



# Press release

Paris, August 2, 2018

## Half Year 2018 Earnings Transformation, Growth and Profitability

- **Underlying earnings** up 9% to Euro 3.3 billion
- **Underlying earnings per share** up 6% to Euro 1.33
- **Total revenues** up 3% to Euro 53.6 billion; **APE** up 8% to Euro 3.4 billion
- **Solvency II ratio** up 28 pts to 233% from FY17

“AXA delivered a very strong operating performance in the first half of 2018, with a 6% increase in underlying earnings per share, towards the top end of our Ambition 2020 target range”, said **Thomas Buberl, Chief Executive Officer of AXA**. “This result was supported by a strong increase in technical profitability across all our businesses.”

“Our simplified operating model is bearing fruit. We have a strong growth dynamic across our geographies, especially in France and Europe, and in our preferred segments with Protection new business volumes up 10% and Health revenues up 7%.”

“In the first half of 2018, we have taken major steps in our transformation journey through the successful listing of our US operations and our strategic decision to acquire the XL Group. We also announced innovative partnerships with ING and Uber, the transformation of our Swiss Group Life business and the planned disposal of AXA Life Europe\*.”

“I would like to thank all our colleagues and partners who have been working together to deliver these results and transformation initiatives, which will help us create sustainable value for our customers and our shareholders.”

### Key figures (in Euro million, unless otherwise noted)

	1H17	1H18	Change on a reported basis	Change at constant Forex
Gross Revenues <sup>1</sup>	54,283	<b>53,600</b>	-1%	+3%
Underlying earnings <sup>2</sup>	3,171	<b>3,298</b>	+4%	+9%
Adjusted earnings <sup>2</sup>	3,478	<b>3,628</b>	+4%	+9%
Net income	3,268	<b>2,796</b>	-14%	-11%
Adjusted ROE <sup>2</sup> (%)	14.7%	<b>15.6%</b>	+1 pt	
Underlying earnings per share <sup>3</sup> (in Euro)	1.26	<b>1.33</b>	+6%	
	FY17	<b>1H18</b>	Change on a reported basis	
Solvency II ratio <sup>4</sup> (%)	205%	<b>233%</b>	+ 28 pts	

All notes are on page 11 of this document.

\* 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.



## 1H18 key highlights

### Sales

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**Total revenues** increased by 3%, mainly due to strong growth in (i) France (+8%) driven by Life & Savings and Health, (ii) Europe (+3%) with higher sales across all business lines, (iii) Asia (+3%) with growth in Protection and Health, (iv) International (+3%) driven by P&C and Health, and (v) Transversal (+2%). This was partly offset by the US (-3%), due to lower Unit-Linked sales, partly offset by higher revenues at AB.

**Annual Premium Equivalent, APE<sup>3,5</sup>** (new business volume) was up 8%, mainly driven by (i) strong growth in France (+19%) in Group Health and Individual Savings, as well as (ii) higher sales in Europe (+6%) mainly from Protection, (iii) the US (+4%) with higher advisory sales in Mutual Funds & Other, and (iv) Asia (+4%) mainly driven by Protection.

**NBV margin<sup>3,5</sup>** decreased by 1.7 points to 41.0%, mainly due to higher sales in Group Health in France and a shift in business mix in Hong Kong, partly offset by a favorable business mix in China and Thailand. **New Business Value<sup>3,5</sup>** was up 4% to Euro 1.4 billion.

### Preferred segments<sup>6</sup>

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**Health<sup>7</sup>** revenues were 7% higher with growth in all our geographies, notably in France from higher Group business, as well as in Europe, International and Hong Kong.

**P&C commercial lines** revenues increased by 2%, mainly driven by Europe, notably in UK & Ireland due to both increased new business and a positive price effect, as well as in International, and at AXA Assistance.

**Protection APE** was up 10%, with growth across all geographies, mainly in Japan following the launch of a new product, and in Switzerland due to higher sales of semi-autonomous contracts.

### Profitability

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**Property & Casualty all-year combined ratio** improved by 0.8 point to 95.0%. **Current year combined ratio** increased by 0.5 point to 97.1%, mainly due to higher Nat Cat and other natural events in Europe, partly offset by a better claims experience in France and Belgium. Favorable prior year reserve developments were higher at -2.1 points.

**Protection combined ratio** improved by 0.6 point to 96.2%, driven by an improved loss ratio mainly in the US and Asia, partly offset by higher acquisition expenses primarily in Asia and in Europe, in line with business growth.

**Health combined ratio** improved by 0.3 point to 94.9%, driven by an improved loss ratio in Europe as well as in International and Asia, partly offset by higher expenses in France, in line with business growth.



## Earnings

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**Underlying earnings<sup>2</sup>** increased by 9% to Euro 3.3 billion, reflecting a strong operational performance across all geographies, notably with higher technical profits and Unit-Linked management fees, partly offset by lower tax one-offs.

**Adjusted earnings<sup>2</sup>** increased by 9% to Euro 3.6 billion, reflecting the increase in underlying earnings and higher net realized capital gains.

