Activity Report

December 31 , 2019

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

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward looking statements. Please refer to Part 4 - "Risk Factors and Risk Management" of AXA's 2019 Universal Registration Document, for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

In addition, this report refers to certain non-GAAP financial measures, or alternative performance measures ("**APMs**"), used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's Consolidated Financial Statements and related notes prepared in accordance with IFRS. A reconciliation from APMs Adjusted Earnings, Underlying Earnings and Underlying Combined Ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 22 to 23 of this report. APMs Adjusted Return on Equity and Underlying Earnings per share are reconciled to the financial statements in the table set forth on page 31 of this report. The calculation methodology of the Debt Gearing is set out on page 25 of this report. The above-mentioned and other non-GAAP financial measures used in this report are defined in the Glossary set forth on pages 66 to 73 of this report.

The results of our US segment are presented herein on the basis of IFRS and are not, and should not be relied upon as representing, the US GAAP results of Equitable Holdings, Inc. ("**EQH**") (including AllianceBernstein), which, as a US public company, reports in US GAAP in accordance with the rules of the US Securities and Exchange Commission ("**SEC**"). For further information on EQH's financial results and other public reports please consult the SEC website (www.sec.gov).

Market Environment

Financial Market Conditions

In 2019, trade tensions between the United States and China, combined with weak activity indicators worldwide, led Central Banks to send a strong accommodative signal by both loosening their monetary policies and cutting interest rates. Interest rates quickly spiralled downwards to new historically low levels in the summer, with 10-year Government yields turning negative in several large countries. The combined effect of accommodative Central Banks policies and the temporary relief on trade tensions propelled equity markets to new all-time highs, while Government bond yields bounced back during the second half of the year.

In Europe, the stark dependency of some countries to international trade continued to weigh on economic activity and resulted in a weak manufacturing output across the Eurozone. The European Central Bank (ECB) eased its monetary policy in the third quarter in reaction to a weakening growth outlook, thus sending bond yields to historically low levels in the summer, followed by a slight recovery at the end of the year. After depreciating sharply against the US Dollar until the end of September, the Euro reversed most of its losses in the fourth quarter of 2019, thus limiting its depreciation to 2% over the year.

France fared better than the remainder of the Eurozone, posting a GDP growth of 1.3% in 2019 as its relatively domestic-oriented economy showed a stronger resilience to global trade threats. In the third quarter, international tensions cast a shadow on future economic growth, thus resulting in volatile equity indexes. As some of the concerns vanished in the fourth quarter, French equity markets posted solid gains with the CAC 40 posting a 26% gain over the year, its best annual performance since 1999. Following accommodative announcements made by the ECB, the French government 10-year bond yield reached a historically low level of -0.45% in August, before recovering to 0.12% at year-end.

In the United Kingdom, Brexit-related uncertainties mounted as successive Prime Ministers first postponed the withdrawal from the European Union initially expected on March 31, 2019 then threatened of a hard 'no-deal' Brexit on October 31, 2019 and finally called for a General Election in December. British voters elected a large Conservative majority that set a clearer path to leaving the European Union in 2020, though areas of uncertainty remain. As a result, the United Kingdom equity markets significantly underperformed both European and American markets, with the FTSE 100 rising by 12% over the year. In parallel, the Sterling rallied over the period, up 4% *vs.* the US Dollar and 6% *vs.* the Euro.

In the United States, GDP growth came in at 2.1% and unemployment reached its lowest level in decades. However, concerns emerged around the prospects of a trade-war with China which weighed on the economy. As a result, the Federal Reserve quickly reacted by accommodating its monetary policy, successively cutting three times its rate by increments of 0.25% from 2.5% to 1.75% by the end of October. Despite uncertainties on the international stage, the robust health of the domestic economy led to equity markets posting sharp gains in 2019, with the S&P 500 index rising by 29% reaching new all-time highs.

In Asia, growth suffered from both mounting trade tensions and weakening foreign demand in a context of slowing global economic growth. Japan posted stronger-than-expected GDP growth in the first quarter of 2019 (+0.6%), benefiting mostly from government support, but gains reversed in the second part of the year as the economy took a toll from both the increase of the consumption tax and the damages from typhoon Hagibis, bringing annual GDP growth to 0.5%. In China, growth finally stabilized following a period of deceleration. Recent activity was supported by both monetary and fiscal measures but remained vulnerable to a slowdown in manufacturing activity and trade tensions. Asian stocks rose sharply in the first semester, recovering from the strong decline of the last quarter of 2018, and rose further throughout the rest of the year. As observed in other financial markets around the world, monetary policies were overall eased across Asian emerging markets.

Stock Markets

The MSCI World Index increased by 24.9%. The MSCI G7 index increased by 25.6% and the MSCI Emerging index increased by 15.1%.

The Dow Jones Industrial Average index increased by 22.3% and the S&P 500 index increased by 28.9%. Equity markets in Europe and Japan posted gains in 2019: the EUROSTOXX 50 index in the Eurozone increased by 24.8%, the Nikkei index in Tokyo increased by 18.2%, and the FTSE 100 index in London increased by 12.1%.

The S&P 500 implied volatility index (VIX) decreased from 25.4% on December 31, 2018, to 13.8% on December 31, 2019.

Bond Markets

Government bond yields decreased since December 31, 2018, in mature economies, with the lowest point reached around September 2019, and slightly increased in the last quarter of the year in most markets: the 10-year US T-bond yield decreased by 77 bps to 1.92%, its lowest point being reached in September at 1.43%, the 10-year German Bund yield decreased by 43 bps to -0.19%, its all-time minimum being reached in September at -0.74%, the French 10-year government bond yield decreased by 59 bps to 0.12%, after reaching its all-time lowest point at -0.45% in August, the 10-year Belgium government bond yield decreased by 67 bps to 0.1%, with reaching its all-time lowest point at -0.4% in August, the UK 10-year government bond yield decreased by 44 bps to 0.83%, the 10-year Swiss government bond yield decreased by 30 bps to -0.47%, and the 10-year Japan government bond yield decreased by 2 bps to -0.02%.

In the Eurozone peripheral countries, the 10-year government bond yields decreased as well: -293 bps to 1.46% in Greece, -135 bps to 1.43% in Italy, -128 bps to 0.45% in Portugal, -95 bps to 0.47% in Spain, and -79 bps to 0.12% in Ireland.

In Europe, the iTraxx Main spreads decreased by 44 bps to 44 bps compared to December 31, 2018, and the iTraxx Crossover decreased by 147 bps to 206 bps. In the United States, the CDX Main spread Index decreased by 43 bps to 45 bps.

The Euro interest rates implied volatility index (based on 10x10 Euro swaptions) increased from 46.5% as of December 31, 2018, to 133.9% as of December 31, 2019.

Exchange Rates

	End of Period Exchange rate		Average Exchange rate	
	December 31, 2019 (for €1)	December 31, 2018 (for €1)	December 31, 2019 (for €1)	December 31, 2018 (for €1)
US Dollar	1.12	1.14	1.12	1.18
Japanese Yen	122	125	122	130
British Sterling Pound	0.85	0.90	0.88	0.88
Swiss Franc	1.09	1.13	1.11	1.16

MARKET CONDITIONS

Insurance activities

CURRENT ENGINES

In 2019, the **French Savings** insurance market grew by 4% to reach €145 billion premiums, of which Unit-Linked contracts represented 27%. However, Unit-Linked volumes decreased, as policyholders continued to favor investments into G/A products. In a context of low rate environment, insurers face both persistent reinvestment yield and capital strain headwinds. Insurance companies have taken actions to mitigate the impact, notably by adjusting policyholder bonus, thus resulting in an all-time low average return on G/A contracts (-0.40 point from 2018 at approximately 1.40% for 2019), or through incentivizing policyholders to invest into other types of funds. In 2019, the "Loi Pacte" (Action Plan for Business Growth and Transformation) has been enacted with a dual objective to simplify and bring more flexibility to pension savings, notably through the introduction of a single Pension Savings Products (PER). The law also enhances the features of "Eurocroissance" funds, which will help insurance companies to boost sales of capital-light products while granting policyholders both a capital guarantee at maturity and a higher yield.

The **French Protection & complementary Health** insurance market grew by 5% to reach €25 billion in 2019. Following the implementation of substantial regulatory reforms over the past few years, the French government has enacted a 100% Health regulation ("100% Santé"), which will provide free eye care, dentures and hearing aids without co-payment. Following the standardization of contracts as a consequence of the introduction of the "Accord National Interprofessionnel" law, insurance companies are now developing new and differentiated ad-hoc services, such as telemedicine, prevention or processes digitalization.

The **French Property & Casualty** insurance market continued to grow steadily in 2019. 2019 was marked by a series of natural events, especially in the fourth quarter of 2019 notably with floods recorded in the south of France. Excluding natural events, 2019 did not see the emergence of new loss trends, although frequency remained at significant levels, thus leading to selective underwriting actions and tariff increases in most lines of business, especially in Motor and Casualty.

In **Europe**, political climate and trade tensions resulted in a slow economic environment, constraining Property & Casualty turnover growth. Profitability was impacted by severe natural events such as the storm Eberhard, striking the United Kingdom, Germany and Belgium, as well as Dana floods in Spain. In a context of competitive markets, European insurance players continued to undertake differentiating actions including customer satisfaction initiatives and underwriting discipline measures, in particular in the Motor market. In the United Kingdom, the "Ogden" discount rate for personal injury lump sum was raised below industry expectations, resulting in profit pressure and causing Motor insurance prices to increase. In Life & Savings, the drop in interest rates pulled down sales and deteriorated profitability in G/A Savings, expediting the industry shift to Unit-Linked products. As governments are playing a less important role in providing pensions and health services, insurers are seizing the opportunity to expand their offerings in a context of ageing population and rising customer expectations.

In **Japan**, after the slight recovery observed in 2018, the Life & Savings insurance market was negatively impacted by the tax rule revision in February 2019 on tax-efficient Savings products, affecting notably the SME market in all lines of business (including the Health market), and by lower sales of foreign-denominated Savings products in a low interest rates environment. The Property & Casualty insurance market grew by 3.6% and remained dominated by Motor business thanks to the expansion of the scope of coverage offers despite low prices.

In **Hong Kong**, the Life & Savings insurance market continued to grow, boosted by the launch of tax incentives on annuity products. The Property & Casualty insurance market recorded the highest year-over-year increase in the past six years driven by the hardening of coverage and pricing conditions following the recent large losses incurred from typhoons and social unrest. The Health insurance market continued to grow, benefiting from the launch of tax-deductible voluntary health insurance certified plans.

In **the United States**, the severity of claims incurred by Commercial insurance companies worldwide over the past few years led in 2019 to an acceleration of the price-firming cycle, with several lines of business experiencing double digits price increases.

The United States Property sector saw carriers take measures in 2019 to restore profitability in a sector that has been, over the past years, impacted by significant natural events and man-made large losses. Property Insurance leaders have therefore continued to increase pricing while also adjusting coverage and deploying capacity selectively.

The United States Casualty sector saw a higher severity of claims driven by social inflation over the past year, first in Commercial through bodily injury then in other US Casualty lines of business. The "Directors & Officers" sector continues to become more complex with increased regulation and emerging technologies. Third party litigation funding and higher settlement expectations continue to attract litigation in the form of securities class actions.

HIGH POTENTIALS

In **Asia High Potentials**, the insurance market remained challenged by economic and industry environments. In China, Life & Savings premiums grew moderately following insurers' decision to increase the focus on regular Protection products. The Property & Casualty market experienced another year of double-digit growth mainly supported by Non-Motor business. In Thailand, the Life & Savings market grew strongly, driven by higher sales of G/A Savings and Unit-Linked products, while the Health market and the Motor Property & Casualty market continued to grow. In Indonesia, the Life & Savings market increased moderately thanks to good agency performance. In the Philippines, the Life & Savings market experienced a decrease reflecting unfavorable financial markets.

In **International markets**, the Property & Casualty business continued to grow in Mexico, with positive trend in Non-Motor. The Health and the Life & Savings insurance businesses both experienced a strong growth in Mexico and Brazil.

RANKINGS AND MARKET SHARES

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

		Property & Casualty		Life & Savings		
		Ranking	Market share (%)	Ranking	Market share (%)	Sources
Current Engines	France	2	13.2	3	8.8	FFA as of December 31, 2019.
	Switzerland	1	13.0	4	10.0	SIA (Swiss Insurance Association) Market share based on statutory premiums and market estimations by the SIA as of January 30, 2020.
	Germany	5	4.9	8	4.3	GDV (German association of Insurance companies) as of December 31, 2018.
	Belgium	1	19.6	6	7.7	Assuralia (Belgium Professional Union of Insurance companies) based on gross written premium as of September 30, 2019.
	United Kingdom	2	8.1	n/a	n/a	UK General Insurance: Competitor Analytics 2019, Global Data, as of December 31, 2019.
	Ireland	1	27.1	n/a	n/a	Insurance Ireland P&C Statistics 2018 as of December 31, 2018.
	Spain	5	6.2	11	2.7	Spanish Association of Insurance Companies. ICEA as of December 31, 2019.
	Italy	5	5.7	6	4.3	Associazione Nazionale Imprese Assicuratrici (ANIA) as of December 31, 2018.
	Japan	n/a	n/a	13	2.9	Disclosed financial reports (excluding Kampo Life) for the 12 months ended September 30, 2019.
	Hong Kong	1	7.7	7	4.9	Insurance Authority statistics based on gross written premiums as of September 30, 2019.
	XL (Lloyd´s)	1	7.1	n/a	n/a	Lloyd's Annual report 2018 as of December 31, 2018.
	XL Reinsurance	9	2.6	n/a	n/a	AM Best 2018 as of December 31, 2018.
High Potentials	Thailand	28	1.1	4	9.4	TLAA (Thai Life Assurance Association) statistics report as of November 30, 2019, and TGIA (Thai General Insurance Association) as of December 31, 2019.
	Indonesia	n/a	n/a	4	6.6	AAJI Statistic measured on Weighted New Business Premium as of September 30, 2019.
	Philippines	n/a	n/a	5	11.1	Insurance Commission measured on total premium income as of September 30, 2019.
	China	18	0.5	11	1.8	CBIRC (China Banking and Insurance Regulatory Commission) as of December 31, 2019.
	Mexico	4	8.2	10	2.1	AMIS (Asociacion Mexicana de Instituciones de Seguros) as of September 30, 2019.
	Brazil	9	3.1	n/a	n/a	SUSEP (Superintendência de Seguros Privados) as of October 31, 2019.

Asset Management

Asset managers benefitted from favorable market conditions in 2019 as both low interest rates and strong equity markets increased assets under management, thus driving both management and performance fees up across the industry. However, the year was split into two distinct periods as the first half of the year saw investors retreat from volatile markets into safe havens, while accommodative monetary policies combined with equity markets at an all-time high saw investors return into riskier asset classes in the second half of the year.

2019 also saw management fee bps remain under pressure across the industry with high competitive pressure amongst players, combined with the continued shift from active to passive investing that resulted in further compression of the fees charged to clients in liquid asset classes.

As a result, both institutional investors and asset managers continued to work together to explore alternative investments forms including structured products, real estate etc, mainly in the hunt for yields in a depressed economic environment. However, appetite remains somehow restrained by capital constraints on investors sides as well as by the stringent regulatory environment on the asset managers side.

Separately, asset managers continued to mirror the evolution of societal trends notably by widening and expanding their Environmental, Social and Governance (ESG) investments offers, or by re-assessing their offer in certain asset classes and industries (including firearms, coal, tobacco, fossil fuels, etc.).

Operating Highlights

Governance

RE-APPOINTMENT OF MR. JEAN-PIERRE CLAMADIEU AS DIRECTOR, AND RATIFICATION OF THE COOPTATION OF MRS. ELAINE SARSYNSKI AS DIRECTOR

On April 24, 2019, AXA's Shareholders' Meeting approved the reappointment of Mr. Jean-Pierre Clamadieu as director for a four-year term. The Board of Directors held following the Shareholders' Meeting confirmed his appointment as Chairman of the Compensation & Governance Committee and Senior Independent Director. AXA's Shareholders' Meeting also ratified the cooptation of Mrs. Elaine Sarsynski as director for the remainder of her predecessor's term of office, *i.e.* until the close of the Shareholders' Meeting called in 2021 to approve the financial statements of the preceding fiscal year.

ÉTIENNE BOUAS-LAURENT WAS APPOINTED GROUP CFO STARTING FROM JANUARY 1, 2020. ÉTIENNE BOUAS-LAURENT, KARIMA SILVENT AND GEORGES DESVAUX JOINED AXA'S MANAGEMENT COMMITTEE

On June 20, 2019, AXA announced that Étienne Bouas-Laurent, previously CEO of AXA Hong Kong, would become Deputy Chief Financial Officer and a Member of AXA's Management Committee as of September 1, 2019, and would replace Gérald Harlin as Group Chief Financial Officer as of January 1, 2020. Étienne joined the Group in 1997 and has held several financial and operational roles throughout his career at AXA.

Alban de Mailly Nesle, Chief Risk Officer, Head of Insurance Office, and a Member of the Management Committee, became Chief Risk and Investment Officer, taking the additional responsibility of overseeing the Group Investment Department, in addition to Group Risk Management and Ceded Reinsurance.

Georges Desvaux, previously Senior Partner at McKinsey & Company, was appointed Chief Strategy and Business Development Officer of AXA and joined AXA's Management Committee as of September 1, 2019.

Karima Silvent, Chief Human Resources Officer, joined AXA's Management Committee as of September 1, 2019.

AXA ANNOUNCED CHANGES IN AXA IM'S LEADERSHIP TO PREPARE A NEW PHASE OF ITS DEVELOPMENT

On October 14, 2019, AXA announced that Gérald Harlin, Group Deputy CEO and Group CFO, was appointed Executive Chairman of AXA IM, effective on December 1, 2019, to implement the next phase of AXA IM's strategy with the aim of accelerating the company's development. Gérald continues to report to Thomas Buberl, CEO of AXA, in this role.

Andrea Rossi, who led AXA IM since 2013, decided to step down from his role as CEO and became a strategic advisor to Gérald Harlin on December 1, 2019. All members of the AXA IM Management Board have been reporting to Gérald Harlin from then on. Christof Kutscher, who has been Chairman of AXA IM's Board of Directors since 2014, stepped down from his role. Gérald Harlin assumes the role of Chairman of the Board since October 14, 2019.

Gérald Harlin remains Group Deputy CEO following the transition of his Group CFO responsibilities to Étienne Bouas-Laurent at year-end 2019.

MATTHIEU BÉBÉAR AND GUILLAUME BORIE TOOK NEW POSITIONS. BENOÎT CLAVERANNE ASSUMED OVERSIGHT OF AXA NEXT

On November 15, 2019, AXA announced that Matthieu Bébéar, previously Deputy CEO of AXA France and CEO of AXA Particuliers & IARD Entreprises, was appointed Chief Business Officer of AXA International & New Markets and Strategic Development Officer for Latin America. He reports to Benoît Claveranne, CEO of AXA International & New Markets and a member of the AXA Group Management Committee.

Guillaume Borie, previously Group Chief Innovation Officer and CEO of AXA Next, became Deputy CEO of AXA France and CEO of AXA Particuliers & IARD Entreprises. He reports to Jacques de Peretti, Chairman and CEO of AXA France and a member of the AXA Group Management Committee.

At the AXA Group Management Committee level, Benoît Claveranne, in addition to his current role, now assumes oversight of our innovation ecosystem and pursues the development of new business models in healthcare across the Group. As a result, the CEO of AXA Next now reports to him.

These appointments were effective on January 1, 2020.

DELPHINE MAISONNEUVE WAS APPOINTED CEO OF AXA NEXT AND GROUP CHIEF INNOVATION OFFICER

On December 4, 2019, AXA announced that Delphine Maisonneuve, previously CEO of AXA Brazil, was appointed CEO of AXA Next and Group Chief Innovation Officer, effective January 1, 2020.

