

AXA MPS Financial DAC

Directors' report and
financial statements

Year-ended 31 December 2025

Registered number: 293822

AXA MPS Financial DAC

Directors' report and financial statements

For the year ended 31 December 2025

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Directors and other information

For the year ended 31 December 2025

Directors	N. Guinan, CEO and Executive Director J.B. D'Assy, Non-Executive Director and Chairman J. Finnegan, Independent Non-Executive Director R. Commons, Independent Non-Executive Director S. Freschi, Non-Executive Director L. Mannucci, Non-Executive Director A. Veltri, Non-Executive Director S. di Giulio, Non-Executive Director
Registered office	33 Sir John Rogerson's Quay Dublin 2 Ireland
Secretary	Tudor Trust Limited 33 Sir John Rogerson's Quay Dublin 2 Ireland
Independent Auditor's	KPMG Ireland Chartered Accountants and Registered Auditor's 1 Harbourmaster Place, IFSC Dublin 1 Ireland
Bankers	Allied Irish Banks plc 7/12 Dame Street Dublin 2 Ireland Banca Monte dei Paschi di Siena Member of MPS Banking Group 23100 Siena Italy
Solicitors	Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 Ireland
Service provider	FNZ Europe 1 Cumberland Place Fenian St Dublin 2 Ireland

Directors and other information

For the year ended 31 December 2025

Investment managers

Aberdeen Investments Luxembourg SA
Algebris Investments Ireland Ltd
AllianceBernstein Luxembourg SARL
Allianz Global Investors GmbH
Allianz Global Investors GmbH/Luxembourg
Amundi Asset Management SAS
Amundi Ireland Ltd
Amundi Luxembourg SA
Anima Asset Management Ltd
Anima Funds PLC
Anima SGR SpA
AXA Investment Managers Paris SA
Barings International Fund Managers Ireland Ltd
BlackRock Asset Management Ireland Ltd
BlackRock Global Index Funds/Luxembourg
BlackRock Luxembourg SA
BlueBay Funds Management Co SA
BNP Paribas Asset Management Europe SAS
BNP Paribas Asset Management Luxembourg SA
BNY Mellon Fund Management Luxembourg SA
Candriam
Capital International Management Co Sarl
Carmignac Gestion Luxembourg
Colchester Global Investors Dublin Management Ltd
Colchester Global Investors Ltd
Corum Butler Asset Management Ltd
CPR Asset Management SA/France
DWS Investment SA
Edmond de Rothschild Asset Management Luxembourg SA
Eleva Capital SAS
Eurizon Capital SA
FIL Investment Management Luxembourg Sarl
First Trust Global Portfolios Management Ltd
Franklin Templeton International Services Sarl
Generali Investments Luxembourg SA
Goldman Sachs Asset Management BV
Goldman Sachs Asset Management Fund Services Ltd
Hermes Fund Managers Ireland Ltd
HSBC Investment Funds Luxembourg SA/Luxembourg
Invesco Investment Management Ltd
INVESCO Management SA
Janus Henderson Investors Europe SA
JPMorgan Asset Management Europe Sarl
Jupiter Asset Management Europe Ltd
Jupiter Asset Management International SA
LGIM Managers Europe Ltd
Lombard Odier Funds Europe SA
M&G Luxembourg SA
Man Asset Management Ireland Ltd
MFS Investment Management Co LUX Sarl
MSIM Fund Management Ireland Ltd
Natixis Investment Managers International SA/France
Neuberger Berman Asset Management Ireland Ltd
Nordea Asset Management/Luxembourg
Nordea Investment Funds SA
ONE Fund Management SA
PGIM Inc
PGIM Investments Ireland Ltd
Pictet Asset Management Europe SA
PIMCO Global Advisors Ireland Ltd
Robeco Institutional Asset Management BV/Netherlands
Rothschild & Co Asset Management SCS
Schroder Investment Management Europe SA

Directors and other information

For the year ended 31 December 2025

Schroder Unit Trusts Ltd/United Kingdom
State Street Global Advisors Europe Ltd
Threadneedle Management Luxembourg SA
UBS Asset Management Europe SA
UBS Fund Management Ireland Ltd
VanEck Asset Management BV
Vanguard Group Ireland Ltd
Vontobel Asset Management SA
Wellington Luxembourg Sar
WisdomTree Management Ltd

AXA MPS Financial DAC

Directors' Report

For the year ended 31 December 2025

The Directors present their annual report and the audited financial statements for AXA MPS Financial DAC ("the Company") for the year-ended 31 December 2025.

Going Concern

The Directors have a reasonable expectation that the Company will continue in operational existence for twelve months from the date of approval of these financial statements ('the year of assessment') and have prepared the financial statements on a going concern basis.

In making this assessment The Directors considered:

1. the Company's capital and solvency position, including the stress testing scenarios carried out as part of the Own Solvency and Risk Assessment ("ORSA") process,
2. liquidity, and
3. the financial condition of the Company's distribution partner.

Principal activities, business review and future developments

The Company is authorised in Ireland to transact life assurance business in the European Union ("EU") under the Solvency II Directive (2009/138/EC) as introduced into domestic Irish legislation by the European Union (Insurance and Reinsurance) Regulations 2015, effective 1 January 2016 (previously authorised under the European Union Third Life Directive as introduced into domestic Irish legislation by the European Communities (Life Assurance) Framework Regulations, 1994).

The Company's business to date has mainly been the sale of single premium investment products in Italy through a distribution network of banking intermediaries.

During 2025, the Company wrote premiums of €1,451 million (2024: €1,291 million), an increase of 12%.

Total outflows for the year amounted to €1,634 million (2024: €1,651 million), a decrease of 1%.

Total policyholder assets under management at end of 2025 amounted to €7,042 million (2024: €6,971 million), an increase of €71 million (2024: an increase of €156 million). Net equity for 2025 is €135 million (2024: €133 million).

The Company generated a profit after tax of €28.6 million (2024: €31.2 million).

Note 21 to the financial statements confirms that the Company had a satisfactory surplus over regulatory Solvency II capital requirements at the year-end.

During 2025 the Company's product offering faced strong competition from products offering competitive interest rate returns and competition from non-insurance mutual fund providers. The Company continues to offer products that meets customers' needs. Rendimento Plus, launched in January 2024, contributed to 64% of total gross written premiums for 2025 (2024: 67%), and Personal Style represented 21% (2024 18%). The Directors are satisfied that the Company is well placed to continue product innovation and provide savings and investment life products relevant to a diverse customer market into the future.

AXA MPS Financial DAC

Directors' Report

For the year ended 31 December 2025

Financial Risk Management Objectives

The Directors play an active role in the development of the Company through the ongoing review and oversight of budgets and performance. It is the Company's objective to achieve a satisfactory level of profitability for its shareholder whilst taking into account statutory, financial, fiscal and regulatory requirements and to meet policyholders' reasonable expectations. At each Board meeting, The Directors are provided with key financial performance indicators and a margin variance analysis against budget to inform them of the main profit drivers. The Company continues to meet policyholder needs by way of delivering a range of products to meet their requirements and this is reflected in the sales mix for 2025.

The Company is exposed to a range of risks through its financial assets and its financial liabilities and also in relation to the accounting estimates and judgements it needs to make in the preparation of its financial statements and its regulatory returns.

These risks are described below together with the risk management approaches adopted by the Company. Ultimate responsibility for the Company's risk management rests with the Board, supported by the operation of a number of committees that meet on a regular basis to review and monitor the Company's risk exposures. A number of policy statements have been prepared and approved by The Directors which set out the parameters and limitations to manage and limit financial risks.

The Company has not substantially changed the approaches adopted to manage its financial risks from the previous accounting year.

The Company's approach to financial risk and capital management is set out in greater detail in note 22.

Corporate governance

The Board continues to develop its corporate governance framework in line with best practice, guidance provided by immediate and ultimate parent companies, and the corporate governance code issued by the Central Bank of Ireland. The Company continues to be rated a Medium Low entity according to the Central Bank of Ireland PRISM rating guide and the Company is satisfied it is in compliance with the standards expected of a Company with this rating. The Board is aware of the critical need for effective corporate governance, risk management and internal controls to guide the Company's business practices and activities, thereby promoting compliance with all laws and regulations and safeguarding the Company's reputation.

The Company has a well-established Board Audit Committee, a Board Investment Committee, and a Board Risk Committee all of which aim to meet at least 4 times each year. A Board Remuneration Committee is also well established. The charters for these committees are reviewed annually and the committees report back to the Board on all issues noted by and raised by them.