**Net income** decreased by 11% to Euro 2.8 billion, as the increase in adjusted earnings was more than offset by the impairment of intangible assets linked to the transformation of our Swiss Group Life business (Euro -0.3 billion), as well as the negative impact from the change in the fair value of financial assets and derivatives, and exceptional charges linked to the IPO of AXA Equitable Holdings, Inc.

## Balance sheet

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**Shareholders' equity** was at Euro 66.0 billion, down Euro 3.7 billion versus December 31, 2017, as the negative impacts from the dividend paid to shareholders, change in net unrealized capital gains and the IPO of AXA Equitable Holdings, Inc. were partly offset by net income contribution and favorable foreign exchange impacts.

**Solvency II ratio<sup>4</sup>** was up 28 points versus December 31, 2017 to 233%, mainly driven by a strong operating return net of estimated dividend accrual, the positive impacts from the IPO of AXA Equitable Holdings, Inc., and management actions to reduce equity market risk, as well as subordinated debt issuance.

**Debt gearing<sup>3</sup>** was at 29%, up 4 points versus December 31, 2017, reflecting the debt issuance by AXA Equitable Holdings Inc. ahead of its IPO, and the issuance of debt raised by AXA S.A. linked to the acquisition of XL Group. AXA's **new target range for debt gearing** is 25% to 28%, and AXA currently expects to be within this range by 2020 at the latest.

**Adjusted ROE<sup>3</sup>** was up 0.9 point to 15.6% versus 1H17 driven by a strong increase in adjusted earnings.

## Ratings

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**Moody's:** 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.

**Fitch:** 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.

**S&P:** 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.

## France

- Market leader able to deliver strong growth in both revenues and earnings
- Strong growth across all preferred segments

*“We are living in a period of profound transformation of our sector in which we are strongly engaged. Our priority is to respond to the customers’ expectations, and we want to offer them simple, innovative and efficient service and become their partners in everyday life”*, said **Jacques de Peretti, Chairman and CEO of AXA France.**

### Strong growth dynamic

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<p>Revenues <b>+8%</b></p>	<p><b>Total revenues</b> increased by 8% to Euro 13.0 billion, mainly driven by strong sales in capital light<sup>8</sup> G/A<sup>9</sup> Savings products (+25%), Health (+12%) with higher revenues from both Group and Individual business, as well as Protection (+5%). P&amp;C revenues were stable as growth in Commercial lines (+2%) was offset by lower sales in Personal lines (-1%).</p>
<p>APE <b>+19%</b></p>	<p><b>APE</b> increased by 19%, supported by Health (+52%) and capital light G/A Savings (+25%).</p>

### Excellent P&C combined ratio

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<p>P&amp;C CoR <b>93.7%</b></p>	<p><b>Property &amp; Casualty all-year combined ratio</b> improved by 0.6 point to 93.7%, mainly driven by a lower expense ratio. All-year loss ratio was stable, mainly as the improvement in claims experience was offset by higher natural event charges (+1.5 points).</p> <p><b>Health combined ratio</b> was 0.7 point higher at 98.7%, reflecting higher expenses to support business growth.</p>
<p>NBV <b>+5%</b></p>	<p><b>NBV margin</b> decreased by 4.1 points to 30.7%, mainly driven by a change in business mix towards Group Health. <b>New Business Value</b> increased by 5% to Euro 0.3 billion.</p>

### Strong earnings growth

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<p>Underlying earnings <b>+9%</b></p>	<p><b>Underlying earnings</b> rose by 9% to Euro 816 million, mainly from an increase in technical margin, notably in P&amp;C despite higher natural event charges, as well as higher Unit-Linked management fees linked to a higher average asset base.</p>
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## Europe

- Strong recovery in Italy
- Positive momentum in preferred segments with high levels of profitability

*“AXA in Europe is in a virtuous circle of disciplined execution, growth and profitability”, said Antimo Perretta, CEO of AXA in Europe. “With the transformation of our Swiss Group Life business, AXA will become the largest provider of semi-autonomous solutions for SMEs in Switzerland.”*

### Good recovery in Italy and continued momentum in preferred segments

Unit-Linked  
revenues  
**+14%**

**Total revenues** improved by 3% to Euro 21.7 billion driven by a strong recovery in Italy (+21%) mostly driven by higher sales in capital light G/A savings and Unit-Linked, as well as continued positive momentum in P&C Commercial lines (+3%), notably in UK & Ireland, Switzerland and Germany, and in Health (+4%). This was partly offset by a decrease in traditional G/A savings (-9%), in line with our strategy.

Italy  
APE  
**+22%**

**APE** increased by 6%, mainly driven by strong growth in Protection (+11%) from semi-autonomous sales in Switzerland, and higher Unit-Linked sales (+19%) mainly in Italy following the recovery at BMPS and higher sales in agency networks, partly offset by lower sales in Health in Germany.

### High levels of profitability

P&C CoR  
**93.9%**

**Property & Casualty all-year combined ratio** improved by 0.6 point to 93.9%, as higher natural events in Germany and Belgium were more than offset by more favorable prior year reserve developments.

**Health combined ratio** improved by 1.2 points to 96.2%, primarily driven by improved claims management in UK & Ireland and a positive price effect.

NBV margin  
**54.2%**

**NBV margin** decreased by 1.0 point to 54.2%, as the positive effect from the shift to semi-autonomous contracts in Switzerland was more than offset by lower sales in Health in Germany.

