Activity Report /

December 31, 2018

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 Registration Document for the year ended December 31, 2017, 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 26 and 27 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 35 of this report, and Debt Gearing is reconciled to the financial statements in the table set forth on page 34 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 76 to 83 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 AXA Equitable Holdings, Inc. ("**AEH**") (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 AEH's financial results and other public reports please consult the SEC website www.sec.gov.

REPORTING CHANGES

Following the completion of the acquisition of XL Group on September 12, 2018, the financial reporting has been aligned and retroactively restated in this report under the seven following segments:

- France (insurance and banking activities, and holdings);
- Europe, consisting of:
    - Switzerland (insurance activities),
    - Germany (insurance activities excluding AXA Art, banking activities and holdings),
    - Belgium (insurance activities and holding),
    - United Kingdom & Ireland (insurance activities and holdings),
    - Spain (insurance activities),
    - Italy (insurance activities and holding);
- Asia, consisting of:
    - Japan (insurance activities),
    - 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:
        - AXA Global Direct Japan,
        - AXA Global Direct South Korea,
    - Asia Holding;
- 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:
    - 14 countries [1] within Europe, Middle East, Africa & Latin America, mainly including Turkey, Mexico, Morocco, Czech Republic & Slovak Republic and Luxembourg (insurance activities and holdings),

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[1] *For the full list of countries, see the Glossary on page 77.*

  - Singapore (insurance activities and holding),
  - Malaysia (insurance activities),
  - India (insurance activities and holding),
  - AXA Bank Belgium (banking activities);
- 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.

Market Environment

FINANCIAL MARKET CONDITIONS

In 2018, financial markets started the year on an upbeat note, supported by an increase in both global manufacturing and trade throughout 2017. Markets then suffered a setback in the second half of the year, mostly in reaction to several political decisions combined with disappointing economic indicators.

In Europe, the rise of populist and anti-establishment parties and disappointing economic indicators published in the second semester gave rise to concerns about a slowdown of the economy. The expectations of a looming trade war between China and the United States as well as the slowdown of Asian demand negatively impacted exports. In Italy, discussions around the budget drafted by the coalition of the League and the Five Star Movement led to a significant tightening of financial conditions, with the rise in sovereign yields (back to the level of mid-2014) spilling over to Italian banks and non-financial corporates. Meanwhile, the European Central Bank tapered then stopped its net asset purchases, whilst indicating that interest rates would stay at their current level until at least the summer 2019. In respect to financial markets, the Stoxx 600 closed the year 10% lower than its end 2017 levels, mostly in relation to a general slowdown of the activity in Europe, as observed during the last quarter.

In the United Kingdom, the Brexit agreement reached in November with the European Union was rejected by a large majority of the UK Parliament on January 15, 2019. While negotiations are still ongoing, the possibility of a no deal Brexit remains.

In the United States, GDP growth peaked in 2018 at 2.9% and core inflation moderately increased, from 1.8% at the end of 2017 to 2.2% at the end of 2018, supported by an acceleration of wage increases and a historically low unemployment rate (3.9%). This environment pushed the 10 year US Treasury yields from 2.4% at the end of 2017 to a seven year high of 3.24% in November. In a context of higher US Treasury yields and lower growth expectations, financial markets turned to a risk-off mode in the fourth quarter of 2018, with the S&P500 index finishing the year 6.2% lower than its end 2017 level. The US monetary policy remained unchanged during the year, with the Fed raising its benchmark interest rates four times during the year, the last one in December bringing the Federal Funds rate to 2.50%.

In Asia, Japanese GDP growth is expected to reach 0.7%, a disappointing slowdown compared to 2017 (1.7%). The Bank of Japan adopted a neutral stance since mid-year, reducing its net asset purchases and adjusting its yield curve management actions. Elsewhere in Asia, equity markets surged to all-time highs in January and fell thereafter, due to the escalation of the trade war between China and the United States. During the last G20 at the end of November, Presidents Donald Trump and Xi Jinping met and announced a 90-day moratorium on tariffs, delaying the next planned increase of US tariffs to March 1, 2019.

Stock Markets

The MSCI World Index decreased by 9.1% in 2018.

The MSCI G7 index decreased by 9.0% and the MSCI Emerging index decreased by 12.3%.

The Dow Jones Industrial Average index decreased by 5.6% and the S&P 500 index decreased by 6.2% in 2018. Equity markets in Japan and Europe posted losses in 2018: the Nikkei index in Tokyo decreased by 12.1%, the FTSE 100 index in London decreased by 12.5% and the EUROSTOXX 50 index in the Eurozone decreased by 14.4%.

The S&P 500 implied volatility index (VIX) increased from 11.0% on December 31, 2017, to 25.4% on December 31, 2018.

Bond Markets

Government bond yields increased since December 31, 2017, in some mature economies: the 10-year US T-bond yield increased by 28 bps to 2.69%, the 10-year Belgium government bond yield increased by 13 bps to 0.77%, the UK 10-year government bond yield increased by 8 bps to 1.27%, while the 10-year German Bund yield decreased by 18 bps to 0.25%, the French 10-year government bond yield decreased by 7 bps to 0.71%, the 10-year Japan government bond yield decreased by 5 bps to 0.00% and the 10-year Swiss government bond yield decreased by 2 bps to -0.17%.

In the Eurozone peripheral countries, the 10-year government bond yields increased in most countries: +78 bps to 2.77% in Italy, +26 bps to 4.38% in Greece and +23 bps to 0.91% in Ireland, while it decreased by 21 bps to 1.72% in Portugal and by 15 bps to 1.42% in Spain.

In Europe, the iTraxx Main spreads increased by 43 bps to 88 bps compared to December 31, 2017, and the iTraxx Crossover increased by 122 bps to 354 bps. In the United States, the CDX Main spread Index increased by 39 bps to 88 bps.

The Euro interest rates implied volatility index (based on 10x10 Euro swaptions) increased from 43.4% as of December 31, 2017, to 46.5% as of December 31, 2018.

Exchange Rates

	End of Period Exchange rate		Average Exchange rate	
	December 31, 2018 (for €1)	December 31, 2017 (for €1)	December 31, 2018 (for €1)	December 31, 2017 (for €1)
US Dollar	1.14	1.20	1.18	1.13
Japanese Yen	125	135	130	127
British Sterling Pound	0.90	0.89	0.88	0.88
Swiss Franc	1.13	1.17	1.16	1.11

MARKET CONDITIONS

Insurance activities

CURRENT ENGINES

The **French insurance market** experienced a deep transformation in 2018, with both new French and European regulations coming into force. First, several tax reforms on Life insurance products were enacted including a flat tax rate of 30% on investment income and a decrease of the corporate tax rate (”Loi de Finances 2018”). Additionally, several regulations were implemented with a view to increase the transparency of dealings with policyholders and ultimately improve the relationship with the client base, including the PRIIPS (Packaged Retail Investment and Insurance-based Products) Regulation that will enhance protection standards for individual investors and increase transparency in the market by providing a pre-contractual document prior to any transaction and MIFID II (Markets in Financial Instruments Directive) that aims to improve market transparency by introducing specific disclosures from Financial Services players. These changes brought operational as well as organizational changes to the entire insurance industry. The **French Savings** insurance market grew by 4% to reach €140 billion premiums, of which Unit-Linked contracts represented 28%. The **French Protection & complementary Health** insurance market grew by 6% to reach €24 billion worth of premiums. The market experienced deep changes and significant innovations including but not limited to strategic partnerships, the broad development of telemedicine solutions and real time underwriting. In the context of an ever more competitive industry, with strong pricing pressures and an increasing market concentration, the **French Property & Casualty** insurance market continued to grow steadily in 2018, mainly in Motor and Property lines of business, due to both an atypical natural events charge combined with an increase of households’ disposable income.

In **Europe**, Property & Casualty turnover increased mainly due to economic growth as well as customer centric initiatives in a context of strong competition. Profitability remained stable despite an increase in natural events early 2018 in the United Kingdom, Germany and Belgium after a relatively benign year in 2017. Mature markets, such as Switzerland, Germany and Belgium remained very competitive with increased pressure on pricing. In the United Kingdom, Personal Motor and Household remained price-led markets, while Commercial lines experienced limited organic growth, in a context of pressure on profitability resulting from natural events early 2018, escape of water and uncertainties related to the ‘Ogden’ legislation. On the contrary, the Irish market grew despite a slight softening in prices and uncertainties related to Brexit as many market players implemented cross border models. In Spain, growth experienced a slowdown after a strong increase in 2017. Lastly, in Italy, the continued decrease in average premium in Motor slowed down. In Life & Savings, persistent low interest rates continued to weigh on G/A Savings sales and profitability, notably in Germany, Belgium, Italy, Switzerland and Spain. Unit-Linked performance was negatively impacted by the adverse market environment late 2018 but the segment experienced growth notably in Belgium and Germany. Protection remained one of the main growth drivers in Life & Savings. The Health market also experienced significant growth in Europe, even if the number of privately insured clients decreased in Germany.

In **Japan**, the Life & Savings insurance market recovered from a sharp decline last year to a slight growth supported by single premiums foreign denominated products and by the SME market with the development of tax-efficient savings products, while Protection and Annuity markets remained at lower level due to tariffs increase as a consequence of the low interest rates environment. The Health insurance market slightly increased and new innovative products continued to be developed.

In **Hong Kong**, the Life & Savings insurance market recorded a stable growth and remained dominated by Savings products, with sales contribution from Unit-Linked staying low in a context of stringent regulatory environment. The Property & Casualty insurance market experienced an improved growth mainly driven by General Liability and Property products. The Health insurance market continued to grow and remained competitive.

In the **United States Property & Casualty insurance sector**, net premiums written experienced the highest year-over-year increase in the past decade mainly driven by a continued expansion of the clients base in both personal and commercial lines, supported by an upbeat economic climate with a 50-year low unemployment rate, high consumer spending and strong GDP growth. In terms of technical result, the year was split in two distinct periods, as insurers experienced a welcomed relief on natural catastrophes in the first half of the year (with year-on-year losses down 33% from 2017) while the second half of the year saw the occurrence of large natural catastrophes, mainly from Hurricanes Florence and Michael, but also with exceptional wildfires in California and an earthquake in Alaska. In the **Property & Casualty reinsurance sector**, US players experienced on average significant growth in premiums for the first time since 2013. In the **Life & Savings sector**, after several consecutive quarters of decline mostly in reaction to the continued uncertainty around the impact of the implementation of the new Department of Labor fiduciary rules, sales to Individual clients bounced. The growth was driven by higher sales of Indexed Universal Life products while Annuity sales have grown by more than 5% in 2018, supported by the normalization of interest rates in the US combined with an increase of the disposable income. Over the year, Life insurers continued to shift the product offering from guaranteed to variable returns while also promoting the products offer to Protection.

HIGH POTENTIALS

In **Asia High Potentials**, the insurance market remained challenged by economic and regulatory environments. In China, the Life & Savings premiums grew moderately due to the regulatory restrictions on short-term savings products. The Property & Casualty market continued to record double-digit growth in a context of market liberalization contributing to a highly competitive environment. In Thailand, the Life & Savings market declined in a context of low interest rates whereas the Property & Casualty market grew due to a favorable government scheme driving growth in the Personal Motor market. In Indonesia, the Life & Savings market remained almost flat. In the Philippines, the Life & Savings market continued to record a resilient double digit growth.

In **International markets**, the Property & Casualty business benefited from market growth in Latin America with positive trends in Mexico and Brazil. The Health and the Life & Savings insurance businesses both experienced a strong growth in Mexico.

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 (incl. Health for Life & Savings)	2	13.5	3	8.9	FFA as of December 31, 2018.
	United Kingdom (incl. Health)	2	8.0	n/a	n/a	UK General Insurance: Competitor Analytics 2018, Verdict Financial, as of December 31, 2017.
	United Kingdom Health	2	29.9	n/a	n/a	LaingBuisson 2018 HealthCover Report as of December 31, 2017.
	Ireland (Republic of Ireland) Motor	1	25.0	n/a	n/a	Insurance Ireland P&C Statistics 2017 as of December 31, 2017.
	Ireland (Northern Ireland) Motor	1	32.0	n/a	n/a	Northern Ireland Transport statistics as of December 31, 2017.
	Germany	6	5.4	8	3.7	GDV (German association of Insurance companies) as of December 31, 2017.
	Germany Health	n/a	n/a	4	7.8	PKV (Association of German private healthcare insurers) as of December 31, 2017.
	Switzerland	1	13.0	2	26.0	SIA (Swiss Insurance Association) Market share based on statutory premiums and market estimations by the SIA as of January 31, 2019.
	Belgium	1	19.7	5	8.0	Assuralia (Belgium Professional Union of Insurance companies) based on gross written premium as of September 30, 2018.
	Spain	5	6.2	11	2.3	Spanish Association of Insurance Companies. ICEA as of September 30, 2018.
	Italy	5	5.6	7	3.7	Associazione Nazionale Imprese Assicuratrici (ANIA) as of December 31, 2017.
	Japan	n/a	n/a	15	2.8	Disclosed financial reports (excluding Kampo Life) for the 12 months ended September 30, 2018.
	Japan Health	n/a	n/a	14	2.3	Disclosed financial reports (excluding Kampo Life) for the 12 months ended September 30, 2018.
	Hong Kong (incl. Health)	1	7.7	6	4.8	Insurance Authority statistics based on gross written premiums as of September 30, 2018 .
	XL (Lloyd´s)	1	7.8	n/a	n/a	Lloyd's Annual report 2017 as of December 31, 2017.
	XL Reinsurance	7	2.8	n/a	n/a	Swiss Re and AM Best 2017 as of December 31, 2017.
	United States Life	n/a	n/a	19	1.6	LIMRA Life sales as of September 30, 2018.
	United States Variable Annuity	n/a	n/a	3	10.5	Morningstar VARDS as of September 30, 2018.
High Potentials	Brazil	18	1.9	n/a	n/a	SUSEP (Superintendência de Seguros Privados) as of December 31, 2018.
	Mexico	3	11.0	9	2.4	AMIS (Asociacion Mexicana de Instituciones de Seguros) as of September 30, 2018.
	Mexico Health	2	16.3	n/a	n/a	AMIS (Asociacion Mexicana de Instituciones de Seguros) as of September 30, 2018.
	China (incl. Health)	16	0.5	16	1.3	CBIRC (China Banking and Insurance Regulatory Commission) as of December 31, 2018.
	Indonesia	n/a	n/a	3	7.7	AAJI Statistic measured on Weighted New Business Premium as of September 30, 2018.
	Philippines	n/a	n/a	3	13.7	Insurance Commission measured on total premium income as of December 31, 2017 (for the ranking) and as of September 30, 2018 (for the market share).
	Thailand (incl. Health for Life & Savings)	28	1.0	4	10.9	TLAA (Thai Life Assurance Association) statistics report as of November 30, 2018 and TGIA (Thai General Insurance Association) as of October 31, 2018.

Asset Management

As 2018 saw the resurgence of volatility in equity markets and slowly-increasing yields on fixed income assets, investors were incentivized to look to alternative asset classes in the hunt for yields: institutional investors therefore accelerated their shift.

With a view to optimize their return in a low margin environment, asset managers are diversifying their portfolios and tailoring their investment solutions. From traditional products to alternative credit and specialties, active to passive investing, assets managers are moving towards absolute return and cash-flow driven investments and risk factor-based analyses.

In the context of price compression, the need to better align fees with performance grows bigger. No fee fund, zero-commission platforms, performance fees based models, new pricing models have emerged.

Additionally, asset managers needed to meet the growing demand for responsible investment, and thus to expand their offers in terms of Environmental, Social and Governance (ESG) investments. It has now become a global secular trend as 90% of boutiques now incorporate such vehicles in their portfolio.

In this context, AXA Investment Managers ranked 19th (1) and AB 34th (1) based on volume of assets under management. On a combined basis, AXA ranked 11th (1).

(1) *Ranking established by AXA based on information available as of September 30, 2018.*

Operating Highlights

Governance

RE-APPOINTMENT OF MESSRS. DENIS DUVERNE AND THOMAS BUBERL AS CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

On April 25, 2018, AXA's Shareholders' Meeting renewed Messrs. Denis Duverne and Thomas Buberl's directorships as members of AXA's Board of Directors.

The Board of Directors held at the end of the Shareholders' Meeting confirmed the renewal of Messrs. Denis Duverne and Thomas Buberl as Chairman of the Board of Directors and Chief Executive Officer respectively, for the duration of their directorships as members of the Board.

Significant Acquisitions

AXA ACCELERATES ITS "PAYER-TO-PARTNER" STRATEGY WITH THE ACQUISITION OF MAESTRO HEALTH

On February 28, 2018, AXA announced that it had completed the acquisition of Maestro Health, Inc. ("Maestro Health"), a US health benefit administration digital company. Total consideration for the acquisition amounted to USD 155 million (or €127 million [1]).

Maestro Health provides a digital integrated platform encompassing a full set of health benefit administration services and third-party administrator services for self-insured companies, including care coordination solutions for employees, enabling companies to be more effective in lowering healthcare costs and empowering employees to make better health-related choices.

Founded in 2013, the Chicago-based company has more than 300 employees and targets mid-size and large-size employers across the United States, currently covering over 1 million lives.

This acquisition reflects AXA's continued strong focus on the health business and supports its "Payer-to-Partner" strategy, in line with Ambition 2020, and represents an important step towards building a comprehensive and long-term population health management solution to provide better care at lower cost.

AXA COMPLETED THE ACQUISITION OF XL GROUP, CREATING THE #1 GLOBAL P&C COMMERCIAL LINES INSURANCE PLATFORM

On September 12, 2018, AXA announced that it had completed the acquisition of XL Group Ltd, following the announcement on March 5, 2018, that AXA had entered into an agreement to acquire XL Group Ltd. The completion of the transaction followed the fulfilment of customary closing conditions, including approval by XL Group shareholders and receipt of all necessary regulatory approvals.

Total consideration for the acquisition amounted to USD 15.3 billion (€12.4 billion [2]) fully paid in cash. Under the terms of the transaction, XL Group shareholders received USD 57.60 per share. This represented a premium of 33% to XL Group closing share price on March 2, 2018.

Founded in 1986, XL Group is a leader in P&C Commercial and Specialty lines with an active global network. XL Group generated USD 15 billion of GWP in FY17. It is a growing franchise with a high-quality underwriting platform

[1] EUR 1 = USD 1.2233 as of January 19, 2018 (source: Bloomberg).
[2] EUR 1 = USD 1.2317 as of March 2, 2018 (source: Bloomberg).

and a rich and diversified product offering. XL Group is a highly agile company renowned for innovative client solutions and has a comprehensive business model of originating, packaging and selling risks. XL Group has ca. 7,400 colleagues worldwide and has a strong presence across specialty and mid-market segments via insurance and reinsurance.

This acquisition is aligned with AXA's Ambition 2020 preferred segments favoring product lines with high frequency customer contacts, quality service and superior technical expertise. XL Group provides both a premier specialty platform complementing and diversifying AXA's existing Commercial lines insurance portfolio, and reinsurance capabilities that will grant AXA an access to enhanced diversification and alternative capital. The combination of AXA's and XL Group's existing positions will propel the Group to the #1 global position in P&C Commercial lines with combined 2016 revenues of ca. €30 billion (1) and total P&C revenues of ca. €48 billion (2).

The opportunity to acquire XL Group has led AXA to announce its intention to fully exit from its existing US operations. Together with the initial public offering ("IPO") of AXA's US operations (3) and intended subsequent sell-downs, this transaction will gear AXA further towards technical margins less sensitive to financial markets.