Key performance indicators

The Company tracks, on a quarterly basis, certain Key Performance Indicators (KPIs). The full year KPIs are shown below in €'000s.

Gross written premiums	€1,451m	2024: €1,291m
TOCF*	(€183m)	2024: (€360m)
Profit after tax	€28.6m	2024: €31.2m

*Technical Operating Cash Flow (written premiums minus redemptions)

AXA MPS Financial DAC

Directors' Report

For the year ended 31 December 2025

Results for the year and state of affairs at 31 December 2025

The results for the year are set out on pages 18 and 19. The Company's balance sheet is set out on pages 20 and 21.

Dividends

The Directors propose a dividend in respect of 2025 of €25 million (2024: €27 million paid).

Directors

The following Directors served during the year:

Neil Guinan, CEO and Executive Director
Simone Freschi, Non-Executive Director
John Finnegan, Independent Non-Executive Director
Rosemary Commons, Independent Non-Executive Director
Jean-Benoit D'Assy, Chairman and Non-Executive Director
Luca Mannucci, Non-Executive Director
Andrea Veltri, Non-Executive Director (appointed 20.03.2025)
Saverio di Giulio, Non-Executive Director (appointed 07.08.2025)
Salvatore Piscuoglio, Non-Executive Director (resigned 15.05.2025)

Directors' and secretary's interests

The Directors and secretary who held office at 31 December 2025 and throughout the year had no interests in the shares in, or debentures or loan stock of, the Company or any other group Company which require disclosure under Section 329 of the Companies Act, 2014.

Accounting records

The Directors are satisfied that they have complied with the requirements of Section 281 to Section 285 of the Companies Act, 2014 with regard to keeping accounting records by engaging service provider and personnel within the Company with appropriate expertise and by providing adequate resources to the finance function and maintaining computerised accounting systems. The accounting records of the Company are maintained at the premises of its service provider, FNZ Europe, 1 Cumberland Place, Fenian Street, Dublin 2, Ireland.

Political donations

The Company made no political donations during the year (2024: Nil).

Climate change

While the Company is not directly exposed to climate risk due to the nature of business written, there is a second order impact on how policyholders choose to invest and therefore it is important to ensure that the fund range over time evolves to meet changing needs. "Inclusion and sustainability" is one of the pillars of the Company's strategic plan, which envisages the growth of environmental, social and governance (ESG) assets and other green initiatives. Potential impacts of climate change are assessed through the operational risk process.

AXA MPS Financial DAC

Directors' Report

For the year ended 31 December 2025

Climate change *(continued)*

Over time it is expected that client behaviour will gradually change towards opting for funds adhering to ESG considerations. Fund managers within the Company's fund range have policies in place outlining the ESG considerations they must take into account in selecting assets in which to invest, so as to address the expected changing client demand as a result of climate change factors and other social and governance considerations. The Company has also introduced some funds specifically branded ESG, which have a particularly strong ESG approach, and it is expected that the range of ESG-focused funds on offer will continue to increase over time.

AXA MPS Financial DAC is a subsidiary of AXA S.A. and as such plays a full part in AXA Initiatives in respect to Sustainability, Climate Change and ESG Integration. For a full understanding of these initiatives please refer to the AXA S.A. Annual Report. There is a section on Sustainability. This document is freely available online.

Directors' compliance statement

Section 225[1] of the Companies Act 2014 (the "Act") requires The Directors of AXA MPS Financial DAC ("AMF" or the "Company") to make an annual compliance statement in The Directors' report, which forms part of the Company's statutory financial statements.

The Directors confirm that they have:

1. drawn up a compliance policy statement setting out the Company's policies regarding the compliance of the Company with its relevant obligations;
2. put in place appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations;
3. conducted a review, during the financial year-ended 31 December 2025 of the arrangements and structures, referred to above.

Disclosure of information to auditor's

The Directors in office at the date of this report have each confirmed that:

1. as far as he/she is aware, there is no relevant audit information of which the Company's statutory auditor's are unaware; and
2. he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditor's are aware of that information.

Events after the reporting period

There have been no significant events affecting the Company since the year-end which require amendment to the Financial Statements.

Significant business developments or other events

The recent outbreak of conflict in the Middle East has had a noticeable impact on financial markets, resulting in volatile conditions such as falling world equity prices and heightened concerns about future inflation and interest rates. As the situation continues to develop, management has assessed that this uncertainty may also affect energy markets, insurance costs, inflationary pressures, and broader financial conditions. At the time of approving these financial statements, the financial consequences of these events cannot be reliably measured.

AXA MPS Financial DAC

Directors' Report

For the year ended 31 December 2025

Independent Auditor's

KPMG, Chartered Accountants were first appointed auditor on 10th June 2024 and will continue in office in accordance with Section 383(2) of the Companies Act 2014.


Neil Guinan
Director


John Finnegan
Director

AXA MPS Financial DAC

Directors' responsibilities statement

For the year ended 31 December 2025

The Directors are responsible for preparing The Directors' report and the financial statements in accordance with Irish law.

Irish law requires The Directors to prepare financial statements for each financial year. Under Irish Company law, The Directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102: Financial Reporting Standards Applicable in the U.K. and Republic of Ireland ("FRS 102") and FRS 103 Insurance Contracts ("FRS 103").

Under Irish law The Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year.

In preparing these financial statements, The Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company.
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable The Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Neil Guinan
Director



John Finnegan
Director



KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent Auditor's Report to the Members of AXA MPS Financial Designated Activity Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AXA MPS Financial Designated Activity Company ('the Company') for the year ended 31 December 2025 set out on pages 18 to 48, which comprise the Technical profit and loss account life insurance, Non-technical profit and loss account life insurance, Balance sheet, Statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and FRS 103 *Insurance Contracts* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and FRS 103 *Insurance Contracts*;
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 10 June 2024. The period of total uninterrupted engagement is the 2 years ended 31 December 2025. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Independent Auditor's Report to the Members of AXA MPS Financial Designated Activity Company (Continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included: using our knowledge of the Company, the financial services industry and the general economic environment to identify the risks to the business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Company's financial resources over this period was the performance of investments for the benefit of life assurance policyholders who bear the investment risk.

We also considered less predictable but realistic second order impacts that could affect the Company such as the wider global geopolitical environment and economic conditions on the Company's results and operations, the failure of counterparties who transact with the Company, the performance of shareholder financial assets and solvency and capital adequacy.

We considered whether the going concern disclosure in the directors' report on page 5 gives an adequate description of the directors' assessment of going concern, including the identified risks.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors' with respect to going concern are described in the relevant sections of this report.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Company's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, the Audit committee, internal audit and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud , including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors , the Audit committee, internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Company's regulatory and legal correspondence.
- Reading the minutes of meetings of the Board of Directors and the Audit Committee and other relevant committees.
- Performing planning analytical procedures to identify any unusual or unexpected relationships.



Independent Auditor's Report to the Members of AXA MPS Financial Designated Activity Company (Continued)

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: regulatory capital, liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. As the Company is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Company operates in and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risk(s), we also performed procedures including:

- Testing the design and implementation of the key control over journal entries
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation
- Evaluating the business purpose of significant unusual transactions
- Assessing significant accounting estimates for bias
- Assessing the disclosures in the financial statements

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor’s Report to the Members of AXA MPS Financial Designated Activity Company (Continued)

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. 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 these matters.

In arriving at our audit opinion above, the key audit matter unchanged from 2024, was as follows:

Existence and Valuation of Investments for the benefit of life assurance policyholders who bear the investment risk €7,042m (2024: €6,971m)

Refer to page 1 (accounting policies), Note 13. Investments for the benefit of life assurance policyholders who bear the investment risk on page 34 (financial disclosures) and Note 23 Accounting estimates and judgments on page 46.