**New Business Value** increased by 4% to Euro 0.3 billion.

### Strong earnings growth from higher technical margin

Underlying  
earnings  
**+10%**

**Underlying earnings** were up 10% to Euro 1,271 million, from higher technical margins across all lines, notably in Switzerland, UK & Ireland and Spain, as well as lower corporate tax rate in Switzerland and Belgium, partly offset by a lower investment margin.

## Asia

- Leading multiline insurer in the region
- Growth driven by new product launches while maintaining strong profitability

*“AXA continues to strike the right balance between growth and profitability in the competitive Asian markets with new products designed to meet our customers’ evolving needs”*, said **Gordon Watson, CEO of AXA in Asia**.

## Growth and focus on profitable products

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**Hong Kong +8%** **Total revenues** increased by 3%, mainly in Hong Kong (+8%) from Protection, G/A Savings and Health, as well as in Japan (+3%) mainly from Protection, partly offset by a decline in G/A Savings.

**Protection and Health +10%** **APE** increased by 4%, driven by Japan (+30%) and Hong Kong (+4%) mainly linked to the successful launch of new Protection and G/A Savings products respectively. This was partly offset by China (-30%) from lower G/A Savings sales, due to the continued focus away from short term single premium towards more profitable regular premium Protection products.

## High profitability in preferred segments

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**Property & Casualty all-year combined ratio** improved by 1.1 points to 96.5%, mainly driven by Asia-Direct due to a more favorable motor claims frequency, partly offset by higher expenses linked to a move towards more profitable products.

**Health combined ratio** improved by 0.7 point to 77.7%, driven by a favorable experience in Japan and a portfolio shift towards more profitable products in Indonesia.

**NBV +4%** **NBV margin** eased by 0.1 point to 66.0%, resulting from a more favorable business mix in both China and Thailand, more than offset by higher sales linked to the launch of new Protection and G/A savings products in Japan and Hong Kong respectively. **New Business Value** increased by 4% to Euro 0.5 billion.

## Underlying earnings growth across the region

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**Underlying earnings +4%** **Underlying earnings** were up 4% to Euro 544 million, mainly driven by higher Unit-Linked management fees in Hong Kong, higher technical margin in Japan, and a higher profit contribution from China.



## United States\*

- Successful IPO of AXA Equitable Holdings, Inc.
- Strong operating performance under IFRS

*“With the successful listing of our business, we are all excited to embark on a new phase in our journey towards being a leading financial services provider in the US”,* said **Mark Pearson, CEO of AXA US.**

### US Life & Savings: continued momentum

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**APE**  
**+4%**

**APE** increased by 4%, driven by higher advisory sales in Mutual Funds (+13%) reflecting favorable market conditions and in Protection (+16%), partly offset by lower Unit-Linked sales (-4%) mainly due to the non-repeat of 1H17 strong sales of non-GMxB Variable Annuity in anticipation of the implementation of the US Department of Labor rule.

**NBV margin**  
**21.7%**

**NBV margin** decreased by 1.6 points to 21.7%, mainly driven by a less favorable business mix.  
**New Business Value** decreased by 3% to Euro 0.2 billion.

### AB: increase in revenues and improved cost income ratio

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**Revenues**  
**+11%**

**Asset Management net flows** amounted to Euro -8 billion, as inflows in private wealth were more than offset by outflows in lower-margin institutional retirement products.

**Asset Management revenues** were up 11% to Euro 1.3 billion, mostly from higher average assets under management and higher management fee bps due to an improved business mix.

**Cost Income ratio**  
**-4.9 pts**

**Asset Management underlying cost income ratio** decreased by 4.9 points to 71.6%, mainly due to the non-repeat of exceptional charges linked to the reduction of real estate footprint, as well as other efficiency initiatives.

### Strong operating performance

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**Underlying earnings**  
(adjusted for reduced ownership and 1H17 one-offs<sup>10</sup>)  
**+30%**

**Underlying earnings** were down 8% to Euro 465 million, as (i) a strong operating performance stemming from both higher Unit-Linked management fees and a higher GMxB hedge margin in Life & Savings, and from higher fees and an improved cost income ratio at AB, was more than offset by (ii) the non-repeat of 1H17 positive tax one-offs (Euro -0.2 billion), and from reduced ownership and higher debt expenses in the context of the IPO of AXA Equitable Holdings, Inc. (Euro -0.1 billion).

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\* 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. (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 at [www.sec.gov](http://www.sec.gov).



## International

- Building for growth, managing for profits
- Improving profitability in Mexico and Turkey

*“The development of our distribution networks and the launch of new partnerships, together with a clear focus on profitability, enabled us to grow further and deliver strong operating results”,* said **Benoît Claveranne**, CEO of International and New Markets.

### Insurance activities growing in most countries

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Mexico  
revenues  
**+12%**

**Total revenues** increased by 3% to Euro 3.4 billion, mainly driven by Mexico from both positive price effects and increased volumes in Health as well as higher sales in P&C Commercial lines, and higher new business in both Turkey and Poland.