The strong complementarities between AXA and XL Group provide opportunities for significant value creation, offsetting over time the earnings dilution resulting from the US IPO and the intended subsequent sell-downs. It will also allow for material capital diversification benefits under the Solvency II framework and a strong return on investment. In this context, AXA also reaffirmed its Ambition 2020 targets.

The new AXA XL division, combining XL Group operations, AXA Corporate Solutions and AXA Art, is led by Greg Hendrick, previously the President and Chief Operating Officer of XL Group, who is CEO of the division and a member of AXA Group's Management Committee, reporting to Thomas Buberl.

In connection with the completion of the acquisition, XL Group's common shares ceased trading prior to market opening on September 12, 2018 and were delisted (4) from the New York Stock Exchange and the Bermuda Stock Exchange.

AXA TO ACQUIRE THE REMAINING 50% STAKE IN AXA TIANPING TO ACCELERATE ITS GROWTH IN CHINA AS THE #1 FOREIGN P&C INSURER

On November 26, 2018, AXA announced that it had entered into an agreement with the current domestic shareholders (5) of AXA Tianping Property & Casualty Insurance Company Ltd ("AXA Tianping") to acquire the remaining 50% stake (6) of the company.

Total consideration for the acquisition of the 50% stake would amount to RMB 4.6 billion (or €584 million (7)), representing an implied 2.4x FY17 BV (8) multiple, of which, subject to regulatory approvals, RMB 1.5 billion (or €190 million (7)) should be financed through a capital reduction of AXA Tianping to buy back shares from the current domestic shareholders.

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(1) Includes P&C Commercial lines and P&C Commercial Health for comparability purposes with peers.

(2) Includes P&C Health for comparability purposes with peers.

(3) NYSE listing of AXA Equitable Holdings, Inc., consisting of the AXA US Life & Savings business and the AXA Group's interest in AllianceBernstein LP and AllianceBernstein Holding LP ("AB"), which was successfully completed on May 14,2018. AXA America Corporate Solutions Inc. was not part of the IPO.

(4) Following the closing of the merger and the delisting of XL Group's securities, XL Group's reporting obligations under the Securities Exchange Act of 1934 were suspended.

(5) Shanghai Yi Ke Joint Venture Co., Ltd., Hainan Hua Ge Industrial Investment Co., Ltd., Tian Mao Industrial Group Joint Stock Corporation, Hainan Luda Technology Co., Ltd., Shanghai Rixingkang Biology Engineering Co., Ltd.

(6) AXA acquired the initial 50% stake in AXA Tianping in February 2014.

(7) EUR 1 = RMB 7.8767 as of November 23, 2018 (source: Bloomberg).

(8) Chinese GAAP.

In 2017, AXA Tianping ranked 15th amongst China's P&C insurers with €1 billion [1] of GWP, and is the only foreign invested company in the top 20 P&C insurers in China. It is a leading company in Direct Motor insurance (6th in the market [2]), with Motor insurance contributing 91% of GWP, of which 41% is distributed through direct channels. It also sells short-term health insurance products.

AXA Tianping has developed a national footprint with 25 branches and 93 sub-branches, covering 20 provinces which together generate over 85% of China's GDP [3].

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, most notably from the China Banking and Insurance Regulatory Commission.

On the completion of the transaction, AXA Tianping will be fully consolidated into the AXA Group's financial statements.

Significant Disposals

AXA TO SELL ITS OPERATIONS IN AZERBAIJAN

On February 21, 2018, AXA announced it had entered into an agreement with Mr. Elkhan Garibli to sell all its insurance operations in Azerbaijan. Under the terms of the agreement, Mr. Elkhan Garibli would acquire 100% of the non-life entity (AXA MBask Insurance Company OJSC).

The parties agreed not to disclose the terms and conditions of the transaction.

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals.

AXA ENTERED INTO EXCLUSIVITY FOR THE POTENTIAL DISPOSAL OF ITS EUROPEAN VARIABLE ANNUITIES CARRIER, WITH EXPECTED TOTAL CASH PROCEEDS OF €1.2 BILLION

On August 1, 2018, AXA announced that it had received an irrevocable offer from Cinven for the potential sale of AXA Life Europe ("ALE"), a specialized platform which designed, manufactured and distributed AXA's Variable Annuity products across Europe.

The total cash proceeds generated for AXA Group would be €1,165 million, which includes €925 million (representing an implied 1.0x BV multiple [4]) from the potential sale of ALE shares to be fully paid in cash at closing, and a capital distribution from ALE to AXA S.A. of €240 million, prior to the transaction, in June 2018.

Based in Dublin with over 60 employees, ALE delivers strong financial risk management capabilities and manages a portfolio of ca. 248,000 insurance contracts with ca. €5 billion reserves [5]. It distributed products across Europe through the networks of AXA entities (namely Germany, France, UK, Spain, Italy, and Portugal [6]) and third-party distribution channels, and has a reinsurance arrangement with AXA Japan. ALE has been closed to new business since 2017. The German insurance contracts account for more than 70% of ALE's portfolio [7], and the policy administration services for these contracts will continue to be provided by AXA Germany.

This transaction is expected to result in a positive impact on AXA Group Solvency II ratio of ca. 2 points. The Underlying Earnings generated from the business under consideration were €19 million in FY17.

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(1) EUR 1 = RMB 7.6191 average exchange rate as of December 31, 2017 (source: Bloomberg).
(2) Source: China Banking and Insurance Regulatory Commission.
(3) Source: Provincial Bureau of Statistics of China as of FY17.
(4) Excluding Other Comprehensive Income (OCI).
(5) IFRS Reserves as of FY17.
(6) AXA Portugal was sold to Ageas in 2016.
(7) In terms of reserves.

The proposed transaction is subject to customary conditions, including completing the information and consultation of the relevant works councils as well as obtaining required regulatory approvals.

Partnerships and Innovation

UBER AND AXA JOINED FORCES TO SET A NEW STANDARD FOR PROTECTION OF INDEPENDENT DRIVERS AND COURIERS

Uber and AXA shared the belief that everyone, including independent workers, should have the option of benefitting from optimum protection for themselves and their families.

On May 23, 2018, going beyond their successful 2017 partnership, Uber and AXA announced the expansion of benefits to all Uber's independent partner drivers and couriers within Europe. Since June 1, 2018, Uber provides Partner Protection - a range of protections including accident, injury, illness, and paternity benefits for drivers and couriers when they are on and off the Uber app in European markets. Uber's Partner Protection is funded by Uber at no cost to all eligible drivers and courier partners.

Uber and AXA also announced the signing of a memorandum of understanding to build a joint affinity marketplace for independent workers. The aim was to empower partner drivers and couriers to be able to maintain their independent lifestyle in full security. Through a digital platform, Uber and AXA expect to propose a full set of personalized offers tailored to the different profiles and needs of each partner driver or courier, notably including injury protection, income protection, family protection, health covers, retirement, and savings. This innovative platform would provide a simple seamless customer experience.

ING AND AXA ANNOUNCED A DIGITAL PARTNERSHIP TO BUILD A GLOBAL INSURANCE PLATFORM

On June 13, 2018, ING and AXA announced a long term and exclusive, multi-country bancassurance partnership to provide insurance products and related services through a central digital insurance platform. Under the partnership, ING will provide its leading digital banking experience and AXA its expertise in innovative modular insurance products and services, offering Property & Casualty, Health and Protection insurance solutions to ING customers in six countries - France, Germany, Italy, Czech Republic, Austria [(1)], and Australia [(1)].

ING and AXA teams will together develop personalized insurance products and relevant services, accessible via the ING mobile application, that meet the forward-looking needs of ING customers towards living, mobility and wellness.

For ING, this is a continued step towards delivering the "Think Forward" strategy and empowering around 13 million ING customers stay a step ahead in life. For AXA, the partnership is another step in its "Payer-to-Partner" strategy, in growing in its preferred segments and towards its vision to empower people to live a better life.

AXA BECAME OFFICIAL GLOBAL INSURANCE PARTNER OF LIVERPOOL FOOTBALL CLUB

On October 4, 2018, AXA reignited its sponsorship strategy and is proud to join forces with one of the most famous names in sport.

The multi-year partnership with English Premier League legends Liverpool Football Club ("Liverpool FC") sees AXA become the club's Official Global Insurance Partner.

In addition to providing excellent global brand visibility and raising AXA's profile among sports fans around the world, the partnership is particularly good news for football supporters in Asia, as it includes a number of

[(1)] *With the support of local insurance partners.*

exclusive events that will take place in AXA's core markets within the region. These will include various mass participation events around the region, as well as unique opportunities to get closer to the team.

Building on their shared values, AXA and Liverpool FC will create innovative experiences for clients, partners and fans in Asia, as well as making meaningful contributions to the local communities in which they both operate. Working closely with Liverpool FC's players, manager, coaches and health professionals, AXA will also create unique and relevant content that will help support the shared goal of promoting a healthy lifestyle, delivering on the AXA brand purpose of empowering people to live a better life.

Capital / Debt operations / Other

AXA RATINGS

On March 7, 2018, Moody's Investors Service affirmed the insurance financial strength rating of AXA's principle insurance subsidiaries at "Aa3", changing the outlook to negative from stable.

On May 24, 2018, Fitch Ratings affirmed the financial strength rating of AXA's core operating subsidiaries at "AA-" with a stable outlook, removing the ratings from Rating Watch negative.

On July 10, 2018, S&P Global Ratings affirmed the long-term financial strength rating of AXA's core operating subsidiaries at "AA-" with a stable outlook, removing the ratings from CreditWatch negative.

AXA ANNOUNCED THE SUCCESSFUL PLACEMENT OF €2 BILLION DATED SUBORDINATED NOTES DUE 2049

On March 22, 2018, AXA announced the successful placement of €2 billion of Reg S subordinated notes due 2049 to institutional investors. The net proceeds of the issue of the Notes were used for the financing of part of AXA's acquisition of XL Group Ltd.

The initial coupon has been set at 3.25% per annum. It will be fixed until the first call date in May 2029 and floating thereafter with a margin including a 100 basis points step-up.

Settlement of the notes took place on March 26, 2018.

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

AXA TRANSFORMED ITS SWISS GROUP LIFE BUSINESS, CREATING ADDITIONAL VALUE FOR ITS CUSTOMERS AND SHAREHOLDERS

On April 10, 2018, AXA Switzerland ("AXA"), the largest insurer of SMEs in the Swiss market, announced that it had entered into an agreement with its main occupational benefits foundations [(1)] ("Foundations") to convert their business model from a full-value insurance [(2)] model to a semi-autonomous model [(3)] on January 1, 2019, ("Model Transformation"). Under the semi-autonomous model, death and disability provisions and administration services continue to be covered by AXA, while the responsibility of asset allocation and investment returns to policyholders is with the Foundations. AXA Group, as a globally renowned asset manager, will continue to offer investment management services to the Foundations.

Ongoing low interest rates in recent years and strong regulatory requirements in Switzerland have resulted in full-value insurance becoming increasingly lower value for money for corporate clients and their employees. Swiss life insurers who offer full-value insurance must maintain capital coverage for their entire pension obligations,

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[(1)] *Collective group pension schemes, which are managed by an independent board.*
[(2)] *Contract covering the whole offer: guaranteed savings and annuity benefits, death and disability benefits, and administration services.*
[(3)] *Contract covering death and disability benefits, and administration services.*

including the minimum interest guarantees. This framework necessitates a very cautious investment strategy, leading to lower investment return opportunities for its clients' employees, as compared to the semi-autonomous model.

AXA has been successfully offering new semi-autonomous solutions for some time, and which already represented around 60% of its new occupational benefits insurance business before the transformation. With the transformation, AXA became the largest provider of semi-autonomous solutions for SMEs in Switzerland. AXA will be focused on restoring growth to occupational benefits insurance and remaining a strong partner of Swiss SMEs into the future.

Financial impacts are the following:

- AXA transferred most of its in-force General Account Reserves (amounting to CHF 31 billion [(1)] or €28 billion [(2)]) backing the pre-retirement savings benefits [(3)] in its Group Life portfolio to the Foundations.
- This transfer includes CHF 3.0 billion (or €2.7 billion [(2)]) of excess reserves to enable a sustainable risk carrying capacity of the Foundations (Coverage Ratio [(4)] of 110% as of FY18).
- In line with the move to a semi-autonomous model, the savings portion of the premiums will no longer appear in IFRS Gross Revenues of AXA.
- The Model Transformation is expected to result in a temporary reduction in AXA Group underlying earnings of ca. €20 million from 2019, and led to a one-time negative impact in Net income of CHF 495 million (or €428 million [(5)]) at FY18 linked to the transfer of the portfolio [(6)] to the Foundations.
- The reduction of guarantees on AXA's balance sheet is expected to lead to a release of local risk capital requirement of ca. CHF 2.5 billion (or ca. €2.2 billion [(2)]) in 2019 and to an enhanced cash remittance to AXA Group over the next three years, subject to regulatory approvals.

AXA and the responsible trustees informed the relevant Swiss supervisory authorities, i.e. the Swiss Financial Market Supervisory Authority (FINMA) and the Berufliche Vorsorge (BVG) and Foundation Supervision of the Canton of Zurich (BVS), on the Model Transformation. The transaction has been finalized on January 1, 2019.

AXA S.A. RECEIVED USD 3.2 BILLION FROM THE COMPLETION OF ITS US PRE-IPO REORGANIZATION TRANSACTIONS

On April 25, 2018, AXA announced that AXA Equitable Holdings, Inc. had successfully completed its pre-IPO reorganization transactions, including the repayment of all internal loans provided by AXA Group and the purchase of AllianceBernstein units previously owned by AXA S.A. and its affiliates.

Consequently, AXA S.A. received USD 3.2 billion which contributed to the financing of the XL Group acquisition.

[(1)] Based on FY17.
[(2)] EUR 1 = CHF 1.1269 as of December 31, 2018.
[(3)] In-force General Account Reserves of AXA Switzerland relating to existing annuitants will remain with AXA.
[(4)] Coverage Ratio for Foundations = Market Value of Assets / Mandatory Reserves.
[(5)] EUR 1 = CHF 1.1550 average exchange rate as of December 31, 2018.
[(6)] The assets and liabilities transferred to the Foundations were classified as "held for sale" in AXA Group's 1H18 consolidated financial statements.

AXA SUCCESSFULLY COMPLETED THE IPO OF AXA EQUITABLE HOLDINGS, INC. AND SECURED THE FINANCING OF THE ACQUISITION OF XL GROUP

On May 14, 2018, AXA S.A. ("AXA") announced it had successfully completed the initial public offering (the "IPO") on the New York Stock Exchange of its US subsidiary, AXA Equitable Holdings, Inc. ("AEH").

Overall proceeds amounted to USD 4.0 billion, with the sale of 24.5% of AEH's outstanding shares at USD 20 per share and the issuance of USD 750 million of mandatory exchangeable bonds for AEH shares, combined with the exercise of the over-allotment options granted to underwriters, resulting in the purchase by the underwriters of an additional 20.6 million AEH shares (3.7% of AEH's outstanding shares) and USD 112.5 million mandatory exchangeable bonds [(1)].

The financing of the acquisition of XL Group Ltd (€12.4 billion) was fully in line with the announcement on March 5, 2018: ca. €3.5 billion from cash available at hand, €2.6 billion [(2)] related to the pre-IPO reorganization transactions, €3.3 billion [(2)] overall proceeds [(3)] from the IPO, and the €2 billion dated subordinated debt (out of the total planned €3 billion). Given additional existing resources, AXA considered the financing of XL Group to be secured, and not dependent on the issuance of any additional debt.

The details of the overall proceeds from the AEH share transactions are the following:

- Sale of AEH shares:
  - AXA sold 137.25 million AEH shares at USD 20 per share,
  - Represents 24.5% of total issued and outstanding AEH shares,
  - Amounts to USD 2.75 billion or €2.23 billion [(2)] of proceeds;
- Issuance of mandatory exchangeable bonds into AEH shares:
  - Issuance of USD 0.75 billion, or €0.61 billion [(2)], mandatory exchangeable bonds,
  - The bonds will mature on May 15, 2021, unless exchanged earlier at the option of AXA [(1)(4)],
  - Mostly treated as shareholders' equity, with negligible impact on debt and debt gearing;
- Exercise in full of the 30-day over-allotment options granted by AXA to the underwriters:
  - Underwriters exercised their options to purchase 20,587,500 shares of AEH at USD 20 per share and to purchase USD 112.5 million of mandatory exchangeable bonds, both effective as of May 11, 2018,
  - USD 0.52 billion or €0.43 billion [(2)] of additional IPO proceeds;
- Overall proceeds [(3)] of USD 4.02 billion or €3.26 billion [(2)].

[(1)] The mandatory exchangeable bonds (including the exercise of the over-allotment option) will be exchanged at maturity into a minimum of 6.5% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price is greater than or equal to USD 23.50 per share, and a maximum of 7.7% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price does not exceed the IPO price.
[(2)] EUR 1 = USD 1.23 as of March 2, 2018 (source: Bloomberg), as announced at the time of the acquisition of XL Group Ltd on March 5, 2018.
[(3)]Overall proceeds include all AEH share transactions: the sale of AEH shares, the issuance of mandatory exchangeable bonds into AEH shares, and the exercise of the over-allotment options by the underwriters. Before fees and expenses of the offerings.
[(4)] Or upon the occurrence of certain events.

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

On November 20, 2018, AXA announced that it had successfully completed a secondary public offering of 60,000,000 shares (the "Secondary Offering"), at a public offering price of USD 20.25 per share, of its U.S. subsidiary, AEH and the sale to AEH of 30,000,000 shares (the "Share Buyback") (1) at the per share price paid by the underwriters in the public offering.

Net proceeds (2) corresponding to the sale of 90,000,000 AEH shares from the Secondary Offering and the Share Buyback, amounted to USD 1.8 billion or €1.6 billion (3). Following this sale, AXA's ownership in AEH has decreased from 72.2% (4)(5) to 59.3% (5)(6).

The impact of the IPO, the Secondary Offering and the Share Buyback on our Group consolidated shareholders' equity was €-2.8 billion, which is the difference between the net proceeds to AXA Group and the consolidated book value of the divested AEH stake. Following the IPO, the Secondary Offering and the Share Buyback, AXA Group's ownership in AEH was reduced to 59.3% as of December 31, 2018. AEH remains fully consolidated in the AXA Group's financial statements. The IPO, the Secondary Offering and the Share Buyback resulted in a minority interest in shareholders' equity of €+6.5 billion.

Any further potential divestment of our equity participation in AEH would be subject to financial markets volatility and other market-related risks, which may also impact the consolidated value of our remaining stake in AEH and adversely impact our consolidated results of operations and AXA share price.

AXA HELD ITS 2018 INVESTOR DAY

On November 28, 2018, AXA held its 2018 Investor Day in London presenting the following topics:

- AXA Asia – Gordon Watson, CEO of AXA in Asia, presented his vision and strategy for AXA in Asia where he has attracted local and experienced talents to increase focus on Agency, Health, Brand and China;
- AXA XL – Greg Hendrick, CEO of AXA XL, presented his vision and priorities, for the newly created AXA XL entity, built around portfolio optimization, profitable growth and volatility management and shared increased synergy targets, an earnings outlook for 2020 and an update on the 2018 natural catastrophe environment;
- Capital Management – Gérald Harlin – Deputy CEO and Group CFO, provided a financial update, notably AXA's new capital management policy, with an increased dividend payout range.

