



# Half Year 2018 Appendices

August 2, 2018



## **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, these appendices refer 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 is 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 page 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 these appendices, 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)

# Table of contents

1.	GROUP OVERVIEW	<a href="#">B.4</a>
2.	GEOGRAPHIES	<a href="#">B.10</a>
3.	PROFITABILITY ANALYSIS	<a href="#">B.26</a>
4.	BALANCE SHEET	<a href="#">B.37</a>
5.	CORPORATE RESPONSIBILITY	<a href="#">B.56</a>
6.	PRO-FORMA REPORTING SCOPE	<a href="#">B.59</a>



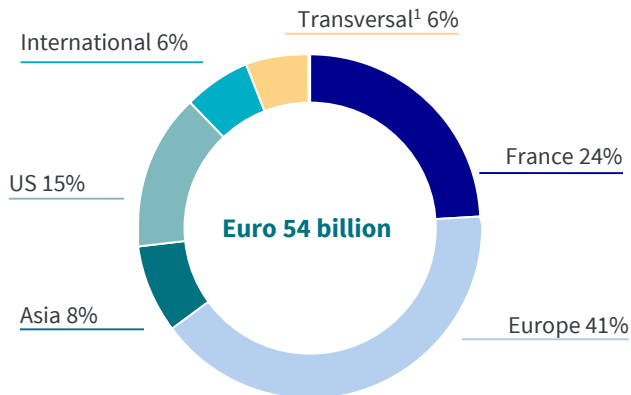
# B1

Group overview

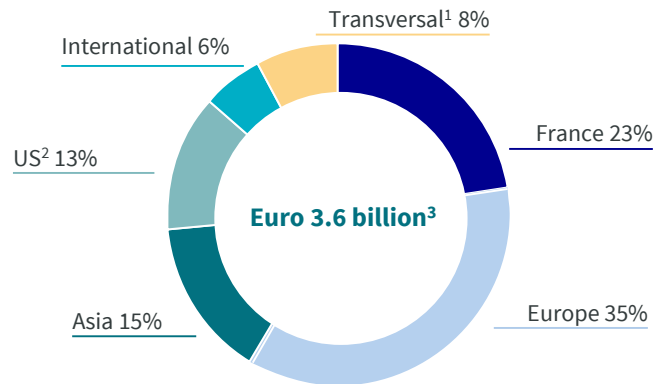
# Revenues and underlying earnings by geography

1H18 figures

## Revenues by geography



## Underlying earnings by geography



1. Including AXA IM  
2. US contribution to earnings reflects a reduced ownership following the IPO of AXA Equitable, Inc.  
3. Breakdown by geography based on underlying earnings excluding AXA SA and other central holdings



# AXA's rankings

FY17 figures<sup>1</sup>

## Current engines

L&S	<b>#3</b> France	<b>#13</b> Spain
	<b>#2</b> Switzerland	<b>#14</b> Japan
	<b>#8</b> Germany	<b>#6</b> Hong Kong
	<b>#3</b> Belgium	<b>#3</b> US (VA <sup>2</sup> )
	<b>#6</b> Italy	
P&C	<b>#2</b> France	<b>#1</b> Ireland
	<b>#1</b> Switzerland	<b>#6</b> Italy
	<b>#5</b> Germany	<b>#5</b> Spain
	<b>#1</b> Belgium	<b>#1</b> Hong Kong
	<b>#2</b> UK	

## High potentials

L&S	<b>#15</b> China	<b>#4</b> Thailand
	<b>#2</b> Indonesia	<b>#2</b> Philippines <sup>3</sup>
	<b>#9</b> Mexico	
P&C	<b>#20</b> Brazil	<b>#16</b> Thailand
	<b>#14</b> China	<b>#5</b> Philippines <sup>3</sup>
	<b>#3</b> Mexico	

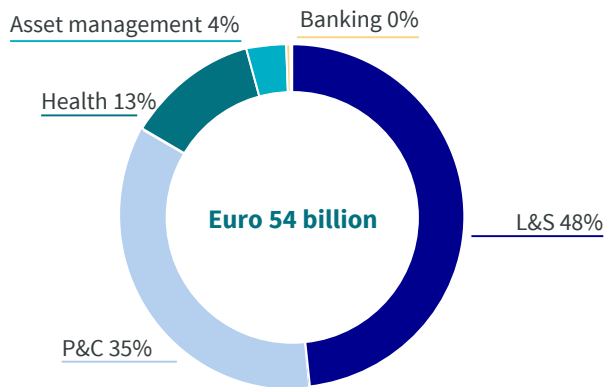
1. All sources available in the FY17 Activity Report  
2. Variable Annuity  
3. 2016 data. Source: The Insurance Commission