Protection APE  
**+20%**

**APE** was stable, as higher sales in Protection (+20%) were offset by lower G/A Savings and Unit-Linked sales.

### Strong profitability improvement in Health

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**Property & Casualty all-year combined ratio** was stable at 100.1%, as an improvement mainly in Poland, Morocco and Mexico, was offset by a less favorable prior year reserve development in Singapore.

Health CoR  
**-3.1 pts**

**Health combined ratio** improved by 3.1 points to 99.3%, primarily supported by a more favorable claims experience in both Mexico and the Gulf region.

NBV margin  
**+7.7 pts**

**NBV margin** was up 7.7 points to 33.5%, reflecting a more favorable business mix towards Protection and Unit-Linked in Singapore. **New Business Value** increased by 31% to Euro 41 million.

### Underlying earnings growth from technical strength

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Underlying  
earnings  
**+2%**

**Underlying earnings** were up 2% to Euro 210 million, mainly driven by increased profits from Russia, Turkey, the Gulf region and Mexico, partly offset by less favorable prior year reserve development in Singapore.



## Transversal and Central Holdings

### AXA IM

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Third-party  
net inflows  
**Euro +4 billion**

**Net inflows** amounted to Euro 13 billion, mainly driven by temporary cash inflows linked to the acquisition of XL Group, as well as third-party net inflows (Euro +4 billion).

**Average assets under management** amounted to Euro 641 billion, up 4%, driven by positive market effects and net inflows.

Revenues  
**+5%**

**Total revenues** grew by 5% to Euro 631 million, mainly driven by higher management fees from higher average assets under management, higher performance fees as well as increased transaction fees from Real Estate transactions.

**Underlying cost income ratio** increased by 0.6 point to 69.7%, mainly driven by higher regulatory costs.

Underlying  
earnings  
**+10%**

**Underlying earnings** were up by 10% to Euro 139 million, benefitting from higher revenues and underlying earnings from Asian JVs.

### AXA Corporate Solutions Assurance

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**Total revenues** decreased by 1% to Euro 1.7 billion, as new business and positive price effects in Property and Motor were more than offset by selective underwriting, mostly in Construction.

**Underlying earnings** decreased by 8% to Euro 67 million, as a higher investment income and an improvement in current year combined ratio following better claims experience were more than offset by lower prior year reserve developments.

### AXA S.A.

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**Underlying earnings** increased by Euro 90 million to Euro -298 million, mainly driven by the impact of the removal of the 3% French tax on dividends paid to shareholders in 2017 as well as lower general expenses, partly offset by higher financial charges in the context of the acquisition of XL Group.

## Capital Management

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**Main transactions** since January 1, 2018:

- Announcement to sell AXA's operations in Azerbaijan on February 21, 2018;
- Completion of the acquisition of Maestro Health announced on February 27, 2018;
- Announcement of the acquisition of XL Group Ltd. on March 5, 2018;
- Successful placement of Euro 2 billion dated subordinated notes due 2049 announced on March 22, 2018;
- Announcement to transform AXA's Swiss group life business on April 10, 2018;
- Announcement of receipt of USD 3.2 billion by AXA S.A. from the completion of the US pre-IPO reorganization transactions on April 25, 2018;
- Announcement of the launch of the Initial Public Offering of AXA Equitable Holdings, Inc. on April 26, 2018;
- Announcement of the launch of an offering of approximately USD 750 million of bonds mandatorily exchangeable into shares of AXA Equitable Holdings, Inc. on April 26, 2018;
- Announcement of the successful completion of the IPO of AXA Equitable Holdings, Inc. and securing the financing of the acquisition of XL Group on May 14, 2018;
- Announcement of AXA entering into exclusivity for the potential disposal of its European Variable Annuities Carrier, AXA Life Europe, on August 1, 2018.

## Definitions

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**France:** includes insurance activities, banking activities and holdings in France.

**Europe:** includes Belgium (insurance activities and holding), Italy (insurance activities and holding), Germany (insurance activities excluding AXA Art, including banking activities and holdings), Spain (insurance activities), Switzerland (insurance activities), UK & Ireland (insurance activities and holdings).

**Asia:** includes insurance activities in Japan, Hong Kong, Asia Direct (AXA Global Direct Japan and AXA Global Direct South Korea) and Asia High Potentials of which (i) Thailand P&C, Indonesia L&S (excluding the bancassurance entity) are fully consolidated and (ii) China, Thailand L&S, the Philippines and Indonesian L&S bancassurance businesses are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income, and Asia Holding.

**United States:** includes Life & Savings insurance activities and holdings in the US, as well as AB.

**International:** includes (i) AXA Mediterranean Holdings, Mexico (insurance activities), Singapore (insurance activities), Colombia (insurance activities), Turkey (insurance activities and holding), Poland (insurance activities), the Gulf Region (insurance activities and holding), Morocco (insurance activities and holding), AXA Bank Belgium (banking activities), Malaysia P&C (insurance activities), Luxembourg (insurance activities and holding), Brazil (insurance activities and holding), the Czech Republic Life & Savings (insurance activities), Slovakia Life & Savings (insurance activities) and Greece (insurance activities) which are fully consolidated; (ii) Russia (Reso) (insurance activities), India (insurance activities), Nigeria (insurance activities and holding) and Lebanon (insurance activities and holding) which are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income.