Key Ambition 2020 financial targets update:

- AXA Asia:

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(1) Following the completion of the Share Buyback, AEH's remaining authorization under its current share repurchase program of USD 800 million was approximately USD 151 million as of December 31, 2018.
(2) Net of underwriting discounts and commissions.
(3) EUR 1 = USD 1.1458 as of November 19, 2018 (Source: Bloomberg).
(4) 558,526,870 total common outstanding shares as of September 30, 2018.
(5) Including shares to be delivered on redemption of the mandatory exchangeable bonds issued by AXA in May 2018.
(6) Assuming the over-allotment option of 9,000,000 AEH shares granted to underwriters was fully exercised, AXA's ownership of AEH would have decreased to 57.5%.

  - 6% to 8% Annual Premium Equivalent [(1)] (APE) CAGR [(2)] 2018-2020,
  - 8% to 12% New Business Value [(1)] (NBV) CAGR [(2)] 2018-2020,
- AXA XL:
  - Combined ratio [(3)] at ca. 95% by 2020, assuming normalized natural catastrophes of ca. 4 points,
  - Increased annual earnings synergies to USD 0.5 billion pre-tax, previously USD 0.4 billion,
  - Underlying earnings [(4)] of ca. Euro 1.4 billion by 2020, assuming normalized natural catastrophes;
- AXA's new capital management policy (effective as of FY18):
  - Increased dividend pay-out ratio range: 50% to 60% [(5)], previously 45% to 55%,
  - New Solvency II ratio [(6)] target range: 170% to 220%, previously 170% to 230%,
  - Updated share buyback guidance: additional flexibility on share buyback even within the Solvency II ratio [(6)] target range;
- Increased Ambition 2020 Adjusted ROE [(4)] target: 14% - 16%, previously 12% - 14%;
- Debt gearing [(4)] target range of 25%-28% by 2020 reaffirmed;
- Ambition 2020 underlying earnings per share (UEPS [(4)]) CAGR reaffirmed at 3% - 7%;
- Ambition 2020 cumulative Operating Free Cash Flows [(1)] reaffirmed at Euro 28-32 billion.

AXA AND XL GROUP ANNOUNCED FUTURE BRANDING

On July 11, 2018, following the announcement of the acquisition of XL Group Ltd by AXA SA on March 5, 2018, the two companies presented a new step in the planning process for combining XL Group operations, AXA Corporate Solutions and AXA Art into the new division of the AXA Group dedicated to large P&C Commercial lines and Specialty risks.

This new division has been named AXA XL and will operate under the master brand AXA. Its offerings will be identified along three main lines:

[(1)] APE, NBV and Operating Free Cash Flows are non-GAAP financial measures and are defined in the Glossary set forth on pages 76 to 83 of this report.

[(2)] On a comparable basis.

[(3)] Consistent with AXA's definition, combined ratio is based on gross earned premiums. Combined ratio is an alternative performance measure. For further information, please refer to "Important legal information and cautionary statement regarding forward-looking statements and the use of non-GAAP financial measures" on page 2 of this report.

[(4)] Underlying earnings, underlying earnings per share, adjusted ROE and debt gearing are alternative performance measures. For further information, please refer to "Important legal information and cautionary statement regarding forward-looking statements and the use of non-GAAP financial measures" on page 2 of this report.

[(5)] Of adjusted earnings net of financial charges on undated subordinated debt, preferred shares and mandatory exchangeable bonds into shares of AXA Equitable Holdings, Inc.

[(6)] The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock and assuming equivalence for AXA Equitable Holdings, Inc. in the US. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's SFCR for FY 2017, available on AXA's website (www.axa.com). As in previous disclosures all AXA US entities are taken into account assuming US equivalence. The contribution to the AXA Group Solvency II ratio from the entities that were part of the XL Group ("XL entities") as at December 31, 2018, was calculated in accordance with the equivalence regime, based on the Bermudian Standard Formula SCR, plus a 5% add-on required by the AXA's lead supervisor (ACPR), as a transitional measure. Furthermore, in compliance with the decision from ACPR, XL entities will be 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 will be calculated using the Solvency II standard formula from March 31, 2019. Subject to the prior approval of the ACPR, the Group intends as soon as FY 2020 to extend its internal model to XL entities.

- XL Insurance - which will comprise XL Group's insurance business and AXA Corporate Solutions, and will include XL Art & Lifestyle, the combination of XL Group's Fine Art and Specie business and AXA Art offerings;
- XL Reinsurance - that will incorporate XL Group's reinsurance business;
- XL Risk Consulting - that will incorporate AXA Matrix and XL Group's Property Risk Engineering GAPS.

In addition, XL Group's primary Lloyd's syndicate will continue to be known as XL Catlin Syndicate 2003.

Under the AXA brand, the new offerings will present an exciting new proposition to clients and brokers around the world.

AXA GROUP UNVEILS 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 will be 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 will be 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.

SHARE REPURCHASE PROGRAM

In order to meet its obligation to deliver shares and to eliminate the dilutive effect of certain share-based compensation schemes [(2)], as of December 31, 2018, AXA had bought back 7,482,568 shares. These shares will be delivered to the beneficiaries of share-based compensation schemes or cancelled, all in accordance with the share repurchase program [(3)].

SHAREPLAN 2018

On December 3, 2018, AXA announced the results of the AXA Group employee share offering ("Shareplan 2018"), a capital increase reserved to its employees worldwide, which had been launched on August 24, 2018. Approximately 24,000 employees in 36 countries, representing over 23% of the eligible employees, subscribed to Shareplan 2018.

The aggregate proceeds from the offering amount to approximately €330 million, for a total of over 15 million newly-issued shares, subscribed at a price of €18.56 for the classic plan and €21.83 for the leveraged plan. The new shares are created with full rights as of January 1, 2018.

Following Shareplan 2018, on December 31, 2018, AXA's employees hold 5.19% of the share capital and 6.37% of the voting rights.

The total number of outstanding AXA shares amounted to 2,424,916,626 on December 31, 2018.

[(1)] AXA is the Global Insurance Partner of Liverpool Football Club.
[(2)] Stock-options plans and performance shares plans.
[(3)] AXA share repurchase program was authorized by the Shareholder's Meeting of April 25, 2018.

Events subsequent to December 31, 2018

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].

[1] AXA Insurance in Ukraine is a joint venture between AXA (50% shareholding) and Ukrsibbank.
[2] Through its subsidiary FFHL Group Ltd.

ACTIVITY INDICATORS

(in Euro million, except percentages)

	December 31, 2018	December 31, 2017 restated (a)	December 31, 2018 / December 31, 2017 restated (a) & (b)
Gross revenues (c)	**102,874**	**98,549**	**3.6%**
France	25,175	24,475	3.5%
Europe	36,738	35,992	3.3%
Asia	8,973	8,985	3.5%
AXA XL	6,287	2,512	10.5%
United States	16,483	16,911	1.9%
International	6,535	7,034	3.7%
Transversal & Central Holdings	2,684	2,640	3.0%
APE (d)	**6,631**	**6,470**	**9.4%**
France	2,232	1,849	20.8%
Europe	1,146	1,034	4.3%
Asia	1,520	1,510	4.6%
United States	1,471	1,799	5.8%
International	262	278	(1.7%)
NBV Margin (e)	**39.3%**	**43.1%**	**(4.2 pts)**

(a) Restated: as per the new governance.
(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 €102,874 million as at December 31, 2018, up 4.4% on a reported basis and up 3.6% on a comparable basis compared to December 31, 2017.

The comparable basis mainly consisted in the adjustment of: (i) the acquisition of XL Group in 2018 (€-3.2 billion or -3.2 points), (ii) the foreign exchange rate movements (€+2.0 billion or +2.0 points) mainly due to the appreciation of average Euro exchange rate against USD, CHF, TRY and HKD, (iii) some investment contracts previously considered as insurance contracts in Singapore in 2017 (€+0.3 billion or +0.3 point), and (iv) the discontinuation of the partnership with BNP Paribas (Natio) in France in 2018 (€+0.1 billion or +0.1 point).

Gross revenues

Gross revenues were up 4% on both a reported basis and a comparable basis to €102,874 million. All markets recorded a strong growth.

France gross revenues were up 3% (€+845 million) on a comparable basis to €25,175 million:

- *Life & Savings* (€+392 million or +3%) to €13,542 million mainly driven by *Protection* (€+201 million) notably due to higher sales in *Group business*, and *Savings (*€+94 million) from *Individual Savings* driven by higher sales of both capital light products sold through the bancassurance channel and discretionary mandates through the proprietary channel, partly offset by lower sales in *Group Pension*;
- *Property & Casualty* (€-103 million or -1%) to €7,061 million mainly driven by a decrease in *Commercial lines* from lower volumes in the Credit & Lifestyle Protection business due to an increased selectivity, partly offset by a growth supported by tariff increases mainly in *Motor* and *Construction;*
- *Health* (€+479 million or +12%) to €4,356 million mainly driven by higher volumes in *Group business* stemming from the international market;
- *Other* (€+76 million or +55%) to €215 million driven by *AXA Banque France* mainly due to a favorable change in the fair value of the loans hedged through internal interest rates swaps with AXA Bank Belgium (neutral at Group level).

Europe gross revenues were up 3% (or €+1,195 million) on a comparable basis to €36,738 million:

- *Switzerland* (€+106 million or +1%) to €9,531 million mainly from (i) *Life & Savings* driven by *Group Life* due to higher single premiums from in-force clients, and (ii) *Property & Casualty* driven by *Commercial lines* due to higher volumes and tariff increases in *Workers' Compensation*;
- *Germany* (€+104 million or +1%) to €10,738 million from (i) *Property & Casualty* driven by *Personal lines* as a consequence of tariff increases in *Property* and *Motor,* as well as new business from SMEs in *Commercial Non-Motor*, and (ii) *Health* mainly due to continued growth in the civil service segment and tariff increases in full benefit insurance, partly offset by (iii) *Life & Savings* mainly in *Protection with Savings* and traditional *G/A Savings* in line with the strategy, partly offset by a continued growth in G/A capital light products and in *Pure Protection*;
- *Belgium* (€+49 million or +1%) to €3,359 million from (i) *Property & Casualty* mainly driven by tariff increase in *Commercial lines,* (ii) *Life & Savings* mainly in *G/A Savings* from higher sales in capital light pension products for self-employed, as well as in *Protection* notably from *Group business*, and (iii) *Health* due to new large contracts in *Group business*;
- *The United Kingdom & Ireland* (€+76 million or +1%) to €5,166 million from (i) *Health* mainly driven by tariff increases and volume growth, and (ii) *Property & Casualty* driven by *Commercial lines* mainly due to higher new business and tariff increases, partly offset by *Personal lines* mainly reflecting lower volumes following tariff increases and the exit of a scheme in *Property*;
- *Spain* (€+161 million or +7%) to €2,525 million from (i) *Life & Savings* driven by strong sales in *Unit-Linked*, G/A capital light products and *Protection*, (ii) *Property & Casualty* driven by both *Commercial lines Non-Motor* and *Personal Motor* from higher volumes and tariff increases, and (iii) *Health* driven by higher volumes and tariff increases;
- *Italy* (€+699 million or +15%) to €5,418 million mainly from (i) *Life & Savings* driven by strong sales from G/A capital light and *Protection* products notably due to the recovery in sales from Banca Monte dei Paschi di Siena, and (ii) *Property & Casualty* driven by higher new business in *Personal Property* and higher volumes from the agency channel in *Commercial lines*.

Asia gross revenues were up 4% (or €+318 million) on a comparable basis to €8,973 million mainly from:

- *Japan* (€+48 million or +1%) to €4,564 million mainly from *Life & Savings* driven by the success of *Follow-up Life Protection* product launched in 1Q18, partly offset by continued lower new business from the G/A capital light *Single Premium Whole Life* product;
- *Hong Kong* (€+305 million or +10%) to €3,305 million from (i) *Life & Savings* mainly in *Protection* and *G/A Savings* driven by in-force growth and higher new business, and (ii) *Health* mainly driven by higher volumes combined with tariff increases in both *Individual* and *Group businesses*;
- *Asia - Direct* (€-18 million or -2%) to €950 million mainly in *South Korea* (€-18 million or -3%) from *Personal Motor* due to continued management focus on profitability in a context of strong market competition.

AXA XL gross revenues were up 10% (or €+598 million) on a comparable basis to €6,287 million:

- *Property & Casualty Insurance* (€+395 million or +13%) to €3,354 million driven by strong business growth and rate increases in *North America Casualty* and in *Property*;
- *Property & Casualty Specialty* (€+55 million or +3%) to €1,794 million mainly driven by new business in *Political Risks*;
- *Property & Casualty Reinsurance* (€+155 million or +16%) to €1,093 million driven by an increased share written on a large multi-line quota share treaty;
- *Life & Savings* (€-6 million or -12%) to €45 million as the underlying business is in run-off.

The United States gross revenues were up 2% (or €+319 million) on a comparable basis to €16,483 million:

- *The United States Life & Savings* (€+191 million or +1%) to €13,723 million mainly in *Unit-Linked* following higher sales of non-GMxB Variable Annuity products notably in 2H18 and *Mutual Funds & Other* reflecting higher advisory sales from favorable equity market conditions through the first nine months of 2018;
- *AB* (€+129 million or +5%) to €2,706 million driven by higher management fees due to both higher average AUM and higher average management fee bps, higher performance fees, and higher distribution fees mainly from retail mutual funds.

International gross revenues were up 4% (or €+249 million) on a comparable basis to €6,535 million:

- *Mexico* (€+148 million or +9%) to €1,704 million mainly driven by (i) *Health* stemming from volume and tariff increases, and (ii) *Property & Casualty* from higher new business in *Motor*;
- *The Gulf Region* (€-14 million or -2%) to €770 million from (i) *Property & Casualty* mainly driven by a reduction of the size of a large *Commercial Motor* fleet, partly offset by (ii) *Health* from volume and tariff increases;
- *Colombia* (€+47 million or +7%) to €700 million from (i) *Property & Casualty* mainly driven by new business in *Personal Accident*, *Workers' Compensation*, *Commercial Property* and *Personal Motor*, partly offset by (ii) *Life & Savings* mainly driven by lower sales in *G/A Savings*;
- *Poland* (€+13 million or +2%) to €585 million notably from *Property & Casualty* mainly due to new business in *Commercial Non-Motor*;
- *Turkey* (€+110 million or +16%) to €569 million notably from *Property & Casualty* mainly in *Commercial Motor* and *Commercial Property*;
- *AXA Bank Belgium* (€-89 million or -28%) to €233 million mainly due to an unfavorable change in the fair value of the loans hedged through internal interest rates swaps (neutral at Group level) with AXA Banque France, lower realized capital gains and lower commercial margin.

Transversal & Central Holdings gross revenues were up 3% (or €+79 million) on a comparable basis to €2,684 million:

- *AXA Assistance* (€+84 million or +7%) to €1,331 million mainly driven by *Property & Casualty* from higher volumes in *Non-Motor* mainly in *Travel* and *Home*, as well as higher volumes and in-force growth in *Motor*;
- *AXA Investment Managers* (€-25 million or -2%) to €1,243 million mainly driven by lower management fees and other fees, partly offset by higher performance fees including realized carried interest and transaction fees.

New business Annual Premium Equivalent [(1)]

New business APE was up 2% on a reported basis and up 9% on a comparable basis to €6,631 million driven by growth in *France*, *the United States*, *Asia*, and *Europe*.

France (€2,232 million, 34% of total) up €384 million (+21%) on a comparable basis mainly stemming from *Group Health* (€+365 million) due to the strong development of the international market and *Protection* (€+34 million), partly offset by *Group Pension* (€-53 million).

Europe (€1,146 million, 17% of total) up €48 million (+4%) on a comparable basis from (i) *Italy* (€+31 million) driven by strong sales from G/A capital light products notably thanks to the growth in sales from Banca Monte dei Paschi di Siena, (ii) *Spain* (€+15 million) driven by *Unit-Linked*, *Protection* and G/A capital light products, (iii) *Switzerland* (€+15 million) in *Protection* due to higher sales in *Group Life* semi-autonomous and autonomous businesses, and (iv) *Belgium* (€+8 million) mainly driven by *G/A Savings* due to higher sales in capital light pension products for self-employed, partly offset by (iv) *Germany* (€-20 million) mainly due to lower new business in *Health*.

Asia (€1,520 million, 23% of total) up €70 million (+5%) on a comparable basis from (i) *Japan* (€+121 million) mainly due to the success of *Follow-up Life Protection* product launched in 1Q18, (ii) *Hong Kong* (€+23 million) mainly driven by higher sales in *G/A Savings* due to the successful launch of a new product in 1Q18, and (iii) *the Philippines* (€+7 million) driven by the strong performance in both bancassurance and agency channels, partly offset by (iv) *China* (€-49 million) due to lower sales of traditional *G/A Savings* products, partly offset by increased sales of higher margin *Protection* products, (v) *Thailand* (€-22 million) mainly driven by *Protection* due to lower sales of low margin products, and (vi) *Indonesia* (€-10 million) driven by lower new business in both agency and telemarketing channels.

The United States (€1,471 million, 22% of total) up €85 million (+6%) on a comparable basis mainly from *Mutual Funds & Other* (€+41 million) reflecting higher advisory sales from favorable equity market conditions through the first nine months of 2018, *Unit-Linked* (€+15 million) following higher sales of non-GMxB Variable Annuity products notably in 2H18, and *Protection* (€+14 million) following higher sales in employee benefit products.

International (€262 million, 4% of total) down €5 million (-2%) on a comparable basis from *Singapore* (€-22 million) mainly driven by lower *Unit-Linked* and *G/A Savings* sales, partly offset by *India* (€+14 million) and *Mexico* (€+5 million) mainly in *Protection*.

New Business Value Margin [(2)]

New Business Value Margin stood at 39.3%, decreasing by 3.8 points. On a comparable basis, New Business Value Margin decreased by 4.2 points mainly driven by higher sales in *Group Health* in *France*, and higher sales in *G/A Savings* combined with the redesign of a *Protection* product in *Hong Kong* with a focus on profitable volume growth.