She reports to Benoît Claveranne, CEO of AXA International & New Markets and a member of the AXA Group Management Committee, and replaces Guillaume Borie who was appointed Deputy CEO of AXA France and CEO of AXA Particuliers & IARD Entreprises.

In her new position, Delphine Maisonneuve will further pursue the endeavors of AXA to design, pilot and implement innovative insurance and service proposals across the Group to serve the Payer to Partner strategy. She will also build on and leverage the innovation ecosystem across the Group in close cooperation with the business.

SCOTT GUNTER WAS APPOINTED CEO OF AXA XL

On February 20, 2020, AXA announced the appointment of Scott Gunter, previously Senior Vice President of Chubb Group and President of Chubb's North America Commercial Insurance division, as CEO of AXA XL. He replaced Greg Hendrick and joined AXA's Management Committee, reporting to Thomas Buberl, CEO of AXA.

These changes were effective immediately, subject to any required regulatory approval.

Significant Acquisitions

AXA HAS COMPLETED THE ACQUISITION OF THE REMAINING 50% STAKE IN AXA TIANPING

On December 13, 2019, AXA announced that it has completed the acquisition of the remaining 50% stake [(1)] in AXA Tianping Property & Casualty Insurance Company Ltd. ("AXA Tianping") from its domestic shareholders [(2)], becoming the largest 100% foreign-owned P&C insurer in the Chinese market.

Total cash consideration for the acquisition of the 50% stake amounted to RMB 4.6 billion [(3)] (or €590 million [(4)]).

The completion of the transaction follows the fulfilment of customary closing conditions, including the receipt of regulatory approvals.

AXA Tianping has been fully consolidated in AXA Group's financial statements as at December 31, 2019.

[(1)] AXA acquired the initial 50% stake in AXA Tianping in February 2014.
[(2)] Ningbo Yi Ke Joint Venture Co., Ltd., Ningbo Hua Ge Industrial Investment Co., Ltd., Tian Mao Industrial Group Joint Stock Corporation, Ningbo Lu Da Sheng Technology Co., Ltd., Ningbo Rixingkang Biology Engineering Co., Ltd.
[(3)] This includes an immediate cash consideration of RMB 3.5 billion, and a payment of RMB 1.1 billion deferred by 12 months from completion. The deferred payment replaces the capital reduction of AXA Tianping (RMB 1.5 billion) communicated at the time of the signing of the transaction.
[(4)] EUR 1 = RMB 7.8009 as of December 12, 2019 (Source: Bloomberg).

Significant Disposals

AXA COMPLETED THE SALE OF ITS UKRAINIAN OPERATIONS

On February 14, 2019, AXA announced that it had completed the sale of both its non-life entity (AXA Insurance [(1)]) and life entity (AXA Insurance Life) in Ukraine to Fairfax Financial Holdings Limited [(2)].

TERMINATION OF THE SALE AGREEMENT RELATED TO AXA MBASK INSURANCE COMPANY IN AZERBAIJAN

On April 4, 2019, AXA announced that the agreement with Mr. Elkhan Garibli to sell AXA's non-life entity in Azerbaijan (AXA MBask Insurance Company OJSC), announced on February 21, 2018, lapsed.

AXA Mbask Insurance Company ceased underwriting new insurance business and will exclusively administer the in-force portfolio with the purpose of terminating its insurance activities in Azerbaijan as soon as practicable, while preserving the interests of its existing clients in Azerbaijan.

AXA TO SELL AXA BANK BELGIUM, AND ENTER INTO A LONG-TERM INSURANCE DISTRIBUTION PARTNERSHIP WITH CRELAN BANK

On October 25, 2019, AXA announced that it has entered into an agreement to sell its Belgian banking operations, AXA Bank Belgium, to Crelan Bank ("Crelan").

Under the terms of the agreement, AXA will sell 100% of AXA Bank Belgium to Crelan for a total consideration of €620 million, comprised of **(i)** a total cash consideration of €540 million [(3)], and **(ii)** the transfer to AXA Belgium of 100% of Crelan Insurance (valued at €80 million), the insurance company of Crelan, providing protection insurance linked to loans originated by Crelan.

In addition, AXA and Crelan have agreed to enter into a long-term P&C and Protection [(4)] insurance distribution partnership, extending the existing partnership between AXA Bank Belgium and AXA Belgium to the entire Crelan network.

Financial impacts are the following:

- this transaction is expected to result in a positive impact on AXA Group's Solvency II ratio of ca. 4 points;
- it resulted in a one-time negative net income impact [(5)] of approximately €0.6 billion in AXA Group's 2019 Consolidated Financial Statements;
- Underlying Earnings generated by AXA Bank Belgium were €47 million [(6)] in 2018.

In addition, AXA Belgium will take a 9.9% minority equity stake [(7)] in Crelan NV [(8)] and AXA Bank Belgium, investing a total of €90 million, which will be fully financed by the purchase by Crelan, for €90 million, of the contingent convertible bonds previously issued by AXA Bank Belgium to AXA Group.

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(1) AXA Insurance in Ukraine was a joint venture between AXA (50% shareholding) and Ukrsibbank.
(2) Through its subsidiary FFHL Group Ltd.
(3) Subject to price adjustment at closing.
(4) Insurance linked to mortgages, consumer and professional loans.
(5) The net income impact is based on the cash consideration and the value of Crelan Insurance only and does not take into account any value for the insurance distribution partnership with AXA Bank Belgium, and its extension to Crelan.
(6) Excluding favorable non-recurring impacts of €36 million.
(7) Crelan has a call option to purchase the Crelan NV and AXA Bank Belgium shares held by AXA.
(8) Crelan NV is Crelan's banking subsidiary.

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to be finalized in the second quarter of 2020.

Partnerships and innovation

AXA EXPANDS ITS PAYER-TO-PARTNER STRATEGY IN EMERGING MARKETS THROUGH INNOVATIVE HEALTHCARE DELIVERY SYSTEMS

On July 17, 2019, AXA announced the expansion of its Payer-to-Partner strategy in emerging markets. AXA is creating a digital and physical health care ecosystem by launching its own medical centers, linked directly to its health insurance services. By combining, in one offer, services that are normally delivered by different providers, AXA aims to simplify the healthcare journey of its customers.

AXA's target is to open up to 50 medical clinics which would serve as many as 1.5 million clients across emerging markets by 2023, starting with Mexico in Latin America and Egypt in Africa, to be followed by other key emerging markets.

These centers will provide access to advanced diagnostics, laboratory equipment and medical consultations in key specialties, thereby bringing to its customers an affordable, high-quality and seamless patient experience, in markets where access to economical and quality care still remains a challenge for many individuals and families.

In Mexico, AXA announced the launch of a joint venture with Keralty, to develop a vertically integrated health system incorporating quality day-to-day healthcare delivery. Keralty is the leading health insurer and services provider in Colombia, with significant presence in the United States and Brazil. Concurrently in Egypt, AXA will open diagnostic centers and primary care centers, owned 100% by AXA, with the support of World Health Management as its technical partner, with expertise in designing and setting up healthcare facilities.

These initiatives fully embody AXA's strategy to provide healthcare solutions in emerging markets, where the existing health system often results in high non-reimbursable medical care spending for the population.

AXA LAUNCHES A NEW PHASE IN ITS CLIMATE STRATEGY TO ACCELERATE ITS CONTRIBUTION TO A LOW-CARBON AND MORE RESILIENT ECONOMY

On November 27, 2019, AXA announced the launch of a new phase in its climate strategy, which aims to accelerate its contribution to the transition towards a more sustainable and less carbon-intensive economy by 2050, in line with the objectives of the Paris Agreement. This announcement was made during the "AXA Climate Impact Day", an event organized by AXA in collaboration with the United Nations Principles for Sustainable Insurance (UN PSI).

To succeed in this new phase, AXA will use all its levers as a global investor, insurer and cooperation enabler:

- As a global investor

AXA targets to contain the "warming potential" [(1)] of its investments to below 1.5°C by 2050. As part of this objective, the Group will double its green investment objective to reach €24 billion by 2023. AXA will also invest in "transition bonds", an innovative asset class conceptualized by AXA Investment Managers to support companies shifting towards less carbon-intensive business models. This tool notably complements Green Bonds which are designed to finance projects that are already "green".

After full exit from coal companies with coal-based business model, AXA sets a new ambition towards a 0% coal energy world. AXA will therefore reinforce its divestment policy to completely exit the coal industry by 2030 in the OECD and EU countries, then in the rest of the world by 2040. In the shorter term, existing investment thresholds will be strengthened, with a particularly stringent focus on companies developing new coal capacities.

[(1)] *AXA tested the "investment temperature" concept in its 2019 Climate report as an institutional investor's response to the Paris Agreement.*

- As a global insurer

AXA will leverage its climate expertise and innovative technologies to provide new protection services to its customers and society. The Group, through AXA Climate, will notably launch FastCat, a new parametric assistance service, in December. It offers weather alerting solutions and 24/7 real-time assessment through satellite imagery and drones, to support communities and corporations facing natural disasters such as floods, earthquakes, cyclones and wildfires.

AXA's coal underwriting policy will also be strengthened. The Group will notably ban any insurance business (except Employee Benefits) with clients developing new coal projects that exceed 300 MW in capacity, as well as further restrict underwriting services with coal-related businesses.

- As a cooperation enabler

Our conviction has always been that the fight against climate change requires cooperation between all stakeholders to drive collective action.

This is why AXA has decided to join the recently launched "Net Zero Asset Owner Alliance", a coalition of institutional investors committed to transitioning their investments to "net-zero" greenhouse gas emissions by 2050 to align their portfolios with a 1.5°C scenario. AXA will notably contribute to this initiative by sharing its expertise on climate finance methodology tools, which are key to effectively finance the transition to a green economy effectively.

AXA is also joining forces with the C40 network, a coalition of the biggest cities gathering 1 out of 12 inhabitants in the world, to make metropolitan areas more resilient to natural catastrophes. The first AXA-C40 resilient cities report was unveiled today, with recommendations and use cases to drive multi-stakeholder cooperation and mitigate the effects of natural catastrophes on urban networks.

Capital / Debt operations / Other

AXA RATINGS

On April 5, 2019, Moody's Investors Service affirmed the "Aa3" insurance financial strength rating of AXA's principal insurance subsidiaries, changing the outlook from negative to stable.

On July 24, 2019, S&P Global Ratings affirmed the long-term financial strength rating of AXA's core operating subsidiaries at "AA-" with a stable outlook.

On December 10, 2019, Fitch Ratings affirmed the financial strength rating of AXA's core operating subsidiaries at "AA-", changing the outlook from stable to positive.

AXA GROUP UNVEILED ITS NEW GLOBAL BRAND POSITIONING: "KNOW YOU CAN"

On February 1, 2019, AXA unveiled its new tagline, which will be rolled out across all its markets in the next year: "Know you can". This positioning symbolizes AXA's new promise to its customers, that of being the encouraging partner who helps them feel more confident to achieve their goals and go further. This new promise plays an integral role in the deployment of AXA's strategic ambition to transition from payer to partner to its customers.

The new tagline has been deployed with a global campaign featuring one of history's greatest tennis champions Serena Williams. Embodying success and self-belief, this campaign symbolizes AXA's values and ambition. The films with Serena Williams has been at the heart of a comprehensive communications campaign also featuring Liverpool Football Club players [(1)] and AXA's strategic business segments, Health, Protection and Commercial lines insurance, and local market proofs illustrating the Group's commitment to its customers.

[(1)] AXA is the Global Insurance Partner of Liverpool Football Club.

AXA ANNOUNCED THE SUCCESSFUL COMPLETION OF A SECONDARY COMMON STOCK OFFERING OF EQUITABLE HOLDINGS, INC. [1] AND RELATED SHARE BUYBACK

On March 25, 2019, AXA announced that it had successfully completed a secondary public offering of 40,000,000 shares (the "Offering"), at a public offering price of USD 20.50 per share, of its U.S. subsidiary, Equitable Holdings, Inc. ("EQH") and the sale to EQH of 30,000,000 shares (the "Share Buyback") at the per share price paid by the underwriters in the Offering. In addition, the underwriters exercised in full the over-allotment option to purchase an additional 6,000,000 EQH shares.

Net proceeds [2] amounted to USD 1.5 billion or €1.3 billion [3], corresponding to the sale of 76,000,000 EQH shares in the Offering, the full exercise of the over-allotment option granted to the underwriters, and the Share Buyback. Following this sale, AXA's ownership in EQH decreased from 60.1% [4][5] to 48.3% [5].

Following the successful completion of the Offering and the Share Buyback, the retained non-controlling minority stake in EQH was deconsolidated and subsequently accounted for using the equity method.

The Offering and the Share Buyback resulted in a negative net income impact of €-0.6 billion. This impact reflected the difference between the Offering price and the consolidated book value [6] of **(i)** the EQH shares sold in the transaction, and **(ii)** AXA's remaining 48.3% [5] stake in EQH (*i.e.* the loss required to be taken upon deconsolidation).

The transaction contributed to the reduction of AXA's Debt Gearing [7] by 1.0 point [8].

AXA ANNOUNCED THE SUCCESSFUL COMPLETION OF A SECONDARY OFFERING OF EQUITABLE HOLDINGS, INC. [1] COMMON STOCK

On June 7, 2019, AXA announced that it had successfully completed a secondary public offering of a further 40,000,000 shares of EQH's common stock.

Net proceeds [2] to AXA, corresponding to the sale of 40,000,000 EQH shares, amounted to USD 834 million or €739 million [9][10]. Following this sale, AXA's ownership in EQH decreased from 48.3% [5][11] to 40.1% [5][11]. In addition, AXA granted the underwriters a 30-day option to purchase up to an additional 6,000,000 EQH shares.

On July 8, 2019, AXA announced that the underwriters in the secondary offering of shares of common stock (the "Offering") of EQH, completed on June 7, 2019, had fully exercised their option to purchase an additional 6,000,000 shares of EQH's common stock from AXA, subject to the same terms and conditions as the Offering.

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[1] Formerly known as AXA Equitable Holdings, Inc.
[2] Net of underwriting discounts and commissions.
[3] EUR 1 = USD 1.1297 as of March 22, 2019 (Source: Bloomberg).
[4] EQH's issued and outstanding common stock as of March 7, 2019, was comprised of 521,051,204 shares.
[5] Including the shares to be delivered on redemption of the bonds mandatorily exchangeable into EQH shares, issued by AXA in May 2018.
[6] Including the recycling of related currency translation adjustment, and other comprehensive income.
[7] Following the deconsolidation of EQH and its subsequent accounting under the equity method, the Mandatory Exchangeable Bonds ("MEB") issued by AXA in May 2018 were excluded from the Debt Gearing.
Debt Gearing is an alternative performance measure and is defined in the Glossary set forth on pages 66 to 73 of this report.
[8] This reflects the effect of the deconsolidation of EQH but does not reflect the intended use of the proceeds to reduce of AXA's Debt Gearing towards the targeted range of 25%-28% by 2020.
[9] EUR 1 = USD 1.1293 as of June 6, 2019 (Source: Bloomberg).
[10] Not including the proceeds from the exercise of the 30-day over-allotment option granted to the underwriters to purchase 6,000,000 EQH shares.
[11] EQH's issued and outstanding common stock as of May 9, 2019, comprised 491,138,042 shares.

Net proceeds [1] to AXA from the exercise of the underwriters' option amounted to USD 125 million or €112 million [2], corresponding to a net price [1] of USD 20.85 per share. Following the sale of these additional shares, AXA's ownership in EQH decreased from 40.1% [3][4] to 38.9% [3][4].

AXA ANNOUNCED THE SUCCESSFUL COMPLETION OF THE SALE OF ITS REMAINING STAKE IN EQUITABLE HOLDINGS, INC. [5]

On November 13, 2019, AXA announced that it had successfully completed the secondary public offering of 144,000,000 shares of EQH's common stock. The completion of the Offering has resulted in net proceeds [1] to AXA of approximately USD 3.1 billion or approximately €2.9 billion [6], corresponding to a net price [1] of USD 21.80 per share. Subsequently, in December 2019, 3 million shares of EQH's common stock was sold.

SHAREPLAN 2019

On December 2, 2019, AXA announced the results of the AXA Group employee share offering ("Shareplan 2019"), a capital increase reserved to its employees worldwide, which had been launched on August 26, 2019. Approximately 26,000 employees in 40 countries, representing nearly 24% of the eligible employees, subscribed to Shareplan 2019.

The aggregate proceeds from the offering amount to over €375 million, for a total of approximately 18 million newly-issued shares, subscribed at a price of €18.30 for the classic plan and €21.73 for the leveraged plan. The new shares are created with full rights as of January 1, 2019.

Following Shareplan 2019, on December 31, 2019, AXA's employees held 4.28% of the share capital and 6.09% of the voting rights.

The total number of outstanding AXA shares amounted to 2,417,695,123 on December 31, 2019.

SHARE REPURCHASE PROGRAM

In order to meet its obligation to deliver shares and to eliminate the dilutive effect of certain share-based compensation schemes [7] or employee share offerings [8], as of December 31, 2019, AXA had bought back 26,420,747 shares. These shares will be delivered to the beneficiaries of share-based compensation schemes or cancelled, all in accordance with the share repurchase program [9].

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[1] Net of underwriting discounts and commissions.
[2] EUR 1 = USD 1.1219 as of July 5, 2019 (Source: Bloomberg).
[3] EQH's issued and outstanding common stock as of May 9, 2019 comprised 491,138,042 shares.
[4] Including the shares to be delivered on redemption of the bonds mandatorily exchangeable into EQH shares, issued by AXA in May 2018.
[5] Excluding the 44,162,500 shares of common stock of EQH, primarily related to the EQH shares to be delivered on redemption of the AXA S.A. bonds mandatorily exchangeable into EQH shares, maturing in May 2021.
[6] EUR 1 = USD 1.1011 as of November 12, 2019 (Source: Bloomberg).
[7] Stock-options plans and performance shares plans.
[8] Employee share offering "Shareplan 2019".
[9] AXA share repurchase program was authorized by the Shareholder's Meeting of April 24, 2019.

Events subsequent to December 31, 2019

AXA TO SELL ITS OPERATIONS IN CENTRAL AND EASTERN EUROPE [(1)] FOR €1.0 BILLION

On February 7, 2020, AXA announced that it has entered into an agreement with UNIQA Insurance Group AG ("UNIQA") to sell its operations in Poland, Czech Republic and Slovakia.

Under the terms of the agreement, AXA would sell 100% of its Life & Savings, Property & Casualty and Pension businesses in Central and Eastern Europe for a total cash consideration of €1,002 million, representing an implied 12.4x 2019 P/E multiple [(2)].

The completion of the transaction is expected to result in a positive impact on AXA Group's Solvency II ratio of ca. 2 points. No significant net income impact is expected for AXA Group from this transaction.

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to be finalized during the 4th quarter of 2020.

COVID-2019 OUTBREAK

Since December 2019, a significant number of cases of pneumonia associated with the Coronavirus, now called COVID-19 by the World Health Organization ("WHO"), has been reported worldwide. Initially reported in the province of Hubei in the People's Republic of China, it has spread across other countries, resulting in reported infections and deaths in numerous countries, including South Korea, Iran, Italy, France, the United Kingdom and the United States, and new cases and fatalities are reported daily. Furthermore, it is currently not possible to know or to predict the extent to which the current levels of reported cases reflect the actual transmission of the virus within populations, and accordingly the scale of the pandemic may be significantly larger than is presently recorded. The spread of COVID-19 has resulted globally in governmental authorities imposing quarantines and travel restrictions of varying scope; has led to significant disruptions in the global travel and hospitality industries, and in global trade and supply chains more broadly; has resulted in decreased economic activity and lowered estimates for future economic growth; has created severe strains on local, national and supra-national medical and healthcare systems and institutions; and has caused global financial markets to experience significant volatility and the worst downturn since the 2008 financial crisis.