**Transversal & Central holdings:** includes AXA Investment Managers, AXA Corporate Solutions Assurance, AXA Assistance, AXA Art, AXA Liabilities Managers, AXA Global Re (formerly AXA Global P&C and AXA Global Life), AXA Life Europe, AXA S.A. and other Central Holdings.



## Notes

1. Change for gross revenues is on a comparable basis (constant Forex, scope and methodology).
2. Underlying earnings, adjusted earnings and adjusted return on equity (“adjusted RoE”) are non-GAAP financial measures. For further information, please refer to the reconciliations of these non-GAAP financial measures to the financial statements and to their definitions in the glossary, which are provided in AXA’s Half-Year 2018 Activity Report (respectively, on pages 20 to 28, and pages 68 to 75) and on page 13 of this Press Release.
3. Annual premium equivalent (APE), earnings per share (EPS), debt gearing, NBV margin, adjusted return on equity (“adjusted RoE”) and other non-GAAP financial measures are defined in the glossary set forth in AXA’s Half-Year 2018 Activity Report (pages 68 to 75).
4. The Solvency II ratio is estimated based on AXA’s internal model calibrated based on adverse 1/200 years shock and assuming US equivalence, and includes a theoretical amount for dividends accrued for the first half of 2018, based on the full year dividend paid in 2018 for FY17. Dividends are proposed by the Board at its discretion based on a variety of factors described in AXA’s 2017 Annual Report and then submitted to AXA’s shareholders for approval. This estimate should not be considered in any way to be an indication of the actual dividend amount, if any, for the 2018 financial year. For further information on AXA’s internal model and Solvency II disclosures, please refer to AXA Group’s SFCR for FY17, available on AXA’s website ([www.axa.com](http://www.axa.com)).
5. APE, NBV margin and NBV include Life & Savings business, as well as Health “life-like” business.
6. Preferred segments are Health, P&C Commercial lines and Protection, as shown during the 2017 Investor Day presentation on November 14, 2017.
7. From FY17, Health is reported as a separated business line.
8. General Account Savings products which, at inception, create more AFR than the economic capital they consume.
9. General account.
10. Includes Euro +0.2 billion from 1H17 positive tax one-offs and Euro -0.1 billion from both 1H17 unfavorable mortality model updates and 1H17 AB one-off charges linked to the reduction of real estate footprint.

All comments are on a comparable basis for activity indicators (constant Forex, scope and methodology), and at constant Forex for earnings, unless otherwise specified.

AXA’s 1H18 financial statements were examined by the Board of Directors on August 1, 2018 and were subject to a limited review by AXA’s statutory auditors, whose report was issued on August 2, 2018.

**ABOUT THE AXA GROUP**

The AXA Group is a worldwide leader in insurance and asset management, with 160,000 employees serving 105 million clients in 62 countries. In 2017, IFRS revenues amounted to Euro 98.5 billion and IFRS underlying earnings to Euro 6.0 billion. AXA had Euro 1,439 billion in assets under management as of December 31, 2017.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment.

This press release and the regulated information made public by AXA pursuant to article L. 451-1-2 of the French Monetary and Financial Code and articles 222-1 et seq. of the Autorité des marchés financiers' General Regulation are available on the AXA Group website ([axa.com](http://axa.com)).

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François Boissin:	+33.1.40.75.39.82
Aayush Poddar:	+33.1.40.75.59.17
Shantanu Priya:	+33.1.40.75.58.44
Mathias Schvallinger:	+33.1.40.75.39.20
Alix Sicaud:	+33.1.40.75.56.66

**Individual Shareholder Relations:  
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Nicolas Feltrin:	+33.1.40.75.56.48
Shruti Dhanda:	+33.1.40.75.72.58
Farah El Mamoune:	+33.1.40.75.46.68

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**IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS**

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 the 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 Press Release refers to certain non-GAAP financial measures, or alternative performance measures, 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 non-GAAP financial measures underlying earnings and adjusted earnings to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 20 to 28 of AXA's Half-Year 2018 Activity Report. Adjusted return on equity ("adjusted ROE") is defined and reconciled to the financial statements on page 23 and in the table set forth on page 28 respectively, of AXA's Half-Year 2018 Activity Report. Underlying earnings and adjusted earnings, as well as other non-GAAP financial measures used in this Press Release, are defined in the glossary set forth in AXA's Half-Year 2018 Activity Report (pp. 68-75).

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. (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 at [www.sec.gov](http://www.sec.gov).