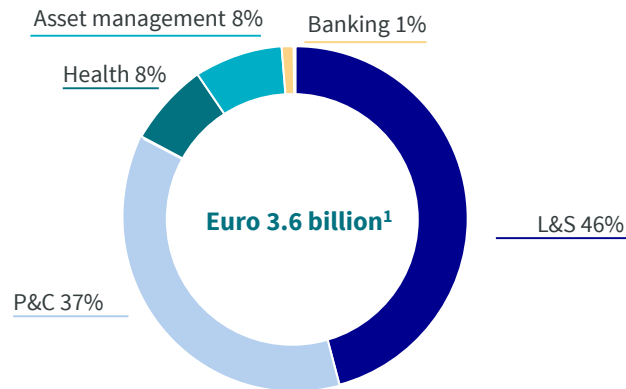
# Revenues and underlying earnings by line of business

1H18 figures

## Revenues by line of business



## Underlying earnings by line of business

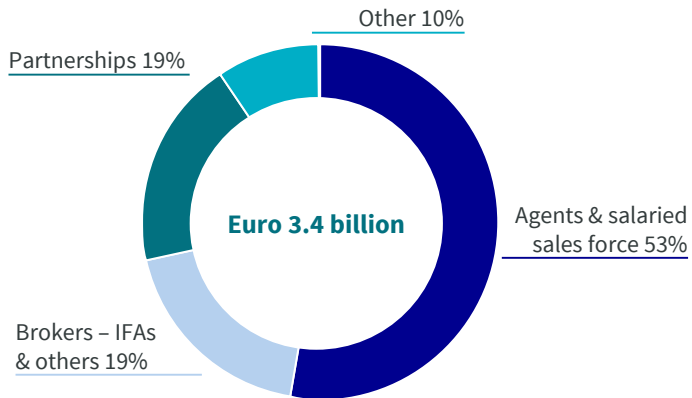


1. Breakdown by geography based on underlying earnings excluding AXA SA and other central holdings

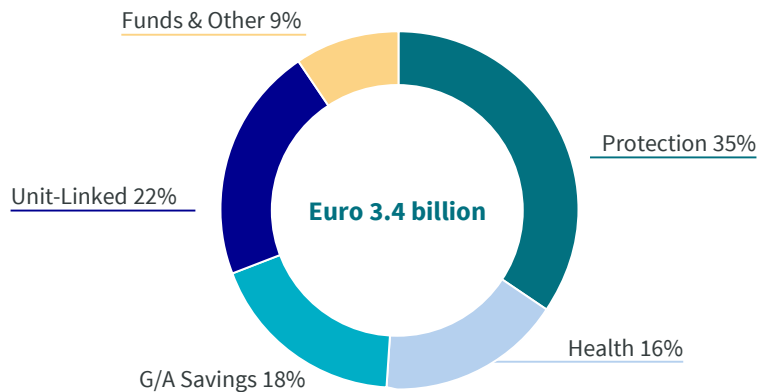
# Life & Savings and Health | Distribution and product mix