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> - As permissible under FRS 102, the Company has elected to adopt the recognition and measurement provisions of IFRS 9 <i>Financial Instruments</i>. - Investments for the benefit of life assurance policyholders who bear the investment risk are measured at fair value through profit or loss and are included on the balance sheet. - The portfolio of investments is primarily comprised of corporate bonds, noncomplex government bonds and unit trusts held with several counterparties. The valuation of these investments requires no significant judgement or estimation. - The Investments for the benefit of life assurance policyholders who bear the investment risk are the most significant element of the Balance Sheet. - For the reasons outlined above the engagement team determine this matter to be a key audit matter. 	<p>Our audit procedures included but were not limited to.</p> <ul style="list-style-type: none"> - Obtaining independent confirmation directly from relevant counterparties to confirm the existence of all investments held as at 31 December 2025. - Reconciling the confirmed amounts to the Company’s records and investigating any differences. - Obtaining and documenting our understanding of the valuation process. - With the assistance of KPMG Financial Instruments (‘KFI’), our internal valuation specialist, independently priced 98% of investments held as at 31 December 2025 using pricing downloads from external, reputable sources. Alternative procedures performed on remaining population. - Evaluating the Company’s fair value disclosures and disclosures regarding the use of estimates and judgements for compliance with FRS102. - Based on the evidence obtained, we found the investments for the benefit of life assurance policyholders who bear the investment risk to be reasonably stated.



Independent Auditor's Report to the Members of AXA MPS Financial Designated Activity Company (Continued)

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at €7.04m (2024: €2.52m), determined with reference to our re-evaluated (2024: net assets) benchmark of Investments for the benefit of life assurance policyholders who bear the investment risk as at 30 September 2025 of which it represents 0.10% (2024: 0.04%).

We consider policyholder's assets as the benchmark as, in our view, policyholder assets is the most appropriate benchmark given the circumstances and the nature of the Company's business.

In determining the percentage to be applied to the benchmark, we considered a number of factors, i.e. concentration of ownership, the amount of any external debt on the Company's Balance Sheet, if any, the stability of the business environment in which the Company operates and concluded that an amount at the higher end of our normal range was appropriate.

We applied materiality to assist us determine what risks were significant risks and the procedures to be performed. We separately apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial individual account balances add up to a material amount across the financial statements as whole.

In applying our judgement in determining performance materiality, we considered a number of factors, i.e. the level of aggregation risk, the effectiveness of the Company's control environment, the number and severity of deficiencies in control activities and history of misstatements.

Performance materiality for the financial statements as a whole was set at €4.57m (2024: €1.63m), determined with reference to materiality of which it represents 65% (2024: 65%).

We have also considered Practice Note 20 *The audit of Insurers in the United Kingdom issued by the Financial Reporting Council*, we applied materiality of €70m to the audit of policyholders' assets and liabilities in the balance sheet, and related notes, determined with reference to a benchmark of total investments for the benefit of policyholders who bear the investment risk of which it represents 1%. This materiality was applied solely for our work on matters for which a misstatement is likely only to lead to a reclassification between line items within assets and liabilities.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €3.5m (2024: €0.126m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and directors' responsibilities statement. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of AXA MPS Financial Designated Activity Company (Continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.



Independent Auditor's Report to the Members of AXA MPS Financial Designated Activity Company (Continued)

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

02 April 2026

Hubert Crehan

for and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place

IFSC

Dublin 1

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AXA MPS Financial DAC

Technical profit and loss account life insurance for the year ended 31 December 2025

		<u>2025</u>	<u>2024</u>
	Note	€'000	€'000
Gross premiums written		-	-
Outward reinsurance premiums		-	-
Change in the gross provision for unearned premiums		-	-
Investment return of investments for the benefit of life assurance policyholders who bear the investment risk		-	-
Investment performance of shareholder assets	5	1,654	5,438
Investment income		1,654	5,438
Unrealised gain on investment		-	-
Other technical income, net of reinsurance	4	117,424	129,089
Claims paid - insurance contracts		-	-
Change in technical provisions for insurance liabilities		-	-
Change in investment liabilities		-	-
Claims incurred, net of reinsurance		-	-
Change in deferred acquisition costs	15	(1,093)	(4,309)
Administration expenses	7	(14,216)	(18,718)
Net operating expenses		(15,309)	(23,027)
Change in technical provisions for life assurance risk where the investment risk is borne by policyholders	3	(6,285)	(11,940)
Value adjustments on investments		-	-
Losses on the realisation of investments		-	-
Investment expenses and charges		(6,285)	(11,940)
Unrealised losses on investments		-	-
Other technical charges, net of reinsurance	6	(64,236)	(63,403)
Tax attributable to the life assurance business		-	-
Balance on the technical account for life insurance business		33,248	36,157

All profits were generated by continuing activities.

The accompanying notes form an integral part of these financial statements.

AXA MPS Financial DAC

Non-technical profit and loss account life insurance for the year ended 31 December 2025

	Note	2025 €'000	2024 €'000
Balance on the technical account for life insurance business		33,248	36,157
Value adjustment on investments		-	-
Fee and commission income		-	-
Investment income		-	-
Investment management expenses		(565)	(519)
Value adjustment on investments		-	-
Fee and commission expenses		-	-
Investment charges		(565)	(519)
Profit before tax		32,683	35,638
Taxation	<i>11</i>	(4,110)	(4,414)
Profit for the year		28,573	31,224

All profits were generated by continuing activities.

The accompanying notes form an integral part of these financial statements.

AXA MPS Financial DAC

Balance sheet

As at 31 December 2025

		2025 €'000	2024 €'000
Investments			
Shareholder financial assets	12	64,528	70,562
Investments for the benefit of life assurance policyholders who bear the investment risk	13	<u>7,041,764</u>	<u>6,970,740</u>
		<u>7,106,292</u>	<u>7,041,302</u>
Debtors			
Other Debtors	16	<u>112,553</u>	<u>54,510</u>
		<u>112,553</u>	<u>54,510</u>
Other assets			
Deferred acquisition costs	15	73,862	74,955
Cash at bank and in hand	14	<u>47,794</u>	<u>79,464</u>
		<u>121,656</u>	<u>154,419</u>
Total assets		<u><u>7,340,501</u></u>	<u><u>7,250,231</u></u>

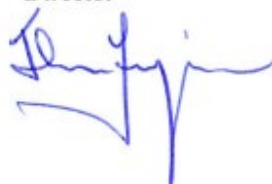
The accompanying notes form an integral part of these financial statements.

On behalf of the board

Neil Guinan
Director



John Finnegan
Director



AXA MPS Financial DAC


Balance sheet


As at 31 December 2025

		2025	2024
		€'000	€'000
Capital and reserves			
Called up share capital	17	635	635
Profit or loss account		134,301	132,728
Shareholder's funds		<u>134,936</u>	<u>133,363</u>
Technical provisions for life assurance policies where the investment risk is borne by the policyholders			
Investment contract technical provisions	18	7,051,924	6,984,383
		<u>7,051,924</u>	<u>6,984,383</u>
Other provisions			
Provision for Italian tax		23,873	17,517
		<u>23,873</u>	<u>17,517</u>
Creditors: amounts falling due within one year			
Creditors arising out of direct insurance operations	19	75,576	90,116
Other creditors including tax and social welfare	20	54,192	24,852
		<u>129,768</u>	<u>114,968</u>
Total liabilities and shareholder's equity		<u><u>7,340,501</u></u>	<u><u>7,250,231</u></u>

The accompanying notes form an integral part of these financial statements.

On behalf of the board


Neil Guinan
Director


John Finnegan
Director

AXA MPS Financial DAC

Statement of changes in equity For the year ended 31 December 2025

	Issued capital	Retained earnings	Available for sale reserve	Total equity
	€'000	€'000	€'000	€'000
At 1 January 2025	635	132,728	-	133,363
Profit for the year	-	28,573	-	28,573
Other comprehensive loss	-	-	-	-
Total recognised gains for the financial year	-	28,573	-	28,573
Dividends paid	-	(27,000)	-	(27,000)
As at 31 December 2025	635	134,301	-	134,936
At 1 January 2024	635	127,504	-	128,139
Profit for the year	-	31,224	-	31,224
Other comprehensive loss	-	-	-	-
Total recognised gains for the financial year	-	31,224	-	31,224
Dividends paid	-	(26,000)	-	(26,000)
As at 31 December 2024	635	132,728	-	133,363

The accompanying notes form an integral part of these financial statements.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value in accordance with FRS 102: Financial Reporting Standards applicable in the U.K. and Republic of Ireland ("FRS 102") FRS 103 Insurance Contracts ("FRS 103") as issued by the Financial Reporting Council and with the Companies Act 2014.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of disclosure exemption in relation to presentation of a cash flow statement in its separate financial statements.