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

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

UNDERLYING EARNINGS, ADJUSTED EARNINGS AND NET INCOME GROUP SHARE

(in Euro million, except percentages)	**December 31, 2018**	**France**	**Europe**	**Asia**	**AXA XL**	**United States**	**International**	**Transversal & Central Holdings**
Investment margin	4,864	1,604	1,759	40	349	641	410	62
Fees & revenues	8,434	2,105	1,165	2,009	-	2,781	361	13
Net technical margin	12,990	3,034	6,374	793	944	(385)	1,421	810
Expenses	(17,686)	(4,430)	(6,015)	(1,653)	(1,462)	(1,635)	(1,792)	(699)
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**	**3,260**	**1,159**	**(168)**	**1,400**	**397**	**186**
Underlying earnings before tax from other activities	**(43)**	**(0)**	**108**	**(3)**	**(10)**	**496**	**39**	**(673)**
Income tax expenses / benefits	(2,004)	(755)	(755)	(219)	(70)	(272)	(92)	159
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**	**2,532**	**1,101**	**(233)**	**1,125**	**400**	**(316)**
Net capital gains or losses attributable to shareholders net of income tax	307	131	266	(34)	(27)	(11)	(4)	(13)
Adjusted earnings Group share	**6,489**	**1,704**	**2,797**	**1,067**	**(260)**	**1,114**	**396**	**(330)**
Profit or loss on financial assets (under fair value option) and derivatives	(463)	(91)	(134)	(53)	(63)	(82)	39	(79)
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**	**2,141**	**987**	**(428)**	**(1,986)**	**355**	**(564)**
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%	-

(in Euro million, except percentages)	**December 31, 2017 restated (a)**	**France**	**Europe**	**Asia**	**AXA XL**	**United States**	**International**	**Transversal & Central Holdings**
Investment margin	4,647	1,640	1,813	35	179	543	375	61
Fees & revenues	8,123	2,001	1,158	1,948	-	2,583	420	14
Net technical margin	11,904	2,909	6,175	768	432	(424)	1,396	648
Expenses	(16,873)	(4,531)	(5,940)	(1,550)	(506)	(1,864)	(1,859)	(622)
Amortization of value of purchased life business in-force	(42)	-	(25)	(13)	-	(1)	(3)	-
Underlying earnings before tax from insurance activities	**7,758**	**2,018**	**3,180**	**1,187**	**105**	**836**	**330**	**101**
Underlying earnings before tax from other activities	**(2)**	**(7)**	**24**	**(0)**	**-**	**556**	**49**	**(623)**
Income tax expenses / benefits	(1,665)	(598)	(807)	(257)	(35)	(7)	(91)	130
Income from affiliates and associates	297	20	7	166	-	-	86	18
Minority interests	(387)	(5)	(78)	(7)	(1)	(250)	(37)	(10)
Underlying earnings Group share	**6,002**	**1,429**	**2,326**	**1,089**	**70**	**1,135**	**337**	**(383)**
Net capital gains or losses attributable to shareholders net of income tax	455	237	237	23	32	(60)	(7)	(7)
Adjusted earnings Group share	**6,457**	**1,666**	**2,563**	**1,111**	**102**	**1,075**	**330**	**(389)**
Profit or loss on financial assets (under fair value option) and derivatives	(134)	31	(2)	(59)	(36)	96	11	(175)
Exceptional operations (including discontinued operations)	124	(252)	(57)	(0)	(6)	268	(22)	193
Goodwill and other related intangible impacts	(90)	-	(44)	(16)	-	(2)	(27)	(1)
Integration and restructuring costs	(148)	(25)	(25)	(9)	(0)	(21)	(16)	(53)
NET INCOME GROUP SHARE	**6,209**	**1,420**	**2,435**	**1,028**	**60**	**1,415**	**276**	**(425)**
Property & Casualty Combined Ratio	96.3%	94.6%	94.6%	97.6%	102.9%	-	101.4%	97.6%
Health Combined Ratio	94.7%	98.7%	96.1%	78.3%	-	146.9%	101.6%	87.1%
Protection Combined Ratio	96.9%	95.6%	97.0%	86.7%	-	112.7%	98.4%	-

(a) Restated: as per the new governance.

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 35 of this report, and Debt Gearing is reconciled to the financial statements in the table set forth on page 34 of this report. For further information on any of the above-mentioned APMs, see the Glossary on pages 76 to 83 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 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 changes in scope and discontinued operations);
- 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 (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 impact of capital flows (including dividends);

- without reserves relating to the change in the 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 and mandatory exchangeable bonds as disclosed in Part 5.6 - Note 13 "Shareholders' Equity and Minority Interests" and mandatory exchangeable bonds as disclosed in Note 17 "Financing Debt" of the Annual Report.

Underlying Earnings per share

Underlying Earnings per share corresponds to Underlying Earnings (net of financial charges related to undated subordinated debts and preferred shares recorded through shareholders' equity - Group share, and mandatory exchangeable bonds recorded through shareholders' equity - Minority interests 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 gross debt).

COMMENTARIES ON GROUP EARNINGS

The XL Group acquisition was closed on September 12, 2018, and the XL Group was fully consolidated starting from October 1, 2018, thus contributing to Group earnings for the fourth quarter 2018. In the comments below, all indicators include the contribution of XL Group, unless otherwise specified.

Underlying earnings

Underlying earnings amounted to €6,182 million, up €180 million (+3%) *versus* 2017 on a reported basis. On a constant exchange rate basis, **underlying earnings** increased by €335 million (+6%).

On a constant exchange rate basis and excluding the contribution of XL Group, **underlying earnings** increased by €713 million (+12%). XL Group **underlying earnings** in the fourth quarter 2018 amounted to €-374 million.

On a constant exchange rate basis, **underlying earnings before tax from insurance activities** increased by €962 million (+12%) to €8,547 million. On a constant exchange rate basis and excluding the contribution of XL Group, **underlying earnings before tax from insurance activities** increased by €1,356 million (+17%) to €8,937 million.

- On a constant exchange rate basis and excluding the contribution of XL Group, **investment margin** increased by €158 million (+3%) due to (i) *the United States Life & Savings* (€+127 million) driven by a higher average asset base of non-Variable GMxB Annuity products, (ii) *International* (€+99 million) from *Turkey* (€+74 million) as a result of higher average assets as well as higher income from inflation-linked bonds, partly offset by (iii) *Switzerland* (€-53 million), and (iv) *France* (€-37 million) mainly due to lower income from fixed income assets.

  XL Group **investment margin** in the fourth quarter 2018 amounted to €171 million.

- On a constant exchange rate basis and excluding the contribution of XL Group, **fees & revenues** increased by €533 million (+7%) due to (i) *the United States Life & Savings* (€+324 million) driven by higher Unit-Linked and Mutual funds fees combined with the non-repeat of an unfavorable impact on Unearned Revenue Reserve amortization due to model changes in 2017, (ii) *Asia* (€+137 million) mainly from *Hong Kong* (€+91 million) driven by higher Unearned Revenue Reserve amortization due to the non-repeat of an accounting mismatch more than offset in Deferred Acquisition Costs, and (iii) *France* (€+105 million) driven by strong sales in *Group Protection* and *Health*.

- On a constant exchange rate basis and excluding the contribution of XL Group, **net technical margin** increased by €831 million (+7%) driven by (i) *Europe* (€+266 million) from *Life & Savings* (€+110 million) mainly driven by *Switzerland* due to improved disability and mortality margins from lower policyholder bonus allocation, *Property & Casualty* (€+82 million) driven by *Germany* and *the United Kingdom & Ireland* due to favorable prior year reserve developments, partly offset by higher Nat Cat charges, and *Health* (€+74 million) mainly from *the United Kingdom & Ireland* driven by better claims management, (ii) *Transversal & Central Holdings* (€+162 million) mainly from *AXA Global Re* driven by favorable prior year reserve developments, (iii) *France* (€+129 million) primarily from *Life & Savings* (€+72 million) driven by the improvement of mortality assumptions and a favorable development on receivables, and *Property & Casualty* (€+40 million) mainly driven by favorable prior year reserve developments, partly offset by higher Nat Cat charges, (iv) *AXA Corporate Solutions Assurance* (€+100 million) driven by lower Nat Cat charges and higher prior year reserve developments, (v) *International* (€+98 million) mainly in *Mexico* (€+68 million) driven by volume growth combined with a more favorable claims experience, and (vi) *Asia* (€+52 million) mainly from *Japan* (€+28 million) due to in-force growth.

  XL Group **net technical margin** in the fourth quarter 2018 amounted to €414 million, negatively impacted by California Wildfires (€-335 million) and Hurricane Michael (€-261 million).

- On a constant exchange rate and excluding the contribution of XL Group, **expenses** increased by €151 million (+1%) primarily in (i) *Asia* (€-164 million) mainly in *Hong Kong* (€-91 million) driven by higher Deferred Acquisition Cost amortization due to the non-repeat of an accounting mismatch (partly offset in fees & revenues) as well as higher project costs, and *Japan* (€-68 million) mainly due to volume growth and the non-repeat of the restructuring of a pension scheme, (ii) *Europe* (€-129 million) mainly in *Switzerland* (€-48 million) driven by project costs in the context of the transformation of the in-force *Group Life business*, *Germany* (€-36 million) due to the consolidation of a newly controlled subsidiary in Legal Protection, and *the United Kingdom & Ireland* (€-26 million) due to higher volumes and expenses from investments in transformation programs, (iii) *Transversal & Central Holdings* (€-77 million) mainly from *AXA Assistance* (€-61 million) driven by investments in transformation programs and higher general expenses, and (iv) *International* (€-47 million) driven by *Mexico* (€-27 million) in line with higher sales, partly offset by (v) *the United States Life & Savings* (€+155 million) mainly from lower Deferred Acquisition Cost amortization mainly due to favorable model and assumption changes in 2018, and (vi) *France (*€+98 million) driven by lower commissions in the Credit & Lifestyle Protection business, in line with lower sales.

  XL Group **expenses** in the fourth quarter 2018 amounted to €-976 million.

- On a constant exchange rate basis and excluding the contribution of XL Group, **VBI amortization** increased by €15 million (+34%) primarily in *Japan* (€-10 million) driven by a change in interest rates.

On a constant exchange rate basis and excluding the contribution of XL Group, **underlying earnings before tax from other activities** decreased by €5 million to €-33 million mainly due to (i) *Transversal & Central Holdings* (€-46 million or -7%) mainly driven by higher financial charges and hedging costs in the context of the acquisition of *XL Group*, and (ii) *the United States* (€-37 million or -7%) mainly due to higher financial charges mostly from debt restructuring in the context of the IPO of AXA Equitable Holdings, Inc., partly offset by *AB* mainly due to higher revenues combined with the non-repeat of 2017 one-off charges linked to the reduction of real estate footprint, partly offset by (iii) *Europe* (€+84 million) mainly driven by an exceptional distribution from an investment fund and lower pension costs in *Germany Holdings*.

XL Group **underlying earnings before tax from other activities** in the fourth quarter 2018 amounted to €-10 million.

On a constant exchange rate basis and excluding the contribution of XL Group, **income tax expenses** increased by €387 million (+23%) to €-2,014 million driven by higher pre-tax underlying earnings across geographies combined with lower positive tax one-offs in *the United States*.

XL Group **income tax benefits** in the fourth quarter 2018 amounted to €+10 million.

On a constant exchange rate basis and excluding the contribution of XL Group, **income from affiliates & associates** increased by €40 million (+13%) to €318 million mainly driven by *Reso* from an improved net technical margin and *China* from a favorable change in business mix, as well as the impact of a less unfavorable update of financial assumptions on the net technical margin, partly offset by *Thailand* due to the impact of unfavorable assumptions updates on technical reserves.

On a constant exchange rate basis and excluding the contribution of XL Group, **minority interests** increased by €291 million (+75%) to €-651 million mainly driven by a decrease in AXA Group average ownership over the period in (i) *the United States Life & Savings* from 100% on December 31, 2017, to 80.8% on December 31, 2018, and (ii) *AB* from 65.2% on December 31, 2017, to 52.6% on December 31, 2018, resulting from the IPO of AXA Equitable Holdings, Inc. completed in May 2018, the Secondary Offering and related Share Buyback completed in November 2018.

XL Group **minority interests** in the fourth quarter 2018 amounted to €+20 million.

On a constant exchange rate basis, **the Property & Casualty Combined Ratio** increased by 0.8 point to 97.0%. On a constant exchange rate basis and excluding the contribution of XL Group, **the Property & Casualty**

Combined Ratio improved by 1.2 points to 94.9% driven by more favorable prior year reserve developments as well as an improved current year combined ratio.

XL Group **Property & Casualty Combined Ratio** in the fourth quarter 2018 amounted to 116.2%, negatively impacted by California Wildfires (€-335 million) and Hurricane Michael (€-261 million).

On a constant exchange rate basis, **the Health Combined Ratio** improved by 0.4 point to 94.4% mainly driven by claims management measures in *the United Kingdom & Ireland* as well as an improved expense ratio mainly from *France* and *the United Kingdom & Ireland*.

On a constant exchange rate basis, **the Protection Combined Ratio** improved by 1.3 points to 95.6% mainly driven by an improved loss ratio mainly in *the United States Life & Savings*, *Switzerland* and *Asia*.

Adjusted earnings to Net income

Net realized capital gains and losses attributable to shareholders amounted to €307 million.

On a constant exchange rate basis, **net realized capital gains and losses attributable to shareholders** decreased by €149 million due to:

- €-317 million **higher impairments** to €-440 million mainly driven by equity securities (€-210 million) and other equity investments (€-84 million) due to adverse market conditions late 2018, as well as fixed income assets (€-9 million) and real estate (€-6 million);
- €+171 million **higher net realized capital gains** to €+841 million mainly driven by equity securities (€+295 million to €+620 million) and fixed income assets (€+67 million to €+4 million), partly offset by alternative investments (€-162 million to €+39 million) and real estate (€-31 million to €+176 million); and
- €-3 million **unfavorable change in intrinsic value** at €-94 million related to equity hedging derivatives.

As a result, **adjusted earnings** amounted to €6,489 million, up €32 million (0%). On a constant exchange rate basis, **adjusted earnings** increased by €187 million (+3%).

Net income amounted to €2,140 million, down €4,069 million (-66%). On a constant exchange rate basis, **net income** decreased by €4,072 million (-66%) from:

- **higher adjusted earnings** (€+187 million);

  more than offset by:

- **higher impact of goodwill and other related intangibles** (€-3,153 million) to €-3,102 million due to *the United States* goodwill impairment of AXA Equitable Holdings, Inc. (€-3,006 million);
- **higher impact from exceptional and discontinued operations** (€-593 million) to €-451 million mainly due to transformation initiatives executed in 2018:
  - the one-time negative impact linked to the transformation of the in-force *Group Life business* model to a semi-autonomous model in *Switzerland* (€-428 million), and
  - the costs related to the IPO of AXA Equitable Holdings, Inc. and the Secondary Offering (€-104 million),

  partly offset by the 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 at *AXA SA* (€+71 million) and the non-repeat of:

  - the reimbursement of the 3% tax on the dividend paid to shareholders on prior years in 2017 at *AXA SA* (€-283 million),

  - the impact on the net deferred tax liability position (€-288 million) following the decrease in the corporate tax rate from 35% to 21% in *the United States,* partly offset by:
  - the regulatory change on annuity legal indexation in *France* (€+206 million), and
  - the partial write down of net deferred tax asset position in France (€+191 million) due to the progressive decrease in the corporate tax rate from 34% to 26% from 2018 and onwards;
- **a more unfavorable change in the fair value of financial assets and derivatives** net of foreign exchange impacts, down €324 million to €-463 million driven by:
  - the change in the fair value of assets accounted for under fair value option, down €551 million to €-326 million, driven by the impact of adverse market conditions at the end of 2018 on mutual funds,

  partly offset by:

  - the change in the fair value of equity, interest rates and credit derivatives not eligible for hedge accounting under IAS 39, up €67 million to €-138 million, mainly driven by equity hedging instruments reflecting adverse market conditions at the end of 2018, as well as a less unfavorable impact from interest rates derivatives, and
  - 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, up €161 million to €1 million;
- **higher integration and restructuring costs** (€-189 million) to €-332 million mainly due to the integration of *XL Group* (€-76 million) and restructuring costs in *the United States* incurred in connection with the IPO and the Secondary Offering of AXA Equitable Holdings, Inc. (€-50 million) and higher voluntary leave and pre-retirement plans costs in *AXA IM*, *Belgium*, *Spain*, *Italy* and *AXA Bank Belgium*.

SHAREHOLDERS' EQUITY GROUP SHARE

As of December 31, 2018, Shareholders' equity Group share totaled €62.4 billion. The movements in Shareholders' equity Group share since December 31, 2017, are presented in the table below:

(in Euro million)	Shareholders' equity Group share
At December 31, 2017	**69,611**
Share Capital	(1)
Capital in excess of nominal value	951
Equity-share based compensation	39
Treasury shares sold or bought in open market	22
Change in equity component of compound financial instruments	-
Deeply subordinated debt (including accumulated interests charges)	(887)
Fair value recorded in shareholders' equity	(4,396)
Impact of currency fluctuations	1,869
Payment of N-1 dividend	(2,998)
Other	(4,562)
Net income for the period	2,140
Actuarial gains and losses on pension benefits	608
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	31
At December 31, 2018	**62,428**

SOLVENCY INFORMATION [1]

As of December 31, 2018, the Group's Eligible Own Funds ("EOF") amounted to €58.1 billion and the Solvency II ratio to 193%, compared to €57.8 billion and 205% as of December 31, 2017.

(in Euro billion)	L&S EOF December 31, 2018	Group EOF December 31, 2018	Group EOF December 31, 2017
Previous Closing	**46.9**	**57.8**	**57.9**
Modeling changes and opening adjustments	(3.0)	(1.7)	(1.5)
Opening	**43.8**	56.1	**56.4**
Expected existing business contribution	3.3	4.4	4.6
Value of new premiums	1.7	2.0	2.5
Operating variance and change in assumptions	(0.1)	1.9	1.5
Operating return	**4.9**	**8.3**	**8.5**
Economic variance	(2.7)	(3.7)	1.8
Total return	**2.1**	4.6	**10.3**
Exchange rate impact	0.9	0.8	(3.6)
Dividend to be paid in year N+1	-	(3.2)	(3.0)
Subordinated debts and others (a)	(3.9)	(0.1)	(2.3)
Closing	**43.0**	58.1	**57.8**

(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 2018 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, 2018		December 31, 2017		December 31, 2018 / December 31, 2017	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,383**	**2,389**	**2,395**	**2,404**		
Net income (Euro per Ordinary Share)	0.79	0.79	2.50	2.49	(68.4%)	(68.4%)
Adjusted earnings (Euro per Ordinary Share)	2.61	2.61	2.60	2.59	0.5%	0.6%
Underlying earnings (Euro per Ordinary Share)	2.48	2.48	2.41	2.40	3.1%	3.2%

Return On Equity (“ROE”)

(in Euro million, except percentages)	December 31, 2018	December 31, 2017	December 31, 2018 / December 31, 2017
ROE	**3.3%**	**9.3%**	**(6.0 pt)**
Net income	2,140	6,209	
Average shareholders' equity	64,419	66,433	
Adjusted ROE	**14.4%**	**14.5%**	**(0.1 pt)**
Adjusted earnings (a)	6,227	6,228	
Average shareholders' equity (b)	43,390	43,067	
Underlying ROE	**13.6%**	**13.4%**	**0.2 pt**
Underlying earnings (a)	5,920	5,773	
Average shareholders' equity (b)	43,390	43,067	

(a) Including an adjustment to reflect net financial charges related to undated subordinated debt (recorded through shareholders' equity), preferred shares and equity components of mandatory exchangeable bonds into shares of AXA Equitable Holdings, Inc.
(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, 2018**	**December 31, 2017**
Gross revenues (a)	**25,175**	**24,475**
Life & Savings	13,542	13,151
Property & Casualty	7,061	7,307
Health	4,356	3,877
Other (b)	215	139
New business		
APE	2,232	1,849
NBV Margin	29.5%	34.5%
Underlying earnings before tax	**2,313**	**2,011**
Life & Savings	1,143	1,007
Property & Casualty	1,022	908
Health	149	103
Other (b)	(0)	(7)
Income tax expenses / benefits	(755)	(598)
Minority interests	(5)	(5)
Income from affiliates and associates	20	20
Underlying earnings Group share	**1,573**	**1,429**
Net capital gains or losses attributable to shareholders net of income tax	131	237
Adjusted earnings Group share	**1,704**	**1,666**
Profit or loss on financial assets (under fair value option) and derivatives	(91)	31
Exceptional operations (including discontinued operations)	40	(252)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(19)	(25)
NET INCOME GROUP SHARE	**1,635**	**1,420**
Property & Casualty Combined Ratio	92.3%	94.6%
Health Combined Ratio	97.9%	98.7%
Protection Combined Ratio	95.0%	95.6%

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

Gross revenues increased by €700 million (+3%) to €25,175 million. On a comparable basis, gross revenues increased by €845 million (+3%):

- **Life & Savings** (€+391 million or +3%) to €13,542 million. On a comparable basis, Life & Savings gross revenues increased by €392 million (+3%) mainly driven by *Protection* (€+201 million or +5%) mainly due to higher sales in *Group business*. *Savings* gross revenues increased by €191 million (+2%) mainly from *Individual Savings* driven by higher sales of both capital light products sold through the bancassurance channel and discretionary mandates through the proprietary channel, partly offset by lower sales in

Group Pension. Unit-Linked gross revenues contributed to 38.9% of total Individual Savings, compared to 29.5% on average for the market;

- **Property & Casualty** (€-246 million or -3%) to €7,061 million. On a comparable basis, Property & Casualty gross revenues decreased by €103 million (-1%) mainly driven by a decrease in *Commercial lines* (€-76 million) with lower volumes in the Credit & Lifestyle Protection business (€-145 million) due to an increased selectivity, partly offset by a growth supported by tariff increases mainly in *Motor* and *Construction* (€+69 million);
- **Health** (€+479 million or +12%) to €4,356 million. On a comparable basis, Health gross revenues increased by €479 million (+12%) driven by higher volumes in *Group business* (€+459 million) stemming from the international market as well as in *Individual business* (€+20 million);
- **Other** (€+76 million or +55%) to €215 million. On a comparable basis, Other gross revenues increased by €76 million driven *by AXA Banque France* mainly due to a favorable change in the fair value of the loans hedged through internal interest rates swaps with *AXA Bank Belgium* (neutral at Group level). Operating net banking revenues slightly increased (€+2 million).