1H18 figures

## APE by channel



## APE by product

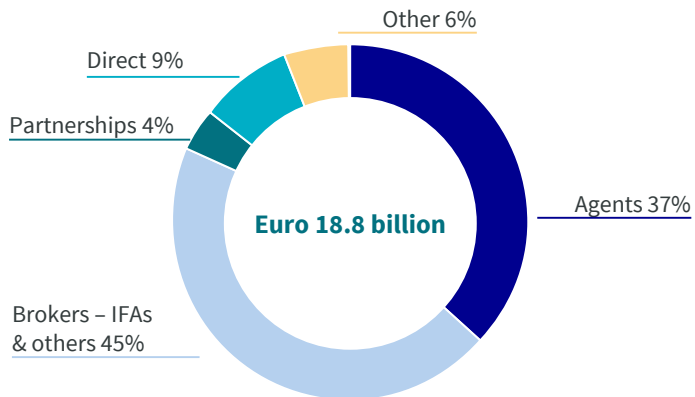




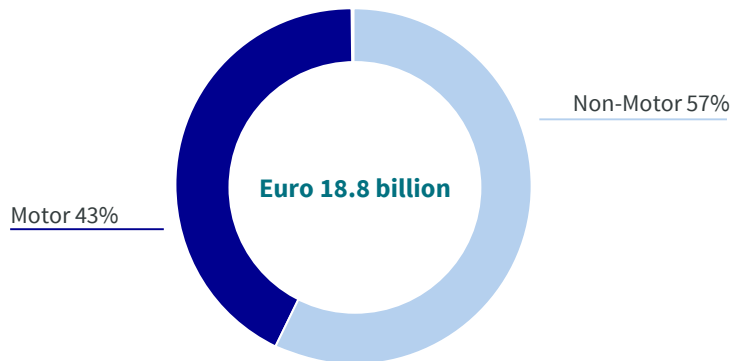
# Property & Casualty | Distribution and product mix

1H18 revenues excluding Health

## Revenues by channel



## Revenues by product





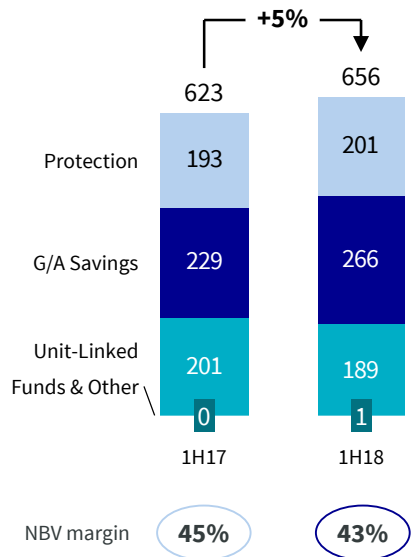
# B2

Geographies

# France | Topline overview

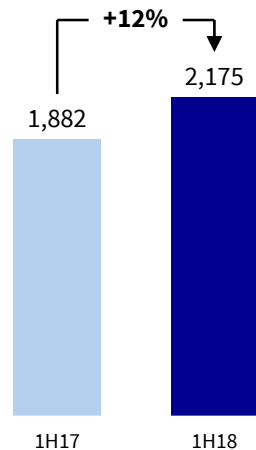
## L&S APE (excl. Health)

In Euro million



## Health revenues

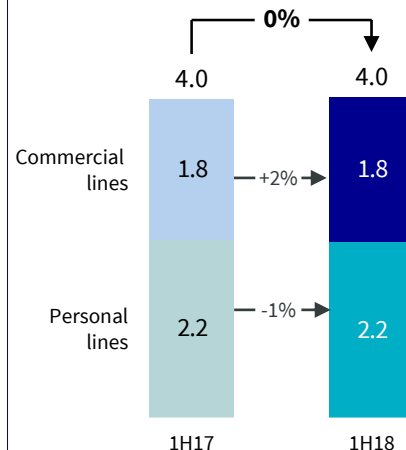
In Euro million



1H18 APE: Euro 385 million (+52%)  
1H18 NBV margin: 9% (stable)

## P&C revenues

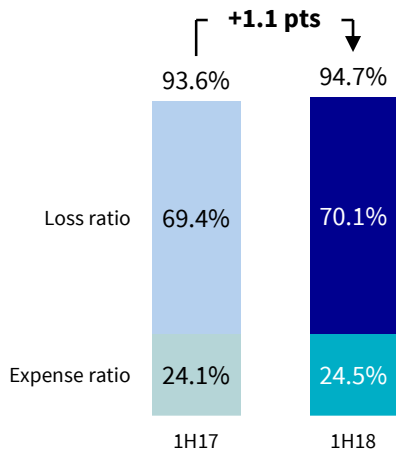
In Euro billion



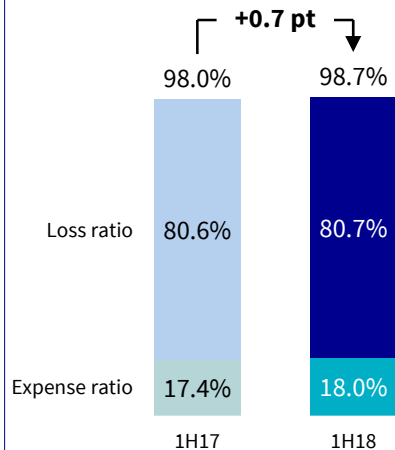
Commercial lines price effect: +2.2% in 1H18  
Personal lines price effect: +1.5% in 1H18