Equivalent disclosures have been given in the group financial statements of AXA SA which are available to the public and can be obtained as set out in note 24.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. See note 23, accounting estimates and judgement in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Company will continue in operational existence for twelve months from the date of approval of these financial statements ('the year of assessment') and have prepared the financial statements on a going concern basis.

In making this assessment The Directors considered:

- the Company's capital and solvency position, including the stress testing scenarios carried out as part of the Own Solvency and Risk Assessment ("ORSA") process,
- liquidity, and
- the financial condition of the Company's distribution partner.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies (continued)

Currency

The financial statements are prepared in Euro (€) which is the functional currency of the Company. All amounts in the financial statements have been rounded to the nearest thousand euro, unless otherwise stated.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to euro at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value, are translated to euro at foreign exchange rates ruling at the date the fair value was determined. Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are included in the Statement of Profit and Loss.

Insurance and investment contracts - classification

Product classification

Contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance contracts may also transfer some financial risk.

Investment contracts are those contracts that transfer a significant financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party or contract.

Contracts for which the Company is deemed to have a significant insurance risk are classified as insurance contracts by the Company. Contracts under which the transfer of insurance risk to the Company from the policyholder is not significant are classified as investment contracts.

A contract that qualifies as insurance remains an insurance contract until all risks and obligations are extinguished or expire. However, an investment contract, classified as such on inception, could subsequently be reclassified as an insurance contract if it meets the insurance contract definition provided above.

The Company unbundles and separately measures insurance and deposit components in contracts which contain both.

Investment contracts – recognition and measurement

Unit linked investment contracts have been classified as financial liabilities at fair value through profit and loss to eliminate an inconsistency that would otherwise arise between the valuation of assets and liabilities. Unit linked liabilities are valued with reference to the value of the underlying net asset value of the unitised investment funds at the balance sheet date.

The revenue arising from these contracts (initial management charges, surrender penalties and annual management charges) is recognised over the life of the contract and is recorded in the other technical income line. These are deducted from the policyholders' funds. Policyholder contract benefits charged to the profit and loss account include benefit claims incurred during the year in excess of policyholders' funds and interest credited to the policyholders' balance.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies (continued)

Premiums / benefits paid

Premium written from and benefits paid to policyholders of investment contracts are accounted for as deposits received (or repaid) and are not included within premiums and claims in the profit and loss account.

Liability measurement

Liabilities related to unit linked contracts are held at fair value through the profit and loss account. A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit and loss account. Gains and losses that arise from changes in the fair value of financial liabilities designated at fair value through profit or loss are recorded in the profit and loss account in the period in which they occur.

Deferred acquisition costs

The costs directly associated with the acquisition of new insurance and investment contracts are deferred to the extent that they are expected to be recoverable out of future revenues to which they relate. Such costs are amortised through the profit and loss account over the years in which the reserves on the related contracts are expected to be earned, at a rate commensurate with those revenues.

Deferred acquisition costs are reviewed by category of business at the end of each financial year. Should the circumstances which justified the deferral of costs no longer apply, costs to the extent that they are believed irrecoverable are written off.

Investment income

The Company has designated all unit linked products and their associated investment and insurance contract liabilities at fair value through the profit and loss account. Investment income in the technical account comprises all investment income (including interest income for financial assets carried at amortised cost, using the effective interest rate method), realised investment gains and losses and movements in unrealised gains and losses.

Realised gains and losses on investments carried at fair value through profit and loss account are calculated as the difference between net sales proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the fair value at the balance sheet date and their purchase price, if purchased during the year, or their fair value at the last balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current year.

Interest income

Interest income is recognised in the profit and loss account as it accrues using the effective interest method.

Dividend income

Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies (continued)

Financial instruments

As permissible under FRS 102, the Company has elected to adopt the recognition and measurement provisions of IFRS 9 Financial Instruments (“IFRS 9”).

Classification and measurement

IFRS 9 uses a single approach to determine the measurement category for financial assets based on the business model in which those financial assets are held and on the characteristics of their contractual cash flows:

- a financial asset is measured at amortised cost if both (i) the asset is held within a business model whose objective is achieved by collecting contractual cash flows from the assets held, and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”);
 - if both (i) the asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets, and (ii) the contractual terms of cash flows are SPPI, the financial asset is measured at fair value through other comprehensive income (“FV OCI”) and realized gains or losses are recycled through profit or loss upon sale;
- assets not fitting either of these categories are measured at fair value through profit or loss (“FV P&L”).

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

- optional FV P&L designation (Fair Value Option for financial assets/liabilities). The Company applies this option to shareholder government securities that otherwise meet the requirements to be measured at amortised cost or at FV OCI, if doing so eliminates or significantly reduces an accounting mismatch in profit or loss.

The Company applies the fair value hierarchy as described in Note 22 for all assets and liabilities measured at fair value.

The entity applies the IFRS9 recognition and measurement approach permitted by FRS 102.11.2/12.2.

Debt instruments which are not designated under the fair value option are accounted for at amortised cost using the effective interest rate method.

Financial liabilities, are recognised at amortised cost where they do not relate to liabilities from derivatives. Interest accreted on these financial liabilities is reported in “Financing costs.” Liabilities from derivatives are measured at fair value.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies (continued)

Impairment of financial assets

The impairment applies to assets at amortized cost and reflects the Expected Credit Losses (“ECL”) on those financial assets.

The Company measures ECL allowances at an amount equal to:

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

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

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

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

- whether the financial instrument has low credit risk;
- whether the credit risk on the financial instrument has increased significantly since initial recognition;
- whether the credit risk on the financial instrument previously classified in Stage 2 or 3 has improved since the previous reporting date; and
- whether a credit event (default) has occurred.

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

- the quantitative assessment designed to detect, for all financial assets within the scope of the ECL calculation, significant increases and decreases in credit risk. This quantitative assessment is based on the Company’s IFRS 9 rating which captures all relevant information, including forward-looking information, required to identify significant changes in credit risk since initial recognition based on fact and circumstances specific to the financial asset; and
- the qualitative assessment, based on expert judgment, performed to confirm transfers between Stage 1 and Stages 2 or 3 for material exposures within the scope derived from the quantitative assessment.

ECL is defined at each financial reporting date based on the key inputs which are the probability of the default, the magnitude of the potential credit loss after any potential recovery and the exposure to the risk of default determined as the financial instrument’s gross carrying amount plus the accrued interests at the reporting date.

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

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies (continued)

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

Offsetting

Financial assets and liabilities are only offset and reported net if there is a legally enforceable right to offset the assets and the liabilities and the Company intends either to settle such items on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company continues to hold “lapse hedge” derivatives in respect of tranches of the Progetto Protetto product. The purpose of the derivative is to provide a hedge against a reduction in Annual Management Charges which would result as a consequence of higher than expected lapses. For each tranche a projection of all expected cashflows resulting from the expected lapse rate is calculated. This is the initial premium for the purchase of the derivative from our counterparty, BMPS Capital Services, a subsidiary of MPS. The maximum possible loss for the Company (excluding counterparty risk, which is collateralized) is the initial premium. This would be in the case when lapses are zero. Lapses generate positive cashflows for the Company throughout the product life. In scenarios where lapses are zero, or lower than expected, the net loss on the derivative is compensated by higher than expected Annual Management Charges. Conversely, when lapses are higher than expected, there is a net cash inflow from the derivative, compensating the Company for lower than expected Annual Management Charges.

The Company also holds Asset swap derivatives and Total return swaps derivatives in respect of tranches of Rendimento Plus and Valore Dividendo Internal Funds. The Internal Fund enters an asset swap transaction, whereby it receives a fixed payment in exchange of the coupons paid by the underlying bond portfolio and in a total return swap transaction to receive the performance of the underlying assets of the swap that will be a corporate bonds' portfolio for Rendimento Plus or equity indices for Valore Dividendo. The financial risk of these transactions is held by the Internal Funds, i.e., policy holders, and these derivatives transactions are fully collateralized by the assets of the Internal Funds

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are re-measured at fair value. The gains or losses on re-measurement are recognised immediately in the profit and loss account.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account as incurred. The Company makes a payment equal to between 5% and 20% of the gross income for each eligible employee's pension fund, the assets of which are vested in independent trustees for the benefit of employees and their dependants.

Life assurance

The Company makes a payment towards life assurance and permanent health insurance for all full-time staff. Contributions towards these plans are recognised as an expense in the profit and loss account.