APE increased by €383 million (+21%) to €2,232 million. On a comparable basis, APE increased by €384 million (+21%) mainly stemming from *Group Health* (€+365 million or +86%) due to the strong development of the international market and *Protection* (€+34 million or +9%), partly offset by *Group Pension* (€-53 million or -33%).

NBV Margin decreased by 5.0 points to 29.5% mainly driven by higher sales in *Group Health*.

Underlying earnings before tax increased by €302 million (+15%) to €2,313 million:

- **Life & Savings** (€+136 million or +13%) to €1,143 million mainly driven by a higher net technical margin (€+72 million) due to an improvement of mortality assumptions and a favorable development on receivables, lower general expenses (€+35 million) and higher Unit-Linked management fees (€+21 million);
- **Property & Casualty** (€+113 million or +12%) to €1,022 million mainly driven by a decrease in expenses (€+109 million) from lower commissions in line with lower revenues in the Credit & Lifestyle Protection business and a higher net technical margin (€+40 million) mainly driven by favorable prior year reserve developments, partly offset by higher Nat Cat charges. Net investment income decreased by €36 million;
- **Health** (€+46 million or +45%) to €149 million mainly driven by higher volumes, partly offset by higher acquisition expenses;
- **Other** (€+7 million) to €0 million mainly from *AXA France Holding*.

Income tax expenses increased by €157 million (+26%) to €-755 million in line with higher pre-tax underlying earnings combined with negative tax one-offs (€-61 million).

Underlying earnings increased by €145 million (+10%) to €1,573 million.

Adjusted earnings increased by €38 million (+2%) to €1,704 million driven by higher underlying earnings, partly offset by lower net realized capital gains.

Net income increased by €215 million (+15%) to €1,635 million driven by higher adjusted earnings as well as the gain relating to the discontinuation of the partnership with BNP Paribas (Natio), the non-repeat of regulatory changes on annuity legal indexation (€+206 million) and the partial write-off of the net deferred tax asset position due to the decrease in the corporate tax rate from 34% to 26% enacted in 2017 and effective in the coming years (€+52 million), partly offset by an unfavorable change in the fair value of both mutual funds and derivatives not eligible to hedge accounting driven by adverse market conditions late 2018.

Europe

(in Euro million, except percentages)	**December 31, 2018**	**December 31, 2017**
Gross revenues (a)	**36,738**	**35,992**
Life & Savings	15,679	15,215
Property & Casualty	15,760	15,633
Health	5,258	5,105
Other (b)	41	39
New business		
APE	1,146	1,034
NBV Margin	49.6%	56.6%
Underlying earnings before tax	**3,368**	**3,204**
Life & Savings	1,117	1,127
Property & Casualty	1,834	1,827
Health	308	226
Other (b)	108	24
Income tax expenses / benefits	(755)	(807)
Minority interests	(84)	(78)
Income from affiliates and associates	2	7
Underlying earnings Group share	**2,532**	**2,326**
Net capital gains or losses attributable to shareholders net of income tax	266	237
Adjusted earnings Group share	**2,797**	**2,563**
Profit or loss on financial assets (under fair value option) and derivatives	(134)	(2)
Exceptional operations (including discontinued operations)	(376)	(57)
Goodwill and other related intangible impacts	(39)	(44)
Integration and restructuring costs	(107)	(25)
NET INCOME GROUP SHARE	**2,141**	**2,435**
Property & Casualty Combined Ratio	94.5%	94.6%
Health Combined Ratio	94.8%	96.1%
Protection Combined Ratio	96.7%	97.0%

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

EUROPE - SWITZERLAND

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**9,531**	**9,797**
Life & Savings	6,534	6,727
Property & Casualty	2,992	3,070
Health	5	0
New business		
APE	340	259
NBV Margin	53.0%	66.4%
Underlying earnings before tax	**943**	**1,014**
Life & Savings	404	419
Property & Casualty	555	606
Health	(16)	(11)
Income tax expenses / benefits	(177)	(202)
Minority interests	(4)	(4)
Income from affiliates and associates	-	-
Underlying earnings Group share	**762**	**809**
Net capital gains or losses attributable to shareholders net of income tax	81	55
Adjusted earnings Group share	**843**	**864**
Profit or loss on financial assets (under fair value option) and derivatives	(5)	(43)
Exceptional operations (including discontinued operations)	(421)	-
Goodwill and other related intangible impacts	(26)	(28)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**391**	**792**
Property & Casualty Combined Ratio	87.0%	85.8%
Health Combined Ratio	n/a	n/a
Protection Combined Ratio	97.0%	97.2%
Average exchange rate : € 1.00 = Swiss Franc	*1.16*	*1.11*

(a) Net of intercompany eliminations.

In the comments below, the comparable basis includes (i) for APE, the underwritten savings contributions from semi-autonomous and autonomous solutions in 2017, and (ii) for NBV, the net investment fees related to the underwritten savings components of semi-autonomous and autonomous solutions in 2017, that have been included in 2018 APE and NBV.

Gross revenues decreased by €266 million (-3%) to €9,531 million. On a comparable basis, gross revenues increased by €106 million (+1%):

- **Life & Savings** (€-193 million or -3%) to €6,534 million. On a comparable basis, Life & Savings gross revenues increased by €62 million (+1%) driven by *Group Life* due to higher single premiums from in-force clients;

- **Property & Casualty** (€-78 million or -3%) to €2,992 million. On a comparable basis, Property & Casualty gross revenues increased by €39 million (+1%) mainly driven by *Commercial lines* due to higher volumes and tariff increases in *Workers' Compensation*;
- **Health** (€+5 million) to €5 million. On a comparable basis, Health gross revenues increased by €5 million due to the launch of the business line in 2H17.

APE increased by €80 million (+31%) to €340 million. On a comparable basis, APE increased by €15 million (+4%) in *Protection* due to higher *Group Life* sales in both semi-autonomous and autonomous businesses.

NBV Margin decreased by 13.4 points to 53.0%. On a comparable basis, NBV Margin increased by 0.1 point as a result of an improved product mix within *Group Protection* towards both semi-autonomous and autonomous businesses, offset by modelling changes and tariff reduction linked to the Swiss *Group Life* transformation.

Underlying earnings before tax decreased by €71 million (-7%) to €943 million. On a constant exchange rate basis, underlying earnings before tax decreased by €34 million (-3%):

- **Property & Casualty** (€-51 million or -8%) to €555 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax decreased by €30 million (-5%) as the improvement in the current year combined ratio (-0.3 point) from a lower expense ratio was more than offset by less favorable prior year reserve developments (+1.5 points);
- **Life & Savings** (€-15 million or -4%) to €404 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax remained stable mainly due to a higher net technical margin (€+76 million) driven by improved disability and mortality margins from lower policyholder bonus allocation in *Group Life* and an exceptional release of reserves in annuity in *Individual Life*, partly offset by a lower investment margin (€-51 million) mainly due to lower income from fixed-income assets combined with higher expenses (€-40 million) notably driven by project costs in the context of the transformation of the in-force *Group Life business* (€-16 million);
- **Health** (€-5 million or -42%) to €-16 million. On a constant exchange rate basis, Health underlying earnings before tax decreased by €5 million (-48%) due to further investments following the launch of the business line in 2H17.

Income tax expenses decreased by €25 million (-12%) to €-177 million. On a constant exchange rate basis, income tax expenses decreased by €18 million (-9%) in line with lower pre-tax underlying earnings combined with a decrease in the corporate tax rate from 21% to 20%.

Underlying earnings decreased by €46 million (-6%) to €762 million. On a constant exchange rate basis, underlying earnings decreased by €17 million (-2%).

Adjusted earnings decreased by €21 million (-2%) to €843 million. On a constant exchange rate basis, adjusted earnings increased by €12 million (+1%) as lower underlying earnings were more than offset by higher net realized capital gains.

Net income decreased by €401 million (-51%) to €391 million. On a constant exchange rate basis, net income decreased by €386 million (-49%) as higher adjusted earnings were more than offset by the one-time negative impact linked to the transformation of the in-force *Group Life business* to a semi-autonomous model (€-428 million).

EUROPE - GERMANY

(in Euro million, except percentages)	**December 31, 2018**	**December 31, 2017**
Gross revenues (a)	**10,738**	**10,672**
Life & Savings	3,559	3,696
Property & Casualty	4,006	3,879
Health	3,131	3,059
Other (b)	41	39
New business		
APE	340	361
NBV Margin	53.0%	58.2%
Underlying earnings before tax	**851**	**771**
Life & Savings	190	201
Property & Casualty	438	419
Health	117	115
Other (b)	107	36
Income tax expenses / benefits	(238)	(221)
Minority interests	(4)	(1)
Income from affiliates and associates	2	7
Underlying earnings Group share	**612**	**556**
Net capital gains or losses attributable to shareholders net of income tax	127	109
Adjusted earnings Group share	**738**	**665**
Profit or loss on financial assets (under fair value option) and derivatives	(50)	46
Exceptional operations (including discontinued operations)	27	(87)
Goodwill and other related intangible impacts	(4)	(4)
Integration and restructuring costs	(4)	2
NET INCOME GROUP SHARE	**708**	**621**
Property & Casualty Combined Ratio	95.6%	96.0%
Health Combined Ratio	96.3%	96.3%
Protection Combined Ratio	97.6%	97.1%

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

On October 1, 2018, *AXA Germany* increased its ownership in *Roland Rechtsschutz* from 41% to 60%. As a result, *Roland Rechtsschutz* has been consolidated from October 1, 2018. Property & Casualty 2017 comparable basis has been adjusted to include *Roland Rechtsschutz* gross revenues in the last quarter of 2017.

On October 31, 2018, *AXA Germany* completed the disposal of a part of its occupational pension business. Life & Savings 2017 comparable basis in Gross revenues, APE and NBV have been adjusted accordingly to exclude the contribution of this business in 2017.

Gross revenues increased by €65 million (+1%) to €10,738 million. On a comparable basis, gross revenues increased by €104 million (+1%):

- **Property & Casualty** (€+128 million or +3%) to €4,006 million. On a comparable basis, Property & Casualty gross revenues increased by €76 million (+2%) driven by *Personal lines* (€+63 million) mainly due to tariff increases in *Property* and *Motor*, and *Commercial lines* (€+16 million) mainly from new business in SME in *Non-Motor*;
- **Life & Savings** (€-136 million or -4%) to €3,559 million. On a comparable basis, Life & Savings gross revenues decreased by €46 million (-1%) mainly in *Protection with Savings* (€-58 million) and traditional *G/A Savings* (€-32 million) reflecting the decrease in the legacy business in line with the strategy and in *Unit-Linked* (€-31 million). This was partly offset by the continued growth in G/A capital light products (€+48 million) and in *Pure Protection* (€+28 million);
- **Health** (€+72 million or +2%) to €3,131 million. On a comparable basis, Health gross revenues increased by €72 million (+2%) mainly due to the continued growth in the civil service segment and tariff increases in full benefit insurance.

APE decreased by €21 million (-6%) to €340 million. On a comparable basis, APE decreased by €20 million (-6%) mainly due to lower new business in *Health*.

NBV Margin decreased by 5.2 points to 53.0% mainly reflecting a lower share of new business and model updates in *Health*, partly offset by an improvement of the profitability and a higher share of *Pure Protection* and G/A capital light products sales.

Underlying earnings before tax increased by €81 million (+10%) to €851 million:

- **Property & Casualty** (€+19 million or +4%) to €438 million driven by an improved current year combined ratio (-0.3 point) from lower large losses (-0.7 point) and a lower expense ratio (-0.3 point) due to lower acquisition costs, partly offset by higher Nat Cat charges (+0.8 point), combined with more favorable prior year reserve developments (-0.2 point);
- **Life & Savings** (€-11 million or -5%) to €190 million due to higher Deferred Acquisition Cost amortization due to a change in interest rate assumptions as well as lower fees & revenues from lower volumes;
- **Health** (€+2 million or +2%) to €117 million due to higher volumes while the combined ratio remained stable at 96.3%;
- **Other** (€+71 million) to €107 million from *Holdings* (€+71 million) mainly due to a higher investment income driven by an exceptional distribution from an investment fund and lower pension costs.

Income tax expenses increased by €17 million (+7%) to €-238 million in line with higher pre-tax underlying earnings.

Income from affiliates and associates decreased by €5 million to €2 million.

Underlying earnings increased by €56 million (+10%) to €612 million.

Adjusted earnings increased by €74 million (+11%) to €738 million driven by higher underlying earnings and higher net realized capital gains mainly from equities.

Net income increased by €86 million (+14%) to €708 million driven by higher adjusted earnings and the non-repeat of the negative impact in 2017 related to the disposal of a part of the occupational pension business, partly offset by an unfavorable change in the fair value of mutual funds mainly driven by higher corporate yields and adverse equity market conditions late 2018 as well as foreign exchange derivatives not eligible for hedge accounting.

EUROPE - BELGIUM

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**3,359**	**3,310**
Life & Savings	1,195	1,178
Property & Casualty	2,061	2,044
Health	103	87
New business		
APE	64	56
NBV Margin	66.5%	75.4%
Underlying earnings before tax	**528**	**531**
Life & Savings	281	253
Property & Casualty	246	286
Health	0	(7)
Other (b)	1	(2)
Income tax expenses / benefits	(125)	(174)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**403**	**357**
Net capital gains or losses attributable to shareholders net of income tax	50	49
Adjusted earnings Group share	**454**	**406**
Profit or loss on financial assets (under fair value option) and derivatives	(42)	16
Exceptional operations (including discontinued operations)	3	34
Goodwill and other related intangible impacts	(2)	(4)
Integration and restructuring costs	(40)	23
NET INCOME GROUP SHARE	**373**	**475**
Property & Casualty Combined Ratio	95.7%	93.6%
Health Combined Ratio	102.1%	110.2%
Protection Combined Ratio	96.0%	98.2%

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

Gross revenues increased by €49 million (+1%) to €3,359 million. On a comparable basis, gross revenues increased by €49 million (+1%):

- **Property & Casualty** (€+17 million or +1%) to €2,061 million. On a comparable basis, Property & Casualty gross revenues increased by €17 million (+1%) from *Commercial lines* (€+21 million) in SME and Mid-Market segments mainly due to tariff increases, partly offset by *Personal lines* (€-4 million) as tariff increases were more than offset by lower volumes;
- **Life & Savings** (€+16 million or +1%) to €1,195 million. On a comparable basis, Life & Savings gross revenues increased by €16 million (+1%) driven by *G/A Savings* (€+14 million) from higher sales in capital light pension products for self-employed clients, as well as *Protection* (€+9 million) notably from *Group business*, partly offset by *Unit-Linked* (€-6 million) in line with the strategy to exit the *Individual Savings business*;

- **Health** (€+16 million or +18%) to €103 million. On a comparable basis, Health gross revenues increased by €16 million (+18%) due to new large contracts in *Group business*.

APE increased by €8 million (+14%) to €64 million. On a comparable basis, APE increased by €8 million (+14%) mainly driven by *G/A Savings* due to higher sales in capital light pension products for self-employed clients.

NBV Margin decreased by 8.8 points to 66.5% mainly driven by a higher share of pension products for self-employed clients.

Underlying earnings before tax decreased by €3 million (-1%) to €528 million:

- **Life & Savings** (€+28 million or +11%) to €281 million driven by higher investment margin (€+14 million) mainly due to lower credited interests and policyholder bonus allocation, as well as a higher net technical margin (€+12 million) mainly due to favorable prior year reserve developments;
- **Property & Casualty** (€-40 million or -14%) to €246 million mainly driven by a higher current year combined ratio (+2.0 points) due to less favorable weather conditions and higher large losses, partly offset by a lower expense ratio (-0.8 point) resulting from the cost savings program;
- **Other** (€+3 million) to €1 million;
- **Health** (€+7 million) to €0 million due to an improved current year combined ratio (-9.2 points) driven by an improved claims experience.

Income tax expenses decreased by €50 million (-28%) to €-125 million driven by a decrease in the corporate tax rate from 34% to 30% combined with a positive tax one-off in 2018 (€+14 million) and the non-repeat of an exceptional dividend paid to the Group in 2017 (€+13 million).

Underlying earnings increased by €46 million (+13%) to €403 million.

Adjusted earnings increased by €48 million (+12%) to €454 million mainly driven by higher underlying earnings.

Net income decreased by €102 million (-21%) to €373 million as higher adjusted earnings were more than offset by higher restructuring costs in relation to pre-retirement and voluntary leave plans, an unfavorable change in the fair value of mutual funds in a context of adverse market conditions, and the non-repeat of the impact of the reduction of the net deferred tax liability position resulting from the decrease in corporate tax rate enacted in 2017.

EUROPE - UNITED KINGDOM & IRELAND

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**5,166**	**5,130**
Life & Savings	57	57
Property & Casualty	3,369	3,372
Health	1,740	1,700
Other (b)	-	-
Underlying earnings before tax	**437**	**340**
Life & Savings	3	12
Property & Casualty	250	228
Health	184	109
Other (b)	0	(10)
Income tax expenses / benefits	(56)	(58)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**381**	**282**
Net capital gains or losses attributable to shareholders net of income tax	(6)	13
Adjusted earnings Group share	**375**	**295**
Profit or loss on financial assets (under fair value option) and derivatives	(23)	(32)
Exceptional operations (including discontinued operations)	21	7
Goodwill and other related intangible impacts	(4)	(4)
Integration and restructuring costs	(3)	(22)
NET INCOME GROUP SHARE	**366**	**243**
Property & Casualty Combined Ratio	98.4%	99.1%
Health Combined Ratio	91.2%	94.9%

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

Gross revenues increased by €36 million (+1%) to €5,166 million. On a comparable basis, gross revenues increased by €76 million (+1%):

- **Property & Casualty** (€-3 million or 0%) to €3,369 million. On a comparable basis, Property & Casualty gross revenues increased by €21 million (+1%) from *Commercial lines* (€+85 million) mainly due to higher new business and tariff increases, partly offset by *Personal lines* (€-64 million) mainly in *Property* reflecting lower volumes following tariff increases and the exit of a scheme;
- **Health** (€+39 million or +2%) to €1,740 million. On a comparable basis, Health gross revenues increased by €55 million (+3%) mainly driven by tariff increases and volume growth in international business and in the United Kingdom;
- **Life & Savings - Architas** remained stable at €57 million. On a comparable basis, Life & Savings - Architas gross revenues remained stable.