# France | Profitability analysis

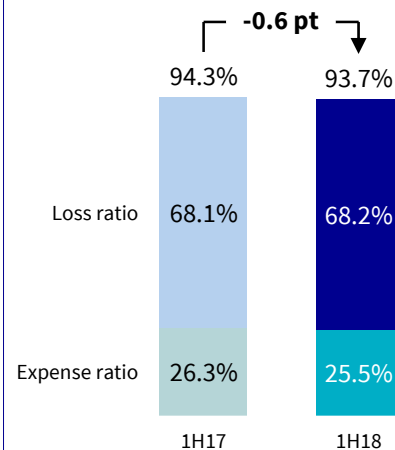
## Protection combined ratio



## Health combined ratio



## P&C combined ratio

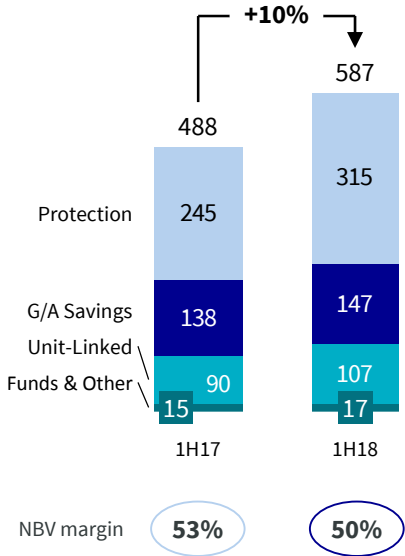


Prior year reserve developments  
-2.5% (vs. -2.2% in 1H17)

# Europe | Topline overview

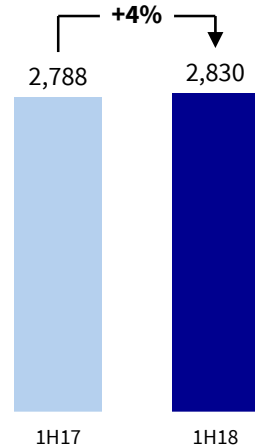
## L&S APE (excl. Health)

In Euro million



## Health revenues

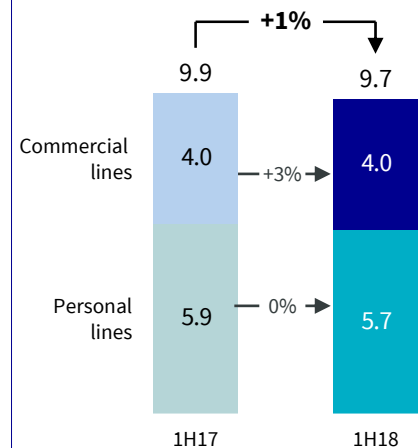
In Euro million



1H18 APE: Euro 53 million (-27%)  
1H18 NBV margin: 105% (-1 pt)

## P&C revenues

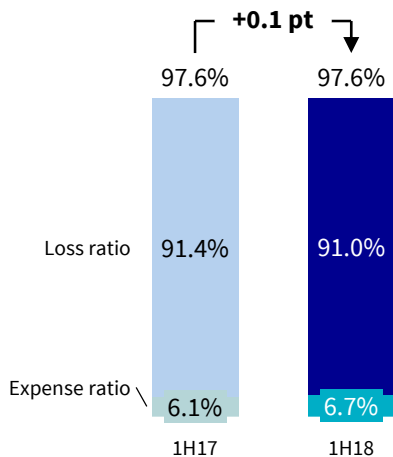
In Euro billion



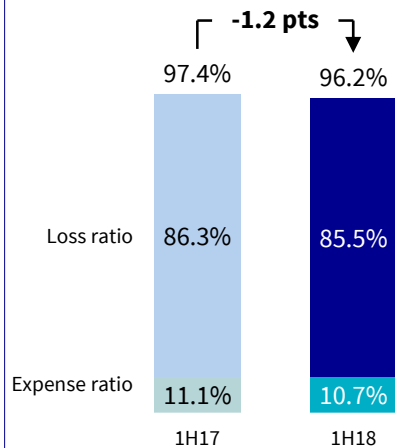
Commercial lines price effect: +1.4% in 1H18  
Personal lines price effect: +0.9% in 1H18