AXA and each of its regulated entities has or is in the process of establishing plans to address how it will manage the effects of the outbreak, and assess disruptions and other risks to its operations. These include the protection of employees, sustaining our services to clients and other stakeholders and ensuring effective processes are in place to communicate and execute such plans.

Although no material claims have been reported at this stage, AXA is closely monitoring the Group's exposure, including **(i)** the operational impact on its business, **(ii)** the consequences of a deterioration in macroeconomic conditions or of a slowdown in the flow of people, goods and services, especially on new business volumes, **(iii)** the extent of insurance coverage impacted, including Life, Health, Protection and Property & Casualty insurance and reinsurance cover (following, for example, increased business interruptions, travel and event cancellations and higher medical costs), and **(iv)** change in asset prices and financial conditions (including interest rates).

Information in this section should be read in conjunction with the paragraph "Pricing and Underwriting-related risks" in Section 4.1 - "Risk Factors" of AXA's 2019 Universal Registration Document.

[(1)] Includes AXA Ubezpieczenia Towarzystwo Ubezpieczeń i Reasekuracji S.A. (P&C business), AXA Życie Towarzystwo Ubezpieczeń S.A. (L&S business) and AXA Powszechne Towarzystwo Emerytalne S.A. (Pension business) in Poland, and AXA pojišťovna a.s. (P&C business), AXA životni pojišťovna a.s (L&S business) and AXA penzijni společnost a.s. (Pension business) in Czech Republic, together with their subsidiaries and branches in Slovakia. AXA XL's and AXA Partners' operations in the three countries are not within the scope of this transaction.

[(2)] Price / 2019 IFRS Net income (including the 2019 IFRS Net income of Czech Republic and Slovakia P&C operations which are not consolidated in AXA Group's financial statements).

Activity and Earnings Indicators

On March 25, 2019, AXA completed a further sell down of its shareholding in EQH, bringing AXA's ownership in Equitable Holdings, Inc. ("EQH"), from 60.1% to 48.3%. The reduction of its voting rights below 50% combined with the reduction of its board membership to a minority share led to the loss of control of AXA over EQH, while continuing to retain a significant influence over EQH. As a result, AXA:

- deconsolidated EQH on March 31, 2019, and recorded a negative net income impact of €-0.6 billion (including the recycling of related other comprehensive income and currency translation reserve) corresponding to the difference between the fair value and the consolidated carrying value of EQH at the date of the deconsolidation;
- from April 1, 2019, to November 13, 2019, accounted for its remaining ownership in EQH using the equity method and reclassified the equity component of the Mandatory Exchangeable Bonds ('MEB') from non-controlling interests to financial liability.

Between November 13, 2019, and December 31, 2019, AXA completed the sale of its remaining stake in EQH, excluding 44,162,500 shares of common stock of EQH, primarily corresponding to the number of EQH shares to be delivered on redemption of the AXA SA bonds mandatorily exchangeable in May 2021. This sale brought AXA's remaining participation below 10%. As a result, AXA deconsolidated its remaining ownership in EQH that was accounted for using equity method, and accounted for its remaining ownership in EQH as an AFS OCI asset, under IAS 39.

As a consequence, in this report, the United States Gross revenues contribution included 3 months of operations, until the date of the deconsolidation (March 31, 2019).

Nevertheless, the United States contribution in 2019 for APE and NBV included operations up to November 13, 2019, on Group share basis, until the loss of the significant influence of AXA over EQH.

Furthermore, the United States Underlying earnings contribution in 2019 included operations up to November 13, 2019, and was fully reported in Income from affiliates and associates. As a result, EQH contribution was excluded from Health and Protection Combined Ratio calculation in 2019.

ACTIVITY INDICATORS

(in Euro million, except percentages)	December 31, 2019	December 31, 2018 restated (a)	December 31, 2019 / December 31, 2018 restated (a) & (b)
Gross revenues (c)	**103,532**	**102,874**	**5.1%**
France	26,182	25,175	3.9%
Europe	34,415	36,508	4.1%
Asia	9,860	8,973	3.8%
AXA XL	18,741	6,287	10.2%
United States	4,297	16,483	4.8%
International	7,078	6,535	6.0%
Transversal & Central Holdings	2,959	2,913	2.0%
APE (d)	**6,029**	**6,631**	**(0.4%)**
NBV Margin (e)	**42.2%**	**39.3%**	**0.7 pt**

(a) Restated: reclassification of German and Japanese activities of AXA Life Europe (previously reported as part of Germany and Japan respectively) into AXA Life Europe (included in Transversal & Central Holdings).
(b) Changes are on comparable basis.
(c) Net of intercompany eliminations.
(d) Annual Premium Equivalent (APE) represents 100% of new regular premiums plus 10% of single premiums, in line with EEV methodology. APE is Group share.
(e) New Business Value (NBV) Margin is the ratio of (i) New Business Value representing the value of newly issued contracts during the current year to (ii) APE.

Consolidated Gross revenues amounted to €103,532 million as of December 31, 2019, up 0.6% on a reported basis and up 5.1% on a comparable basis compared to December 31, 2018.

The comparable basis mainly includes the following adjustments: **(i)** the exclusion of United States contribution of the last three quarters of 2018 following the deconsolidation of Equitable Holdings, Inc. (€-12.5 billion or +13.0 points), **(ii)** the exclusion of the Savings portion of 2018 premiums related to the transformed in-force Group Life business in Switzerland (€-3.8 billion or +4.0 points), and **(iii)** the inclusion of XL Group contribution from January 1, 2018 to September 30, 2018 (€+9.9 billion or -10.3 points).

Also, the 2019 comparable basis includes the foreign exchange rate movements mainly due to the depreciation of average Euro exchange rate against major currencies (€-1.9 billion or +1.9 points).

Gross revenues

Gross revenues were up 1% on a reported basis and up 5% on a comparable basis to €103,532 million.

France gross revenues were up 4% (or €+972 million) on a comparable basis to €26,182 million:

- *Life & Savings* (€+655 million or +5%) to €14,325 million mainly driven by **(i)** *Individual Savings* (€+672 million) due to strong sales of G/A capital light products through the bancassurance channel and higher sales of Eurocroissance products through the proprietary channel, as well as by **(ii)** *Protection* (€+198 million) mainly from growth of in-force on both *Individual* and *Group businesses*;
- *Property & Casualty* (€+17 million or 0%) to €7,059 million mainly driven by **(i)** domestic *Commercial lines* (€+111 million) supported by volumes and tariff increases in *Motor*, *Property* and *Construction*, partly offset by **(ii)** continued selectivity in Credit and Lifestyle Protection business (€-83 million);
- *Health* (€+263 million or +6%) to €4,619 million driven by higher volumes in *Group business* (€+233 million) in both international and domestic markets;
- *Other* (€+37 million or +26%) to €179 million driven by *AXA Banque France* mainly due to higher volumes in residential mortgages.

Europe gross revenues were up 4% (or €+1,334 million) on a comparable basis to €34,415 million:

- *Switzerland* (€+53 million or +1%) to €5,992 million mainly from **(i)** *Property & Casualty* (+1%) driven by *Commercial lines* due to higher volumes and tariff increases in *Workers' Compensation*, while **(ii)** *Life & Savings* remained stable;
- *Germany* (€+226 million or +2%) to €10,862 million from **(i)** *Health* (+4%) mainly due to the continued growth in the civil servants segment and tariff increases in full benefit insurance, **(ii)** *Property & Casualty* (+2%) driven by *Commercial Non-Motor* mainly from new business and higher average premium in *Property* and *Liability*, and by *Personal Non-Motor* from tariff increases in Household and Legal Protection, and **(iii)** *Life & Savings* (+1%) mainly due to new business in G/A capital light products, partly offset by *Protection with Savings* and traditional *G/A Savings*, in line with the strategy;
- *Belgium* (€+46 million or +1%) to €3,405 million primarily from *Property & Casualty* (+2%) driven by *Commercial lines* in Mid-Market segments, notably in the Public sector and SMEs, driven by new business and tariff increases as well as by *Personal* Household mainly following tariff increases;
- *The United Kingdom & Ireland* (€+163 million or +3%) to €5,367 million from **(i)** *Property & Casualty* (+4%) in *Personal Motor* reflecting higher new business and tariff increases, in *Commercial Property* mainly due to higher new business, and in *Commercial Motor* driven by tariff increases, as well as from **(ii)** *Health* (+2%) mainly driven by volume growth notably due to a new partnership in international business;
- *Spain* (€+160 million or +6%) to €2,686 million from **(i)** *Property & Casualty* (+5%) driven by a strong growth in *Commercial lines* mainly in *Liability* and *Property* as well as in *Personal Motor* driven by higher volumes, **(ii)** *Life & Savings* (+10%) driven by *Unit-Linked* and *Protection* sales, as well as **(iii)** *Health* (+8%) driven by higher volumes and tariff increases;
- *Italy* (€+686 million or +13%) to €6,104 million from **(i)** *Life & Savings* (+17%) mainly in *G/A Savings* and *Unit-Linked* from the sale of hybrid products and *Protected Unit-Linked*, and **(ii)** *Property & Casualty* (+3%) driven by higher new business and renewals in both *Personal* and *Commercial lines.*

Asia gross revenues were up 4% (or €+339 million) on a comparable basis to €9,860 million mainly from:

- *Japan* (€-24 million or -1%) to €4,850 million from **(i)** *Life & Savings* (-1%) mainly due to the temporary discontinuation of the capital light *Single Premium Whole Life* product as a consequence of the decrease in interest rates and lower sales of tax savings products impacted by a tax rule change, partly offset by

Protection with Unit-Linked due to in-force growth and new business, and **(ii)** *Health* (+1%) from both in-force growth and new business of Medical Whole Life products;

- *Hong Kong* (€+324 million or +10%) to €3,829 million from **(i)** *Life & Savings* (+10%) mainly driven by *Protection with Savings* due to in-force growth in broker and agency channels, as well as higher new business in broker channel, and by *Unit-Linked* due to growth in single premium new business, **(ii)** *Health* (+11%) mainly driven by higher volumes and tariff increases in both *Individual* and *Group businesses*, and **(iii)** *Property & Casualty* (+7%) mainly due to higher volumes in both *Personal* and *Commercial lines* as well as tariff increases in *Commercial lines*;
- *Asia-Direct* (€+41 million or +4%) to €1,018 million from **(i)** *South Korea* (€+30 million or +6%) in *Personal Non-Motor* from higher new business and in *Personal Motor* following the improvement of digital channel, combined with **(ii)** *Japan* (€+11 million or +3%) mainly driven by higher new business in *Personal Motor*.

AXA XL gross revenues were up 10% (or €+1,676 million) on a comparable basis to €18,741 million:

- *Property & Casualty Insurance* (€+1,337 million or +18%) to €9,123 million mainly driven by both volume growth and tariff increases across most lines of business, notably *North America Professional* (€+383 million or +36%);
- *Property & Casualty Specialty* (€+261 million or +6%) to €4,940 million driven by both volume growth and tariff increases across most lines of business, notably in *Political Risks* (€+102 million or +33%), as well as in *Accident & Health* (€+67 million or +24%) and *Fine Art & Specie* (€+66 million or +15%);
- *Property & Casualty Reinsurance* (€+85 million or +2%) to €4,489 million driven by both volume growth and tariff increases in *Specialty and Other* lines (€+161 million or +10%) mainly from *North America Agriculture*, *Lloyds Whole Accounts* and *Credit & Surety*, partly offset by lower premiums in *Property Cat* (€-95 million or -11%) reflecting a reduced Nat Cat exposure.

The United States gross revenues were up 5% (or €+188 million) on a comparable basis to €4,297 million in 1Q19:

- *The United States Life & Savings* (€+231 million or +7%) to €3,643 million in 1Q19 mainly in *Unit-Linked* from higher sales of *non-GMxB Variable Annuity*, partly offset by lower revenues from *GMxB Variable Annuity*;
- *AB* (€-43 million or -6%) to €654 million in 1Q19 mainly from both lower research service and management fees as a result of adverse market conditions in 4Q18.

International gross revenues were up 6% (or €+395 million) on a comparable basis to €7,078 million mainly from:

- *Mexico* (€+123 million or +7%) to €1,925 million from **(i)** *Health* (+16%) driven by the acquisition of new large accounts combined with tariff increases, and **(ii)** *Property & Casualty* (+2%) mainly driven by higher new business notably in *Personal Motor*;
- *The Gulf Region* (€+37 million or +5%) to €851 million mainly from large accounts in *Health* (+16%);
- *Colombia* (€+38 million or +5%) to €701 million mainly from **(i)** *Property & Casualty* (+17%) driven by higher volumes in *Protection* and *Workers' Compensation*, partly offset by **(ii)** *Life & Savings* (-25%) mainly driven by a *G/A Savings* run-off portfolio;
- *Turkey* (€+118 million or +21%) to €616 million primarily from *Property & Casualty* (+18%) driven by tariff increases in *Motor* and higher volumes in *Commercial Property*;
- *Singapore* (€+17 million or +3%) to €615 million primarily from *Life & Savings* (+6%) driven by higher volumes across all lines of business;

- *Poland* (€-8 million or -1%) to €573 million mainly from *Property & Casualty* (-2%) due to lower revenues in *Personal Motor* from softening market trends;
- *Morocco* (€+38 million or +10%) to €425 million notably from *Property & Casualty* (+9%) mainly due to higher new business in *Personal Motor*;
- *Malaysia* (€-23 million or -7%) to €286 million mostly from *Property & Casualty* (-7%) mainly due to lower sales reflecting strong market competition.

Transversal gross revenues were up 2% (or €+59 million) on a comparable basis to €2,959 million mainly from:

- *AXA Assistance* (€+93 million or +7%) to €1,415 million from **(i)** *Property & Casualty* (+5%) driven by higher volumes in both *Non-Motor*, notably in Travel and Consumer Electronics, and *Motor*, as well as **(ii)** *Health* (+25%) mainly driven by higher new business;
- *AXA Investment Managers* (€-27 million or -2%) to €1,225 million mainly driven by lower realized carried interest, performance fees and distribution fees, partly offset by higher transaction fees.

New business Annual Premium Equivalent [(1)]

New business APE was down 9% on a reported basis and remained stable on a comparable basis to €6,029 million driven by *France* and *International*, partly offset by *Europe*, *the United States* and *Asia*.

France (€2,077 million, 34% of total) down €168 million (-7%) on a comparable basis mainly stemming from *Group Health* (€-296 million) due to the non-repeat of exceptional sales in Group International business, partly offset by *Savings* (€+87 million) and *Protection* (€+38 million) mainly reflecting higher sales in Group International business.

Europe (€1,267 million, 21% of total) up €111 million (+10%) on a comparable basis in **(i)** *Italy* (€+53 million) mainly from *G/A Savings* and *Unit-Linked* from the sales of hybrid products as well as from *Protected Unit-Linked*, **(ii)** *Belgium* (€+37 million) mainly driven by two large Group pension contracts in both *Protection with Savings* and *Unit-Linked*, **(iii)** *Germany* (€+26 million) mainly due to higher new business in G/A capital light and *Pure Protection* following the launch of a new disability product as well as in *Health* in civil and private servants segments, and **(iv)** *Spain* (€+15 million) mainly driven by a strong growth in *Unit-Linked*, partly offset by **(v)** *Switzerland* (€-20 million) in the context of the transformation of the in-force *Group Life business*, partly offset by higher new business in *Individual Life*.

Asia (€1,614 million, 27% of total) up €10 million (+1%) on a comparable basis mainly driven by **(i)** *China* (€+68 million) due to strong sales of *G/A Savings* products during the Chinese New Year, and **(ii)** *Hong Kong* (€+4 million) driven by strong sales in *Protection with Savings,* partly offset by lower sales in *G/A Savings* and *Group Health*, partly offset by **(iii)** *Japan* (€-49 million) mainly driven by lower sales of tax savings products impacted by a tax rule change, partly offset by *Protection with Unit-Linked* and *Health*, and **(iv)** *Thailand* (€-11 million) mainly driven by lower sales in *Unit-Linked*.

The United States (€817 million, 14% of total) up €36 million (+5%) on a comparable basis mostly driven by higher sales of *non-GMxB Variable Annuity*, partly offset by lower sales of *GMxB Variable Annuity* and lower advisory sales in *Mutual Funds*.

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

International (€254 million, 4% of total) down €13 million (-5%) on a comparable basis mainly in *Singapore* (€-15 million) from strong market competition.

New Business Value Margin [(1)]

New Business Value Margin stood at 42.2%, increasing by 2.8 points. On a comparable basis, restated mainly for the decrease of AXA's ownership in EQH, New Business Value Margin increased by 0.7 point mainly driven by a favorable product mix towards *Health* and *Protection with Unit-Linked* in *Japan*, as well as an assumption update in *Protection* combined with a favorable business mix in *France*, partly offset by lower interest rates mainly in *France* and *Asia*.

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

UNDERLYING EARNINGS, ADJUSTED EARNINGS AND NET INCOME GROUP SHARE

December 31, 2019

(in Euro million, except percentages)	**December 31, 2019 (a)**	**France**	**Europe**	**Asia**	**AXA XL**	**United States (a)**	**International**	**Transversal & Central Holdings**
Investment margin	4,855	1,682	1,662	44	990		394	84
Fees & revenues	6,063	2,258	1,204	2,182	-		363	55
Net technical margin	17,587	3,100	6,847	901	4,288		1,666	785
Expenses	(19,989)	(4,671)	(6,286)	(1,810)	(4,554)		(1,900)	(767)
Amortization of value of purchased life business in-force	(88)	-	(60)	(26)	-		(3)	-
Underlying earnings before tax from insurance activities	**8,427**	**2,369**	**3,366**	**1,291**	**725**		**520**	**157**
Underlying earnings before tax from other activities	**(818)**	**(1)**	**48**	**(12)**	**(91)**		**58**	**(819)**
Income tax expenses / benefits	(1,748)	(660)	(774)	(256)	(125)		(153)	219
Income from affiliates and associates	766	11	-	188	(2)	444	103	21
Minority interests	(175)	(4)	(96)	(7)	0		(61)	(7)
Underlying earnings Group share	**6,451**	**1,715**	**2,544**	**1,204**	**507**	**444**	**466**	**(429)**
Net capital gains or losses attributable to shareholders net of income tax	393	168	162	14	78	(3)	(9)	(16)
Adjusted earnings Group share	**6,844**	**1,882**	**2,706**	**1,218**	**585**	**441**	**457**	**(445)**
Profit or loss on financial assets (under fair value option) and derivatives	(791)	83	(259)	(20)	(16)	30	12	(621)
Exceptional operations (including discontinued operations)	(1,634)	5	(38)	24	(51)	(145)	(599)	(831)
Goodwill and other related intangible impacts	(114)	-	(37)	(15)	(39)	(0)	(23)	(1)
Integration and restructuring costs	(449)	(30)	(54)	(3)	(307)	(5)	(16)	(35)
NET INCOME GROUP SHARE	**3,857**	**1,940**	**2,318**	**1,204**	**173**	**321**	**(169)**	**(1,932)**
Property & Casualty Combined Ratio	96.4%	90.7%	93.2%	97.0%	101.5%		97.2%	98.5%
Health Combined Ratio	94.1%	98.7%	95.1%	76.7%	-		99.3%	102.8%
Protection Combined Ratio	93.2%	95.3%	94.8%	88.9%	105.4%		99.1%	-

(a) As a consequence of the deconsolidation of Equitable Holdings, Inc. ("EQH") as of March 31, 2019, the United States underlying earnings contribution was reported in income from affiliates and associates for the period January 1, 2019, to November 13, 2019, until its subsequent accounting as financial investment available for sale. As a result, EQH contribution was excluded from Health and Protection Combined Ratio calculation in 2019.