Underlying earnings before tax increased by €97 million (+28%) to €437 million. On a constant exchange rate basis, underlying earnings before tax increased by €100 million (+29%):

- **Property & Casualty** (€+21 million or +9%) to €250 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €23 million (+10%) as a higher current year combined ratio (+2.3 points) mainly driven by higher Nat Cat charges, increased severity of Motor damage claims and higher expenses from investments in transformation programs, was more than offset by favorable prior year reserve developments (-3.0 points);
- **Health** (€+74 million or +68%) to €184 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €76 million (+69%) driven by an improved combined ratio (-3.7 points) mainly due to better claims management and a lower expense ratio (-1.3 points);
- **Life & Savings - Architas** (€-10 million or -78%) to €3 million. On a constant exchange rate basis, Life & Savings - Architas underlying earnings before tax decreased by €10 million;
- **Other** (€+10 million) to €0 million. On a constant exchange rate basis, Other underlying earnings before tax increased by €10 million mainly due to lower expenses at *AXA UK Holdings*.

Income tax expenses decreased by €2 million (-4%) to €-56 million. On a constant exchange rate basis, income tax expenses decreased by €2 million (-3%) as the impact of the increase in pre-tax underlying earnings was more than offset by positive tax one-offs (€+9 million).

Underlying earnings increased by €99 million (+35%) to €381 million. On a constant exchange rate basis, underlying earnings increased by €102 million (+36%).

Adjusted earnings increased by €80 million (+27%) to €375 million. On a constant exchange rate basis, adjusted earnings increased by €83 million (+28%) driven by higher underlying earnings, partly offset by lower net realized capital gains due to higher impairments of equity securities reflecting adverse market conditions late 2018.

Net income increased by €122 million (+50%) to €366 million. On a constant exchange rate basis, net income increased by €125 million (+51%) mainly driven by higher adjusted earnings, lower restructuring costs, a realized gain relating to the sale of a non-consolidated subsidiary, and a favorable change in the fair value of derivatives not eligible for hedge accounting.

EUROPE - SPAIN

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**2,525**	**2,365**
Life & Savings	680	571
Property & Casualty	1,644	1,606
Health	202	188
New business		
APE	88	73
NBV Margin	79.5%	84.3%
Underlying earnings before tax	**245**	**207**
Life & Savings	71	61
Property & Casualty	152	131
Health	22	15
Income tax expenses / benefits	(59)	(48)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**186**	**159**
Net capital gains or losses attributable to shareholders net of income tax	6	4
Adjusted earnings Group share	**192**	**163**
Profit or loss on financial assets (under fair value option) and derivatives	(5)	(2)
Exceptional operations (including discontinued operations)	-	(2)
Goodwill and other related intangible impacts	(3)	(4)
Integration and restructuring costs	(36)	(16)
NET INCOME GROUP SHARE	**147**	**140**
Property & Casualty Combined Ratio	96.4%	97.5%
Health Combined Ratio	89.5%	92.8%
Protection Combined Ratio	94.0%	93.0%

(a) Net of intercompany eliminations.

Gross revenues increased by €161 million (+7%) to €2,525 million. On a comparable basis, gross revenues increased by €161 million (+7%):

- **Property & Casualty** (€+37 million or +2%) to €1,644 million. On a comparable basis, Property & Casualty gross revenues increased by €37 million (+2%) driven by *Commercial lines* (€+22 million) from higher volumes and tariff increases in *Non-Motor*, and *Personal lines* (€+16 million) due to higher volumes in *Motor*;
- **Life & Savings** (€+109 million or +19%) to €680 million. On a comparable basis, Life & Savings gross revenues increased by €109 million (+19%) driven by strong sales in *Unit-Linked* (€+64 million*), G/A Savings* (€+26 million) from capital light products, and *Protection* (€+21 million);
- **Health** (€+14 million or +7%) to €202 million. On a comparable basis, Health gross revenues increased by €14 million (+7%) driven by higher volumes and tariff increases.

APE increased by €15 million (+20%) to €88 million. On a comparable basis, APE increased by €15 million (+20%) driven by *Unit-Linked* (€+8 million), *Protection* (€+5 million), and G/A capital light products (€+3 million).

NBV Margin decreased by 4.7 points to 79.5% mainly driven by a higher share of *Saving*s products sales.

Underlying earnings before tax increased by €38 million (+18%) to €245 million:

- **Property & Casualty** (€+21 million or +16%) to €152 million driven by higher volumes combined with favorable prior year reserve developments;
- **Life & Savings** (€+10 million or +16%) to €71 million mainly driven by a higher net technical margin in *G/A Savings Group annuities*;
- **Health** (€+7 million or +51%) to €22 million mainly driven by an improved claims experience.

Income tax expenses increased by €12 million (+25%) to €-59 million in line with higher pre-tax underlying earnings.

Underlying earnings increased by €26 million (+17%) to €186 million.

Adjusted earnings increased by €28 million (+17%) to €192 million mainly driven by higher underlying earnings.

Net income increased by €8 million (+5%) to €147 million mainly driven by higher adjusted earnings, partly offset by higher restructuring costs driven by a voluntary leave plan.

EUROPE - ITALY

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**5,418**	**4,719**
Life & Savings	3,653	2,985
Property & Casualty	1,688	1,663
Health	77	70
New business		
APE	315	284
NBV Margin	30.7%	34.9%
Underlying earnings before tax	**364**	**341**
Life & Savings	169	181
Property & Casualty	193	156
Health	1	5
Other (b)	0	0
Income tax expenses / benefits	(101)	(105)
Minority interests	(75)	(72)
Income from affiliates and associates	-	-
Underlying earnings Group share	**188**	**164**
Net capital gains or losses attributable to shareholders net of income tax	8	6
Adjusted earnings Group share	**196**	**170**
Profit or loss on financial assets (under fair value option) and derivatives	(9)	13
Exceptional operations (including discontinued operations)	(5)	(9)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(24)	(10)
NET INCOME GROUP SHARE	**158**	**164**
Property & Casualty Combined Ratio	94.4%	96.5%
Health Combined Ratio	101.0%	95.1%
Protection Combined Ratio	80.8%	82.9%

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

Gross revenues increased by €699 million (+15%) to €5,418 million. On a comparable basis, gross revenues increased by €699 million (+15%):

- **Life & Savings** (€+668 million or +22%) to €3,653 million. On a comparable basis, Life & Savings gross revenues increased by €668 million (+22%) driven by strong sales of G/A capital light products (€+518 million) and *Protection* (€+107 million) notably due to the recovery in sales from Banca Monte dei Paschi di Siena;
- **Property & Casualty** (€+25 million or +2%) to €1,688 million. On a comparable basis, Property & Casualty gross revenues increased by €25 million (+2%) from *Personal lines* (€+13 million) from higher new business in *Property*, and from *Commercial lines* (€+12 million) mainly due to higher volumes from the agency channel;

- **Health** (€+6 million or +9%) to €77 million. On a comparable basis, Health gross revenues increased by €6 million (+9%) as a result of strong commercial focus.

APE increased by €31 million (+11%) to €315 million. On a comparable basis, APE increased by €31 million (+11%) driven by strong sales of G/A capital light products (€+28 million) notably from the recovery in sales from Banca Monte dei Paschi di Siena.

NBV Margin decreased by 4.2 points to 30.7% mainly due to the decrease in the future investment margin of *G/A Savings* products resulting from the widening of spreads of Italian government bonds.

Underlying earnings before tax increased by €22 million (+7%) to €364 million:

- **Property & Casualty** (€+37 million or +24%) to €193 million mainly due to an improvement of the current year combined ratio (-1.0 point) driven by lower large losses and Nat Cat charges, as well as the impact of the cost savings program, combined with more favorable prior year reserve developments (-1.1 points);
- **Life & Savings** (€-11 million or -6%) to €169 million mainly due to the decrease in investment yields, partly offset by a decrease in minimum guaranteed rates;
- **Health** (€-4 million) to €1 million.

Income tax expenses decreased by €4 million (-4%) to €-101 million as the impact of the increase in pre-tax underlying earnings was more than offset by higher positive tax one-offs (€+11 million).

Minority interests increased by €3 million (+4%) to €-75 million as a result of the increase of *AXA MPS* underlying earnings.

Underlying earnings increased by €24 million (+15%) to €188 million.

Adjusted earnings increased by €26 million (+15%) mainly driven by higher underlying earnings.

Net income decreased by €6 million (-4%) to €158 million as higher adjusted earnings were more than offset by an unfavorable change in the fair value of derivatives not eligible for hedge accounting and higher restructuring costs resulting from pre-retirement plans.

Asia

(in Euro million, except percentages)	**December 31, 2018**	**December 31, 2017**
Gross revenues (a)	**8,973**	**8,985**
Life & Savings	5,780	5,702
Property & Casualty	1,245	1,313
Health	1,947	1,970
New business		
APE	1,520	1,510
NBV Margin	62.2%	70.6%
Underlying earnings before tax	**1,156**	**1,187**
Life & Savings	665	679
Property & Casualty	68	60
Health	426	448
Other (b)	(3)	(0)
Income tax expenses / benefits	(219)	(257)
Minority interests	(7)	(7)
Income from affiliates and associates	171	166
Underlying earnings Group share	**1,101**	**1,089**
Net capital gains or losses attributable to shareholders net of income tax	(34)	23
Adjusted earnings Group share	**1,067**	**1,111**
Profit or loss on financial assets (under fair value option) and derivatives	(53)	(59)
Exceptional operations (including discontinued operations)	4	(0)
Goodwill and other related intangible impacts	(18)	(16)
Integration and restructuring costs	(13)	(9)
NET INCOME GROUP SHARE	**987**	**1,028**
Property & Casualty Combined Ratio	97.1%	97.6%
Health Combined Ratio	78.8%	78.3%
Protection Combined Ratio	86.8%	86.7%

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

ASIA - JAPAN

(in Euro million, except percentages)	**December 31, 2018**	**December 31, 2017**
Gross revenues (a)	**4,564**	**4,647**
Life & Savings	3,203	3,252
Health	1,361	1,395
New business		
APE	546	441
NBV Margin	97.8%	112.1%
Underlying earnings before tax	**695**	**719**
Life & Savings	300	298
Health	395	421
Income tax expenses / benefits	(189)	(215)
Minority interests	(7)	(7)
Income from affiliates and associates	-	-
Underlying earnings Group share	**499**	**497**
Net capital gains or losses attributable to shareholders net of income tax	8	9
Adjusted earnings Group share	**507**	**506**
Profit or loss on financial assets (under fair value option) and derivatives	(40)	(8)
Exceptional operations (including discontinued operations)	4	-
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	-	(2)
NET INCOME GROUP SHARE	**471**	**497**
Health Combined Ratio	72.0%	71.1%
Protection Combined Ratio	87.7%	88.1%
Average exchange rate : € 1.00 = Japanese Yen	*130*	*127*

(a) Net of intercompany eliminations.

Gross revenues decreased by €83 million (-2%) to €4,564 million. On a comparable basis, gross revenues increased by €48 million (+1%):

- **Life & Savings** (€-49 million or -2%) to €3,203 million. On a comparable basis, Life & Savings gross revenues increased by €43 million (+1%) mainly due to the success of *Follow-up Life Protection* product (€+145 million) launched in 1Q18, partly offset by continued lower new business from the G/A capital light *Single Premium Whole Life* product (€-109 million);
- **Health** (€-34 million or -2%) to €1,361 million. On a comparable basis, Health gross revenues increased by €5 million (0%) mainly from *Medical Whole Life* products, notably due to the success of *New Medical Care* products, partly offset by lower new business from the *Medical Term* product.

APE increased by €105 million (+24%) to €546 million. On a comparable basis, APE increased by €121 million (+27%) mainly due to the success of *Follow-up Life Protection* product launched in 1Q18.

NBV Margin decreased by 14.3 points to 97.8% mainly as a consequence of higher new business in *Protection*.

Underlying earnings before tax decreased by €24 million (-3%) to €695 million. On a constant exchange rate basis, underlying earnings before tax decreased by €5 million (-1%):

- **Health** (€-26 million or -6%) to €395 million. On a constant exchange rate basis, Health underlying earnings before tax decreased by €15 million (-3%) mainly due to higher administrative expenses (€-18 million);
- **Life & Savings** (€+2 million or +1%) to €300 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €10 million (+3%) primarily driven by higher fees & revenues (€+54 million) mainly due to both in-force growth and new business as well as a higher net technical margin (€+12 million) mainly due to in-force growth, partly offset by higher expenses (€-54 million) mainly due to volume growth combined with the non-repeat of the restructuring of a pension scheme.

Income tax expenses decreased by €26 million (-12%) to €-189 million. On a constant exchange rate basis, income tax expenses decreased by €21 million (-10%) driven by positive tax one-offs (€+18 million) and lower pre-tax underlying earnings.

Underlying earnings increased by €2 million (0%) to €499 million. On a constant exchange rate basis, underlying earnings increased by €16 million (+3%).

Adjusted earnings increased by €1 million (0%) to €507 million. On a constant exchange rate basis, adjusted earnings increased by €15 million (+3%) mainly driven by higher underlying earnings.

Net income decreased by €27 million (-5%) to €471 million. On a constant exchange rate basis, net income decreased by €13 million (-3%) as higher adjusted earnings combined with a favorable change in the fair value of interest rate hedging derivatives not eligible for hedge accounting were more than offset by an unfavorable change in the fair value of mutual funds, mainly driven by adverse equity market conditions late 2018.

ASIA - HONG KONG

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**3,305**	**3,170**
Life & Savings	2,521	2,384
Property & Casualty	240	256
Health	545	530
New business		
APE	456	456
NBV Margin	47.2%	63.8%
Underlying earnings before tax	**404**	**412**
Life & Savings	358	367
Property & Casualty	22	19
Health	25	27
Income tax expenses / benefits	(13)	(20)
Minority interests	-	-
Income from affiliates and associates	-	-
Underlying earnings Group share	**391**	**392**
Net capital gains or losses attributable to shareholders net of income tax	(2)	2
Adjusted earnings Group share	**389**	**393**
Profit or loss on financial assets (under fair value option) and derivatives	(5)	1
Exceptional operations (including discontinued operations)	-	(0)
Goodwill and other related intangible impacts	(15)	(15)
Integration and restructuring costs	(13)	(5)
NET INCOME GROUP SHARE	**357**	**373**
Property & Casualty Combined Ratio	95.5%	96.2%
Health Combined Ratio	95.6%	95.2%
Protection Combined Ratio	85.4%	84.9%
Average exchange rate : € 1.00 = Hong Kong Dollar	*9.26*	*8.80*

(a) Net of intercompany eliminations.

Gross revenues increased by €135 million (+4%) to €3,305 million. On a comparable basis, gross revenues increased by €305 million (+10%):

- **Life & Savings** (€+137 million or +6%) to €2,521 million. On a comparable basis, Life & Savings gross revenues increased by €266 million (+11%) mainly from *Protection* (€+176 million) and *G/A Savings* (€+67 million) driven by in-force growth and higher new business, as well as *Unit-Linked* (€+23 million) driven by growth in single premium new business;
- **Health** (€+15 million or +3%) to €545 million. On a comparable basis, Health gross revenues increased by €43 million (+8%) mainly driven by higher volumes combined with tariff increases in both *Individual* and *Group businesses*;
- **Property & Casualty** (€-16 million or -6%) to €240 million. On a comparable basis, Property & Casualty gross revenues decreased by €4 million (-1%) mainly due to lower new business in *Personal Motor* linked to repricing measures and lower renewals in *Commercial lines*.

APE remained stable at €456 million. On a comparable basis, APE increased by €23 million (+5%) driven by higher sales in *G/A Savings* (€+23 million) mainly due to the successful launch of a new product in 1Q18, and *Health* (€+6 million) from *Group business*, partly offset by lower sales in *Unit-Linked* (€-4 million).

NBV Margin decreased by 16.6 points to 47.2% mainly driven by higher sales in *G/A Savings* combined with the redesign of a *Protection* product to focus on volumes for profitable growth.

Underlying earnings before tax decreased by €8 million (-2%) to €404 million. On a constant exchange rate basis, underlying earnings before tax increased by €12 million (+3%):

- **Life & Savings** (€-9 million or -2%) to €358 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €9 million (+2%) mainly due to volume growth and the non-repeat of an accounting mismatch, partly offset by higher project costs;
- **Health** (€-2 million or -8%) to €25 million. On a constant exchange rate basis, Health underlying earnings before tax decreased by €1 million (-3%) mainly driven by higher project costs;
- **Property & Casualty** (€+3 million or +18%) to €22 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €4 million (+24%) mainly due to the non-repeat of 2017 unfavorable claims experience in *Personal Motor*, partly offset by the negative impact from Typhoon Mangkhut.

Income tax expenses decreased by €8 million (-38%) to €-13 million. On a constant exchange rate basis, income tax expenses decreased by €7 million (-34%) as the impact of the increase in pre-tax underlying earnings was more than offset by higher positive tax one-offs.

Underlying earnings remained stable at €391 million. On a constant exchange rate basis, underlying earnings increased by €20 million (+5%).

Adjusted earnings decreased by €4 million (-1%) to €389 million. On a constant exchange rate basis, adjusted earnings increased by €16 million (+4%) mainly driven by higher underlying earnings.

Net income decreased by €17 million (-4%) to €357 million. On a constant exchange rate basis, net income increased by €1 million (0%) driven by higher adjusted earnings, partly offset by higher restructuring costs and an unfavorable change in the fair value of mutual funds and derivatives not eligible for hedge accounting.

ASIA - HIGH POTENTIALS

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**153**	**180**
Life & Savings	56	66
Property & Casualty	58	72
Health	39	42
New business		
APE	517	613
NBV Margin	37.9%	45.8%
Underlying earnings before tax	**6**	**4**
Life & Savings	8	14
Property & Casualty	(8)	(10)
Health	6	(0)
Income tax expenses / benefits	(2)	1
Minority interests	0	0
Income from affiliates and associates	171	166
Underlying earnings Group share	**176**	**171**
Net capital gains or losses attributable to shareholders net of income tax	(40)	14
Adjusted earnings Group share	**136**	**185**
Profit or loss on financial assets (under fair value option) and derivatives	(8)	(54)
Exceptional operations (including discontinued operations)	-	(0)
Goodwill and other related intangible impacts	(2)	-
Integration and restructuring costs	-	(2)
NET INCOME GROUP SHARE	**126**	**129**
Property & Casualty Combined Ratio	114.3%	115.2%
Health Combined Ratio	90.1%	102.5%
Protection Combined Ratio	103.9%	94.8%

(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) China, Thailand Life & Savings, the Philippines and the bancassurance Life & Savings subsidiary in Indonesia are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income.