# Europe | Profitability analysis

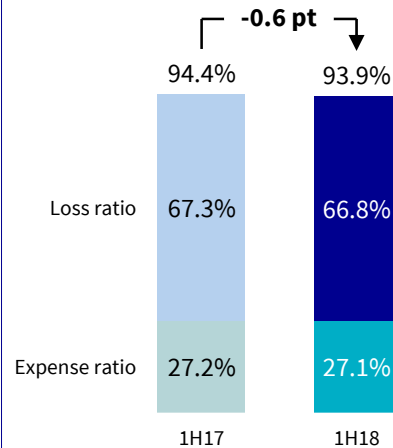
## Protection combined ratio



## Health combined ratio



## P&C combined ratio

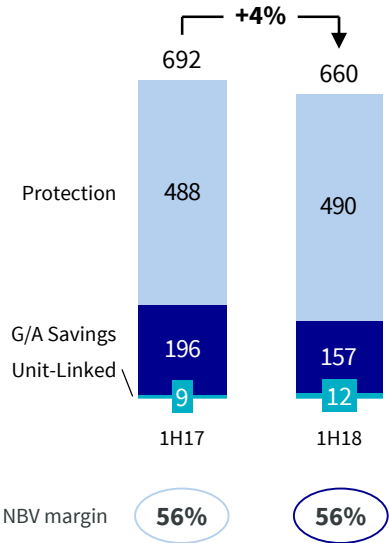


Prior year reserve developments  
-2.4% (vs. -1.0% in 1H17)

# Asia | Topline overview

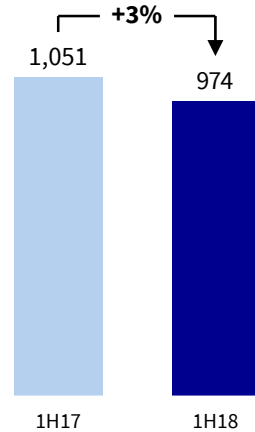
## L&S APE (excl. Health)

In Euro million



## Health revenues

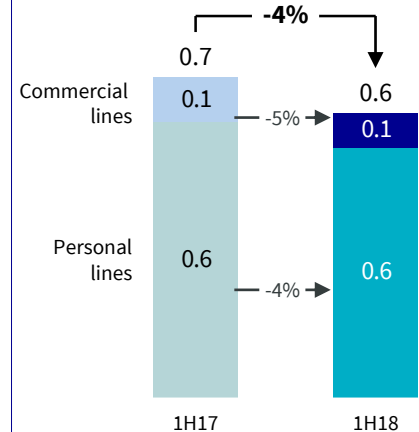
In Euro million



1H18 APE: Euro 103 million (+7%)  
1H18 NBV margin: 127% (-13 pts)

## P&C revenues

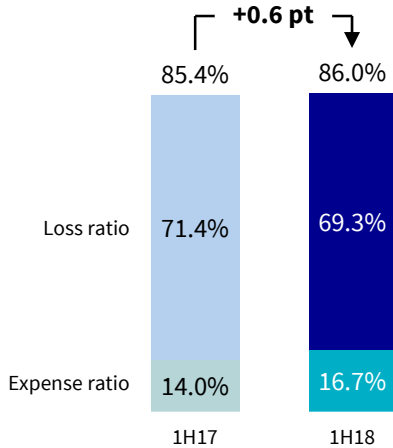
In Euro billion



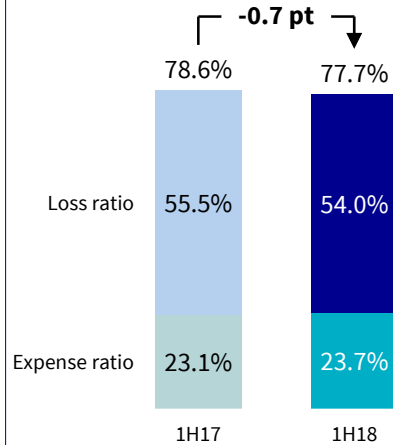
Commercial lines price effect: +0.9% in 1H18  
Personal lines price effect: +0.6% in 1H18

# Asia | Profitability analysis

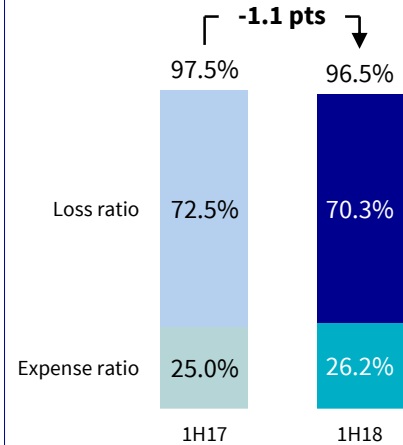
## Protection combined ratio



## Health combined ratio



## P&C combined ratio



Prior year reserve developments  
-0.5% (vs. +0.4% in 1H17)