<b>Earnings: Key figures</b>				
in Euro million	1H17 restated <sup>i</sup>	<b>1H18</b>	Change on a reported basis	Change at constant Forex
France	749	816	+9%	+9%
Europe	1,185	1,271	+7%	+10%
Asia	576	544	-6%	+4%
United States	565	465	-18%	-8%
International	218	210	-4%	+2%
Transversal	259	275	+6%	+8%
Central Holdings	-381	-282	+26%	+26%
<b>Underlying earnings</b>	<b>3,171</b>	<b>3,298</b>	<b>+4%</b>	<b>+9%</b>
Realized capital gains/losses	415	447	+8%	+9%
Impairments	-66	-76	-15%	-17%
Equity portfolio hedging	-42	-41	+2%	-1%
<b>Adjusted earnings</b>	<b>3,478</b>	<b>3,628</b>	<b>+4%</b>	<b>+9%</b>
Change in fair value & Forex	-154	-346	-125%	-126%
Goodwill and related intangibles	-44	-36	+17%	+11%
Integration and restructuring costs	-51	-89	-75%	-85%
Exceptional and discontinued operations	39	-361	-	-
<b>Net income</b>	<b>3,268</b>	<b>2,796</b>	<b>-14%</b>	<b>-11%</b>

<sup>i</sup> 1H17 has been restated to reflect the new reporting which is aligned with the new operating model and organization announced on November 13, 2017. Descriptions of the scope of the geographies (France, Europe, Asia, United States, International) and Transversal and Central Holdings are set forth on page 10 of this document.

<b>Earnings per share - fully diluted</b>			
in Euro	1H17	<b>1H18</b>	Change on a reported basis
Underlying EPS <sup>i</sup>	1.26	1.33	+6%
Adjusted EPS <sup>i</sup>	1.39	1.47	+6%
Net income per share <sup>i</sup>	1.30	1.12	-14%

<sup>i</sup> Net of interest charges on undated subordinated notes (TSDI) and undated deeply subordinated notes (TSS), and bonds mandatorily exchangeable into shares of AXA Equitable Holdings, Inc.



APPENDIX 2: REVENUES AND EARNINGS BY GEOGRAPHY AND BY BUSINESS LINE

Press release

Gross revenues	Total <sup>i</sup>		o/w Life & Savings		o/w Property & Casualty		o/w Health		o/w Asset Management	
	1H18	Change	1H18	Change	1H18	Change	1H18	Change	1H18	Change
in Euro million										
France	13,004	+8%	6,745	+10%	4,002	0%	2,175	+12%	-	-
Europe	21,747	+3%	9,167	+5%	9,729	+1%	2,830	+4%	-	-
Asia	4,339	+3%	2,735	+5%	630	-4%	974	+3%	-	-
United States	7,923	-3%	6,577	-5%	-	-	26	+8%	1,321	+11%
International	3,419	+3%	646	-2%	1,946	+5%	695	+12%	-	-
Transversal and other	3,168	+2%	3	-	2,463	+2%	71	+1%	631	+5%
<b>Total</b>	<b>53,600</b>	<b>+3%</b>	<b>25,873</b>	<b>+3%</b>	<b>18,770</b>	<b>+1%</b>	<b>6,770</b>	<b>+7%</b>	<b>1,952</b>	<b>+9%</b>

i. Including Banking (Euro 235 million).

Underlying earnings	Total <sup>ii</sup>		o/w Life & Savings		o/w Property & Casualty		o/w Health		o/w Asset Management	
	1H18	Change	1H18	Change	1H18	Change	1H18	Change	1H18	Change
in Euro million										
France	816	+9%	457	+17%	325	0%	39	-5%	-	-
Europe	1,271	+10%	412	+3%	714	+4%	88	+53%	-	-
Asia	544	+4%	356	+2%	28	+7%	163	+6%	-	-
United States	465	-8%	388	-16%	-	-	-9	+2%	148	+54%
International	210	+2%	39	-11%	128	0%	5	-	-	-
Transversal	275	+8%	1	-	136	+17%	-	-	139	+10%
Central Holdings	-282	+26%	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,298</b>	<b>+9%</b>	<b>1,653</b>	<b>0%</b>	<b>1,331</b>	<b>+4%</b>	<b>284</b>	<b>+17%</b>	<b>288</b>	<b>+30%</b>

ii. Including Banking activities (Euro 52 million) and other Holdings (Euro -28 million)



**AXA Group IFRS revenues - Contribution & growth by geography**

in Euro million	1H17 restated <sup>i</sup>	1H18	Change on a reported basis	Change on a comparable basis
France	12,004	13,004	+8%	+8%
Europe	21,784	21,747	0%	+3%
Switzerland	7,821	7,194	-8%	0%
Germany	5,874	5,934	+1%	+1%
Belgium	1,725	1,754	+2%	+2%
UK & Ireland	2,781	2,762	-1%	+2%
Spain	1,262	1,284	+2%	+2%
Italy	2,321	2,820	+21%	+21%
Asia	4,598	4,339	-6%	+3%
Japan	2,433	2,309	-5%	+3%
Hong Kong	1,546	1,475	-5%	+8%
Asia Direct	530	478	-10%	-4%
Asia High Potentials	89	77	-14%	-6%
United States	9,081	7,923	-13%	-3%
United States Life & Savings	7,747	6,602	-15%	-5%
AB	1,333	1,321	-1%	+11%
International	3,732	3,419	-8%	+3%
Transversal	3,085	3,168	+3%	+2%
AXA IM	607	631	+4%	+5%
AXA Corporate Solutions Assurance	1,634	1,655	+1%	-1%
Other	844	882	+5%	+7%
<b>Total</b>	<b>54,283</b>	<b>53,600</b>	<b>-1%</b>	<b>+3%</b>

<sup>i</sup> 1H17 has been restated to reflect the new reporting which is aligned with the new operating model and organization announced on November 13, 2017. Descriptions of the scope of the geographies (France, Europe, Asia, United States, International) and Transversal are set forth on page 10 of this document.