Italian tax provision

Payments to the Italian Revenue as a result of the Company being a withholding tax agent are recognised as an asset. Italian taxes withheld on payments to policyholders are offset against this asset.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies (continued)

Impairment of non-financial assets

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the carrying value is reduced to the estimated recoverable amount by means of a charge to the profit and loss account. The amount of the cumulative loss that is recognised in the profit and loss account is the difference between the acquisition cost and the current recoverable amount, less any impairment loss on that financial asset previously recognised in the profit and loss account.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Cash at bank and in hand

Cash at bank and in hand comprises cash balances, call deposits and deposits of less than three months duration at inception (FRS 102 Section 7,1). Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash at bank and in hand.

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not provided for in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are not discounted.

Trade debtors

Trade debtors are initially recognised at fair value and are stated at amortised cost less provision for impairment, which reflects the expected credit losses on the financial asset. The carrying amounts of trade debtors are reviewed at each balance sheet date to determine whether there is any additional indication of impairment. Trade debtors with short term duration are not discounted.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

1 Accounting policies (continued)

Dividend distributions

Dividends declared by The Directors are recognised when approved.

2 Segmental analysis

The Company operated in one main business segment during the year, writing investment contracts in the European Union and specifically in Italy. All premiums relate to single premium business where the policyholder bears the investment risk.

Total gross written premium is recognised as follows:

Segmental analysis

	2025 €'000	2024 €'000
Insurance premium revenue	-	-
	-	-

3 Change in technical provisions for life assurance risk where the investment risk is borne by policyholders

	2025 €'000	2024 €'000
Change in Investment Liabilities	(189,318)	(271,987)
Premiums received	1,451,253	1,290,774
Claims (paid)	(1,634,092)	(1,650,644)
Liability option value	12	(5)
Change in deferred income	1,653	4,555
Realised gain / (loss) on policyholder assets	351,906	255,996
Unrealised gain / (loss) on policyholder assets	12,301	359,371
	(6,285)	(11,940)

4 Other technical income, net of reinsurance

	2025 €'000	2024 €'000
Management charges including initial margin	109,198	112,607
Coupon income	6,824	14,875
Rebate income	1,402	1,607
	117,424	129,089

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

5 Investment performance of shareholder assets

	2025	2024
	€'000	€'000
Unrealised/Realised gain(loss) on shareholder assets	1,654	5,438
	<u>1,654</u>	<u>5,438</u>

6 Other technical charges, net of reinsurance

	2025	2024
	€'000	€'000
Commission expense – new	(29,092)	(28,353)
Commission expense – ongoing	(35,144)	(35,050)
	<u>(64,236)</u>	<u>(63,403)</u>

7 Administration expenses

	2025	2024
	€'000	€'000
General administration and office expenses	(15,018)	(14,218)
Professional fees (including auditor's remuneration) (note 8)	802	(4,500)
	<u>(14,216)</u>	<u>(18,718)</u>

8 Auditor's remuneration

Included in administration expenses is the remuneration paid and payable to the auditor's, KPMG, for the audit of the statutory financial statements for 2025 and 2024. Details are shown below together with fees paid in respect of other work and figures are exclusive of VAT.

	2025	2024
	€'000	€'000
Audit of statutory financial statements	(122)	(124)
Other assurance services	(46)	(52)
	<u>(168)</u>	<u>(176)</u>

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

9 Staff costs and numbers

Included in administration expenses is staff costs, shown below, which include remuneration paid to non-executive directors (Note 10):

	2025	2024
	€'000	€'000
Wages and salaries	(5,494)	(5,251)
Social security costs	(611)	(657)
Pension costs	(428)	(445)
	<u>(6,533)</u>	<u>(6,353)</u>
	2025	2024
	No.	No.
Average number of employees during the year	<u>64</u>	<u>64</u>
	<u>64</u>	<u>64</u>

10 Directors' emoluments

The Directors' compensation is short term in nature and is as follows:

	2025	2024
	€'000	€'000
Fees as directors	(84)	(80)
Salaries and related benefits	(547)	(534)
	<u>(631)</u>	<u>(614)</u>

The above figures reflect the remuneration paid by the Company to all Board members.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

11 Taxation

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	2025	2024
	€'000	€'000
Corporation tax	<u>(4,110)</u>	<u>(4,414)</u>
<i>Reconciliation of tax at standard rate to actual tax charge at the effective rate</i>		
Profit before tax	<u>32,682</u>	<u>35,638</u>
Tax at 12.5% (2024: 12.5%)	(4,085)	(4,455)
<i>Effects of:</i>		
Items not deductible for tax purposes	<u>(25)</u>	<u>41</u>
Income tax reported in the profit and loss account	<u>(4,110)</u>	<u>(4,414)</u>

The international tax reform released by Organization for Economic Cooperation and Development (OECD), known as Pillar Two or GloBE rules, aims to ensure that an effective taxation of 15% is reached in each jurisdiction where multinational groups operate. This tax reform is effective in France, where AXA Group head office is located, starting for the 2025 fiscal year. As a result, the Group determines the effective tax rate based on Pillar 2 rules in each jurisdiction where it operates, and, if the effective tax rate is lower than the minimum 15% rate in a jurisdiction, an additional tax has to be paid.

Amendments to IAS 12 introduce a mandatory temporary exception, prohibiting both the recognition and disclosure of deferred tax assets and deferred tax liabilities that arise from the implementation of the OECD Pillar Two model rules.

AXA Group is carefully monitoring the list of countries where it operates. At this stage, AXA Group has defined a preliminary list of jurisdictions with an effective tax rate lower than 15% based on 2025 projected Group CBCR.

In Ireland, a qualified domestic top-up tax has been enacted taking effect for fiscal years commencing on, or after, 31 December 2023. The regulation includes Safe Harbor rules during the transition period 2024-2027. In this context, the Company is located in Ireland, which is a safe harbour country for AXA based on 2025 forecasted Group CBCR. Therefore, no Pillar 2 calculation is required for this country, and no additional tax has to be paid.

AXA MPS Financial DAC

Notes to the financial statements

For the year ended 31 December 2025

12 Shareholder financial assets

	2025	2024
	€'000	€'000
Financial assets designated as fair value through profit or loss	<u>64,528</u>	<u>70,562</u>
<i>Analysed as follows:</i>		
Short term loans	500	500
Government securities	22,840	18,357
Collective investment undertakings	40,686	50,189
Hedge assets backing Progetto Protetto	502	1,516
	<u>64,528</u>	<u>70,562</u>

13 Investments for the benefit of life assurance policyholders who bear the investment risk

	2025	2024
	€'000	€'000
Financial assets designated as fair value through profit or loss	<u>7,041,764</u>	<u>6,970,740</u>
<i>Analysed as follows:</i>		
Government bonds	138,509	92,681
Corporate bonds	1,729,244	922,686
Equities	86,951	91,879
Collective Investment Undertakings	4,994,178	5,773,224
Cash and deposits	18,026	25,315
Asset and total return swaps	74,856	64,955
	<u>7,041,764</u>	<u>6,970,740</u>

14 Cash at bank and in hand

	2025	2024
	€'000	€'000
Balance at bank	<u>47,794</u>	<u>79,464</u>

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Notes to the financial statements

For the year ended 31 December 2025

15 Deferred acquisition costs

	2025	2024
	€'000	€'000
Balance at 1 January	74,955	79,264
Capitalisation during the year	30,733	28,282
Amortisation during the year	(31,826)	(32,591)
Movement in current year	(1,093)	(4,309)
Balance at 31 December	73,862	74,955

16 Other debtors

	2025	2024
	€'000	€'000
Other Debtors	11,018	6,381
Prepaid Italian exit tax	32,237	33,450
Prepaid Italian levy tax	69,298	14,679
	112,553	54,510

The prepaid Italian exit tax asset arises from the decision by the Company to avail of the optional “Sostituto d’imposta” regime, introduced by the Italian Taxation Authorities towards the end of 2003, whereby European Union companies operating under the Freedom to Provide Services provisions could elect to deduct tax at source on income and gains from policyholder payments and to offset that tax against amounts prepaid by the Company.

The Company continues to avail of the “Sostituto d’imposta” regime and continues to collect tax from policyholder payments and to offset the tax collected against the amounts prepaid. The rate at which tax is collected from policyholders is a composite rate, based on 12.5% where the underlying policyholder investment asset is in Government Bonds (and equivalent instruments) and 26% for all other assets.

The amount payable in respect of current year is based on 0.50% (2024 – 0.50%) of Italian linked liabilities at the end of the current year.