# US | Life & Savings profitability analysis

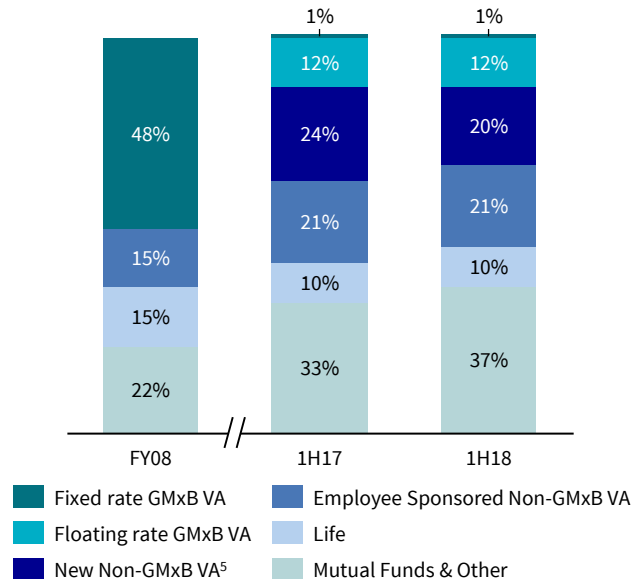
## US Variable Annuity GMxB Underlying earnings<sup>1</sup>

In Euro million

Net of DAC and tax <sup>2</sup>	FY16	FY17	1H17	1H18
Variable Annuity base fees & other, less expenses <sup>3</sup>	331	309	163	133
GMxB hedge margin	13	69	18	71
Reserve strengthening (including assumption and model changes) <sup>3</sup>	-1	-75	7	2
<b>Variable Annuity GMxB Underlying earnings</b>	<b>343</b>	<b>303</b>	<b>188</b>	<b>206</b>

- Including AXA Corporate Solutions Life Reinsurance Company and Holdings.
- Notional tax rate of 35% for FY16, 1H17 and FY17. Notional tax rate of 21% for 1H18. Gross of minority interests.
- The reserve strengthening figures include the effect on DAC of base fees related to assumption and model changes.
- Including life-like Health business
- New Non GMxB Variable Annuity includes Investment Edge, Structured Capital Strategies and Others.

## US L&S APE<sup>4</sup> (+4% vs. 1H17)

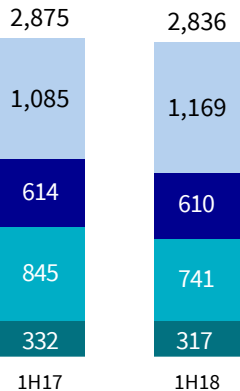


# Group | Topline overview

## L&S APE (excl. Health)

In Euro million

+5%



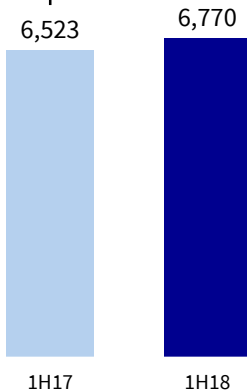
NBV margin **41%**

**41%**

## Health revenues

In Euro million

+7%

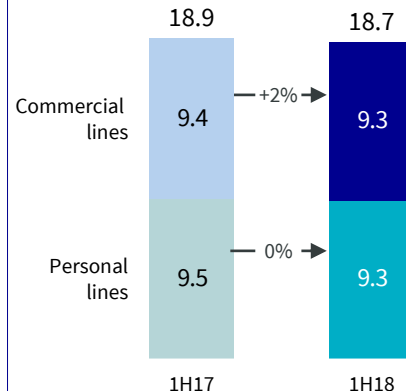


1H18 APE: Euro 551 million (+27%)  
1H18 NBV margin: 41% (-14 pts)

## P&C revenues<sup>1</sup>

In Euro billion

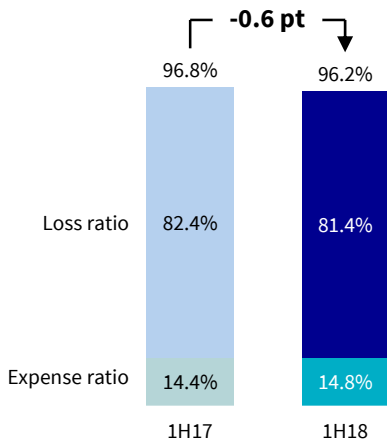
+1%



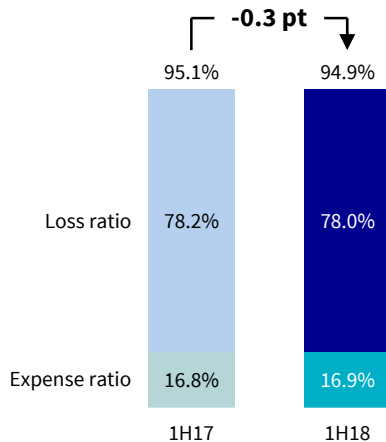
Commercial lines price effect: +1.3% in 1H18  
Personal lines price effect: +1.2% in 1H18