Gross revenues decreased by €26 million (-15%) to €153 million. On a comparable basis, gross revenues decreased by €17 million (-10%):

- **Property & Casualty** (€-14 million or -20%) to €58 million. On a comparable basis, Property & Casualty gross revenues decreased by €14 million (-20%) in *Thailand* driven by lower revenues from *Commercial Property* and *Personal Motor* both following the decision to reduce the volume of unprofitable portfolios;
- **Life & Savings** (€-9 million or -14%) to €56 million. On a comparable basis, Life & Savings gross revenues decreased by €3 million (-4%) in *Indonesia* driven by *Protection* (€-3 million) mainly due to lower new business;

- **Health** (€-3 million or -7%) to €39 million. On a comparable basis, Health gross revenues remained stable as lower revenues in *Thailand* (€-3 million) due to the pruning of unprofitable contracts were offset by higher revenues in *Indonesia* (€+3 million) from in-force growth.

APE decreased by €96 million (-16%) to €517 million. On a comparable basis, APE decreased by €74 million (-12%):

- *China* (€-54 million or -20%) to €215 million. On a comparable basis, APE decreased by €49 million (-18%) due to lower sales of traditional *G/A Savings* products (€-65 million), partly offset by increased sales of higher margin *Protection* products (€+11 million);
- *Thailand* (€-22 million or -13%) to €140 million. On a comparable basis, APE decreased by €22 million (-14%) driven by *Protection* (€-21 million) due to lower sales of low margin products combined with lower sales of traditional *G/A Savings* products (€-5 million) following the non-repeat of sales of a product launched in 1H17, partly offset by higher *Unit-Linked* sales (€+7 million) following successful marketing campaigns;
- *Indonesia* (€-22 million or -17%) to €111 million. On a comparable basis, APE decreased by €10 million (-7%) driven by lower new business in both agency and telemarketing channels;
- *The Philippines* (€+2 million or +4%) to €52 million. On a comparable basis, APE increased by €7 million (+13%) mainly from *Protection* (€+6 million) driven by the strong performance in both bancassurance and agency channels.

NBV Margin decreased by 7.9 points to 37.9%. On a comparable basis, NBV Margin decreased by 5.0 points as a favorable change in business mix in *China* and *Thailand* was more than offset by unfavorable assumptions updates.

Underlying earnings before tax increased by €2 million to €6 million. On a constant exchange rate basis, underlying earnings before tax increased by €3 million:

- **Life & Savings** (€-6 million) to €8 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax decreased by €5 million in *Indonesia* mainly due to less favorable assumptions updates;
- **Health** (€+6 million) to €6 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €6 million mainly driven by *Indonesia* (€+5 million) following the discontinuation of unprofitable products combined with a favorable portfolio growth;
- **Property & Casualty** (€+2 million) to €-8 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €2 million in *Thailand*.

Income tax expenses increased by €2 million to €-2 million. On a constant exchange rate basis, income tax expenses increased by €2 million driven by *Indonesia* (€-1 million) and *Thailand* (€-1 million) in line with higher pre-tax underlying earnings.

Income from affiliates and associates increased by €6 million (+3%) to €171 million. On a constant exchange rate basis, income from associates and affiliates increased by €13 million (+8%):

- *China* (€+43 million) to €57 million mainly due to a favorable change in business mix, as well as the positive impact of financial assumptions update on the net technical margin;
- *Thailand* (€-32 million or -38%) to €54 million mainly due to the adverse impact of assumptions update on technical reserves;
- *Indonesia* (€-1 million or -1%) to €39 million;
- *The Philippines* (€+2 million or +11%) to €22 million mainly from higher fees & revenues and a higher investment margin as a result of portfolio growth, as well as a more favorable claims experience.

Underlying earnings increased by €5 million (+3%) to €176 million. On a constant exchange rate basis, underlying earnings increased by €14 million (+8%).

Adjusted earnings decreased by €49 million (-26%) to €136 million. On a constant exchange rate basis, adjusted earnings decreased by €41 million (-22%) as higher underlying earnings were more than offset by higher net realized capital losses in *China* mainly due to the negative equity market performance.

Net income decreased by €3 million (-2%) to €126 million. On a constant exchange rate basis, net income increased by €5 million (+4%) as lower adjusted earnings were more than offset by a favorable change in the fair value of fixed income assets in *China* and a less unfavorable change in the fair value of financial assets in *Thailand* and *Indonesia*.

AXA XL

(in Euro million, except percentages)	December 31, 2018	December 31, 2017 restated (a)
Gross revenues (b)	**6,287**	**2,512**
Life & Savings	45	-
Property & Casualty Insurance	3,354	1,629
Property & Casualty Specialty	1,794	884
Property & Casualty Reinsurance	1,093	-
Underlying earnings before tax	**(178)**	**105**
Life & Savings	5	-
Property & Casualty Insurance	103	105
Property & Casualty Reinsurance	(277)	-
Other (c)	(10)	-
Income tax expenses / benefits	(70)	(35)
Minority interests	18	(1)
Income from affiliates and associates	(3)	-
Underlying earnings Group share	**(233)**	**70**
Net capital gains or losses attributable to shareholders net of income tax	(27)	32
Adjusted earnings Group share	**(260)**	**102**
Profit or loss on financial assets (under fair value option) and derivatives	(63)	(36)
Exceptional operations (including discontinued operations)	(29)	(6)
Goodwill and other related intangible impacts	(10)	-
Integration and restructuring costs	(67)	(0)
NET INCOME GROUP SHARE	**(428)**	**60**
Property & Casualty Combined Ratio	108.6%	102.9%
Protection Combined Ratio	89.2%	n/a

(a) Restated: as per new governance.
(b) Net of intercompany eliminations.
(c) Other corresponds to holdings.

The XL Group acquisition was closed on September 12, 2018, and was fully consolidated starting from October 1, 2018.

The Company is reported as part of a new segment named AXA XL, gathering XL Group, AXA Corporate Solutions Assurance and AXA Art. In the comments below, the comparable basis includes the XL Group contribution for the 4Q17 gross revenues.

Gross revenues increased by €3,774 million (+150%) to €6,287 million. On a comparable basis, gross revenues increased by €598 million (+10%):

- **Property & Casualty Insurance** (€+1,726 million or +106%) to €3,354 million. On a comparable basis, Property & Casualty Insurance gross revenues increased by €395 million (+13%) driven by strong business growth and rate increases in *North America Casualty* (€+203 million or +106%) and *Property* (€+168 million or +19%);
- **Property & Casualty Specialty** (€+910 million or +103%) to €1,794 million. On a comparable basis, Property & Casualty Specialty gross revenues increased by €55 million (+3%) mainly driven by new business in *Political Risks* (€+42 million or +63%);

- **Property & Casualty Reinsurance** (€+1,093 million or +100%) to €1,093 million. On a comparable basis, Property & Casualty Reinsurance gross revenues increased by €155 million (+16%) driven by an increased share written on a large multi-line quota share treaty;
- **Life & Savings** (€+45 million or +100%) to €45 million. On a comparable basis, Life & Savings gross revenues decreased by €6 million (-12%) as the underlying business is in run-off.

Underlying earnings before tax reported were €-178 million:

- **Property & Casualty** reported earnings were €-174 million, impacted by significant Nat Cat charges in 4Q18, notably from California Wildfires (€-335 million) and Hurricane Michael (€-261 million) in the United States as well as other events (€-120 million). Excluding charges linked to California Wildfires and Hurricane Michael, underlying earnings before tax would have been €+422 million, including €+346 million of net investment income;
- **Life & Savings** reported earnings were €5 million;
- **Other** reported earnings were €-10 million, mainly driven by interests expense on financing debt.

Income tax expenses reported were €-70 million, reflecting positive pre-tax underlying earnings from AXA XL entities based outside of the United States.

Minority interests reported were €+18 million.

Underlying earnings reported were €-233 million.

Adjusted earnings reported were €-260 million, reflecting underlying earnings (€-233 million) as well as realized capital gains being more than offset by impairment charges, mainly on equity instruments in the United States.

Net income reported was €-428 million, reflecting adjusted earnings (€-260 million), integration and restructuring costs associated with the acquisition of *XL Group* (€-67 million), unfavorable change in the fair value of mutual funds (€-37 million), exceptional operations (€-29 million) mainly driven by the repurchase of external debt in the context of the acquisition of *XL Group* and amortization of distribution networks acquired (€-10 million).

United States

(in Euro million, except percentages)	**December 31, 2018**	**December 31, 2017**
Gross revenues (a)	**16,483**	**16,911**
Life & Savings	13,723	14,154
Health	54	57
Other (b)	2,706	2,700
New business		
APE	1,471	1,799
NBV Margin	23.0%	23.4%
Underlying earnings before tax	**1,897**	**1,392**
Life & Savings	1,431	863
Health	(30)	(27)
Other (b)	496	556
Income tax expenses / benefits	(272)	(7)
Minority interests	(500)	(250)
Income from affiliates and associates	-	-
Underlying earnings Group share	**1,125**	**1,135**
Net capital gains or losses attributable to shareholders net of income tax	(11)	(60)
Adjusted earnings Group share	**1,114**	**1,075**
Profit or loss on financial assets (under fair value option) and derivatives	(82)	96
Exceptional operations (including discontinued operations)	16	268
Goodwill and other related intangible impacts	(3,006)	(2)
Integration and restructuring costs	(27)	(21)
NET INCOME GROUP SHARE	**(1,986)**	**1,415**
Health Combined Ratio	169.6%	146.9%
Protection Combined Ratio	106.2%	112.7%
Average exchange rate : € 1.00 = US Dollar	*1.18*	*1.13*

(a) Net of intercompany eliminations.
(b) Other corresponds to asset management activities and holdings.

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 AXA Equitable Holdings, Inc. ("**AEH**") (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 AEH's financial results and other public reports please consult the SEC website www.sec.gov.

UNITED STATES - LIFE & SAVINGS

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**13,777**	**14,210**
Life & Savings	13,723	14,154
Health	54	57
New business		
APE	1,471	1,799
NBV Margin	23.0%	23.4%
Underlying earnings before tax	**1,206**	**707**
Life & Savings	1,431	863
Health	(30)	(27)
Other (b)	(195)	(129)
Income tax expenses / benefits	(149)	145
Minority interests	(203)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**853**	**852**
Net capital gains or losses attributable to shareholders net of income tax	(11)	(60)
Adjusted earnings Group share	**842**	**792**
Profit or loss on financial assets (under fair value option) and derivatives	(82)	96
Exceptional operations (including discontinued operations)	19	135
Goodwill and other related intangible impacts	(1,057)	(2)
Integration and restructuring costs	(26)	(14)
NET INCOME GROUP SHARE	**(305)**	**1,006**
Health Combined Ratio	169.6%	146.9%
Protection Combined Ratio	106.2%	112.7%
Average exchange rate : € 1.00 = US Dollar	*1.18*	*1.13*

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

Gross revenues decreased by €434 million (-3%) to €13,777 million. On a comparable basis, gross revenues increased by €190 million (+1%):

- **Life & Savings** (€-431 million or -3%) to €13,723 million. On a comparable basis, Life & Savings gross revenues increased by €191 million (+1%) mainly in *Unit-Linked* (€+120 million) following higher sales of non-GMxB Variable Annuity products notably in 2H18 and *Mutual Funds & Other* (€+69 million) reflecting higher advisory sales from favorable equity market conditions through the first nine months of 2018;
- **Health** (€-3 million or -6%) to €54 million. On a comparable basis, Health gross revenues decreased by €1 million (-1%).

APE decreased by €328 million (-18%) to €1,471 million. On a comparable basis, APE increased by €85 million (+6%) mainly in *Mutual Funds & Other* (€+41 million) reflecting higher advisory sales from favorable equity market conditions through the first nine months of 2018, *Unit-Linked* (€+15 million) following higher sales of non-GMxB

Variable Annuity products notably in 2H18, and *Protection* (€+14 million) following higher sales in employee benefit products.

NBV Margin decreased by 0.4 point to 23.0% mainly driven by a less favorable product mix within *Unit-Linked*, partly offset by favorable financial assumptions updates.

Underlying earnings before tax increased by €499 million (+71%) to €1,206 million. On a constant exchange rate basis, underlying earnings before tax increased by €553 million (+78%):

- **Life & Savings** (€+568 million or +66%) to €1,431 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €0.6 billion (+73%) mainly driven by a favorable impact from model and assumption updates in 2018 (€+0.3 billion) combined with the non-repeat of 2017 unfavorable model and assumption changes (€+0.1 billion), a higher net investment margin (€+0.1 billion) driven by non-GMxB Variable Annuity from higher average asset base, and higher Unit-Linked management fees (€+0.1 billion) mostly reflecting higher average separate account balances;
- **Other** (€-66 million or -51%) to €-195 million. On a constant exchange rate basis, Other underlying earnings before tax decreased by €74 million (-58%) mainly driven by higher financial charges mostly from debt restructuring in the context of the IPO of AXA Equitable Holdings, Inc.;
- **Health** (€-3 million or -12%) to €-30 million. On a constant exchange rate basis, Health underlying earnings before tax decreased by €5 million (-17%).

Income tax expenses increased by €294 million to €-149 million. On a constant exchange rate basis, income tax expenses increased by €301 million mainly driven by lower positive tax one-offs (€+37 million in 2018 *versus* €+202 million in 2017) and higher pre-tax underlying earnings.

Minority interests increased by €203 million to €-203 million. On a constant exchange rate basis, minority interests increased by €212 million, as AXA Group average ownership over the period decreased from 100% on December 31, 2017, to 80.8% on December 31, 2018, as a consequence of the IPO of AXA Equitable Holdings, Inc. completed in May 2018, the Secondary Offering and related Share Buyback completed in November 2018.

Underlying earnings increased by €2 million (0%) to €853 million. On a constant exchange rate basis, underlying earnings increased by €40 million (+5%).

Adjusted earnings increased by €50 million (+6%) to €842 million. On a constant exchange rate basis, adjusted earnings increased by €88 million (+11%) driven by higher underlying earnings and lower net realized capital losses.

Net income decreased by €1,310 million to €-305 million. On a constant exchange rate basis, net income decreased by €1,324 million driven by a goodwill impairment (€-1,057 million), an unfavorable change in the fair value of mutual funds and interest rate derivatives not eligible for hedge accounting backing structured products (€-181 million) as well as higher restructuring costs and exceptional operations (€-128 million) incurred in connection with the IPO and the Secondary Offering of AXA Equitable Holdings, Inc.

UNITED STATES - AB

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**2,706**	**2,700**
Underlying earnings before tax	**691**	**685**
Income tax expenses / benefits	(123)	(152)
Minority interests	(297)	(250)
Income from affiliates and associates	-	-
Underlying earnings Group share	**271**	**283**
Net capital gains or losses attributable to shareholders net of income tax	-	-
Adjusted earnings Group share	**271**	**283**
Profit or loss on financial assets (under Fair Value option) and derivatives	-	-
Exceptional operations (including discontinued operations)	(2)	133
Goodwill and other related intangibles impacts	(1,949)	-
Integration and restructuring costs	(1)	(7)
NET INCOME GROUP SHARE	**(1,681)**	**410**
Average Assets under Management (in Euro billion)	467	469
Asset management fee bps	40.7	39.8
Underlying cost income ratio	70.8%	71.8%
Average exchange rate : € 1.00 = US Dollar	*1.18*	*1.13*

(a) Net of intercompany eliminations. Gross Revenues amounted to €2,821 million before intercompany eliminations as of December 31, 2018.

Asset under Management (“AUM”) decreased by €10 billion from December 31, 2017, to €459 billion at the end of December 31, 2018, driven by €-25 billion unfavorable market effects following markets turmoil at the end of 2018, as well as €-7 billion net outflows as inflows in Private clients were more than offset by outflows on lower-margin Institutional retirement products, partly offset by a €+23 billion favorable foreign exchange rate impact.

Management fee bps increased by 0.9 bps to 40.7 bps mainly due to a more favorable business mix with higher average AUM in Retail and Private clients.

Gross revenues increased by €6 million (0%) to €2,706 million. On a comparable basis, gross revenues increased by €129 million (+5%) driven by higher management fees (€+118 million) due to both higher average AUM and higher average management fee bps, higher performance fees, and higher distribution fees mainly from retail mutual funds.

Underlying earnings before tax increased by €6 million (+1%) to €691 million. On a constant exchange rate basis, underlying earnings before tax increased by €37 million (+5%) mainly driven by higher revenues and the non-repeat of 2017 one-off charges linked to the reduction of real estate footprint (€+33 million), partly offset by higher expenses in line with volume growth.

The underlying cost income ratio decreased by 1.0 point to 70.8%.

Income tax expenses decreased by €29 million (-19%) to €-123 million. On a constant exchange rate basis, income tax expenses decreased by €24 million (-16%) as the impact of the increase in pre-tax underlying earnings was more than offset by the impact of the decrease in the corporate tax rate from 35% to 21%.

Minority interests increased by €47 million (+19%) to €-297 million. On a constant exchange rate basis, minority interests increased by €60 million (+24%) driven by higher pre-tax underlying earnings and a decrease in AXA Group average ownership over the period from 65.2% on December 31, 2017, to 52.6% on December 31, 2018, as a consequence of the IPO of AXA Equitable Holdings, Inc. completed in May 2018, the Secondary Offering and related Share Buyback completed in November 2018.

Underlying earnings and **adjusted earnings** decreased by €12 million (-4%) to €271 million. On a constant exchange rate basis, underlying earnings and adjusted earnings remained stable.

Net income decreased by €2,091 million to €-1,681 million. On a constant exchange rate basis, net income decreased by €2,167 million mainly driven by a goodwill impairment (€-1,949 million) following the Secondary Offering of AXA Equitable Holdings, Inc.

International

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**6,535**	**7,034**
Life & Savings	1,285	1,678
Property & Casualty	3,722	3,798
Health	1,295	1,235
Other (b)	233	323
New business		
APE	262	278
NBV Margin	36.5%	28.0%
Underlying earnings before tax	**435**	**379**
Life & Savings	67	92
Property & Casualty	305	235
Health	25	3
Other (b)	39	49
Income tax expenses / benefits	(92)	(91)
Minority interests	(47)	(37)
Income from affiliates and associates	104	86
Underlying earnings Group share	**400**	**337**
Net capital gains or losses attributable to shareholders net of income tax	(4)	(7)
Adjusted earnings Group share	**396**	**330**
Profit or loss on financial assets (under fair value option) and derivatives	39	11
Exceptional operations (including discontinued operations)	(17)	(22)
Goodwill and other related intangible impacts	(29)	(27)
Integration and restructuring costs	(35)	(16)
NET INCOME GROUP SHARE	**355**	**276**
Property & Casualty Combined Ratio	100.6%	101.4%
Health Combined Ratio	99.6%	101.6%
Protection Combined Ratio	98.8%	98.4%

(a) Net of intercompany eliminations.
(b) Other corresponds to AXA Bank Belgium and holdings.