The accumulated amounts paid and payable, in respect of all years to the end of 2025, are recoverable by way of (i) deduction of tax at source from payments to policyholders, where the payment includes capital gains made by policyholders (ii) via the five year offset mechanism, whereby the annual payment 5 years ago, reduced by current year recoveries, is offset against taxes payable to Italian revenue. Where the offset amount exceeds the annual amount payable, the Company can arrange to swap the excess amount with Its parent Company. The Company is satisfied that these accumulated amounts paid and payable are fully recoverable.

In 2025 the amount of tax recovered through exit taxes on policyholders surrenders amounted to €25.1 million (2024: €19.9 million).

In the opinion of the Directors, the realisable value of the Italian exit tax asset is not less than its book value.

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Notes to the financial statements

For the year ended 31 December 2025

16 Other debtors (continued)

With effect from 1 January 2025, companies are required to quantify the total amount of levy tax collectible, not yet collected, from policyholders as at the end of 2024 and to pay that amount over 4 years in June 2025 (50%), June 2026 (20%), June 2027 (20%), June 2028 (10%). The Company has therefore recorded, in 2025, an asset and a liability of EUR 54.2m. The asset of EUR 54.2m has reduced by EUR 13.4m because of recoveries from policyholder payments and hence the balance in respect of 2024 is EUR 40.8m at the end of 2025. Furthermore, levy tax paid to the Italian fiscal authorities is now based on the levy tax arising during the year, rather than levy tax recovered from payments to policyholders.

	2025	2024
	€'000	€'000
Aged Analysis of Italian levy		
2024	40,782	(758)
2025	14,402	15,437
2026	16,114	-
Sub-total - before discounting	<u>71,298</u>	<u>14,679</u>
Discounting	(2,000)	-
	<u>69,298</u>	<u>14,679</u>

17 Called up share capital

	2025	2024
	€'000	€'000
<i>Authorised</i>		
5,078,953 (2022: 5,078,953) Ordinary shares at €1 each	<u>5,079</u>	<u>5,079</u>
<i>Allotted, called up and fully paid:</i>		
634,870 (2022: 634,870) Ordinary shares at €1 each	<u>635</u>	<u>635</u>

18 Investment contract technical provisions

	2025	2024
	€'000	€'000
At start of year	6,984,383	6,831,846
Premiums received	1,451,253	1,290,774
Claims paid	(1,634,092)	(1,650,644)
Investment gains & losses	364,207	615,366
Management charges, Margins, fund income & expenses	(114,100)	(114,772)
Unallocated premium	(9,887)	
	<u>7,041,764</u>	<u>6,972,570</u>
Deferred income	10,160	11,813
At end of year	<u>7,051,924</u>	<u>6,984,383</u>

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Notes to the financial statements

For the year ended 31 December 2025

19 Creditors arising out of direct insurance operations

	2025	2024
	€'000	€'000
Amounts falling due within one year:		
Creditors arising out of direct insurance operations	<u>75,576</u>	<u>90,116</u>

20 Other creditors including tax and social welfare

	2025	2024
	€'000	€'000
Amounts falling due within one year:		
Creditors (excluding tax)	54,182	24,699
Taxation	10	153
	<u>54,192</u>	<u>24,852</u>

21 Capital position statement

Effective from 1 January 2016, the Solvency II Directive replaced the Solvency I regulatory solvency requirements. The Company has assessed its overall solvency needs using the Solvency II basis. This covers the preparation of the Solvency II Balance Sheet (which differs from the Local Gaap balance sheet) and the Solvency Capital Requirement (“SCR”)/Minimum Capital Requirement (“MCR”). For the purposes of calculating Solvency II Pillar I capital requirements, the SCR is calculated by using an Internal Model approach in accordance with the requirements set out in Regulation 114 of SI 485 of 2015. At 31 December 2025, the Company’s available capital resources were in excess of the regulatory capital requirements on a Solvency II basis.

The Company maintains a capital structure with a combination of share capital and retained profits, consistent with the Company’s risk profile and the regulatory and market requirements of its business.

The Company is regulated in Ireland by the Central Bank of Ireland and is required to observe the rules for the amount and structure of the solvency capital for the business that it carries on.

The Company carries out regular projections of its capital adequacy and these are reviewed by the Board to ensure that satisfactory levels of cover are maintained. Capital adequacy and solvency cover are reported to the Central Bank of Ireland on a quarterly and annual basis.

No instances of non-compliance with solvency capital requirements were noted in the year-ended 31 December 2025 (2024: None).

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Notes to the financial statements

For the year ended 31 December 2025

22 Risk management policies

The Company is exposed to a range of risks through its financial assets and its financial liabilities and also in relation to the accounting estimates and judgements it needs to make in the preparation of its financial statements and its regulatory returns.

These risks are described below together with the risk management approaches adopted by the Company. Ultimate responsibility for the Company's risk management rests with The Directors, and the Board is supported by the operation of a number of committees that meet on a regular basis to review and monitor the Company's risk exposures. A number of policy statements have been prepared and approved by The Directors which set out parameters and limitations to manage and limit financial risks.

The Company has not substantially changed the approaches adopted to manage its financial risks from the previous accounting year.

The Company's approach to financial risk and capital management is detailed as follows:

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company may be exposed are:

1. amounts due from sovereign debt issuers;
2. amounts due from financial institutions in respect of deposits held
3. amounts due from counterparties to derivative transactions and
4. amounts due from reinsurers in respect of insurance claims paid

The Company reduces the risk of policyholder payment defaults by selling its products through the banking network of the joint venture Company, Banca de Monte dei Paschi di Siena. Initial policyholder premiums are debited directly from the policyholders' bank account at the inception of the policy. Regular premium policyholders are debited on agreed dates.

Reinsurance is used to manage insurance risk on additional rider benefits. If a reinsurer fails to pay a claim the Company is liable for payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength and reputation in the market place prior to any contract being signed. Reinsurance exposure is immaterial for the Company given the level of additional rider benefits written.

Transactions involving derivative financial instruments are backed by collateral agreements which mitigate the credit risk for the Company.

To mitigate the risk with financial institutions, the Company has adopted and complies with the group risk guidelines issued by AXA Group and has a Risk Appetite Statement in place to limit exposure to individual institutions. AXA Group guidelines and AMF's Risk Appetite Statement place limits on the Company's market and credit exposures. In the case of deposits only approved financial institutions are considered and a cap on amounts on deposit is followed.

For unit linked contracts, the Company matches all the liabilities with assets in the portfolio on which the unit prices are based. There is therefore no credit risk for the Company on these contracts.

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Notes to the financial statements

For the year ended 31 December 2025

22 Risk management policies (continued)

Analysis of counterparty risk on assets and exposures

	2025	2024
	€'000	€'000
<i>Counterparty risk assumed by shareholder</i>		
German government bond (shareholder investment)	50	51
Italian government bond (shareholder investment)	19,603	15,072
French government bonds (shareholder investment)	3,187	3,234
Short term loans	500	500
AXA Liquidity Fund	40,686	50,189
Lapse hedge asset	502	1,516
	<u>64,528</u>	<u>70,562</u>
	2025	2024
	€'000	€'000
<i>Other assets where counterparty risk is assumed by the policyholder:</i>		
Investments in unit trusts	6,966,908	6,905,785
Asset and total return swaps	74,856	64,955
	<u>7,041,764</u>	<u>6,970,740</u>

Market risk

Market risk can be described as the risk of changes in the fair value of a financial instrument due to changes in interest rates, equity prices, creditworthiness, foreign exchange rates or other factors. The Company seeks to mitigate this risk by a number of factors as described below. The Company's policies to address these risks are unchanged from the previous year.

The Company's direct exposure to changes in interest rates is limited to changes in the value of the shareholder's investments and interest on deposits.

Interest rate risk

Interest rate risk can be described as the risk that a security's value will change due to a change in interest rates. All interest rate exposure on policyholder investments is borne by policyholders and as such the Company does not have any direct interest rate exposure in relation to these investments, although there is a second order impact on management charges where the value of assets under management changes.

The Company does hold assets which are exposed to interest rate movements and these are dealt with under the subsequent heading "Exposure to interest rate risk".

Foreign currency risk

Foreign currency risk can be described as the risk that the Company may be affected due to an adverse movement in foreign exchange rates. The Company did hold assets during 2025 which were subject to exposure on currency movements. For unit linked contracts the Company matches all the liabilities with assets in the portfolio on which the unit prices are based. There is therefore no foreign currency risk for the Company on these contracts.