# Group | Profitability analysis

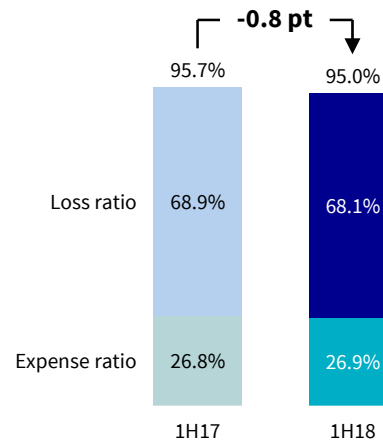
## Protection combined ratio



## Health combined ratio



## P&C combined ratio



Prior year reserve developments  
-2.1% (vs. -0.8% in 1H17)



# Group | Underlying earnings by geography and details by business line

Underlying earnings (In Euro million)	Total <sup>1</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
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%	-1	-	139	+10%
Central Holdings	-282	+26%	-	-	-	-	-	-	-	-
<b>Underlying earnings</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>

1. Including Banking (Euro 52 million) and other holdings (Euro -28 million)

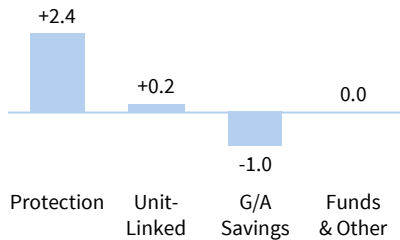
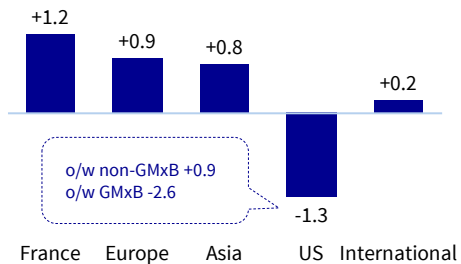
**+2%**  
adjusted for reduced  
US ownership

# Group | Net flows

1H18 figures

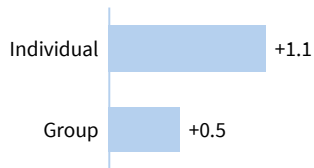
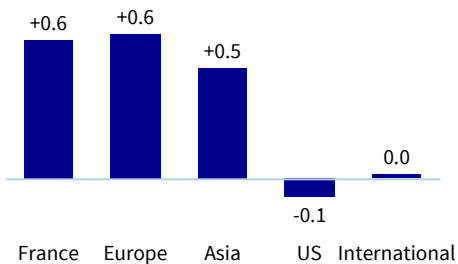
## L&S: Euro +1.6 billion

in Euro billion



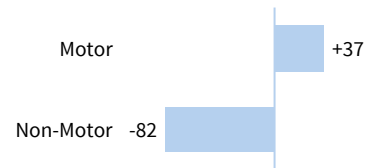
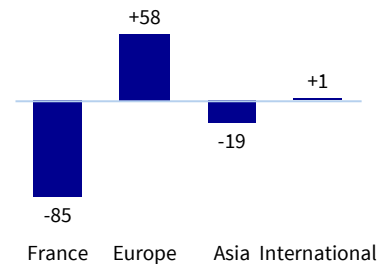
## Health: Euro +1.6 billion

in Euro billion



## P&C NNC: -45k contracts

in thousands of contracts



# L&S and Health | APE, NBV and NBV margin by geography

In Euro million	1H18 APE by product										Total APE			NBV			NBV margin		
	Protection	%	G/A Savings	%	Unit-Linked	%	Health <sup>1</sup>	%	Mutual funds & other	%	1H17 restated <sup>2</sup>	1H18	Change on a comparable basis	1H17 restated <sup>2</sup>	1H18	Change on a comparable basis	1H17 restated <sup>2</sup>	1H18	Change on a comparable basis
France	201	+4%	266	+16%	189	-6%	385	+52%	1	0%	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>3</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%	0	0%	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 Group</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>

1. Only includes "life-like" Health business.

2. 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 AXA's 1H18 Press Release.

