation on Thursday November 3, 2022 in AXA XL's London offices. The presentation will start at 3:15pm GMT.

Live webcast link and supporting documents will be available from 5:45pm GMT onwards on Wednesday November 2, 2022, on AXA's website<sup>5</sup>: [AXA Presentation on IFRS17 for Analysts and Investors](https://www.axa.com/en/press/events/2022-presentation-ifs17-analysts-and-investors-conference)

<sup>1</sup> These key highlights and all information in this press release and the related presentation are expressly qualified by the cautionary statements included below

<sup>2</sup> Shareholders Equity excluding Other Comprehensive Income

<sup>3</sup> Contractual Service Margin refers to a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognize as it provides insurance contract services under the insurance contracts in the Group, the quantum of which is pre-tax in this press release

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

<sup>5</sup> <https://www.axa.com/en/press/events/2022-presentation-ifs17-analysts-and-investors-conference>



## ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 149,000 employees serving 95 million clients in 50 countries. In 2021, IFRS revenues amounted to Euro 99.9 billion and underlying earnings to Euro 6.8 billion. AXA had Euro 1,051 billion in assets under management as of December 31, 2021.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY. The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment. This press release and the regulated information made public by AXA pursuant to article L. 451-1-2 of the French Monetary and Financial Code and articles 222-1 et seq. of the Autorité des marchés financiers' General Regulation are available on the AXA Group website ([axa.com](http://axa.com)).

**THIS PRESS RELEASE IS AVAILABLE ON THE AXA GROUP WEBSITE [axa.com](http://axa.com)**

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## IMPORTANT CAUTIONARY STATEMENTS CONCERNING PRELIMINARY IFRS17/9 EXPECTATIONS AND ASSESSMENTS

AXA's audited financial statements for 2022 under IFRS4 will be published in March 2023 with its 2022 Universal Registration Document. On January 1, 2023, IFRS4 will be replaced by IFRS17, which is a new accounting standard applicable to (re)insurance contracts that will result in significant accounting changes to AXA's consolidated statement of financial position and consolidated statement of income. From January 1, 2023, AXA will also apply the IFRS9 standard on classifying and measuring financial assets and liabilities and certain contracts. During an initial implementation period for IFRS17/9 relating to accounting periods on or after January 1, 2022, AXA will prepare unaudited key financial information under IFRS17/9 for the first half of 2022 and for the full 2022 financial year, including estimates for certain key financial indicators under IFRS17/9 included or mentioned in this press release and the presentation to which it relates.

AXA's estimates, expectations and assessments relating to IFRS17/9 in this press release and the related presentation are by their nature preliminary and subject to change in the course of the formal implementation of IFRS17/9 in the Group's financial reporting (the "IFRS17/9 Implementation") through 2023. This press release and the related presentation reflect the Group's estimates, expectations and assessments of the impact of the IFRS17/9 Implementation exclusively as of the date hereof. Undue reliance should not be placed on such estimates, expectations and assessments, which are qualified in their entirety by the forward-looking statements paragraphs below. Moreover, investors should note that IFRS17/9-related information in this press release and in the related presentation has not been audited or subject to a limited review by AXA's statutory auditors. In addition, the IFRS17/9 Implementation involves accounting judgment and choices. While this press release and the related presentation reflect AXA's current assessment and expectations regarding these judgments and choices, it is possible that, as the Group and the industry adapt to IFRS17/9 reporting, the Group might determine that adjustments to its initial judgments and choices are needed. There can be no assurance that such judgments or choices and, more broadly, the ultimate impacts of the IFRS17/9 Implementation on AXA's presentation of its business, results of operations or financial condition will not differ materially from the illustrative information contained in this press release or in the related presentation.

For the purposes of this press release and the related presentation, "on transition" or "at transition" are references to forward-looking statements about the Group's expected opening balance sheet information as of January 1, 2022 as calculated under IFRS17/9. "Post-transition" or similar words refer to forward-looking statements related to the Group's financial reporting from January 1, 2023 onward, i.e., its ordinary course financial reporting under IFRS17/9 following the entry into force of IFRS17 and IFRS9 on January 1, 2023. Any information (financial or otherwise) relating to any of the foregoing terms should be understood exclusively as constituting the Group's estimates or assessments as of the date hereof, and, as with the other illustrative information in this press release and the related presentation, is subject to change and qualified in its entirety by the section below.



**IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP FINANCIAL MEASURES**

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward-looking statements. Please refer to Part 5 - "Risk Factors and Risk Management" of AXA's Universal Registration Document for the year ended December 31, 2021 and "Operating Highlights - Risk Factors" on page 7 of AXA's Half Year Financial Report as of June 30, 2022 (the "Half Year 2022 Financial 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, this press release refers to certain non-GAAP financial measures, or alternative performance measures ("APMs"), used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS. Underlying earnings, underlying return on equity and underlying earnings per share are APMs as defined in ESMA's guidelines and the AMF's related position statement issued in 2015. A reconciliation from the APM underlying earnings to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on page 15 of AXA's Half Year 2022 Financial Report. APMs underlying return on equity and underlying earnings per share are reconciled to the financial statements in the table set forth on page 22 of AXA's Half Year 2022 Financial Report. The above mentioned and other non-GAAP financial measures used in this press release are defined in the Glossary set forth on pages 56 to 63 of AXA's Half Year 2022 Financial Report.