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Notes to the financial statements

For the year ended 31 December 2025

22 Risk management policies *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in obtaining funds to meet its commitments including commitments associated with financial instruments. In managing the Company's assets and liabilities, the Company seeks to ensure that cash is at all times available to settle liabilities as they fall due. The Company's treasury position is reviewed on a daily basis and cash balances are maintained to meet due liabilities.

For investment contract redemptions, cash paid out is funded by the redemption of the linked assets supporting the contract liability. The Company may be exposed to certain transactions affecting unit linked transactions such as fund switches. Fund switches typically involve the selling and buying of assets on the same day. If a mismatch occurs, the Company may be liable to fund the purchase of the new assets while awaiting the sales proceeds from the sell transaction to complete. This risk is considered to be minimal and is monitored by management.

If the sales value does not match the minimum sell quantity, the Company is required to take a shareholding in the offering. The risk is minimised by entering into a sell back contract at the original price.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The prices of assets held by the Company are subject to interest rate movements and equity market movements.

Operational risk

Operational risk is the risk of a loss arising from failed or inadequate internal processes or systems, human error or other external factors. The Company manages these risks by identifying and testing key control procedures, and obtaining and reviewing key management information and trend analyses on operational occurrences. Controls include segregation of duties, access controls, authorisation and reconciliation procedures, staff education and internal audit. Material operational issues and failures are brought to the attention of the Board.

Insurance risk

Insurance risk refers to the fluctuation in the timing, frequency and severity of insured events relative to the expectations of the Company at the time of underwriting.

The Company's reinsurance policy is to reinsure additional rider benefits such as critical illness cover and permanent and total disability. The Company has put in place a Board-approved reinsurance strategy which continually monitors the level of mortality risk on the balance sheet. Indicators are set in terms of sum at risk at individual policyholder and at portfolio level.

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Notes to the financial statements

For the year ended 31 December 2025

22 Risk management policies (continued)

Exposure to interest rate risk

The following table provides a duration profile for holdings of interest sensitive investment assets:

At 31 December 2025	6 months or less €'000	6-12 months €'000	1 - 5 years €'000	Over 5 years €'000	Total €'000
Government bonds	8,012	-	14,377	450	22,839
Deposits with credit institutions	47,794	-	-	-	47,794
	55,806	-	14,377	450	70,633

At 31 December 2024	6 months or less €'000	6-12 months €'000	1 - 5 years €'000	Over 5 years €'000	Total €'000
Government bonds	6,498	-	11,351	508	18,357
Deposits with credit institutions	79,464	-	-	-	79,464
	85,962	-	11,351	508	97,821

The effective interest rates at 31 December 2025 were as follows:

	6 months or less	6 - 12 months	1 - 5 years	Over 5 years
Government bonds	2.30%	0.00%	2.50%	2.87%
Deposits with credit institutions	0.96%	-	-	-

The effective interest rates at 31 December 2024 were as follows:

	6 months or less	6 - 12 months	1 - 5 years	Over 5 years
Government bonds	2.25%	0.00%	2.71%	2.90%
Deposits with credit institutions	1.77%	-	-	-

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For the year ended 31 December 2025

22 Risk management policies (continued)

The sensitivity analysis highlights the cash flow impact of a reduction by 1% on interest rate sensitive assets held at 31 December 2025 and 2024. These cash flows contribute directly to the profit before tax result. The principal components are as follows:

Government bonds: There will be no cash flow implications (the coupon is fixed) unless the bonds are disposed of.

Deposits with credit institutions: A reduction in interest rates will reduce the interest receivable on deposit accounts.

1% reduction in interest rates <u>At 31 December 2025</u>	6 months or less €'000	6 - 12 months €'000	1 - 5 years €'000	Over 5 years €'000	Total €'000
Deposits with credit institutions	(48)	-	-	-	(48)
	(48)	-	-	-	(48)

1% reduction in interest rates <u>At 31 December 2024</u>	6 months or less €'000	6 - 12 months €'000	1 - 5 years €'000	Over 5 years €'000	Total €'000
Deposits with credit institutions	(78)	-	-	-	(78)
	(78)	-	-	-	(78)

Derivatives

The Company continues to hold “lapse hedge” derivatives in respect of tranches of the Progetto Protetto product. The purpose of the derivative is to provide a hedge against a reduction in Annual Management Charges which would result as a consequence of higher than expected lapses. For each tranche a projection of all expected cashflows resulting from the expected lapse rate is calculated. This is the initial premium for the purchase of the derivative from our counterparty, BMPS Capital Services, a subsidiary of MPS. The maximum possible loss for the Company (excluding counterparty risk, which is collateralized) is the initial premium. This would be in the case when lapses are zero. Lapses generate positive derivative cashflows for the Company throughout the product life. In scenarios where lapses are zero, or lower than expected, the net loss on the derivative is compensated by higher than expected Annual Management Charges. Conversely, when lapses are higher than expected, there is a net cash inflow from the derivative, compensating the Company for lower than expected Annual Management Charges.

The Company also holds Asset swap derivatives and Total return swaps derivatives in respect of tranches of Rendimento Plus and Valore Dividendo Internal Funds. The Internal Fund enters into an asset swap transaction with BMPS Capital Services, whereby it receives a fixed payment in exchange of the coupons paid by the underlying bond portfolio and in a total return swap transaction to receive the performance of the underlying assets of the swap that will be a corporate bonds' portfolio for Rendimento Plus or equity indices for Valore Dividendo. The financial risk of these transactions is held by the Internal Funds, i.e., policy holders, and these derivatives transactions are fully collateralized by the assets of the Internal Funds

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Notes to the financial statements

For the year ended 31 December 2025

22 Risk management policies (continued)

Derivatives (continued)

All of the Company's derivative positions are collateralised. The Company has acquired the services of AXA Investment Managers Paris ("AXA IMP"), a subsidiary of AXA S.A., through an Investment Management Agreement ("IMA"), to manage all of the collateral requirements of the Company. The IMA allows AXA IMP to act on behalf of the Company in relation to derivative transactions, collateralisation of same and to ensure that the Company meets its obligations as required under the European Market Infrastructure Regulation.

The Company's derivative portfolio at 31 December 2025 is shown below:

	Notional amount '000	Fair value asset €'000	Fair value liability €'000	Fair value net €'000
Lapse hedge swaps (shareholder)	840,440	502	-	502
Total return swaps (policyholder)	2,185,587	92,776	(17,920)	74,856
	3,026,027	93,278	(17,920)	75,358

The Company's derivative portfolio at 31 December 2024 is shown below:

	Notional amount '000	Fair value asset €'000	Fair value liability €'000	Fair value net €'000
Hedge assets backing Progetto Protetto (shareholder)	1,295,576	1,516	-	1,516
Asset and total return swaps (policyholder)	1,041,264	74,400	(9,445)	64,955
	2,336,840	75,916	(9,445)	66,471

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Notes to the financial statements

For the year ended 31 December 2025

22 Risk management policies (continued)

Derivatives (continued)

The table below provides an analysis of the notional amount of derivative instruments held into their relevant maturity groups based on the remaining year.

At 31 December 2025	< 1 year '000	1 - 5 years '000	> 5years '000	Total '000
Hedge assets backing Progetto Protetto (shareholder)	330,869	509,571	-	840,440
Asset and total return swaps (policyholder)	-	2,185,587	-	2,185,587
	330,869	2,695,158	-	3,026,027
At 31 December 2024	< 1 year '000	1 - 5 years '000	> 5years '000	Total '000
Hedge assets backing Progetto Protetto (shareholder)	377,995	917,581	-	1,295,576
Asset and total return swaps (policyholder)	-	958,001	83,262	1,041,263
	377,995	1,875,582	83,262	2,336,840

Exposure to equity market movements:

Any movement in the Company's assets due to equity market movements, to the extent that they are held on behalf of the policyholder, is exactly offset by a movement in corresponding liabilities.

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Notes to the financial statements

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22 Risk management policies (continued)

Fair value hierarchy

The following table shows an analysis of the financial instruments recorded at fair value in accordance with fair value hierarchy. The fair value hierarchy reflects the significance of the inputs used in determining the valuation and are classified as Level 1, Level 2 and Level 3.