December 31, 2018

(in Euro million, except percentages)	December 31, 2018	France	Europe (a)	Asia (a)	AXA XL	United States	International	Transversal & Central Holdings (a)
Investment margin	4,864	1,604	1,747	40	349	641	410	75
Fees & revenues	8,434	2,105	1,119	2,009	-	2,781	361	58
Net technical margin	12,990	3,034	6,361	791	944	(385)	1,421	824
Expenses	(17,686)	(4,430)	(5,984)	(1,651)	(1,462)	(1,635)	(1,792)	(732)
Amortization of value of purchased life business in-force	(55)	-	(23)	(29)	-	(1)	(3)	-
Underlying earnings before tax from insurance activities	**8,547**	**2,313**	**3,219**	**1,160**	**(168)**	**1,400**	**397**	**225**
Underlying earnings before tax from other activities	**(43)**	**(0)**	**108**	**(3)**	**(10)**	**496**	**39**	**(673)**
Income tax expenses / benefits	(2,004)	(755)	(750)	(219)	(70)	(272)	(92)	154
Income from affiliates and associates	315	20	2	171	(3)	-	104	20
Minority interests	(632)	(5)	(84)	(7)	18	(500)	(47)	(8)
Underlying earnings Group share	**6,182**	**1,573**	**2,496**	**1,102**	**(233)**	**1,125**	**400**	**(282)**
Net capital gains or losses attributable to shareholders net of income tax	307	131	266	(34)	(27)	(11)	(4)	(14)
Adjusted earnings Group share	**6,489**	**1,704**	**2,762**	**1,068**	**(260)**	**1,114**	**396**	**(295)**
Profit or loss on financial assets (under fair value option) and derivatives	(463)	(91)	(134)	(55)	(63)	(82)	39	(77)
Exceptional operations (including discontinued operations)	(451)	40	(376)	4	(29)	16	(17)	(91)
Goodwill and other related intangible impacts	(3,102)	-	(39)	(18)	(10)	(3,006)	(29)	(1)
Integration and restructuring costs	(332)	(19)	(107)	(13)	(67)	(27)	(35)	(64)
NET INCOME GROUP SHARE	**2,140**	**1,635**	**2,106**	**986**	**(428)**	**(1,986)**	**355**	**(527)**
Property & Casualty Combined Ratio	97.0%	92.3%	94.5%	97.1%	108.6%	-	100.6%	89.9%
Health Combined Ratio	94.4%	97.9%	94.8%	78.8%	-	169.6%	99.6%	110.4%
Protection Combined Ratio	95.6%	95.0%	96.7%	86.8%	89.2%	106.2%	98.8%	-

(a) Reclassification of German and Japanese activities of AXA Life Europe (previously reported as part of Germany and Japan respectively) into AXA Life Europe (included in Transversal & Central Holdings).

ALTERNATIVE PERFORMANCE MEASURES

Adjusted Earnings, Underlying Earnings, Adjusted Return on Equity, Underlying Earnings per share, Underlying Combined Ratio and Debt Gearing are Alternative Performance Measures ("APMs") as defined in ESMA's guidelines and the AMF's related position statement issued in 2015. A reconciliation from Adjusted Earnings, Underlying Earnings and Underlying Combined Ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided in the above tables. Adjusted Return on Equity and Underlying Earnings per share are reconciled to the financial statements in the table set forth on page 31 of this report, and Debt Gearing calculation methodology based on the information available in the financial statements is defined on page 25 of this report. For further information on any of the above-mentioned APMs, see the Glossary on pages 66 to 73 of this report.

Adjusted Earnings

Adjusted Earnings represent the net income (Group share) as disclosed in the above tables, before the impact of the following items net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

- integration, amortization and impairments costs related to material newly-acquired companies as well as restructuring and associated costs related to productivity improvement plans;
- goodwill and other related intangibles;
- exceptional operations (primarily changes in scope and discontinued operations); and
- profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets and liabilities.

Underlying Earnings

Underlying Earnings correspond to Adjusted Earnings without the following elements, net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

- realized gains and losses and change in impairment valuation allowance (on assets not designated under fair value option or trading assets); and
- cost at inception, intrinsic value and pay-off of derivatives used for the economic hedging of realized gains and impairments of equity securities backing General Account and shareholders' funds.

Adjusted Return on Equity

The **Adjusted Return on Equity** ("**Adjusted RoE**") is calculated as adjusted earnings net of financial charges related to undated subordinated debt, preferred shares and mandatory exchangeable bonds up to the date of deconsolidation of EQH (recorded through shareholders' equity as disclosed in Part 5.4 - "Consolidated statement of changes in equity" and financial debt as disclosed in Part 5.6 - Note 17 "Financing debt" of the Annual Report) divided by the weighted average shareholders' equity. The weighted average shareholders' equity:

- is based on opening shareholders' equity adjusted for weighted average impacts of capital flows (including dividends);
- without reserves relating to change in fair value of financial investments available for sale as disclosed in Part 5.4 - "Consolidated Statement of Changes in Equity" of the Annual Report;

- without undated subordinated debt as disclosed in Part 5.4 - "Consolidated statement of changes in equity" of the Annual Report.

Underlying Earnings per share

Underlying Earnings per share corresponds to Group Share Underlying Earnings net of financial charges related to undated subordinated debts recorded through shareholders' equity – Group share, and preferred shares and mandatory exchangeable bonds up to the date of deconsolidation of EQH (recorded through shareholders' equity as disclosed in Part 5.4 - "Consolidated Statement of Changes in Equity" and financial debt as disclosed in Part 5.6 - Note 17 "Financing debt" of the Annual Report), divided by the weighted average number of outstanding ordinary shares.

Underlying Combined Ratio (applicable for Property & Casualty, Health and Protection)

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

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

Debt Gearing

Debt Gearing refers to the level of a company's debt related to its equity capital, usually expressed as a percentage. Debt Gearing is used by Management to measure the financial leverage of the Group and the extent to which its operations are funded by creditors as opposed to shareholders. AXA's Debt Gearing is calculated by dividing the gross debt (financing debt as disclosed in Part 5.6 - Note 17 "Financing debt" and undated subordinated debt as disclosed in Note 13 "Shareholders' equity and minority interests" of the Annual Report) by total capital employed (shareholders' equity excluding undated subordinated debt and reserves relating to the change in the fair value of financial instruments and of hedge accounting derivatives plus the gross debt). Furthermore, following the deconsolidation of EQH, mandatory exchangeable bonds issued by AXA in May 2018 were excluded from Debt Gearing.

COMMENTARY ON GROUP EARNINGS

Underlying earnings

Underlying earnings amounted to €6,451 million, up €269 million (+4%) *versus* 2018 on a reported basis. On a constant exchange rate basis, **underlying earnings** increased by €123 million (+2%), broken down as follows:

- €+720 million at *AXA XL* as 2018 underlying earnings (€-233 million) corresponding only to the fourth quarter of 2018 activity compared to a contribution of €507 million for 12 months of operations in 2019;
- €-703 million at *Equitable Holdings, Inc.* mainly corresponding to the progressive dilution of AXA's ownership following the subsequent Secondary Offerings;
- €+106 million increase (+2%) to €5,500 million for the remainder of the Group.

Underlying earnings excluding AXA XL and the United States

Underlying earnings before tax from insurance activities increased by €273 million (+4%) on a constant exchange rate basis to €7,702 million:

- **lower investment margin** (€-18 million or 0%) driven by **(i)** *Europe* (€-95 million) due to lower distribution from investment funds combined with lower reinvestment yields as well as a decrease in the asset base in *Switzerland* following the transformation of the in-force *Group Life business* model to a semi-autonomous model, partly offset by **(ii)** *France* (€+78 million) from lower profit-sharing;
- **higher fees & revenues** (€+260 million or +5%) driven by **(i)** *France* (€+152 million) mainly from higher loadings on premiums in *Protection*, **(ii)** *Europe* (€+71 million) driven by higher loadings on premium in *Germany* (€+15 million) and *Italy* (€+15 million), and higher Unit-Linked management fees (€+28 million) reflecting the growth of the portfolio in *Italy*, and **(iii)** *Asia* (€+43 million) mainly in *Japan* (€+20 million) due to in-force growth in *Protection with Unit-Linked*;
- **higher net technical margin** (€+734 million or +6%) mainly driven by **(i)** *Europe* (€+417 million) from *Property & Casualty* (€+436 million) due to an improved current year loss ratio (-0.5 point) driven by lower attritional losses (-0.7 point) in *Switzerland*, *Germany*, *the United Kingdom & Ireland* and *Italy*, despite higher Nat Cat charges (+0.4 point) mainly in *Italy* and *Switzerland*, combined with more favorable prior year reserve developments (-0.9 point) mainly in *Switzerland* and *the United Kingdom & Ireland*, partly offset by *Life & Savings* (€-42 million) mainly in *Switzerland* (€-43 million) in *Group Life business* due to the non-repeat of a particularly low profit sharing in 2018, **(ii)** *International* (€+227 million) primarily from *Property & Casualty* (€+202 million) driven by *Turkey* (€+62 million) and *Morocco* (€+48 million) mainly due to a positive impact from prior year reserve developments, *Colombia* (€+38 million) due to volume effects and *Brazil* (€+28 million) due to a more favorable claims experience, as well as from *Health* (€+34 million) driven by *Mexico* (€+17 million) due to volume effects, and **(iii)** *France* (€+67 million) mainly from *Property & Casualty* (€+90 million) due to higher favorable prior year reserve developments and lower attritional losses mostly from lower frequency in *Personal lines*;
- **higher expenses** (€-671 million or +5%) primarily in **(i)** *Europe* (€-249 million) mainly from *Germany* (€-150 million) due to the full consolidation of a newly acquired Legal Protection company (Roland Rechtsschutz) starting from October 1, 2018, and higher commissions linked to volume growth in *Life & Savings*, *the United Kingdom & Ireland* (€-54 million) due to higher volumes and *Italy* (€-49 million) in line with volume growth in *Life & Savings*, **(ii)** *France* (€-241 million) in line with volume growth in *Life & Savings*, **(iii)** *International* (€-89 million) in line with volume growth in *Colombia* (€-30 million), *Turkey* (€-28 million) and *Mexico* (€-25 million), and **(iv)** *Transversal & Central Holdings* (€-35 million) mainly at *AXA Assistance* (€-44 million) driven by higher commissions from a change in business mix towards large partnerships, notably in Home;

- **higher VBI amortization** (€-31 million or +57%) driven by *Europe* (€-35 million) mainly from lower interest rates assumptions in *Switzerland* (€-27 million) and *Germany* (€-11 million).

Underlying earnings before tax from other activities decreased by €200 million on a constant exchange rate basis to €-727 million mainly driven by **(i)** *Transversal & Central Holdings* (€-149 million or -22%) mainly at *AXA SA* (€-144 million) due to temporary higher financial charges, notably in the context of the acquisition of *XL Group*, and the change in the accounting methodology of the mandatory exchangeable bonds triggered by the deconsolidation of *Equitable Holdings, Inc.*, and **(ii)** *Europe* (€-60 million) mainly in *Germany Holding* due to the non-repeat of an exceptional distribution from an investment fund and higher pensions costs.

Income tax expenses decreased by €62 million (-4%) on a constant exchange rate basis to €-1,623 million mainly from **(i)** *France* (€+95 million) mainly driven by the non-repeat of negative tax one-offs in 2018, and **(ii)** *AXA SA* (€+37 million) from lower pre-tax underlying earnings, partly offset by **(iii)** the non-repeat of favorable tax one-offs in 2018 in *Asia* and *International*, combined with **(iv)** higher pre-tax underlying earnings in *International*.

Income from affiliates & associates decreased by €6 million (-2%) on a constant exchange rate basis to €323 million mainly driven by *France* (€-9 million) due to the disposal of Natio in 2018.

Minority interests increased by €24 million (+16%) on a constant exchange rate basis to €-176 million driven by **(i)** *International* (€-13 million) from *Colombia* and *the Gulf Region*, as well as **(ii)** *Europe* (€-12 million) mainly from *Italy* (€-10 million) as a result of the increase of *AXA MPS* underlying earnings.

AXA XL Underlying earnings

Underlying earnings before tax from insurance and reinsurance activities were €725 million, mainly driven by a strong net investment income and the emergence of expense synergies related to the integration within AXA. This was partly offset by current year catastrophe losses in excess of the normalized level in 2H19 (€-0.4 billion), notably from Typhoons Hagibis (€-0.2 billion) and Faxai (€-0.1 billion) in Japan and Hurricane Dorian (€-0.1 billion) in the Bahamas and in the United States, as well as elevated levels of large non-catastrophe losses and a higher current year loss ratio primarily in long-tail lines of business reflecting an update in assumptions related to claims inflation.

Underlying earnings before tax from other activities were €-91 million mainly driven by interest expenses on financing debt.

Income tax expenses were €-125 million reflecting positive pre-tax underlying earnings.

Combined Ratios

The Property & Casualty Combined Ratio improved by 0.6 point to 96.4%. On a constant exchange rate basis and excluding the contribution of *AXA XL*, **the Property & Casualty Combined Ratio** improved by 1.1 points to 93.5% driven by more favorable prior year reserve developments (-0.7 point) and an improved current year loss ratio (-0.5 point) mainly from lower attritional losses (-0.6 point) as well as lower large losses (-0.1 point).

AXA XL Property & Casualty Combined Ratio stood at 101.5% due to current year catastrophe losses, higher levels of individual large non-catastrophe losses, and higher current year loss ratio primarily in long-tail lines of business.

The Health Combined Ratio improved by 0.3 point to 94.1%. On a constant exchange rate basis and excluding the contribution of *AXA XL* and *the United States*, **the Health Combined Ratio** increased by 0.1 point mainly driven by *France* and *the United Kingdom*.

The Protection Combined Ratio improved by 2.3 points to 93.2%. On a constant exchange rate basis and excluding the contribution of *the United States*, **the Protection Combined Ratio** improved by 0.7 point mainly from *Switzerland* (-3.3 points) driven by the transformation of the in-force *Group Life business* to a semi-autonomous model.

Adjusted earnings to Net income

Net realized capital gains and losses attributable to shareholders amounted to €393 million. On a constant exchange rate basis, **net realized capital gains and losses attributable to shareholders** increased by €83 million due to:

- €+217 million **lower impairments** to €-227 million mainly driven by equity securities (€+167 million to €-98 million) from the strong equity market performance in 2019 *versus* the late 2018 turmoil, as well as alternative investments (€+61 million to €-53 million) and fixed income assets (€+26 million to €-7 million), partly offset by real estate (€-37 million to €-69 million);
- €-99 million **lower net realized capital gains** to €752 million mainly driven by equity securities (€-390 million to €233 million) mainly from *Germany* (€-130 million) due to the non-repeat of the impact of the derisking strategy from the US market in 2018, partly offset by real estate (€+174 million to €350 million) mainly from an exceptional transaction in *Belgium*, fixed income assets (€+71 million to €79 million), and alternative investments (€+46 million to €90 million);
- €-36 million **unfavorable change in intrinsic value** to €-131 million related to equity hedging derivatives due to the strong equity market performance in 2019 combined with the non-repeat of late 2018 equity market turmoil.

As a result, **adjusted earnings** amounted to €6,844 million, up €355 million (+5%). On a constant exchange rate basis, **adjusted earnings** increased by €206 million (+3%).

Net income amounted to €3,857 million, up €1,716 million (+80%). On a constant exchange rate basis, **net income** increased by €1,610 million (+75%) due to:

- **higher adjusted earnings** (€+206 million);
- **lower impact of goodwill and other related intangibles** up €2,992 million to €-114 million mainly from the non-repeat of *the United States* goodwill impairment of *Equitable Holdings, Inc.* in 2018 (€-3,006 million);
- **a positive change in the fair value of assets accounted for under fair value option**, up €492 million to €169 million, driven by the decrease in interest rates and the strong recovery of the equity market in 2019, combined with lower distribution from funds;

  partly offset by:

- **higher impact from exceptional and discontinued operations** (€-1,162 million) to €-1,634 million mainly due to **(i)** the expected loss on the upcoming disposals of *AXA Bank Belgium* (€-590 million) and *AXA Life Europe* (€-89 million), the negative impact linked to the deconsolidation of *Equitable Holdings, Inc.* (€-590 million), combined with the impairment of the participation in non-consolidated subsidiaries (€-245 million), partly offset by **(ii)** the non-repeat of the transformation of the in-force *Group Life business* model to a semi-autonomous model in *Switzerland* (€+421 million);
- **an unfavorable change in the fair value of derivatives** net of foreign exchange impacts, down €816 million to €-960 million driven by:
  - the change in the fair value of equity, interest rates and credit derivatives not eligible for hedge accounting under IAS 39, down €615 million to €-754 million, mainly driven by equity hedging derivatives (€-525 million) in a context of strong equity market recovery during the year and the

impact of the decrease in interest rates on swaps hedging the financial debt at *AXA SA* (€-129 million),

    - the change in the fair value of foreign exchange derivatives not eligible for hedge accounting under IAS 39 net of foreign exchange rate movements on assets and liabilities denominated in foreign currencies, down €201 million to €-206 million, driven by the appreciation of main currencies against Euro;

- **higher integration and restructuring costs** (€-103 million) to €-449 million mainly due to *XL Group* integration costs (€-227 million), partly offset by the decrease of the costs of voluntary leave and pre-retirement plans in *AXA Investment Managers* (€+36 million), *Belgium* (€+30 million), *Italy* (€+20 million), *Spain* (€+20 million), and the non-repeat of restructuring costs in the context of the IPO of *Equitable Holdings, Inc.* completed in May 2018 in *the United States* (€+23 million).

SHAREHOLDERS' EQUITY GROUP SHARE

As of December 31, 2019, Shareholders' equity Group share totaled €69.9 billion. The movements in Shareholders' equity Group share since December 31, 2018, are presented in the table below:

(in Euro million)	Shareholders' equity Group share
At December 31, 2018	**62,428**
Share Capital	(17)
Capital in excess of nominal value	(227)
Equity-share based compensation	40
Treasury shares sold or bought in open market	286
Change in equity component of compound financial instruments	-
Deeply subordinated debt (including accumulated interests charges)	(447)
Fair value recorded in shareholders' equity	7,656
Impact of currency fluctuations	457
Payment of N-1 dividend	(3,189)
Other	(255)
Net income for the period	3,857
Actuarial gains and losses on pension benefits	(679)
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	(13)
At December 31, 2019	**69,897**

SOLVENCY INFORMATION (1)

As of December 31, 2019, the Group's Eligible Own Funds ("EOF") amounted to €59.4 billion and the Solvency II ratio to 198%, compared to €58.1 billion and 193% as of December 31, 2018.

(in Euro billion)	L&S EOF December 31, 2019	Group EOF December 31, 2019	Group EOF December 31, 2018
Previous Closing	**43.0**	**58.1**	**57.8**
Modeling changes and opening adjustments	(3.7)	(0.7)	(1.7)
Opening	**39.3**	**57.4**	**56.1**
Expected existing business contribution	3.2	4.6	4.4
Value of new premiums	1.8	2.2	2.0
Operating variance and change in assumptions	0.2	0.8	1.9
Operating return	**5.3**	**7.7**	**8.3**
Economic variance	(2.9)	(2.4)	(3.7)
Total return	**2.3**	**5.3**	**4.6**
Exchange rate impact	0.5	1.1	0.8
Dividend to be paid in year N+1	-	(3.5)	(3.2)
Subordinated debts and others (a)	(2.7)	(1.0)	(0.1)
Closing	**39.5**	**59.4**	**58.1**

(a) Including subordinated debts, capital movements, internal dividends paid in 2018 and others.