APPENDIX 4: NEW BUSINESS VOLUME (APE), VALUE (NBV) AND NBV MARGIN

Press release

in Euro million	APE 1H18 by product										Total APE			NBV			NBV margin		
	Protection	Change	G/A Savings	Change	Unit-Linked	Change	Health <sup>i</sup>	Change	MF & other	Change	1H17 restated <sup>ii</sup>	1H18	Change	1H17 restated <sup>ii</sup>	1H18	Change	1H17 restated <sup>iii</sup>	1H18	Change
France	201	+4%	266	+16%	189	-6%	385	+52%	1	-	891	1,041	+19%	305	319	+5%	34%	31%	-4 pts
Europe	315	+11%	147	+3%	107	+19%	53	-27%	17	+15%	560	640	+6%	336	346	+4%	60%	54%	-1 pt
Switzerland <sup>iii</sup>	245	+14%	0	-	4	+1%	-	-	1	+5%	182	250	+13%	121	137	+18%	67%	55%	+2 pts
Germany	30	-2%	53	-7%	14	-3%	53	-27%	11	+16%	184	161	-13%	118	95	-19%	64%	59%	-5 pts
Belgium	10	-1%	14	-26%	2	-9%	-	-	-	-	23	25	-15%	18	19	-10%	79%	77%	+4 pts
Spain	11	+6%	5	-22%	18	+16%	-	-	5	+15%	36	39	+7%	30	32	+7%	83%	83%	0 pt
Italy	18	+5%	76	+21%	70	+27%	-	-	-	-	135	164	+22%	49	64	+29%	37%	39%	+2 pts
Asia	490	+10%	157	-14%	12	+42%	103	+7%	-	-	797	763	+4%	535	504	+4%	67%	66%	0 pt
Japan	211	+43%	21	-11%	-	-	47	+7%	-	-	232	279	+30%	250	263	+13%	108%	94%	-14 pts
Hong Kong	128	-19%	45	-	2	-69%	29	+14%	-	-	222	204	+4%	150	103	-23%	68%	50%	-17 pts
Asia High Potentials	152	+9%	91	-42%	10	-	27	+1%	-	-	343	280	-13%	134	138	+17%	39%	49%	+13 pts
United States	93	+16%	37	+2%	401	-4%	1	-15%	288	+13%	953	821	+4%	222	178	-3%	23%	22%	-2 pts
International	68	+20%	2	-75%	32	-15%	8	+6%	11	+7%	129	123	0%	33	41	+31%	25%	34%	+8 pts
<b>Total</b>	<b>1,169</b>	<b>+10%</b>	<b>610</b>	<b>+1%</b>	<b>741</b>	<b>-2%</b>	<b>551</b>	<b>+27%</b>	<b>317</b>	<b>+13%</b>	<b>3,330</b>	<b>3,387</b>	<b>+8%</b>	<b>1,430</b>	<b>1,389</b>	<b>+4%</b>	<b>43%</b>	<b>41%</b>	<b>-2 pts</b>

<sup>i</sup> Only includes "life-like" Health business.

<sup>ii</sup> 1H17 has been restated to reflect the new reporting which is aligned with the new operating model and organization announced on November 13, 2017. Descriptions of the scope of the geographies (France, Europe, Asia, United States, International) and Transversal are set forth on page 10 of this document.

<sup>iii</sup> 1H18 APE, and the change on comparable basis, includes the underwritten savings contributions from semi-autonomous solutions. 1H18 NBV and NBV margin, and the change on comparable basis, includes net investment services fees retained by AXA Switzerland from semi-autonomous solutions.



APPENDIX 5: **PROPERTY & CASUALTY – REVENUES CONTRIBUTION & GROWTH BY BUSINESS LINE**

Press release

in Euro million	Personal Motor		Personal Non-Motor		Commercial Motor		Commercial Non-Motor		Total P&C	
	Gross revenues	Change	Gross revenues	Change	Gross revenues	Change	Gross revenues	Change	Gross revenues	Change
France	1,062	-2%	1,152	0%	328	+3%	1,461	+2%	4,002	0%
Europe	3,802	0%	1,903	0%	853	+2%	3,157	+3%	9,729	+1%
Switzerland	1,048	-2%	353	+2%	106	-4%	1,149	+2%	2,656	0%
Germany	905	+3%	669	+2%	108	-2%	834	+2%	2,531	+2%
Belgium	334	-2%	242	+1%	145	+1%	397	+2%	1,118	0%
UK & Ireland	616	0%	290	-9%	362	+8%	469	+4%	1,737	+1%
Spain	459	+1%	181	0%	28	-9%	175	+7%	843	+2%
Italy	440	0%	167	+2%	104	0%	133	+4%	845	+1%
Asia	461	-4%	92	-1%	7	-5%	71	-5%	630	-4%
Hong Kong	18	-11%	42	+2%	4	-12%	60	-1%	124	-2%
Asia High Potentials	13	-12%	4	+7%	3	+5%	11	-24%	31	-14%
Asia Direct	429	-4%	46	-4%	-	-	-	-	475	-4%
International	596	+4%	165	+15%	444	+14%	740	-1%	1,946	+5%
Transversal	-	-	100	+6%	473	+7%	1,795	0%	2,463	+2%
<b>Total</b>	<b>5,921</b>	<b>0%</b>	<b>3,411</b>	<b>+1%</b>	<b>2,105</b>	<b>+6%</b>	<b>7,224</b>	<b>+1%</b>	<b>18,770</b>	<b>+1%</b>

**Personal lines net new contracts** amounted to -45k, mainly driven by France (-85k) due to strong market competition and Asia (-19k) mainly due to portfolio pruning in Asia-Direct, partly offset by Europe (+58k).