The prices for the debt securities and fixed income securities are quoted on active markets and therefore the prices for these assets are obtained independently from the market. These are classed as Level 1 assets.

Level 2 refers to asset inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 refers to assets whose fair value cannot be determined using observable measures, such as market prices or observable models. The Company holds no such assets.

There were no transfers between levels 1 and level 2 during the year-ended 31 December 2025 (31 December 2024: None)

Fair value hierarchy

At 31 December 2025

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
German government bond	50	-	-	50
Italian government bond	19,603	-	-	19,603
French government bonds	3,187	-	-	3,187
Short term loans	500	-	-	500
Lapse hedge	502	-	-	502
AXA Liquidity Fund	40,686	-	-	40,686
Policyholder Investments (note 13)	-	7,041,764	-	7,041,764
	64,528	7,041,764	-	7,106,292

At 31 December 2024

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
German government bond	51	-	-	51
Italian government bond	15,072	-	-	15,072
French government bonds	3,234	-	-	3,234
Short term loans	500	-	-	500
Lapse hedge	1,516	-	-	1,516
AXA Liquidity Fund	50,189	-	-	50,189
Policyholder Investments (note 13)	-	6,970,740	-	6,970,740
	70,562	6,970,740	-	7,041,302

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23 Accounting estimates and judgements

The Company's critical accounting policies and estimates and the application of these policies and estimates are considered by management each reporting year.

Investment contracts

The Company makes estimates of the expected number of deaths for each of the years that it is exposed to risk. These estimates are based on standard industry and national mortality tables, adjusted to reflect the Company's own experience. Appropriate allowance is made for expected improvements in mortality, due to improvements in medical care and social conditions. However, there is considerable uncertainty regarding the impact of epidemics and changes in lifestyle such as smoking, eating and exercise habits, which could result in a deterioration in mortality.

Investment contracts are accounted for as financial instruments under IFRS 9. These are primarily unit linked contracts whose value is contractually linked to the fair value of the financial assets held by the Company. Initial fees earned and incremental costs (mainly commission) paid on sale of an investment contract are deferred and recognised over the expected life of the contract. The expected life of the contract is estimated based on current experience, the term of the contracts and is reviewed at least annually. Changes to the life expectancy could affect the income and costs recognised and the value of the related asset and liability included in the financial statements.

However, given that any changes to the life expectancy will affect both costs and fees, the net impact is unlikely to be significant.

Financial instruments

The Company carries certain financial assets and liabilities at fair value, including derivatives and assets and liabilities of the life assurance operations. Assets and liabilities are priced using a quoted market price where available or by using valuation models. Valuation models use data such as interest rate yield curves, equity prices, options volatilities and currency rates. Most of these parameters are directly observable from the market. Changes in the fair value of financial assets will largely be offset by corresponding changes in the fair value of liabilities and therefore the net impact on equity is unlikely to be significant.

Other technical provisions

In the calculation of other technical provisions it has been necessary to make certain assumptions regarding future experience. The main assumptions relate to expense levels and sales assumptions.

24 Ultimate parent undertaking

The Company is a 100% subsidiary of AXA MPS Assicurazioni Vita S.p.A. which in turn is 50% owned by Banca Monte dei Paschi di Siena S.p.A. and 50% owned by AXA S.A. AXA S.A. has a controlling interest in AXA MPS Assicurazioni Vita S.p.A and is therefore the ultimate parent of the Company. The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is AXA S.A. which is incorporated in France and this Company is considered by The Directors to be the ultimate parent undertaking.

The financial statements of AXA S.A. are available from the Company secretary at 25 Avenue Matignon, 75008, Paris, France.

The financial statements of the Company are available from the Company Secretary at 33 Sir John Rogerson's Quay, Dublin 2, Ireland.

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Notes to the financial statements

For the year ended 31 December 2025

25 Related party transactions

The Company received a number of services from related parties. The Company has an agreements with:

1. AXA Investment Managers Paris for the provision of derivative management services
2. AXA Investment Managers SELECT France for monitoring fees and oversight
3. AXA IM UK Ltd for investment management advice services
4. AXA Assicurazioni SPA for anti money laundering abd risk management services
5. AXA Italia Servizi SC SpA for activities related to information technology function
6. AXA Insurance Limited for the provision of office space in Wolfe Tone House and associated service charges.
7. AXA Univeristy for ongoing employee development
8. AXA SA for the provision of AXA Group protection and incentives
9. Architas Multimanager Europe Limited for the investment management advice
10. Banca Monte dei Paschi di Siena (BMPS) for commissions in respect of new and ongoing business.

The Company has a related party relationship with the entities listed below. Following the sale of AXA Investment Managers Paris, AXA Investments Managers SELECT France, AXA IM UK Ltd and Architas Multimanager Europe Limited to BNP Paribas they are no longer considered related parties as at 1 July 2025. For the period from 2 July 2025 to 31 December 2025, commercial transactions with these former related parties have continued in the ordinary course of business and are not considered related party transactions for disclosure purposes. For all other entities that remain related parties at year-end, the outstanding balances and transactions are disclosed for the full financial period.

	Relationship	Payable at start of year €'000	Expense payable by AXA-MPS €'000	Income receivable by AXA-MPS €'000	Payments /(receipts) €'000	Payable at end of year €'000
For the year-ended 31 December 2025						
AXA IM Paris		(371)	(682)	-	1,053	-
AXA Investment Managers Select France		-	(45)	-	45	-
AXA IM UK Ltd		(261)	(762)	-	1,023	-
AXA Assicurazioni SPA	Group	50	-	132	(100)	82
AXA Italia Servizi sc SpA	Group	(468)	(477)	-	477	(468)
AXA Insurance Limited	Group	(99)	(397)	-	378	(99)
AXA University	Group	-	(1)	-	1	-
AXA SA	Group	-	(285)	-	285	-
Architas Multimanager Europe Limited	Group	20	-	40	(60)	-
Banca Monte dei Pashci di Siena SpA		(11,682)	(65,797)	-	62,368	(15,110)
		(12,811)	(68,446)	172	65,489	(15,595)

	Relationship	Payable at start of year €'000	Expense payable by AXA-MPS €'000	Income receivable by AXA-MPS €'000	Payments /(receipts) €'000	Payable at end of year €'000
For the year-ended 31 December 2024						
AXA IM Paris	Group	(191)	(1,167)	-	987	(371)
Architas Solutions	Group	(8)	(24)	-	32	0
AXA IM London	Group	(132)	(1,586)	-	1,457	(261)
AXA MPS Assicurazioni Vita	Group	50	(0)	133	(133)	50
AXA Italia Servizi	Group	(467)	(468)	-	468	(467)
AXA Insurance	Group	(76)	(402)	-	378	(100)
AXA Group Services WLM	Group	(21)	21	-	-	-
Architas Multimanager	Group	20	-	80	(80)	20
BMPS	JV Partner	(9,770)	(62,569)	-	60,657	(11,682)
		(10,595)	(66,195)	213	63,766	(12,811)

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Notes to the financial statements

For the year ended 31 December 2025

26 Pension commitments

The Company operates a voluntary defined contribution scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Pension costs represent contributions payable by the Company to the fund and amounted to €428,282 (including €17,925 in respect of executive directors) in the year-ended 31 December 2025 (2024: €445,189 (including €35,850 in respect of executive directors)). Pension contributions payable by the Company at 31 December 2025 were €33,699 (2024: €36,400).

27 Employee share ownership

AXA S.A. grant performance shares also known as International Performance Shares (PSi). Performance share aim at rewarding and retaining the best talents by linking them to the performance of the AXA group and of their operational business unit as well as to the performance of the AXA share price in the medium term (3 to 4 years).

Under the 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 and vesting period. The performance's period and measurement is between two and three years. The vesting period is between three and four years.

The cost to the Company in 2025 in respect of performance shares was €229,227 (2024: €317,909).

28 Events after the reporting date

There have been no significant events affecting the Company since the year-end which require amendment to the Financial Statements.

29 Significant business developments or other events

The recent outbreak of conflict in the Middle East has had a noticeable impact on financial markets, resulting in volatile conditions such as falling world equity prices and heightened concerns about future inflation and interest rates. As the situation continues to develop, management has assessed that this uncertainty may also affect energy markets, insurance costs, inflationary pressures, and broader financial conditions. At the time of approving these financial statements, the financial consequences of these events cannot be reliably measured.

30 Approval of financial statements

The Directors approved the financial statements on 1st April 2026.