(1) Prudential information related to solvency, including the Solvency II ratio and the Eligible Own Funds ("EOF") disclosed in the note and the table below, will be detailed in the Group's 2019 SFCR that is expected to be published at a later stage and for which Group's auditors will issue a report.

SHAREHOLDER VALUE

Earnings per share ("EPS")

(in Euro, except ordinary shares in million)	December 31, 2019		December 31, 2018		December 31, 2019 / December 31, 2018	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,383**	**2,389**	**2,383**	**2,389**		
Net income (Euro per ordinary share)	1.51	1.51	0.79	0.79	91.8%	91.9%
Adjusted earnings (Euro per ordinary share)	2.77	2.76	2.61	2.61	5.8%	5.9%
Underlying earnings (Euro per ordinary share)	2.60	2.59	2.48	2.48	4.7%	4.7%

Return On Equity ("ROE")

(in Euro million, except percentages)	December 31, 2019	December 31, 2018	December 31, 2019 / December 31, 2018
ROE	**6.1%**	**3.3%**	**2.7 pts**
Net income	3,857	2,140	
Average shareholders' equity	63,578	64,419	
Adjusted ROE	**16.0%**	**14.4%**	**1.6 pts**
Adjusted earnings (a)	6,591	6,227	
Average shareholders' equity (b)	41,215	43,390	
Underlying ROE	**15.0%**	**13.6%**	**1.4 pts**
Underlying earnings (a)	6,198	5,920	
Average shareholders' equity (b)	41,215	43,390	

(a) Including adjustment to reflect net financial charges related to undated subordinated debt (recorded through shareholders' equity) and preferred shares. Following the deconsolidation of Equitable Holdings Inc. ("EQH"), it includes an adjustment to reflect financial charges for only the first three months of the year 2019 related to the equity component of mandatory exchangeable bonds into shares of EQH.
(b) Excluding fair value of invested assets and derivatives and undated subordinated debt (both recorded through shareholders' equity).

SEGMENT INFORMATION

France

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**26,182**	**25,175**
Life & Savings	14,325	13,542
Property & Casualty	7,059	7,061
Health	4,619	4,356
Other (b)	179	215
New business		
APE	2,077	2,232
NBV Margin	31.5%	29.5%
Underlying earnings before tax	**2,368**	**2,313**
Life & Savings	1,106	1,143
Property & Casualty	1,140	1,022
Health	123	149
Other (c)	(1)	(0)
Income tax expenses / benefits	(660)	(755)
Minority interests	(4)	(5)
Income from affiliates and associates	11	20
Underlying earnings Group share	**1,715**	**1,573**
Net capital gains or losses attributable to shareholders net of income tax	168	131
Adjusted earnings Group share	**1,882**	**1,704**
Profit or loss on financial assets (under fair value option) and derivatives	83	(91)
Exceptional operations (including discontinued operations)	5	40
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(30)	(19)
NET INCOME GROUP SHARE	**1,940**	**1,635**
Property & Casualty Combined Ratio	90.7%	92.3%
Health Combined Ratio	98.7%	97.9%
Protection Combined Ratio	95.3%	95.0%

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

Gross revenues increased by €1,008 million (+4%) to €26,182 million. On a comparable basis, gross revenues increased by €972 million (+4%):

- **Life & Savings** (€+655 million or +5%) to €14,325 million, mainly driven by strong sales of G/A capital light products through the bancassurance channel and higher sales of Eurocroissance products (€+76 million or +61%) through the proprietary channel. *Unit-Linked* gross revenues contributed to 38% [(1)] of total *Individual Savings* compared to 27% [(1)] on average for the market. *Protection* revenues increased by €198 million (+5%) from growth of in-force on both *Individual* and *Group businesses*;

- **Property & Casualty** (€+17 million or 0%) to €7,059 million, mainly driven by *Commercial lines* (€+28 million or +1%) supported by volumes and tariff increases mainly in *Motor*, *Property* and *Construction,* partly offset by continued selectivity in the Credit and Lifestyle Protection business, while *Personal lines* revenues remained in line with previous year (€-11 million or 0%);
- **Health** (€+263 million or +6%) to €4,619 million, driven by higher volumes in *Group business* (€+233 million or +6%) in both international and domestic markets, as well as in *Individual business* (€+30 million or +5%);
- **Other** (€+37 million or +26%) to €179 million at *AXA Banque France*, mainly due to higher volumes in residential mortgages and loans.

APE (€-155 million or -7%) to €2,077 million. On a comparable basis, APE decreased by €168 million (-7%) mainly driven by *Group Health* (€-296 million or -38%) due to the non-repeat of exceptional sales in Group International business in 2018, partly offset by *Savings* (€+87 million or +9%) and *Protection* (€+38 million or +9%) due to higher sales in Group International business.

NBV Margin increased by 2.0 points to 31.5%. On a comparable basis, NBV Margin increased by 2.2 points driven by an assumption update in *Protection* and a favorable business mix, partly offset by lower interest rates and higher expenses.

Underlying earnings before tax increased by €55 million (+2%) to €2,368 million:

- **Property & Casualty** (€+118 million or +12%) to €1,140 million, mainly driven by a higher net technical margin (€+90 million) due to higher prior year reserve developments and lower attritional losses mostly from lower frequency in *Personal lines* as well as lower expenses;
- **Life & Savings** (€-37 million or -3%) to €1,106 million, mainly due to higher commissions and general expenses from business growth, partly offset by an increase in loadings on premiums mainly from *Protection* as well as a higher investment margin from continued discipline on crediting rates;
- **Health** (€-26 million or -17%) to €123 million, mainly driven by less favorable claims experience in Group International business;
- **Other** (€-1 million) to €-1 million.

Income tax expenses decreased by €95 million (-13%) to €-660 million mainly driven by the non-repeat of negative tax one-offs in 2018 (€+61 million), the favorable effect of the upcoming decrease in corporate tax rate as well as higher dividend distributions on investment funds benefiting from lower taxation, partly offset by higher pre-tax underlying earnings.

Underlying earnings increased by €141 million (+9%) to €1,715 million.

Adjusted earnings increased by €178 million (+10%) to €1,882 million driven by higher underlying earnings and higher net realized capital gains.

Net income increased by €306 million (+19%) to €1,940 million driven by higher adjusted earnings and a favorable change in the fair value of both mutual funds and derivatives not eligible to hedge accounting, partly offset by the non-repeat of the gain relating to the discontinuation of the partnership with BNP Paribas (Natio) in 2018.

[(1)] *Including Eurocroissance.*

Europe

(in Euro million, except percentages)	December 31, 2019	December 31, 2018 restated (a)
Gross revenues (b)	**34,415**	**36,508**
Life & Savings	12,268	15,450
Property & Casualty	16,645	15,760
Health	5,477	5,258
Other (c)	25	41
New business		
APE	1,267	1,146
NBV Margin	46.9%	49.6%
Underlying earnings before tax	**3,414**	**3,327**
Life & Savings	1,016	1,077
Property & Casualty	2,054	1,834
Health	297	308
Other (d)	48	108
Income tax expenses / benefits	(774)	(750)
Minority interests	(96)	(84)
Income from affiliates and associates	-	2
Underlying earnings Group share	**2,544**	**2,496**
Net capital gains or losses attributable to shareholders net of income tax	162	266
Adjusted earnings Group share	**2,706**	**2,762**
Profit or loss on financial assets (under fair value option) and derivatives	(259)	(134)
Exceptional operations (including discontinued operations)	(38)	(376)
Goodwill and other related intangible impacts	(37)	(39)
Integration and restructuring costs	(54)	(107)
NET INCOME GROUP SHARE	**2,318**	**2,106**
Property & Casualty Combined Ratio	93.2%	94.5%
Health Combined Ratio	95.1%	94.8%
Protection Combined Ratio	94.8%	96.7%

(a) Restated: reclassification of German activities of AXA Life Europe (previously reported as part of Germany) into AXA Life Europe (included in Transversal & Central Holdings).
(b) Net of intercompany eliminations.
(c) Other corresponds to banking activities.
(d) Other corresponds to banking activities and holding.

EUROPE - SWITZERLAND

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**5,992**	**9,531**
Life & Savings	2,824	6,534
Property & Casualty	3,152	2,992
Health	16	5
New business		
APE	320	340
NBV Margin	46.7%	53.0%
Underlying earnings before tax	**961**	**943**
Life & Savings	285	404
Property & Casualty	693	555
Health	(16)	(16)
Income tax expenses / benefits	(159)	(177)
Minority interests	(4)	(4)
Income from affiliates and associates	-	-
Underlying earnings Group share	**798**	**762**
Net capital gains or losses attributable to shareholders net of income tax	6	81
Adjusted earnings Group share	**803**	**843**
Profit or loss on financial assets (under fair value option) and derivatives	1	(5)
Exceptional operations (including discontinued operations)	(24)	(421)
Goodwill and other related intangible impacts	(25)	(26)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**755**	**391**
Property & Casualty Combined Ratio	82.8%	87.0%
Health Combined Ratio	n/a	n/a
Protection Combined Ratio	93.7%	97.0%
Average exchange rate: € 1.00 = Swiss Franc	*1.11*	*1.16*

(a) Net of intercompany eliminations.

On January 1, 2019, AXA Switzerland transformed its main occupational benefits foundations from full insurance to semi-autonomous. As a result, the change in gross revenues on a comparable basis excludes the savings portion of the 2018 premiums related to the transformed in-force Group Life business.

Gross revenues decreased by €3,539 million (-37%) to €5,992 million. On a comparable basis, gross revenues increased by €53 million (+1%):

- **Property & Casualty** (€+43 million or +1%) to €3,152 million, mainly driven by *Commercial lines* (€+41 million or +3%) due to higher volumes and tariff increases in *Workers' Compensation*;
- **Life & Savings** (€-1 million or 0%) to €2,824 million, linked to the transformation of the *Group Life business* which was compensated by higher revenues from semi-autonomous activities;
- **Health** (€+10 million) to €16 million.

APE decreased by €20 million (-6%) to €320 million. On a comparable basis, APE decreased by €20 million (-6%) in the context of the transformation of the in-force *Group Life business*, partly offset by higher new business in *Individual Life* driven by a new hybrid product launched in 2019.

NBV Margin decreased by 6.3 points to 46.7%. On a comparable basis, restated for the impact of the transformation of the in-force *Group Life business*, NBV margin decreased by 8.1 points mainly driven by lower interest rates and an adverse business mix due to a lower share of *Group Life business*.

Underlying earnings before tax increased by €18 million (+2%) to €961 million. On a constant exchange rate basis, underlying earnings before tax decreased by €18 million (-2%):

- **Property & Casualty** (€+112 million or +20%) to €693 million, as a result of an improvement in the current year combined ratio (-2.5 points) due to both lower attritional and large losses as well as a decrease of claims handling costs combined with more favorable prior year reserve developments (-1.7 points), partly offset by a lower net investment income (€-21 million);
- **Life & Savings** (€-130 million or -32%) to €285 million, mainly due to the non-repeat of the particularly low policyholder bonus in 2018 in *Group Life*, higher VBI amortization resulting from lower interest rates assumptions, the impact of the transformation of the in-force *Group Life business* as well as a decrease in the investment margin in *Individual Life*;
- **Health** remained stable at €-16 million.

Income tax expenses decreased by €18 million (-10%) to €-159 million. On a constant exchange rate basis, income tax expenses decreased by €24 million (-13%) mainly due to lower pre-tax underlying earnings combined with the impact of the reduction of the net deferred tax liability position due to the decrease in the corporate tax rate from 20% to 18.5% voted in 2019 and effective in 2020.

Underlying earnings increased by €36 million (+5%) to €798 million. On a constant exchange rate basis, underlying earnings increased by €6 million (+1%).

Adjusted earnings decreased by €39 million (-5%) to €803 million. On a constant exchange rate basis, adjusted earnings decreased by €69 million (-8%) as higher underlying earnings were more than offset by lower net realized capital gains.

Net income increased by €364 million (+93%) to €755 million. On a constant exchange rate basis, net income increased by €337 million (+86%) as lower adjusted earnings were more than offset by the non-repeat of the negative impact linked to the transformation of the in-force *Group Life business* in 2018 (€+421 million).

EUROPE - GERMANY

(in Euro million, except percentages)	December 31, 2019	December 31, 2018 restated (a)
Gross revenues (b)	**10,862**	**10,509**
Life & Savings	3,187	3,330
Property & Casualty	4,392	4,006
Health	3,259	3,131
Other (c)	25	41
New business		
APE	375	340
NBV Margin	55.5%	53.0%
Underlying earnings before tax	**834**	**811**
Life & Savings	174	150
Property & Casualty	489	438
Health	133	117
Other (d)	38	107
Income tax expenses / benefits	(255)	(233)
Minority interests	(6)	(4)
Income from affiliates and associates	-	2
Underlying earnings Group share	**573**	**576**
Net capital gains or losses attributable to shareholders net of income tax	1	127
Adjusted earnings Group share	**574**	**703**
Profit or loss on financial assets (under fair value option) and derivatives	(83)	(50)
Exceptional operations (including discontinued operations)	(3)	27
Goodwill and other related intangible impacts	(4)	(4)
Integration and restructuring costs	(6)	(4)
NET INCOME GROUP SHARE	**479**	**672**
Property & Casualty Combined Ratio	94.7%	95.6%
Health Combined Ratio	95.9%	96.3%
Protection Combined Ratio	98.1%	97.6%

(a) Restated: reclassification of German activities of AXA Life Europe (previously reported as part of Germany) into AXA Life Europe (included in Transversal & Central Holdings).
(b) Net of intercompany eliminations.
(c) Other corresponds to banking activities.
(d) Other corresponds to banking activities and holding.

On October 1, 2018, AXA Germany increased its ownership in Roland Rechtsschutz from 41% to 60%. As a result, Roland Rechtsschutz has been fully consolidated starting from October 1, 2018. Property & Casualty comparable basis has been adjusted to include Roland Rechtsschutz gross revenues from January 1, 2018.

On October 31, 2018, AXA Germany completed the disposal of a part of its occupational pension business. Life & Savings comparable basis in Gross revenues, APE and NBV have been adjusted accordingly to exclude the contribution of this business in 2018.

Gross revenues increased by €354 million (+3%) to €10,862 million. On a comparable basis, gross revenues increased by €226 million (+2%):

- **Property & Casualty** (€+81 million or +2%) to €4,392 million, driven by **(i)** *Commercial Non-Motor* (€+52 million) mainly due to new business as well as higher average premium in *Property* and *Liability*, and **(ii)** *Personal Non-Motor* (€+47 million) due to tariff increases in Household and Legal Protection;
- **Health** (€+127 million or +4%) to €3,259 million, mainly due to the continued growth in the civil servants segment and tariff increases in full benefit insurance;
- **Life & Savings** (€+28 million or +1%) to €3,187 million, mainly due to new business in G/A capital light products (€+113 million) and *Pure Protection* (€+29 million) following the launch of a new disability product, partly offset by *Protection with Savings* (€-69 million) and traditional *G/A Savings* (€-21 million) in line with our strategy, and in *Unit-Linked* (€-19 million) due to lower sales of single premium products.

APE increased by €35 million (+10%) to €375 million. On a comparable basis, APE increased by €26 million (+7%) mainly due to higher new business in G/A capital light products (€+18 million) and *Pure Protection* (€+6 million) following the launch of a new disability product, as well as in *Health* (€+5 million) from full benefit insurance both in civil servants segment and in private segment.

NBV Margin increased by 2.5 points to 55.5% mainly reflecting a positive impact in *Health* from the update of financial assumptions.

Underlying earnings before tax increased by €23 million (+3%) to €834 million:

- **Property & Casualty** (€+52 million or +12%) to €489 million, driven by an improved current year combined ratio (-0.8 point) due to lower attritional losses mainly in *Personal Motor* from improved pricing and claims management and in Mid-Markets due to lower claims frequency;
- **Life & Savings** (€+24 million or +16%) to €174 million, mainly due to a higher investment margin from lower policyholders' participation, partly offset by higher VBI amortization reflecting the decrease in interest rates assumptions;
- **Health** (€+16 million or +14%) to €133 million, driven by both higher volumes and a lower combined ratio (-0.3 point) due to lower profit sharing;
- **Other** (€-69 million or -65%) to €38 million, from *Holding* (€-70 million) mainly due to the non-repeat of an exceptional distribution from an investment fund and higher pension costs.

Income tax expenses increased by €22 million (+10%) to €-255 million driven by higher pre-tax underlying earnings and lower positive tax one-offs (€-6 million).

Income from affiliates and associates decreased by €2 million to €0 million.

Underlying earnings decreased by €3 million (-1%) to €573 million.

Adjusted earnings decreased by €129 million (-18%) to €574 million driven by lower underlying earnings and lower net realized capital gains mainly from equities.

Net income decreased by €193 million (-29%) to €479 million driven by lower adjusted earnings and an unfavorable change in the fair value of interest rates and foreign exchange derivatives not eligible for hedge accounting, as well as from the non-repeat of the positive impact in 2018 related to the disposal of a part of the occupational pension business.

EUROPE - BELGIUM

(in Euro million, except percentages)	**December 31, 2019**	**December 31, 2018**
Gross revenues (a)	**3,405**	**3,359**
Life & Savings	1,201	1,195
Property & Casualty	2,100	2,061
Health	103	103
New business		
APE	101	64
NBV Margin	52.4%	66.5%
Underlying earnings before tax	**516**	**528**
Life & Savings	292	281
Property & Casualty	224	246
Health	2	0
Other (b)	(2)	1
Income tax expenses / benefits	(134)	(125)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**381**	**403**
Net capital gains or losses attributable to shareholders net of income tax	145	50
Adjusted earnings Group share	**526**	**454**
Profit or loss on financial assets (under fair value option) and derivatives	(97)	(42)
Exceptional operations (including discontinued operations)	4	3
Goodwill and other related intangible impacts	(2)	(2)
Integration and restructuring costs	(10)	(40)
NET INCOME GROUP SHARE	**420**	**373**
Property & Casualty Combined Ratio	96.3%	95.7%
Health Combined Ratio	100.8%	102.1%
Protection Combined Ratio	96.2%	96.0%

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

Gross revenues increased by €46 million (+1%) to €3,405 million. On a comparable basis, gross revenues increased by €46 million (+1%):

- **Property & Casualty** (€+39 million or +2%) to €2,100 million, primarily from *Commercial lines* (€+28 million or +3%) in Mid-Market segments, notably in the Public sector, and SMEs due to new business and tariff increases, as well as from *Personal lines* (€+11 million or +1%) in Household mainly due to tariff increases;
- **Life & Savings** (€+6 million or +1%) to €1,201 million, from *Unit-Linked* and *G/A Savings* pension products, partly offset by the decrease in *Protection with Savings* and *Pure G/A Savings* products, in line with the strategy to exit *Individual Savings* market;
- **Health** stable at €103 million.

APE increased by €37 million (+58%) to €101 million. On a comparable basis, APE increased by €37 million (+58%) mainly driven by two large Group pension contracts.

NBV Margin decreased by 14.1 points to 52.4% mainly driven by lower interest rates and large Group pension contracts, partly offset by lower expenses following efficiency gains.

Underlying earnings before tax decreased by €12 million (-2%) to €516 million:

- **Life & Savings** (€+11 million or +4%) to €292 million, driven by lower general expenses (€+9 million) mainly resulting from the cost savings program and lower deferred acquisition costs amortization due to the update of economic assumptions (€+10 million), partly offset by lower net technical margin (€-7 million) due to the non-repeat of favorable prior year reserve developments;
- **Property & Casualty** (€-22 million or -9%) to €224 million, mainly driven by a lower investment income (€-11 million) and a higher current year combined ratio (+0.8 point) due to higher attritional losses in *Personal Motor* driven by the increase in average claims costs and in *Workers' Compensation* combined with higher large losses and an exceptional negative impact on prior year premiums, partly offset by a lower expense ratio resulting from the cost savings program;
- **Health** (€+1 million) to €2 million;
- **Other** (€-3 million) to €-2 million.