Assets under Management rollforward					
in Euro billion	AB	AXA IM	AXA IM - Fully consolidated scope	AXA IM - Asian Joint Ventures	Total
<b>AUM as of December 31, 2017</b>	<b>468</b>	<b>746</b>	640	106	<b>1,214</b>
Net Flows	-8	13	13	-1	<b>4</b>
Market appreciation	-4	-3	-3	0	<b>-6</b>
Scope & other	0	-1	-1	0	<b>-1</b>
Forex impact	13	4	3	1	<b>16</b>
<b>AUM as of June 30, 2018</b>	<b>469</b>	<b>759</b>	652	106	<b>1,228</b>
<b>Average AUM over the period<sup>i</sup></b>	<b>461</b>	-	<b>641</b>	-	<b>1,102</b>
Change of average AUM on a reported basis vs. 1H17	-3%	-	+2%	-	<b>0%</b>
Change of average AUM on a comparable basis vs. 1H17	+8%	-	+4%	-	<b>+6%</b>

<sup>i</sup> Average AUM for AXA IM is calculated excluding the contribution from Asian joint ventures.



For 1 Euro	End of Period Exchange rate		Average Exchange rate	
	FY17	1H18	1H17	1H18
USD	1.20	1.17	1.08	1.21
CHF	1.17	1.16	1.08	1.17
GBP	0.89	0.88	0.86	0.88
JPY	135	129	122	132
HKD	9.39	9.16	8.42	9.49

**Changes in scope:**

- 01/02/2017 – [AXA has completed the sale of its UK P&C commercial broker Bluefin to Marsh](#)
- 04/28/2017 – [AXA has completed the sale of its Romanian operations to Vienna Insurance Group](#)
- 07/03/2017 – [AXA has completed the sale of AXA Life Europe Limited's Offshore Investment Bonds business to Life Company Consolidation Group](#)

**Main press releases issued in 2018**

Please refer to the following web site address for further details: <https://www.axa.com/en/newsroom/press-releases>

- 04/06/2018 – [AXA S.A. announces filing of amendment No. 2 to AXA US registration statement for Initial Public Offering](#)
- 04/10/2018 – [AXA to transform its Swiss group life business, creating additional value for its customers and shareholders](#)
- 04/23/2018 – [AXA S.A. announces filing of amendment No. 3 to AXA US registration statement for Initial Public Offering](#)
- 04/25/2018 – [AXA S.A. received USD 3.2 billion from the completion of its US pre-IPO reorganization transactions](#)
- 04/25/2018 – [Results of AXA's Shareholders' Meeting – AXA publishes its 2017 Integrated Report](#)
- 04/26/2018 – [AXA S.A. announces the launch of the Initial Public Offering of AXA Equitable Holdings, Inc.](#)
- 04/26/2018 – [AXA S.A. announces the launch of an offering of approximately USD 750 million of bonds mandatorily exchangeable into shares of AXA Equitable Holdings, Inc.](#)
- 05/03/2018 – [1Q18 Activity indicators: Continued focus on preferred segments](#)
- 05/10/2018 – [AXA S.A. announces the pricing of the Initial Public Offering of AXA Equitable Holdings, Inc.](#)
- 05/10/2018 – [AXA S.A. announces the pricing of USD 750 million of bonds mandatorily exchangeable into shares of AXA Equitable Holdings, Inc.](#)
- 05/14/2018 – [AXA has successfully completed the IPO of AXA Equitable Holdings, Inc. and secured the financing of the acquisition of XL Group](#)
- 05/23/2018 – [Uber and AXA join forces to set a new standard for protection of independent drivers and couriers](#)
- 05/24/2018 – [Elaine Sarsynski is appointed director to replace Deanna Oppenheimer on AXA's Board of Directors](#)
- 05/25/2018 – [AXA published today its 2017 Group Solvency and Financial Condition Report \(SFCR\)](#)
- 06/13/2018 – [ING and AXA announce a digital partnership to build a global insurance platform](#)

**Post 1H18 closing event**

- 07/11/2018 – [AXA and XL Group announce future branding of their combined operations](#)
- 08/01/2018 – [AXA enters into exclusivity for the potential disposal of its European Variable Annuities Carrier, with expected total cash proceeds of Euro 1.2 billion](#)

**1H18 Operations on AXA shareholders' equity and debt**

- 03/22/2018 – [AXA announced the successful placement of Euro 2 billion dated subordinated notes due 2049](#)

**Next main investor events**

- 11/06/2018 – Nine months 2018 Activity indicators
- 11/28/2018 – AXA Investor Day (London)
- 02/21/2019 – Full Year 2018 Earnings Release