Scope: (i) Mexico, the Gulf Region, Colombia, Poland, Turkey, Singapore, Morocco, Luxembourg, Malaysia Property & Casualty, AXA Bank Belgium, 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 decreased by €499 million (-7%) to €6,535 million. On a comparable basis, gross revenues increased by €249 million (+4%) mainly driven by insurance activities (+5%), partly offset by a decrease in banking revenues (-28%):

- **Property & Casualty** (€-76 million or -2%) to €3,722 million. On a comparable basis, Property & Casualty gross revenues increased by €194 million (+5%):
    - *Mexico* (€+56 million or +7%) to €807 million mainly driven by new business in *Motor*,

  - *Turkey* (€+100 million or +16%) to €520 million mainly in *Commercial Motor* and *Commercial Property*,
  - *Colombia* (€+64 million or +15%) to €468 million mainly driven by new business in *Personal Accident*, *Workers' Compensation*, *Commercial Property* and *Personal Motor*,
  - *The Gulf Region* (€-37 million or -7%) to €455 million mainly driven by a reduction of the size of a large *Commercial Motor* fleet,
  - *Poland* (€+17 million or +4%) to €439 million mainly due to new business in *Commercial Non-Motor*,
  - *Morocco* (€+7 million or +3%) to €256 million mainly due to new business in *Commercial Property* and *Personal Motor*,
  - *Malaysia* (€+9 million or +4%) to €253 million mainly in *Motor*,
  - *Singapore* (€-24 million or -11%) to €184 million reflecting selective underwriting;
- **Health** (€+60 million or +5%) to €1,295 million. On a comparable basis, Health gross revenues increased by €138 million (+11%) stemming from volume and tariff increases in both *Mexico* (€+84 million or +14%) to €657 million and *the Gulf Region* (€+23 million or +7%) to €315 million, and *Singapore* (€+6 million or +6%) to €111 million;
- **Life & Savings** (€-394 million or -23%) to €1,285 million. On a comparable basis, Life & Savings gross revenues increased by €7 million (+1%):
  - *Singapore* (€+22 million or +8%) to €278 million mainly driven by higher fees from in-force growth in *Unit-Linked* as well as higher sales in *Protection*,
  - *Mexico* (€+8 million or +3%) to €240 million mainly due to higher sales in *Protection*,
  - *Colombia* (€-22 million or -11%) to €171 million mainly driven by lower sales in *G/A Savings*;
- **Other** (€-89 million or -28%) to €233 million. On a comparable basis, Other gross revenues decreased by €89 million (-28%) at *AXA Bank Belgium* mainly due to an unfavorable change in the fair value of the loans hedged through internal interest rates swaps (neutral at Group level) with *AXA Banque France*, lower realized capital gains and lower commercial margin.

APE decreased by €16 million (-6%) to €262 million. On a comparable basis, APE decreased by €5 million (-2%) mainly driven by *Singapore* (€-22 million or -18%) to €100 million mainly driven by lower *Unit-Linked* and *G/A Savings* sales*,* partly offset by *India* (€+14 million or +49%) to €38 million and *Mexico* (€+5 million or +20%) to €26 million mainly in *Protection*.

NBV Margin increased by 8.5 points to 36.5%. On a comparable basis, NBV Margin increased by 7.9 points mainly driven by a favorable product mix within *Protection* and *Unit-Linked* in *Singapore* as well as favorable actuarial assumptions updates and business mix in *Poland*.

Underlying earnings before tax increased by €57 million (+15%) to €435 million. On a constant exchange rate basis, underlying earnings before tax increased by €87 million (+23%):

- **Property & Casualty** (€+70 million or +30%) to €305 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €97 million (+41%) mainly driven by (i) *Mexico* (€+34 million) driven by a higher net technical margin (€+40 million) stemming from a more favorable claims experience, (ii) *Turkey* (€+22 million) driven by a higher investment income as a result of higher average assets as well as higher income from inflation-linked bonds, partly offset by a lower net technical margin from *Motor*, (iii) *Colombia* (€+20 million) mainly driven by a higher investment income due to a higher asset base combined with more favorable prior year reserve developments, (iv) *the Gulf Region* (€+12 million) from *Protection*, and (v) *Poland* (€+10 million) from a higher net technical margin (€+12 million) driven by volume growth in *Commercial lines* combined with less unfavorable prior year reserve developments, partly offset by (vi) *Brazil* (€-10 million) mainly due to higher expenses;

- **Life & Savings** (€-25 million or -27%) to €67 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax decreased by €23 million (-26%) largely driven by *Singapore* (€-24 million) mainly due to the reclassification of policyholder share of income tax to net technical margin (€-9 million) and the non-repeat of a one-off positive regulatory change relating to mortality tables in 1H17;
- **Other** (€-11 million) to €39 million. On a constant exchange rate basis, Other underlying earnings before tax decreased by €10 million from *Holdings* (€-24 million) due to a lower investment margin, partly offset by *AXA Bank Belgium* (€+14 million to €81 million) mainly driven by lower commissions with the positive effect of a new commission scheme;
- **Health** (€+22 million) to €25 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €24 million mainly from *Mexico* (€+17 million) driven by a higher net technical margin as a result of volume growth and an improved profitability.

Income tax expenses increased by €1 million (+1%) to €-92 million. On a constant exchange rate basis, income tax expenses increased by €9 million (+10%) driven by higher pre-tax underlying earnings, partly offset by positive tax one-offs (€11 million) as well as the above-mentioned reclassification in *Singapore*.

Income from affiliates and associates increased by €18 million (+21%) to €104 million. On a constant exchange rate basis, income from affiliates and associates increased by €29 million (+34%) mainly driven by higher earnings at *Reso* (€+18 million) and in *India* (€+13 million).

Underlying earnings increased by €64 million (+19%) to €400 million. On a constant exchange rate basis, underlying earnings increased by €94 million (+28%).

Adjusted earnings increased by €66 million (+20%) to €396 million. On a constant exchange rate basis, adjusted earnings increased by €95 million mainly driven by higher underlying earnings.

Net income increased by €79 million (+28%) to €355 million. On a constant exchange rate basis, net income increased by €115 million (+42%) driven by higher adjusted earnings and favorable foreign exchange impacts, partly offset by higher restructuring costs.

Transversal & Central Holdings

(in Euro million, except percentages)	December 31, 2018	December 31, 2017 restated (a)
Gross revenues (b)	**2,684**	**2,640**
Life & Savings	5	7
Property & Casualty	1,290	1,199
Health	146	158
Other (c)	1,243	1,276
Underlying earnings before tax	**(487)**	**(522)**
Life & Savings	(6)	(13)
Property & Casualty	208	92
Health	(17)	23
Other (c)	(673)	(623)
Income tax expenses / benefits	159	130
Minority interests	(8)	(10)
Income from affiliates and associates	20	18
Underlying earnings Group share	**(316)**	**(383)**
Net capital gains or losses attributable to shareholders net of income tax	(13)	(7)
Adjusted earnings Group share	**(330)**	**(389)**
Profit or loss on financial assets (under fair value option) and derivatives	(79)	(175)
Exceptional operations (including discontinued operations)	(91)	193
Goodwill and other related intangible impacts	(1)	(1)
Integration and restructuring costs	(64)	(53)
NET INCOME GROUP SHARE	**(564)**	**(425)**
Property & Casualty Combined Ratio	89.9%	97.6%
Health Combined Ratio	110.4%	87.1%

(a) Restated: as per new governance.
(b) Net of intercompany eliminations.
(c) Other corresponds to asset management activities and holdings.

AXA INVESTMENT MANAGERS ("AXA IM")

(in Euro million, except percentages)	**December 31, 2018**	**December 31, 2017**
Gross revenues (a)	**1,243**	**1,276**
Underlying earnings before tax	**343**	**353**
Income tax expenses / benefits	(85)	(104)
Minority interests	(8)	(9)
Income from affiliates and associates	19	18
Underlying earnings Group share	**270**	**257**
Net capital gains or losses attributable to shareholders net of income tax	-	-
Adjusted earnings Group share	**270**	**257**
Profit or loss on financial assets (under Fair Value option) and derivatives	(1)	10
Exceptional operations (including discontinued operations)	(53)	68
Goodwill and other related intangibles impacts	(1)	(1)
Integration and restructuring costs	(40)	(12)
NET INCOME GROUP SHARE	**175**	**322**
Average Assets under Management (in Euro billion)	642	630
Asset management fee bps	17.1	17.9
Underlying cost income ratio	72.1%	70.8%

(a) Net of intercompany eliminations. Gross Revenues amounted to €1,564 million before intercompany eliminations as of December 31, 2018.

Assets under Management ("AUM") decreased by €16 billion from December 31, 2017, to €730 billion at the end of December 31, 2018, mainly driven by €-12 billion negative market effects, €-6 billion net outflows mainly from Asian Joint ventures (€-7 billion), partly offset by inflows from Third-Party clients (€+3 billion), €-4 billion negative scope impact mainly related to the disposal of a part of *AXA Germany* occupational pension business, partly offset by €+6 billion positive foreign exchange rate impact.

Management fee bps decreased by 0.8 bps to 17.1 bps. On a constant exchange rate basis, management fee bps decreased by 0.8 bps mainly due to an unfavorable change in product mix.

Gross revenues decreased by €32 million (-3%) to €1,243 million. On a comparable basis, gross revenues decreased by €25 million (-2%) mainly driven by lower management fees (€-18 million) and other fees (€-12 million), partly offset by higher performance fees including realized carried interest (€+5 million) and transaction fees (€+3 million).

Underlying earnings before tax decreased by €9 million (-3%) to €343 million. On a constant exchange rate basis, underlying earnings before tax decreased by €7 million (-2%) as a result of lower gross revenues, partly offset by higher underlying financial results.

The underlying cost income ratio increased by 1.3 points to 72.1%. On a constant exchange rate basis, the underlying cost income ratio increased by 1.4 points.

Income tax expenses decreased by €19 million (-19%) to €-85 million. On a constant exchange rate basis, income tax expenses decreased by €19 million (-18%) in line with lower pre-tax underlying earnings combined with a favorable change in business mix with a low tax regime on realized carried interests.

Income from affiliates and associates increased by €1 million (+7%) to €19 million. On a constant exchange rate basis, income from affiliates and associates increased by €2 million (+9%) mainly due to higher AUM in Korean joint venture.

Underlying earnings and **adjusted earnings** increased by €13 million (+5%) to €270 million. On a constant exchange rate basis, underlying earnings and adjusted earnings increased by €15 million (+6%).

Net income decreased by €147 million (-46%) to €175 million. On a constant exchange rate basis, net income decreased by €147 million (-46%) mainly driven by the non-repeat of 2017 positive adjustment to the deferred consideration linked to the disposal of *AXA Private Equity* in 2013 (€+61 million), an exceptional tax charge related to the transfer of *AB* shares to *AXA US* in the context of the IPO of AXA Equitable Holdings, Inc. completed in May 2018 (€-51 million), as well as higher restructuring costs mainly due to the voluntary leave plan in France (€-25 million).

AXA ASSISTANCE

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Gross revenues (a)	**1,331**	**1,275**
Property & Casualty	1,185	1,117
Health	146	158
Underlying earnings before tax	**20**	**43**
Property & Casualty	36	20
Health	(17)	23
Income tax expenses / benefits	(16)	(16)
Minority interests	(0)	(0)
Income from affiliates and associates	1	1
Underlying earnings Group share	**4**	**27**
Net capital gains or losses attributable to shareholders net of income tax	(2)	0
Adjusted earnings Group share	**2**	**28**
Profit or loss on financial assets (under fair value option) and derivatives	(7)	(7)
Exceptional operations (including discontinued operations)	2	(1)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(8)	(5)
NET INCOME GROUP SHARE	**(11)**	**14**
Property & Casualty Combined Ratio	97.8%	98.7%
Health Combined Ratio	110.4%	87.1%

(a) Net of intercompany eliminations.

Gross revenues increased by €56 million (+4%) to €1,331 million. On a comparable basis, gross revenues increased by €84 million (+7%) driven by:

- **Property & Casualty** (€+69 million or +6%) to €1,185 million. On a comparable basis, Property & Casualty gross revenues increased by €70 million (+6%) in *Non-Motor* (€+58 million) from higher volumes mainly in *Travel* and *Home*, and in *Motor* (€+12 million) mainly from higher volumes as well as in-force growth;
- **Health** (€-13 million or -8%) to €146 million. On a comparable basis, Health gross revenues increased by €15 million (+11%) mainly due to higher new business.

Underlying earnings before tax decreased by €23 million (-54%) to €20 million:

- **Property & Casualty** (€+16 million or +81%) to €36 million mainly driven by a reclassification of a *Travel* product from Health, an improved all accident year loss ratio due to favorable prior year reserve developments, partly offset by a higher current year loss ratio;
- **Health** (€-39 million) to €-17 million mainly driven by a reclassification of a *Travel* product to Property & Casualty, higher claims related to an increase in service usage mainly in Telemedicine, as well as higher general expenses.

Income tax expenses remained stable at €-16 million as the impact of the decrease in lower pre-tax underlying earnings was offset by an increase in corporate tax rate due to a less favorable country mix.

Underlying earnings decreased by €23 million to €4 million.

Adjusted earnings decreased by €25 million to €2 million mainly driven by lower underlying earnings.

Net income decreased by €25 million to €-11 million mainly driven by lower adjusted earnings.

AXA SA

(in Euro million, except percentages)	December 31, 2018	December 31, 2017
Underlying earnings Group share	**(703)**	**(726)**
Net capital gains or losses attributable to shareholders net of income tax	(23)	(0)
Adjusted earnings Group share	**(726)**	**(727)**
Profit or loss on financial assets (under fair value option) and derivatives	(68)	(197)
Exceptional operations (including discontinued operations)	(16)	136
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(9)	(35)
NET INCOME GROUP SHARE	**(819)**	**(822)**

Underlying earnings increased by €24 million to €-703 million mainly driven by lower general expenses and an improved performance of the non-consolidated entities, partly offset by higher financial charges and hedging costs in the context of the acquisition of *XL Group*.

Adjusted earnings increased by €1 million to €-726 million mainly driven by higher underlying earnings offset by the impact of the cost derivatives set up to reduce the Group exposure to equities.

Net income increased by €3 million to €-819 million due to (i) a favorable change in the fair value of derivatives not eligible for hedge accounting, (ii) a one-off benefit from the tax paid on dividends received from European subsidiaries held for more than 95% following the decision from the European Court of Justice, partly offset by (iii) the non-repeat of the 2017 one-off benefit relating to the reimbursement of the 3% tax on dividend paid to the shareholders, as well as (iv) acquisition and integration costs related to the acquisition of *XL Group*.

Outlook

AXA remains focused on the delivery of its Ambition 2020 plan and on the transformation of its business model across all major geographies, with a key priority being the successful integration of XL Group. Anticipating the rapidly evolving needs of its customers, AXA's strategy is articulated around its preferred segments (Health, P&C Commercial lines 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.

A significant shift in strategic profile of the Group is well underway, and is accelerating with the successful IPO and subsequent sell-down of AXA Equitable Holdings, Inc. in 2018, in combination with the acquisition of XL Group to become the #1 global P&C Commercial lines insurer, leading to reduced sensitivities to financial markets and higher proportion of technical margin earnings. This change in profile, along with continued strong operational delivery across all geographies has led to a review of the Group's capital management policy, notably increasing the dividend payout ratio target range to 50% to 60% and lowering the upper bound of our Solvency II ratio target range, which now stands at 170% to 220%. These changes demonstrate our commitment to sustainable value creation for our shareholders.

AXA's Solvency II position and free cash flow generation should remain strong and resilient to external shocks thanks to robust underwriting policies, a high quality asset portfolio and disciplined capital allocation. The intended subsequent sell-downs of AXA Equitable Holdings, Inc., strong operating cash generation, upcoming cash proceeds from the announced disposal of AXA Life Europe and the transformation of the Swiss Group Life business, should provide AXA with additional cash flexibility over the next years. The Group's first priority for using this cash flexibility will be to reduce leverage.

With its clear Ambition 2020 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 the impact of the issuance by AXA of mandatory exchangeable bonds into shares of AXA Equitable Holdings, Inc. (AEH) in May 2018, which are recorded in "shareholders' equity - Minority interests" and "financial debt".

Scope and comparable basis

SPLIT BY GEOGRAPHIES

The split by geographies is detailed below:

- **France** (insurance and banking activities, and holdings);
- **Europe**, consisting of:
    - Switzerland (insurance activities),
    - Germany (insurance activities excluding AXA Art, banking activities and holdings),
    - Belgium (insurance activities and holding),
    - United Kingdom and Ireland (insurance activities and holdings),
    - Spain (insurance activities),
    - Italy (insurance activities and holding);
- **Asia**, consisting of:
    - Japan (insurance activities),
    - 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:
        - AXA Global Direct Japan,
        - AXA Global Direct South Korea,
    - Asia Holding;
- **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 holding),
    - Colombia (insurance activities),
    - Czech Republic and Slovak Republic (insurance activities),
    - Greece (insurance activities),
    - The Gulf Region (insurance activities and holding),
    - India (insurance activities and holding),
    - Lebanon (insurance activities and holding),
    - Luxembourg (insurance activities and holding),
    - Malaysia (insurance activities),
    - AXA Mediterranean Holdings,
    - Mexico (insurance activities),
    - Morocco (insurance activities and holding),
    - Nigeria (insurance activities and holding),
    - Poland (insurance activities),
    - Russia (Reso) (insurance activities),
    - Singapore (insurance activities and holding),
    - Turkey (insurance activities and holding);
- **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 26 and 27 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);
- 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 and preferred shares recorded through shareholders' equity - Group share, and mandatory exchangeable bonds recorded through shareholders' equity - Minority interests and financial debt), 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 and preferred shares recorded through shareholders' equity - Group share, and mandatory exchangeable bonds recorded through shareholders' equity – Minority interests and financial debt), 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* corresponds to Underlying Earnings (net of financial charges related to undated subordinated debt and preferred shares recorded through shareholders' equity - Group share, and mandatory exchangeable bonds recorded through shareholders' equity - Minority interests and financial debt), divided by the weighted average number of outstanding ordinary shares.

RETURN ON EQUITY

The calculation of **Return on Equity ("RoE")** is based on following principles:

- for net income RoE: calculation is based on consolidated financial statements, i.e. shareholders' equity including undated subordinated debt ("Super Subordinated Debts" TSS/"Undated Subordinated Debts" TSDI), preferred shares and mandatory exchangeable bonds (MEB) recorded through shareholders' equity – Minority interests and financial debt, and Other Comprehensive Income "OCI", and net income not reflecting any interest charges on TSS/TSDI;
- for adjusted RoE* and underlying RoE:
    - undated subordinated debt (TSS/TSDI) and mandatory exchangeable bonds are treated as financing debt, thus excluded from shareholders' equity,
    - interest charges on TSS/TSDI, preferred shares and mandatory exchangeable bonds are deducted from earnings,
    - reserves relating to the change in the fair value of financial investments available for sale are excluded from the average shareholders' equity.

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 and assuming equivalence for AXA Equitable Holdings, Inc. in the US. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's SFCR for FY 2017, available on AXA's website (www.axa.com). As in previous disclosures all AXA US entities are taken into account assuming US equivalence. The contribution to the AXA Group Solvency II ratio from the entities that were part of the XL Group ("XL entities") as at December 31, 2018, was calculated in accordance with the equivalence regime, based on the Bermudian Standard Formula SCR, plus a 5% add-on required by the AXA's lead supervisor (ACPR), as a transitional measure. Furthermore, in compliance with the decision from ACPR, XL entities will be 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 will be calculated using the Solvency II standard formula from March 31, 2019. Subject to the prior approval of the ACPR, the Group intends as soon as FY 2020 to extend its internal model to XL entities.

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 gross debt).

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 and Savings products as well as Life-like Health products, with the exception of Mutual Funds products.

NEW BUSINESS APE (NEW BUSINESS ANNUAL PREMIUM EQUIVALENT)

It 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 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 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 and AB. AUM only includes 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 of hedging derivatives.