Income tax expenses increased by €10 million (+8%) to €-134 million mainly driven by the non-repeat of a positive tax one-off in 2018 (€-14 million).

Underlying earnings decreased by €22 million (-5%) to €381 million.

Adjusted earnings increased by €72 million (+16%) to €526 million as lower underlying earnings were more than offset by higher net realized capital gains (€+94 million) mainly due to the exceptional sale of a building (€+85 million).

Net income increased by €47 million (+13%) to €420 million driven by higher adjusted earnings and lower restructuring costs, partly offset by an unfavorable change in the fair value of equity derivatives not eligible for hedge accounting.

EUROPE - UNITED KINGDOM & IRELAND

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**5,367**	**5,166**
Life & Savings	40	57
Property & Casualty	3,536	3,369
Health	1,790	1,740
Underlying earnings before tax	**438**	**437**
Life & Savings	(0)	3
Property & Casualty	265	250
Health	161	184
Other (b)	12	0
Income tax expenses / benefits	(55)	(56)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**383**	**381**
Net capital gains or losses attributable to shareholders net of income tax	2	(6)
Adjusted earnings Group share	**385**	**375**
Profit or loss on financial assets (under fair value option) and derivatives	(61)	(23)
Exceptional operations (including discontinued operations)	(14)	21
Goodwill and other related intangible impacts	(4)	(4)
Integration and restructuring costs	(18)	(3)
NET INCOME GROUP SHARE	**287**	**366**
Property & Casualty Combined Ratio	97.6%	98.4%
Health Combined Ratio	92.5%	91.2%

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

Gross revenues increased by €201 million (+4%) to €5,367 million. On a comparable basis, gross revenues increased by €163 million (+3%):

- **Property & Casualty** (€+145 million or +4%) to €3,536 million, from *Personal lines* (€+100 million or +6%) mainly in *Motor* reflecting higher new business and tariff increases, and from *Commercial lines* (€+45 million or +3%) mainly in *Property* due to higher new business and in *Motor* due to tariff increases;
- **Health** (€+36 million or +2%) to €1,790 million, mainly driven by volume growth and new partnerships in international business;
- **Life & Savings - Architas** (€-17 million or -30%) to €40 million.

Underlying earnings before tax increased by €1 million (0%) to €438 million. On a constant exchange rate basis, underlying earnings before tax decreased by €2 million (0%):

- **Property & Casualty** (€+13 million or +5%) to €265 million, due to **(i)** more favorable prior year reserve developments (-1.5 points) notably following the change in Ogden discount rate, partly offset by **(ii)** a higher current year combined ratio (+0.6 point) mainly driven by increased severity of *Motor* damage claims, higher large losses and investments in claims processes, partly offset by more favorable weather conditions, and **(iii)** lower net investment income;

- **Health** (€-24 million or -13%) to €161 million, driven by **(i)** a higher combined ratio (+1.3 points) mainly due to the non-repeat of an exceptional favorable claims experience in the second half of 2018 and higher expenses following investments in transformation programs, combined with **(ii)** lower net investment income;
- **Other** (€+11 million) to €12 million, mainly due to lower interest charges resulting from lower financing debt;
- **Life & Savings - Architas** (€-3 million) to €0 million.

Income tax expenses decreased by €1 million (-1%) to €-55 million. On a constant exchange rate basis, income tax expenses decreased by €1 million (-2%) due to lower pre-tax underlying earnings and higher positive tax one-offs (€+9 million).

Underlying earnings increased by €2 million (+1%) to €383 million. On a constant exchange rate basis, underlying earnings remained stable.

Adjusted earnings increased by €10 million (+3%) to €385 million. On a constant exchange rate basis, adjusted earnings increased by €7 million (+2%) driven by higher net realized capital gains.

Net income decreased by €79 million (-21%) to €287 million. On a constant exchange rate basis, net income decreased by €80 million (-22%) as higher adjusted earnings were more than offset by **(i)** a loss relating to the early redemption of a financing debt (€-37 million) and the non-repeat of the realized gain relating to the sale of a non-consolidated subsidiary, **(ii)** an unfavorable change in the fair value of both equity and interest rate derivatives not eligible to hedge accounting, and **(iii)** higher restructuring costs.

EUROPE - SPAIN

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**2,686**	**2,525**
Life & Savings	750	680
Property & Casualty	1,719	1,644
Health	217	202
New business		
APE	103	88
NBV Margin	60.3%	79.5%
Underlying earnings before tax	**264**	**245**
Life & Savings	75	71
Property & Casualty	175	152
Health	14	22
Income tax expenses / benefits	(62)	(59)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**202**	**186**
Net capital gains or losses attributable to shareholders net of income tax	(2)	6
Adjusted earnings Group share	**200**	**192**
Profit or loss on financial assets (under fair value option) and derivatives	(12)	(5)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangible impacts	(3)	(3)
Integration and restructuring costs	(16)	(36)
NET INCOME GROUP SHARE	**169**	**147**
Property & Casualty Combined Ratio	95.4%	96.4%
Health Combined Ratio	94.0%	89.5%
Protection Combined Ratio	92.9%	94.0%

(a) Net of intercompany eliminations.

Gross revenues increased by €160 million (+6%) to €2,686 million. On a comparable basis, gross revenues increased by €160 million (+6%):

- **Property & Casualty** (€+75 million or +5%) to €1,719 million, driven by a strong growth in *Commercial lines* (€+42 million or +11%) mainly in *Liability* and *Property*, as well as in *Personal lines* (€+33 million or +3%) mainly from higher volumes in *Motor*;
- **Life & Savings** (€+70 million or +10%) to €750 million, mainly driven by strong sales in *Unit-Linked* (€+60 million or +21%) and *Protection* (€+13 million or +7%);
- **Health** (€+15 million or +8%) to €217 million, driven by higher volumes and tariff increases.

APE increased by €15 million (+18%) to €103 million. On a comparable basis, APE increased by €15 million (+18%) mainly driven by a strong growth in *Unit-Linked* (€+9 million or +27%).

NBV Margin decreased by 19.2 points to 60.3% mainly in *Protection* driven by actuarial assumptions update on contract duration.

Underlying earnings before tax increased by €19 million (+8%) to €264 million:

- **Property & Casualty** (€+22 million or +15%) to €175 million, mainly driven by strong volumes growth combined with cost containment initiatives, more favorable prior year reserve developments and a higher investment income, partly offset by an increase in *Personal Motor* Bodily Injury average claims costs;
- **Life & Savings** (€+5 million or +7%) to €75 million, mainly driven by both higher Unit-Linked management fees and loadings on premiums in *Protection*, in line with higher volumes, partly offset by a lower investment margin;
- **Health** (€-8 million or -36%) to €14 million, mainly due to a less favorable current year profitability.

Income tax expenses increased by €3 million (+5%) to €-62 million in line with higher pre-tax underlying earnings.

Underlying earnings increased by €16 million (+9%) to €202 million.

Adjusted earnings increased by €8 million (+4%) to €200 million driven by higher underlying earnings, partly offset by lower net realized capital gains.

Net income increased by €22 million (+15%) to €169 million mainly driven by higher adjusted earnings as well as lower restructuring costs.

EUROPE - ITALY

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**6,104**	**5,418**
Life & Savings	4,266	3,653
Property & Casualty	1,746	1,688
Health	92	77
New business		
APE	368	315
NBV Margin	33.2%	30.7%
Underlying earnings before tax	**401**	**364**
Life & Savings	190	169
Property & Casualty	209	193
Health	3	1
Other (b)	-	0
Income tax expenses / benefits	(109)	(101)
Minority interests	(85)	(75)
Income from affiliates and associates	-	-
Underlying earnings Group share	**207**	**188**
Net capital gains or losses attributable to shareholders net of income tax	11	8
Adjusted earnings Group share	**218**	**196**
Profit or loss on financial assets (under fair value option) and derivatives	(6)	(9)
Exceptional operations (including discontinued operations)	-	(5)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(4)	(24)
NET INCOME GROUP SHARE	**208**	**158**
Property & Casualty Combined Ratio	93.3%	94.4%
Health Combined Ratio	99.2%	101.0%
Protection Combined Ratio	79.6%	80.8%

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

Gross revenues increased by €686 million (+13%) to €6,104 million. On a comparable basis, gross revenues increased by €686 million (+13%):

- **Life & Savings** (€+612 million or +17%) to €4,266 million, mainly in *G/A Savings* (€+391 million or +16%) and *Unit-Linked* (€+185 million or +21%) mainly from the sales of hybrid and *Protected Unit-Linked* products, as well as in *Protection* (€+36 million or +11%);
- **Property & Casualty** (€+58 million or +3%) to €1,746 million, from higher new business and renewals in both *Personal lines* (€+36 million or +3%) mainly in *Motor* and *Property*, and *Commercial lines* (€+22 million or +4%) mainly in *Property* and *Liability*;
- **Health** (€+15 million or +20%) to €92 million, as a result of a strong commercial focus and the good performance of a new product launched at *AXA MPS* in 2018.

APE increased by €53 million (+17%) to €368 million. On a comparable basis, APE increased by €53 million (+17%) mainly from *G/A Savings* (€+37 million or +26%), and *Unit-Linked* (€+14 million or +11%) from the sales of hybrid and *Protected Unit-Linked* products.

NBV Margin increased by 2.5 points to 33.2% mainly due to an improved product mix with higher share of hybrid products and the tightening of spreads of Italian government bonds.

Underlying earnings before tax increased by €38 million (+10%) to €401 million:

- **Life & Savings** (€+21 million or +12%) to €190 million, mainly due to higher Unit-Linked management fees (€+22 million) in line with volume growth, and a higher investment margin (€+6 million) driven by in-force growth and lower minimum guaranteed rates;
- **Property & Casualty** (€+15 million or +8%) to €209 million, mainly due to favorable prior year reserve developments (-0.8 point) as well as an improved expense ratio (-0.2 point) driven by higher volumes combined with cost containment initiatives, partly offset by a lower net investment income;
- **Health** (€+2 million) to €3 million, mainly driven by volume growth.

Income tax expenses increased by €8 million (+8%) to €-109 million driven by higher pre-tax underlying earnings, partly offset by positive tax one-offs.

Minority interests increased by €10 million (+14%) to €-85 million as a result of the increase of *AXA MPS* underlying earnings.

Underlying earnings increased by €19 million (+10%) to €207 million.

Adjusted earnings increased by €22 million (+11%) to €218 million mainly driven by higher underlying earnings.

Net income increased by €50 million (+32%) to €208 million driven by higher adjusted earnings and lower restructuring costs resulting from pre-retirement plans.

Asia

(in Euro million, except percentages)	December 31, 2019	December 31, 2018 restated (a)
Gross revenues (b)	**9,860**	**8,973**
Life & Savings	6,350	5,780
Property & Casualty	1,353	1,245
Health	2,156	1,947
New business		
APE	1,614	1,520
NBV Margin	63.1%	62.2%
Underlying earnings before tax	**1,278**	**1,157**
Life & Savings	687	667
Property & Casualty	75	68
Health	529	426
Other (c)	(12)	(3)
Income tax expenses / benefits	(256)	(219)
Minority interests	(7)	(7)
Income from affiliates and associates	188	171
Underlying earnings Group share	**1,204**	**1,102**
Net capital gains or losses attributable to shareholders net of income tax	14	(34)
Adjusted earnings Group share	**1,218**	**1,068**
Profit or loss on financial assets (under fair value option) and derivatives	(20)	(55)
Exceptional operations (including discontinued operations)	24	4
Goodwill and other related intangible impacts	(15)	(18)
Integration and restructuring costs	(3)	(13)
NET INCOME GROUP SHARE	**1,204**	**986**
Property & Casualty Combined Ratio	97.0%	97.1%
Health Combined Ratio	76.7%	78.8%
Protection Combined Ratio	88.9%	86.8%

(a) Restated: reclassification of Japanese activities of AXA Life Europe (previously reported as part of Japan) into AXA Life Europe (included in Transversal & Central Holdings).
(b) Net of intercompany eliminations.
(c) Other corresponds to holding.

ASIA - JAPAN

(in Euro million, except percentages)	December 31, 2019	December 31, 2018 restated (a)
Gross revenues (b)	**4,850**	**4,564**
Life & Savings	3,378	3,203
Health	1,472	1,361
New business		
APE	531	546
NBV Margin	120.3%	97.8%
Underlying earnings before tax	**761**	**696**
Life & Savings	290	301
Health	484	395
Other (c)	(12)	-
Income tax expenses / benefits	(215)	(189)
Minority interests	(7)	(7)
Income from affiliates and associates	-	-
Underlying earnings Group share	**540**	**500**
Net capital gains or losses attributable to shareholders net of income tax	4	8
Adjusted earnings Group share	**543**	**508**
Profit or loss on financial assets (under fair value option) and derivatives	(25)	(42)
Exceptional operations (including discontinued operations)	-	4
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**518**	**469**
Health Combined Ratio	69.3%	72.0%
Protection Combined Ratio	90.3%	87.7%
Average exchange rate: € 1.00 = Japanese Yen	*122*	*130*

(a) Restated: reclassification of Japanese activities of AXA Life Europe (previously reported as part of Japan) into AXA Life Europe (included in Transversal & Central Holdings).
(b) Net of intercompany eliminations.
(c) Other corresponds to holding.

Gross revenues increased by €285 million (+6%) to €4,850 million. On a comparable basis, gross revenues decreased by €24 million (-1%):

- **Life & Savings** (€-41 million or -1%) to €3,378 million, mainly due to the temporary discontinuation of the capital light *Single Premium Whole Life* product (€-149 million or -41%) as a consequence of the decrease in interest rates and lower sales of tax savings products impacted by a tax rule change (€-59 million or -4%), partly offset by *Protection with Unit-Linked* (€+171 million or +31%) from in-force growth and new business;
- **Health** (€+17 million or +1%) to €1,472 million, mainly due to both in-force growth and new business of Medical Whole Life products, partly offset by lower new business of Medical Term products.

APE decreased by €16 million (-3%) to €531 million. On a comparable basis, APE decreased by €49 million (-9%) mainly driven by lower sales of tax savings products impacted by a tax rule change (€-132 million or -61%) and the temporary discontinuation of the capital light *Single Premium Whole Life* product (€-14 million or -41%), partly offset by *Protection with Unit-Linked* (€+81 million or +50%) and *Health* (€+17 million or +16%). Excluding the decrease in sales of tax savings products, APE increased by €83 million (+25%).

NBV Margin increased by 22.5 points to 120.3% mainly driven by a favorable product mix towards *Health* and *Protection with Unit-Linked*.

Underlying earnings before tax increased by €65 million (+9%) to €761 million. On a constant exchange rate basis, underlying earnings before tax increased by €17 million (+2%):

- **Health** (€+58 million or +15%) to €484 million. Excluding the impact of a refinement of investment and expense margins allocation between Health and Life & Savings, Health underlying earnings before tax increased by €11 million (+3%) mainly due to an improved morbidity experience in Medical Whole Life products (€+7 million) and higher volumes;
- **Life & Savings** (€-29 million or -10%) to €290 million. Excluding the impact of a refinement of investment and expense margins allocation between Health and Life & Savings, Life & Savings underlying earnings before tax increased by €17 million (+6%) mainly due to an improved net technical margin;
- **Other** (€-11 million or 0%) to €-12 million, mainly due to the registration tax costs linked to the establishment of a holding company (€-5 million).

Income tax expenses increased by €25 million (+13%) to €-215 million. On a constant exchange rate basis, income tax expenses increased by €11 million (+6%) mainly driven by higher pre-tax underlying earnings combined with lower positive tax one-offs (€-15 million).

Underlying earnings increased by €40 million (+8%) to €540 million. On a constant exchange rate basis, underlying earnings increased by €6 million (+1%).

Adjusted earnings increased by €35 million (+7%) to €543 million. On a constant exchange rate basis, adjusted earnings increased by €1 million (0%) mainly driven by higher underlying earnings.

Net income increased by €49 million (+10%) to €518 million. On a constant exchange rate basis, net income increased by €16 million (+3%) mainly driven by a less unfavorable change in the fair value of derivatives not eligible for hedge accounting.

ASIA - HONG KONG

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**3,829**	**3,305**
Life & Savings	2,917	2,521
Property & Casualty	271	240
Health	640	545
New business		
APE	486	456
NBV Margin	44.4%	47.2%
Underlying earnings before tax	**463**	**404**
Life & Savings	393	358
Property & Casualty	29	22
Health	41	25
Income tax expenses / benefits	(29)	(13)
Minority interests	(0)	-
Income from affiliates and associates	-	-
Underlying earnings Group share	**434**	**391**
Net capital gains or losses attributable to shareholders net of income tax	1	(2)
Adjusted earnings Group share	**435**	**389**
Profit or loss on financial assets (under fair value option) and derivatives	7	(5)
Exceptional operations (including discontinued operations)	(14)	-
Goodwill and other related intangible impacts	(14)	(15)
Integration and restructuring costs	(1)	(13)
NET INCOME GROUP SHARE	**413**	**357**
Property & Casualty Combined Ratio	94.7%	95.5%
Health Combined Ratio	93.6%	95.6%
Protection Combined Ratio	86.8%	85.4%
Average exchange rate: € 1.00 = Hong Kong Dollar	*8.77*	*9.26*

(a) Net of intercompany eliminations.

Gross revenues increased by €524 million (+16%) to €3,829 million. On a comparable basis, gross revenues increased by €324 million (+10%):

- **Life & Savings** (€+244 million or +10%) to €2,917 million, mainly in *Protection with Savings* (€+219 million or +12%) driven by in-force growth in broker and agency channels, as well as higher new business in broker channel, and *Unit-Linked* (€+41 million or +27%) due to growth in single premium new business;
- **Health** (€+62 million or +11%) to €640 million, mainly driven by higher volumes and tariff increases in both *Individual* and *Group businesses*;
- **Property & Casualty** (€+18 million or +7%) to €271 million, mainly due to higher volumes in both *Personal* and *Commercial lines* as well as tariff increases in *Commercial lines*.

APE increased by €30 million (+7%) to €486 million. On a comparable basis, APE increased by €4 million (+1%) driven by strong sales in *Protection with Savings* (€+67 million or +23%), partly offset by lower sales in *G/A Savings* (€-46 million or -56%) and *Group Health* (€-14 million or -58%).

NBV Margin decreased by 2.8 points to 44.4% mainly driven by a change in distribution mix combined with low interest rates.

Underlying earnings before tax increased by €59 million (+15%) to €463 million. On a constant exchange rate basis, underlying earnings before tax increased by €35 million (+9%):

- **Life & Savings** (€+15 million or +4%) to €393 million, mainly due to volume growth;
- **Health** (€+15 million or +59%) to €41 million, mainly driven by a better claims experience combined with volume growth;
- **Property & Casualty** (€+6 million or +26%) to €29 million, mainly due to volume growth in both *Personal* and *Commercial lines*, and pricing actions mostly in *Workers' Compensation*.

Income tax expenses increased by €17 million (+130%) to €-29 million. On a constant exchange rate basis, income tax expenses increased by €15 million (+118%) driven by higher pre-tax underlying earnings combined with lower positive tax one-offs (€-7 million).

Underlying earnings increased by €43 million (+11%) to €434 million. On a constant exchange rate basis, underlying earnings increased by €20 million (+5%).

Adjusted earnings increased by €46 million (+12%) to €435 million. On a constant exchange rate basis, adjusted earnings increased by €23 million (+6%) mainly driven by higher underlying earnings.

Net income increased by €56 million (+16%) to €413 million. On a constant exchange rate basis, net income increased by €35 million (+10%) mainly driven by higher adjusted earnings and lower restructuring costs.

ASIA - HIGH POTENTIALS

(in Euro million, except percentages)	**December 31, 2019**	**December 31, 2018**
Gross revenues (a)	**163**	**153**
Life & Savings	55	56
Property & Casualty	67	58
Health	41	39
New business		
APE	598	517
NBV Margin	27.5%	37.9%
Underlying earnings before tax	**7**	**6**
Life & Savings	4	8
Property & Casualty	(0)	(8)
Health	3	6
Income tax expenses / benefits	2	(2)
Minority interests	0	0
Income from affiliates and associates	188	171
Underlying earnings Group share	**197**	**176**
Net capital gains or losses attributable to shareholders net of income tax	11	(40)
Adjusted earnings Group share	**208**	**136**
Profit or loss on financial assets (under fair value option) and derivatives	(7)	(8)
Exceptional operations (including discontinued operations)	38	-
Goodwill and other related intangible impacts	0	(2)
Integration and restructuring costs	(2)	-
NET INCOME GROUP SHARE	**238**	**126**
Property & Casualty Combined Ratio	102.9%	114.3%
Health Combined Ratio	95.0%	90.1%
Protection Combined Ratio	111.0%	103.9%

(a) Net of intercompany eliminations.

Scope: (i) The Property & Casualty subsidiary in Thailand and the non-bancassurance Life & Savings subsidiary in Indonesia are fully consolidated; **(ii)** the Property & Casualty subsidiary in China (AXA Tianping) has been fully consolidated as at December 31, 2019, and therefore contributes only to the underlying earnings, adjusted earnings and net income; **(iii)** the Joint-Ventures in China, the Philippines, Thailand, and Indonesia are consolidated under the equity method and contribute only to the non-GAAP financial measures and net income.

Gross revenues increased by €10 million (+7%) to €163 million. On a comparable basis, gross revenues decreased by €2 million (-1%):

- **Property & Casualty** (€+3 million or +5%) to €67 million, in *Thailand* mainly from *Personal Motor* (€+5 million or +22%), partly offset by pruning actions in *Commercial lines* (€-2 million or -8%) mainly in *Property*;
- **Life & Savings** (€-4 million or -8%) to €55 million, in *Indonesia* driven by *Protection with Savings* (€-6 million or -16%) reflecting lower volumes in the agency channel;

- **Health** remained stable at €41 million, as lower revenues in *Thailand* (€-3 million or -26%) due to the loss of a large contract were offset by higher volumes in *Indonesia* (€+3 million or +11%) mainly driven by higher new business as well as renewals from the agency channel.

APE increased by €81 million (+16%) to €598 million. On a comparable basis, APE increased by €55 million (+11%):

- *China* (€+68 million or +32%) to €286 million, due to strong sales of *G/A Savings* products during the Chinese New Year (€+69 million or +48%);
- *Thailand* (€-11 million or -8%) to €141 million, mainly driven by lower sales of *Unit-Linked* products (€-10 million or -95%);
- *Indonesia* remained stable at €118 million;
- *The Philippines* (€-3 million or -5%) to €53 million, in *Protection with Savings* (€-6 million or -13%) due to lower sales in the bancassurance channel.

NBV Margin decreased by 10.3 points to 27.5%. On a comparable basis, NBV Margin decreased by 10.2 points mainly driven by strong sales of low-margin *G/A Savings* products in *China* during the Chinese New Year as well as lower interest rates in *Thailand*.

Underlying earnings before tax increased by €1 million (+24%) to €7 million. On a constant exchange rate basis, underlying earnings before tax increased by €1 million (+16%):

- **Life & Savings** (€-4 million or -54%) to €4 million, in *Indonesia* mainly driven by lower volumes;
- **Health** (€-3 million or -49%) to €3 million, primarily in *Indonesia* (€-2 million) mainly driven by higher marketing expenses;
- **Property & Casualty** (€+8 million) to €0 million, in *Thailand* mainly driven by the favorable impact of pruning actions in *Commercial lines*.

Income tax expenses decreased by €4 million to €2 million. On a constant exchange rate basis, income tax expenses decreased by €3 million mainly driven by lower pre-tax underlying earnings in *Indonesia*, partly offset by higher pre-tax underlying earnings in *Thailand*.

Income from affiliates and associates increased by €17 million (+10%) to €188 million. On a constant exchange rate basis, income from affiliates and associates increased by €5 million (+3%):

- *Thailand* (€+23 million or +42%) to €84 million, mainly due to a higher net investment income as well as lower expenses in *Life & Savings* combined with a better claims experience following pruning actions in *Health*;
- *Indonesia* (€0 million or +1%) to €42 million, mainly driven by higher volumes from a new product launched in *Health*, partly offset by higher expenses in *Life & Savings*;
- *The Philippines* (€+6 million or +28%) to €30 million, mainly driven by a favorable change in business mix;
- *China* (€-25 million or -44%) to €32 million, mainly driven by higher acquisition expenses, a lower net investment margin and a negative impact of financial assumptions update, partly offset by favorable tax impacts.

Underlying earnings increased by €22 million (+12%) to €197 million. On a constant exchange rate basis, underlying earnings increased by €9 million (+5%).

Adjusted earnings increased by €72 million (+53%) to €208 million. On a constant exchange rate basis, adjusted earnings increased by €59 million (+44%) driven by higher underlying earnings and the non-repeat of net realized capital losses in *China* due to the negative equity market performance in 2H18.

Net income increased by €111 million (+88%) to €238 million. On a constant exchange rate basis, net income increased by €100 million (+79%) driven by higher adjusted earnings combined with the positive accounting impact related to the full consolidation of *AXA Tianping*.

AXA XL

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**18,741**	**6,287**
Life & Savings	188	45
Property & Casualty Insurance	9,123	3,354
Property & Casualty Specialty	4,940	1,794
Property & Casualty Reinsurance	4,489	1,093
Underlying earnings before tax	**634**	**(178)**
Life & Savings	13	5
Property & Casualty Insurance & Specialty	382	103
Property & Casualty Reinsurance	330	(277)
Other (b)	(91)	(10)
Income tax expenses / benefits	(125)	(70)
Minority interests	0	18
Income from affiliates and associates	(2)	(3)
Underlying earnings Group share	**507**	**(233)**
Net capital gains or losses attributable to shareholders net of income tax	78	(27)
Adjusted earnings Group share	**585**	**(260)**
Profit or loss on financial assets (under fair value option) and derivatives	(16)	(63)
Exceptional operations (including discontinued operations)	(51)	(29)
Goodwill and other related intangible impacts	(39)	(10)
Integration and restructuring costs	(307)	(67)
NET INCOME GROUP SHARE	**173**	**(428)**
Property & Casualty Combined Ratio	101.5%	108.6%
Protection Combined Ratio	105.4%	89.2%

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

The comparable basis includes XL Group contribution to Gross revenues from January 1, 2018, to September 30, 2018. AXA Corporate Solutions Assurance and AXA Art contributions were not adjusted, as they were fully included in 2018 reported figures.

Gross revenues increased by €12,454 million to €18,741 million. On a comparable basis, gross revenues increased by €1,676 million (+10%):

- **Property & Casualty Insurance** (€+1,337 million or +18%) to €9,123 million, mainly driven by both volume growth and tariff increases across most lines of business, notably *North America Professional* (€+383 million or +36%), including a new significant multi-year contract written in the first quarter, *International Property* (€+198 million or +15%), and *North America Property* (€+145 million or +32%);
- **Property & Casualty Specialty** (€+261 million or +6%) to €4,940 million, driven by both volume growth and tariff increases across most lines of business, notably in *Political Risks* (€+102 million or +33%), as well as in *Accident & Health* (€+67 million or +24%) and *Fine Art & Specie* (€+66 million or +15%);
- **Property & Casualty Reinsurance** (€+85 million or +2%) to €4,489 million, driven by both volume growth and tariff increases in *Specialty and Other* lines (€+161 million or +10%) mainly from *North America*

Agriculture, *Lloyds Whole Accounts* and *Credit & Surety*, partly offset by lower premiums in *Property Cat* (€-95 million or -11%) reflecting a reduced Nat Cat exposure;

- **Life & Savings** remained stable at €188 million, as the underlying business is in run-off.

Underlying earnings before tax reported were €634 million:

- **Property & Casualty** reported earnings were €711 million mainly driven by a strong net investment income and the emergence of expense synergies related to the integration within AXA. This was partly offset by current year catastrophe losses in excess of the normalized level in 2H19 (€-0.4 billion), notably from Typhoons Hagibis (€-0.2 billion) and Faxai (€-0.1 billion) in Japan and Hurricane Dorian (€-0.1 billion) in the Bahamas and in the United States, as well as elevated levels of large non-catastrophe losses and a higher current year loss ratio primarily in long-tail lines of business reflecting an update in assumptions related to claims inflation;
- **Life & Savings** reported earnings were €13 million;
- **Other** reported earnings were €-91 million mainly driven by interest expenses on financing debt.

Income tax expenses reported were €-125 million reflecting positive pre-tax underlying earnings.

Underlying earnings reported were €507 million.

Adjusted earnings reported were €585 million reflecting underlying earnings (€507 million) as well as net realized capital gains mainly on fixed-income assets and equity instruments.

Net income reported was €173 million reflecting adjusted earnings (€585 million), integration and restructuring costs (€-307 million) linked to the integration within AXA, exceptional operations (€-51 million) due to the repurchase of financing debt, and amortization of intangible assets (€-39 million) related to distribution networks.

International

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**7,078**	**6,535**
Life & Savings	1,328	1,285
Property & Casualty	3,888	3,722
Health	1,550	1,295
Other (b)	313	233
New business		
APE	254	262
NBV Margin	43.9%	36.5%
Underlying earnings before tax	**577**	**435**
Life & Savings	78	67
Property & Casualty	410	305
Health	32	25
Other (c)	58	39
Income tax expenses / benefits	(153)	(92)
Minority interests	(61)	(47)
Income from affiliates and associates	103	104
Underlying earnings Group share	**466**	**400**
Net capital gains or losses attributable to shareholders net of income tax	(9)	(4)
Adjusted earnings Group share	**457**	**396**
Profit or loss on financial assets (under fair value option) and derivatives	12	39
Exceptional operations (including discontinued operations)	(599)	(17)
Goodwill and other related intangible impacts	(23)	(29)
Integration and restructuring costs	(16)	(35)
NET INCOME GROUP SHARE	**(169)**	**355**
Property & Casualty Combined Ratio	97.2%	100.6%
Health Combined Ratio	99.3%	99.6%
Protection Combined Ratio	99.1%	98.8%

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

Scope: (i) Mexico, the Gulf Region, Colombia, Singapore, Turkey, Poland, Morocco, AXA Bank Belgium, Malaysia Property & Casualty, Luxembourg, the Czech Republic Life & Savings, the Slovak Republic Life & Savings, Greece and Brazil are fully consolidated; **(ii)** Russia (Reso), India, Nigeria and Lebanon are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income.

Gross revenues increased by €543 million (+8%) to €7,078 million. On a comparable basis, gross revenues increased by €395 million (+6%):

- **Property & Casualty** (€+174 million or +5%) to €3,888 million driven by:
  - *Mexico* (€+16 million or +2%) to €867 million, mainly driven by higher new business mainly in *Personal Motor*,

- *Turkey* (€+95 million or +18%) to €551 million, mainly from tariff increases in *Motor* and higher volumes in *Commercial Property*,
- *Colombia* (€+77 million or +17%) to €517 million, driven by higher volumes in *Protection* and *Workers' Compensation*,
- *The Gulf Region* (€-13 million or -3%) to €466 million, in *Commercial lines* mainly driven by a further reduction of the size of a large *Motor* fleet, partly offset by higher volumes in *Property* and *Protection*,
- *Poland* (€-9 million or -2%) to €427 million, mainly due to lower revenues in *Personal Motor* from softening market trends, partly offset by higher sales in *Commercial lines,*
- *Morocco* (€+24 million or +9%) to €289 million, mainly due to higher new business in *Personal Motor*,
- *Malaysia* (€-18 million or -7%) to €241 million, mainly due to lower sales reflecting strong market competition;

- **Health** (€+186 million or +14%) to €1,550 million, mainly in **(i)** *Mexico* (€+104 million or +16%) to €801 million from the acquisition of several new large accounts and tariff increases, **(ii)** *the Gulf Region* (€+50 million or +16%) to €385 million mainly from large accounts, and **(iii)** *Turkey* (€+23 million or +51%) to €61 million from tariff increases and higher new business;
- **Life & Savings** (€+33 million or €+3%) to €1,328 million, mainly driven by **(i)** *Singapore* (€+15 million or +6%) to €293 million from higher volumes across all lines of business, **(ii)** *Luxembourg* (€+30 million or +23%) to €160 million driven by a large account in *Unit-Linked*, partly offset by a decrease in **(iii)** *Colombia* (€-44 million or -25%) to €121 million mostly due to *G/A Savings* run-off portfolio;
- **Other** (€+2 million or +1%) to €313 million, at *AXA Bank Belgium*.

APE decreased by €8 million (-3%) to €254 million. On a comparable basis, APE decreased by €13 million (-5%) mainly driven by **(i)** *Singapore* (€-15 million or -15%) to €88 million from strong market competition mainly in *Unit-Linked*, partly offset by **(ii)** *India* (€+2 million or +6%) to €41 million and **(iii)** *Poland* (€+3 million or +8%) to €35 million both from *Protection*.

NBV Margin increased by 7.5 points to 43.9%. On a comparable basis, NBV Margin increased by 7.6 points mainly in *Poland* from a more favorable business mix towards *Protection* and lower expenses.

Underlying earnings before tax increased by €142 million (+33%) to €577 million. On a constant exchange rate basis, underlying earnings before tax increased by €140 million (+32%):

- **Property & Casualty** (€+105 million or +34%) to €410 million, mainly driven by **(i)** *Morocco* (€+40 million) from higher prior year reserve developments, **(ii)** *Brazil* (€+23 million) from a more favorable claims experience, **(iii)** *Mexico* (€+22 million) from an improved net technical margin mainly in *Motor* and a higher net investment income, **(iv)** *Poland* (€+17 million) from higher prior year reserve developments mainly in *Motor* and a higher net investment income, and **(v)** *Colombia* (€+7 million) from an improved net technical margin mainly in *Workers' Compensation.* This was partly offset by **(vi)** *Singapore* (€-8 million) from lower prior year reserve developments, partly offset by a more favorable claims experience;
- **Life & Savings** (€+10 million or +15%) to €78 million, mainly driven by lower expenses (€+17 million);
- **Other** (€+19 million or +49%) to €58 million, from *AXA Bank Belgium* (€+10 million) mainly driven by higher fees and lower expenses, and *Holdings* (€+9 million);
- **Health** (€+6 million or +24%) to €32 million, mainly driven by business growth.

Income tax expenses increased by €60 million (+65%) to €-153 million. On a constant exchange rate basis, income tax expenses increased by €60 million (+65%) mainly driven by higher pre-tax underlying earnings combined with negative impact of tax one-offs (€-14 million in 2019 *vs.* €+11 million in 2018).

Minority interests increased by €14 million (+30%) to €-61 million. On a constant exchange rate basis, minority interests increased by €13 million (+29%) as a result of higher underlying earnings in *the Gulf Region* and *Colombia*.

Income from affiliates and associates decreased by €2 million (-2%) to €103 million. On a constant exchange rate basis, income from affiliates and associates remained stable.

Underlying earnings increased by €66 million (+16%) to €466 million. On a constant exchange rate basis, underlying earnings increased by €66 million (+17%).

Adjusted earnings increased by €61 million (+15%) to €457 million. On a constant exchange rate basis, adjusted earnings increased by €61 million (+15%) mainly driven by higher underlying earnings.

Net income decreased by €524 million (-147%) to €-169 million. On a constant exchange rate basis, net income decreased by €521 million (-147%) as higher adjusted earnings were more than offset by the negative impact related to the expected loss on the upcoming disposal of *AXA Bank Belgium* (€-590 million).

Transversal & Central Holdings

(in Euro million, except percentages)	December 31, 2019	December 31, 2018 restated (a)
Gross revenues (b)	**2,959**	**2,913**
Life & Savings	230	234
Property & Casualty	1,319	1,290
Health	184	146
Other (c)	1,225	1,243
Underlying earnings before tax	**(662)**	**(448)**
Life & Savings	71	34
Property & Casualty	91	208
Health	(6)	(17)
Other (d)	(819)	(673)
Income tax expenses / benefits	219	154
Minority interests	(7)	(8)
Income from affiliates and associates	21	20
Underlying earnings Group share	**(429)**	**(282)**
Net capital gains or losses attributable to shareholders net of income tax	(16)	(14)
Adjusted earnings Group share	**(445)**	**(295)**
Profit or loss on financial assets (under fair value option) and derivatives	(621)	(77)
Exceptional operations (including discontinued operations)	(831)	(91)
Goodwill and other related intangible impacts	(1)	(1)
Integration and restructuring costs	(35)	(64)
NET INCOME GROUP SHARE	**(1,932)**	**(527)**
Property & Casualty Combined Ratio	98.5%	89.9%
Health Combined Ratio	102.8%	110.4%

(a) Restated: reclassification of German and Japanese activities of AXA Life Europe (previously reported as part of Germany and Japan respectively) into AXA Life Europe.
(b) Net of intercompany eliminations.
(c) Other corresponds to asset management activities.
(d) Other corresponds to asset management activities and holding.

AXA INVESTMENT MANAGERS ("AXA IM")

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**1,225**	**1,243**
Underlying earnings before tax	**348**	**343**
Income tax expenses / benefits	(97)	(85)
Minority interests	(7)	(8)
Income from affiliates and associates	20	19
Underlying earnings Group share	**264**	**270**
Net capital gains or losses attributable to shareholders net of income tax	-	-
Adjusted earnings Group share	**264**	**270**
Profit or loss on financial assets (under Fair Value option) and derivatives	(15)	(1)
Exceptional operations (including discontinued operations)	1	(53)
Goodwill and other related intangibles impacts	(1)	(1)
Integration and restructuring costs	(4)	(40)
NET INCOME GROUP SHARE	**245**	**175**
Average Assets under Management (in Euro billion)	673	642
Asset management fee bps	16.5	17.1
Underlying cost income ratio	72.0%	72.1%

(a) Net of intercompany eliminations. Gross Revenues amounted to €1,547 million before intercompany eliminations as of December 31, 2019.

Assets under Management ("AUM") increased by €71 billion from December 31, 2018, to €801 billion at the end of December 31, 2019, driven by €+58 billion positive market effects from both lower interest rates and favorable foreign exchange rate impact, and €+13 billion net inflows from **(i)** Main Fund (€+18 billion) of which €+8 billion linked to the ongoing integration of *XL Group* and **(ii)** Third-Party clients (€+4 billion), partly offset by **(iii)** net outflows from Asian joint ventures (€-9 billion) mainly from the China subsidiary due to changes in regulatory requirements.

Management fee bps decreased by 0.5 bps to 16.5 bps. On a constant exchange rate basis, management fee bps decreased by 0.7 bps mainly due to an unfavorable change in product mix.

Gross revenues decreased by €19 million (-1%) to €1,225 million. On a comparable basis, gross revenues decreased by €27 million (-2%) mainly driven by lower performance fees including realized carried interests (€-24 million) and distribution fees (€-7 million), partly offset by higher transaction fees (€+7 million).

Underlying earnings before tax increased by €4 million (+1%) to €348 million. On a constant exchange rate basis, underlying earnings before tax increased by €2 million (+1%) as a result of lower expenses from efficiency initiatives, partly offset by lower gross revenues.

The underlying cost income ratio remained stable at 72.0%. On a constant exchange rate basis, the underlying cost income ratio decreased by 0.2 point.

Income tax expenses increased by €12 million (+14%) to €-97 million. On a constant exchange rate basis, income tax expenses increased by €11 million (+13%) mainly driven by the non-repeat of the impact of a low tax regime on realized carried interests.

Income from affiliates and associates increased by €2 million (+8%) to €20 million. On a constant exchange rate basis, income from affiliates and associates increased by €1 million (+8%).

Underlying earnings and adjusted earnings decreased by €6 million (-2%) to €264 million. On a constant exchange rate basis, underlying earnings and adjusted earnings decreased by €8 million (-3%).

Net income increased by €70 million (+40%) to €245 million. On a constant exchange rate basis, net income increased by €68 million (+39%) mainly driven by the non-repeat of an exceptional tax charge related to the transfer of *AB* shares to *Equitable Holdings, Inc.* in the context of its IPO completed in 2018 and lower restructuring costs.

AXA ASSISTANCE

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Gross revenues (a)	**1,415**	**1,331**
Property & Casualty	1,231	1,185
Health	184	146
Underlying earnings before tax	**6**	**20**
Property & Casualty	12	36
Health	(6)	(17)
Income tax expenses / benefits	(9)	(16)
Minority interests	(0)	(0)
Income from affiliates and associates	1	1
Underlying earnings Group share	**(2)**	**4**
Net capital gains or losses attributable to shareholders net of income tax	0	(2)
Adjusted earnings Group share	**(2)**	**2**
Profit or loss on financial assets (under fair value option) and derivatives	(4)	(7)
Exceptional operations (including discontinued operations)	(10)	2
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(5)	(8)
NET INCOME GROUP SHARE	**(21)**	**(11)**
Property & Casualty Combined Ratio	99.5%	97.8%
Health Combined Ratio	102.8%	110.4%

(a) Net of intercompany eliminations.

Gross revenues increased by €84 million (+6%) to €1,415 million. On a comparable basis, gross revenues increased by €93 million (+7%):

- **Property & Casualty** (€+57 million or +5%) to €1,231 million, from higher volumes in both *Non-Motor* (€+47 million or +7%) notably in Travel and Consumer Electronics, and *Motor* (€+11 million or +2%);
- **Health** (€+36 million or +25%) to €184 million, mainly due to higher new business.

Underlying earnings before tax decreased by €13 million (-69%) to €6 million:

- **Property & Casualty** (€-24 million or -67%) to €12 million, mainly driven by higher commissions from a change in business mix, notably in Home, as well as higher investments to improve customer experience and simplification, partly offset by lower attritional losses in Home and *Motor*;
- **Health** (€+11 million or +65%) to €-6 million, mainly from higher volumes combined with lower expenses, partly offset by higher attritional losses due to an increase in service usage.

Income tax expenses decreased by €7 million (-42%) to €-9 million driven by lower pre-tax underlying earnings and a favorable change in country mix.

Underlying earnings decreased by €6 million to €-2 million.

Adjusted earnings decreased by €4 million to €-2 million.

Net income decreased by €11 million to €-21 million driven by lower adjusted earnings combined with higher restructuring costs and losses on exceptional operations.

AXA SA

(in Euro million, except percentages)	December 31, 2019	December 31, 2018
Underlying earnings Group share	**(810)**	**(703)**
Net capital gains or losses attributable to shareholders net of income tax	36	(23)
Adjusted earnings Group share	**(774)**	**(726)**
Profit or loss on financial assets (under fair value option) and derivatives	(587)	(68)
Exceptional operations (including discontinued operations)	(556)	(16)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(11)	(9)
NET INCOME GROUP SHARE	**(1,928)**	**(819)**

Underlying earnings decreased by €107 million to €-810 million mainly driven by **(i)** temporary higher financial charges, notably in the context of the acquisition of *XL Group* and the change in the accounting methodology of the mandatory exchangeable bonds triggered by the deconsolidation of *Equitable Holdings, Inc.*, as well as **(ii)** tax paid on higher dividends received from subsidiaries.

Adjusted earnings decreased by €48 million to €-774 million mainly driven by lower underlying earnings, partly offset by the positive impact of derivatives set up to reduce the Group exposure to equities.

Net income decreased by €1,108 million to €-1,928 million mainly due to **(i)** an unfavorable change in the fair value of derivatives not eligible for hedge accounting, **(ii)** the negative impact linked to the deconsolidation of *Equitable Holdings, Inc.*, and **(iii)** the non-repeat of the 2018 one-off benefit from the reimbursement of the tax paid on dividends received from European subsidiaries held for more than 95% following the decision from the European Court of Justice.

Outlook

Anticipating the rapidly evolving needs of its customers, AXA's strategy is articulated around its preferred segments (P&C Commercial lines, Health and Protection) and a focus on partnerships and innovation, seizing opportunities arising from new technologies to offer products and services beyond insurance and becoming a trusted partner for its customers.

AXA is resolutely focused on the delivery of its Ambition 2020 plan and the successful integration of XL Group, solidifying AXA's position as the #1 global P&C Commercial lines insurer.

With the full disposal of Equitable Holdings, Inc., successfully achieved in 2019, the Group's profile has changed significantly, with a higher proportion of technical margin earnings and a reduced sensitivity to financial markets.

AXA's Solvency II position and free cash generation should remain strong and resilient to external shocks due to robust underwriting and reinsurance policies, a high quality asset portfolio and disciplined capital management.

With its clear strategy, a simplified organization designed to foster growth across its preferred segments, a significant shift in strategic profile and a strong balance sheet with financial flexibility, AXA is well positioned to create lasting shareholder value and offer an attractive return.

Glossary

This glossary includes definitions of non-GAAP financial measures, or alternative performance measures ("APMs"), indicated by an asterisk (*), that Management believes are useful to understand the Group's business and analyze the Group's performance. The scope of the following definitions of APMs remains unchanged compared to prior periods, except that the scope of certain definitions was updated to take into account **(i)** the deconsolidation of EQH, and **(ii)** the impact of the issuance by AXA of mandatory exchangeable bonds into shares of EQH (the "MEBs") in May 2018, which were recorded in "shareholders' equity - Minority interests" and "financial debt" and subsequently reclassified from "shareholders' equity" components to financing debt starting 1Q19.

Scope and comparable basis

SPLIT BY GEOGRAPHY

The split by geography is detailed below:

- **France** (insurance and banking activities, and holdings);
- **Europe**, consisting of:
    - Switzerland (insurance activities),
    - Germany (insurance and banking activities, and holdings),
    - Belgium (insurance activities and holdings),
    - United Kingdom and Ireland (insurance activities and holdings),
    - Spain (insurance activities),
    - Italy (insurance activities);
- **Asia**, consisting of:
    - Japan (insurance activities and holdings),
    - Hong Kong (insurance activities),
    - Asia High Potentials, consisting of:
        - Thailand (insurance activities),
        - Indonesia (insurance activities),
        - China (insurance activities),
        - The Philippines (insurance activities),
    - Asia - Direct, consisting of:
        - Direct Japan (insurance activities),
        - Direct South Korea (insurance activities),
    - Asia Holdings;
- **AXA XL**, consisting of:
    - XL Group (insurance activities and holdings) as acquired on September 12, 2018,
    - AXA Corporate Solutions Assurance (insurance activities),

  - AXA Art (insurance activities);
- **United States** (insurance activities, AB and holdings);
- **International**, consisting of:
  - AXA Bank Belgium (banking activities),
  - Brazil (insurance activities and holdings),
  - Colombia (insurance activities),
  - Czech Republic and Slovak Republic (insurance activities),
  - Greece (insurance activities),
  - The Gulf Region (insurance activities and holdings),
  - India (insurance activities and holdings),
  - Lebanon (insurance activities and holdings),
  - Luxembourg (insurance activities and holdings),
  - Malaysia (insurance activities),
  - AXA Mediterranean Holdings,
  - Mexico (insurance activities),
  - Morocco (insurance activities and holdings),
  - Nigeria (insurance activities and holdings),
  - Poland (insurance activities),
  - Russia (Reso) (insurance activities),
  - Singapore (insurance activities and holdings),
  - Turkey (insurance activities and holdings);
- **Transversal & Central Holdings**, consisting of:
  - AXA Investment Managers,
  - AXA Assistance,
  - AXA Liabilities Managers,
  - AXA Global Re,
  - AXA Life Europe,
  - AXA SA and other Central Holdings.

CURRENT ENGINES AND HIGH POTENTIALS

The split between current engines and high potentials is detailed below:

- **Current Engines:** Belgium, France, Germany, Hong Kong, Italy, Japan, Spain, Switzerland, UK & Ireland, AXA XL, the United States and AB;
- **High Potentials:** Brazil, China, Indonesia, Mexico, the Philippines and Thailand.

COMPARABLE BASIS FOR REVENUES, ANNUAL PREMIUM EQUIVALENT AND NBV MARGIN

"On a comparable basis" means the following:

- data for the current period were restated using the prevailing foreign currency exchange rates for the same period of prior year (**constant exchange rate basis**);
- data in one of the two periods being compared were restated for the results of acquisitions, disposals and business transfers (**constant structural basis**) and for changes in accounting principles (**constant methodological basis**).

Earnings and Capital

ADJUSTED EARNINGS*

Adjusted Earnings represent the net income (Group share) as disclosed in the table set forth on pages 22 to 23 of this report, before the impact of the following items net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

- integration and restructuring costs related to material newly acquired companies as well as restructuring and associated costs related to productivity improvement plans;
- goodwill and other related intangibles;
- exceptional operations (primarily change in scope and discontinued operations); and
- profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets and liabilities.

Derivatives related to invested assets:

- include all foreign exchange derivatives, except the ones related to currency options in earnings hedging strategies which are included in underlying earnings;
- exclude derivatives related to insurance contracts evaluated according to the "selective unlocking" accounting policy; and
- exclude derivatives involved in the economic hedging of realized gains and impairments of equity securities backing General Account and shareholders' funds, for which cost at inception, intrinsic value and pay-off flow through adjusted earnings, and only time value flows through net income when there is no intention to sell the derivatives in the short term (if not, flows through adjusted earnings).

UNDERLYING EARNINGS*

Underlying Earnings correspond to Adjusted Earnings without the following elements net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

- realized gains and losses and change in impairment valuation allowances (on assets not designated under fair value option or trading assets); and
- cost at inception, intrinsic value and pay-off of derivatives used for the economic hedging of realized gains and impairments of equity securities backing General Account and shareholders' funds.

EARNINGS PER SHARE

Earnings per share (**EPS**) represent AXA's consolidated earnings (net of financial charges related to undated subordinated debt recorded through shareholders' equity, preferred shares and MEBs up to the date of the deconsolidation of EQH), divided by the weighted average number of outstanding ordinary shares.

Diluted earnings per share (**diluted EPS**) represent AXA's consolidated earnings (net of financial charges related to undated subordinated debt recorded through shareholders' equity, preferred shares and MEBs up to the date of the deconsolidation of EQH), divided by the weighted average number of outstanding ordinary shares, on a diluted basis (*i.e.* including the potential impact of all outstanding dilutive stock options being exercised, performance shares, and conversion of existing convertible debt into shares, provided that their impact is not anti-dilutive).

Underlying Earnings per share* correspond to Underlying Earnings (net of financial charges related to undated subordinated debt recorded through shareholders' equity, preferred shares and MEBs up to the date of the deconsolidation of EQH), divided by the weighted average number of outstanding ordinary shares.

RETURN ON EQUITY

The **Return on Equity ("RoE")** is calculated as earnings divided by the weighted average shareholders' equity. The weighted average shareholders' equity is based on opening shareholders' equity adjusted for weighted average impacts of capital flows (including dividends).

- for underlying RoE and adjusted RoE*:
    - reserves relating to the change in the fair value through shareholders' equity are excluded from the average shareholders' equity,
    - undated subordinated debts ("Super Subordinated Debts" TSS/"Undated Subordinated Debts" TSDI) are treated as financing debt, thus excluded from the average shareholders' equity,
    - and earnings include interest charges on TSS/TSDI, on preferred shares, and on shareholders' equity component of the MEBs up to the date of deconsolidation of EQH;
- for net income RoE: calculation is based on Consolidated Financial Statements, *i.e.*
    - average shareholders' equity including undated subordinated debt (TSS/TSDI) and reserves relating to the change in the fair value through shareholders' equity,
    - and net income.

FREE CASH FLOWS

Free Cash Flows are defined as a measure of dividend capacity calculated as the sum of earnings and required capital change.

EOF (ELIGIBLE OWN FUNDS)

Surplus derived from a Solvency II balance sheet. It is defined as the excess of market value of assets over best estimate liabilities and Risk Margin as per Solvency II regulation.

SOLVENCY II RATIO

This ratio is calculated as per Solvency II, and is equal to the total amount of the Group's Eligible Own Funds ("EOF") divided by the Group's Solvency Capital Requirement ("SCR"). The Solvency Capital Requirement, *i.e.* the denominator of the Solvency II ratio, is set at a level ensuring that insurers and reinsurers are able to meet their obligations towards policyholders and beneficiaries over the next 12 months, with a 99.5% probability. The Solvency Capital Requirement can be calculated either based on the standard formula or an internal model. The Group is using an internal model.

The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's SFCR for of the year ended December 31, 2018, available on AXA's website (www.axa.com). In compliance with the ACPR's decision, from January 1, 2019, entities that were part of the XL Group ("XL entities") have been fully consolidated for Solvency II purposes (as per the consolidation-based method set forth in the Solvency II Directive) and their contribution to the Group's Solvency Capital Requirement has been calculated using the Solvency II standard formula. Subject to prior approval of the ACPR, the Group intends to extend its internal model to XL entities as soon as December 31, 2020.

DEBT GEARING*

Debt Gearing refers to the level of a company's debt related to its equity capital, usually expressed as a percentage. Debt Gearing is used by Management to measure the financial leverage of the Group and the extent to which its operations are funded by creditors as opposed to shareholders. AXA's Debt Gearing is calculated by dividing the gross debt (financing debt and undated subordinated debt) by total capital employed (consolidated shareholders' equity excluding undated subordinated debt and reserves relating to the change in the fair value of financial instruments and of hedge accounting derivatives plus the gross debt). Furthermore, following the deconsolidation of EQH, MEBs were excluded from Debt Gearing.

Activities

INSURANCE

LIFE & SAVINGS HYBRID AND G/A CAPITAL LIGHT PRODUCTS

Hybrid products: Savings products allowing clients to invest in both Unit-Linked and General Account funds.

G/A capital light products: General Account Savings products which, at inception, create more EOF than the economic capital they consume.

LIFE & SAVINGS NET INFLOWS

Life & Savings Net Inflows are defined as the collected premiums (including risk premiums, fees and revenues), net of surrenders, maturities, claims paid and other benefits paid. This definition is applicable to all Life & Savings products as well as Life-like Health products, with the exception of Mutual Funds products.

NEW BUSINESS APE (NEW BUSINESS ANNUAL PREMIUM EQUIVALENT)

New business APE represents 100% of new regular premiums plus 10% of single premiums, in line with EEV methodology. APE is Group share.

NBV (NEW BUSINESS VALUE)

The value of newly issued contracts during the current year. It consists of the present value of future profits after the costs of acquiring business, less **(i)** an allowance for the time value of financial option and guarantees, **(ii)** cost of capital and non-financial risks. AXA calculates this value net of tax.

NBV MARGIN (NEW BUSINESS VALUE MARGIN)

New Business Value Margin is the ratio of:

- New Business Value representing the value of newly issued contracts during the current year; to
- Annual Premium Equivalent.

This ratio represents the profitability of the new business.

MARGIN ANALYSIS

The Margin Analysis is presented on an underlying earnings basis.

Even though the presentation of the Margin Analysis is not the same as the Statement of Income (underlying basis), it is based on the same GAAP measures as used to prepare the Statement of Income in accordance with IFRS.

Underlying investment margin includes the following items:

- net investment income; and
- interests and bonuses credited to policyholders and unallocated policyholder bonuses (and the change in specific reserves purely linked to invested assets returns) related to the net investment income as well as the unwind of the discount rate used in calculating technical reserves.

Underlying fees & revenues include:

- revenues derived from mutual fund sales (which are part of consolidated revenues);
- loadings charged to policyholders (or contractual charges) on premiums of all Life & Savings products;
- loadings on deposits received on all Life & Savings products and fees on funds under management for separate account (Unit-Linked) business;
- deferred income such as capitalization net of amortization of URR (Unearned Revenue Reserve) and UFR (Unearned Fee Reserve); and
- other fee revenues, e.g. fees received on financial planning or sales of third party products.

Underlying net technical margin includes the following components:

- mortality and morbidity margin: the difference between income or earned premiums for assuming risk and the cost of benefits and claims charges directly linked to the claims experience or its anticipation (death or disability);
- surrender margin: the difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination;
- GMxB (Variable Annuity guarantees) active financial risk management: the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedging. It also includes the unhedged business result;
- policyholder bonuses if the policyholders participate in the risk margin;
- ceded reinsurance results;
- other changes in claims and insurance reserves: all the reserve strengthening or release coming from changes in valuation assumptions, claims experience, additional reserves for mortality risk and other technical impacts such as premium deficiencies net of derivatives if any; and
- claims handling costs.

Underlying expenses include the following components:

- acquisition expenses, including commissions and general expenses allocated to new business;
- capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF;
- amortization of Deferred Acquisition Costs (DAC) and net rights to future management fees for investment contracts without DPF, including the impact of interest capitalized;
- administrative expenses; and
- policyholder bonuses if the policyholder participates in the expenses of the Company.

Underlying VBI amortization includes VBI (Value of Purchased Life Business In-force) amortization related to underlying margins.

There are certain material differences between the detailed line-by-line presentation in the Statement of Income and the components of Life & Savings Margin Analysis as set out below:

- For insurance contracts and investment contracts with Discretionary Participation Features (DPF):
    - gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees & Revenues" and "Net Technical Margin",
    - policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, *i.e.* primarily "Investment Margin" and "Net Technical Margin",
    - the "Investment margin" represents the net investment result in the Statement of Income and is adjusted to consider the related policyholder participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees & Revenues",
    - change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis;
- For investment contracts without DPF:
    - deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the Underlying Statement of Income within Gross Consolidated Revenues on a separate line, and in Margin Analysis in the lines "Fees & Revenues" and "Net Technical Margin",
    - change in UFR (Unearned Fee Reserve - capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the Underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis.

INSURANCE RATIOS (APPLICABLE TO PROPERTY & CASUALTY, HEALTH AND PROTECTION ACTIVITIES)

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

- current year claims charge gross of reinsurance + claims handling costs + result of reinsurance ceded on current accident year, excluding for the discounted reserves the unwind of the discount rate used in calculating technical reserves; to
- earned revenues gross of reinsurance.

All accident year loss ratio net of reinsurance is the ratio of:

- all accident years claims charge gross of reinsurance + claims handling costs + result of reinsurance ceded on all accident years, excluding the unwind of the discount rate used in calculating technical reserves; to
- earned revenues gross of reinsurance.

Underlying expense ratio is the ratio of:

- underlying expenses (excluding claims handling costs, including changes in VBI amortization); to
- earned revenues gross of reinsurance.

Underlying expenses include two components: expenses (including commissions) related to the acquisition of contracts (with the related **acquisition expense ratio**) and all other expenses excluding claims handling costs (with the related **administrative expense ratio**). Underlying expenses exclude customer intangible amortization, but include the impact from the changes in VBI amortization.

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

ASSET MANAGEMENT

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

Underlying cost income ratio is the ratio of:

- general expenses excluding distribution related expenses; to
- gross revenues excluding distribution fees received.

Assets under management (AUM) are defined as the assets whose management has been delegated by their owner to an asset management company such as AXA Investment Managers. AUM only include funds and mandates which generate fees and exclude double counting.

BANKING

Operating net banking revenues are disclosed before intercompany eliminations and before realized capital gains/losses or changes in fair value of “fair-value-P&L” assets and hedging derivatives.