3. 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.

# P&C | Revenues by business line

1H18 figures




In Euro million	Personal Motor		Personal Non-Motor		Commercial Motor		Commercial Non-Motor	
	Gross revenues	Change on comparable basis	Gross revenues	Change on comparable basis	Gross revenues	Change on comparable basis	Gross revenues	Change on comparable basis
France	1,062	-2%	1,152	0%	328	+3%	1,461	+2%
Europe	3,802	0%	1,903	0%	853	+2%	3,157	+3%
<i>Switzerland</i>	1,048	-2%	353	+2%	106	-4%	1,149	+2%
<i>Germany</i>	905	+3%	669	+2%	108	-2%	834	+2%
<i>Belgium</i>	334	-2%	242	+1%	145	+1%	397	+2%
<i>UK &amp; Ireland</i>	616	0%	290	-9%	362	+8%	469	+4%
<i>Spain</i>	459	+1%	181	0%	28	-9%	175	+7%
<i>Italy</i>	440	0%	167	+2%	104	0%	133	+4%
Asia	461	-4%	92	-1%	7	-5%	71	-5%
<i>Hong Kong</i>	18	-11%	42	+2%	4	-12%	60	-1%
<i>Asia High Potentials</i>	13	-12%	4	+7%	3	+5%	11	-24%
<i>Asia Direct</i>	429	-4%	46	-4%	-	-	-	-
International	596	+4%	165	+15%	444	+14%	740	-1%
Transversal	-	-	100	+6%	473	+7%	1,795	0%
<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>

# P&C | Price effect by geography

In Euro million	Personal Lines			Commercial Lines		
	Revenues	Price effect	Revenues growth	Revenues	Price effect	Revenues growth
France	2,213	+1.5%	-1.0%	1,788	+2.2%	+2.0%
Switzerland	1,402	-0.9%	-0.7%	1,254	+0.9%	+1.6%
Germany	1,574	+2.2%	+2.4%	943	+0.4%	+1.5%
Belgium	576	+2.3%	-0.8%	542	+2.2%	+1.8%
UK & Ireland	906	-0.1%	-2.7%	830	+2.8%	+5.7%
Spain	640	+2.5%	+0.9%	203	+3.3%	+4.1%
Italy	607	+0.6%	+0.6%	237	0%	+2.5%
Asia	553	+0.6%	-3.8%	78	+0.9%	-5.2%
International	761	+3.2%	+6.1%	1,185	-0.2%	+4.1%
Transversal	100	-2.3%	+6.4%	2,268	+1.3%	+1.3%
<b>Total</b>	<b>9,332</b>	<b>+1.2%</b>	<b>+0.1%</b>	<b>9,329</b>	<b>+1.3%</b>	<b>+2.3%</b>

## 2018 Market pricing trends

-  Increase in prices in personal lines and increased pressure on prices in commercial lines
-  Continued price softening in personal lines and stable pricing in commercial lines
-  Early signs of price softening in personal lines and slightly increasing in commercial lines
-  Continuous soft market conditions fueled by higher capacity
-  Motor market softening in a context of expected increase in Ogden rate
-  Steadily growing market environment following market hardening last year
-  Prices in Motor and non-Motor expected to slightly grow
-  Soft market in Motor in Japan and Korea, soft market in commercial lines in Hong Kong. Stable in other markets.

-  Prices expected to increase
-  Prices expected to be stable
-  Prices expected to decrease



# Asset management | Asset under management rollforward

1H18 figures

## 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	+4
Market appreciation	-4	-3	-3	0	-6
Scope & other	0	-1	-1	0	-1
Forex impact	13	4	3	1	+16
<b>AUM as of June 30, 2018<sup>1</sup></b>	<b>469</b>	<b>759</b>	652	106	<b>1,228</b>
<b>Average AUM over the period<sup>2</sup></b>	<b>461</b>	<b>-</b>	<b>641</b>	<b>-</b>	<b>1,102</b>
<i>Change of average AUM on a reported basis vs. 1H18</i>	-3%	-	+2%	-	0%
<i>Change of average AUM on a comparable basis vs. 1H18</i>	+8%	-	+4%	-	+6%

1. The difference with Euro 1,432 billion of total assets under management mentioned in Financial Supplement page 53 corresponds to assets directly managed by AXA insurance companies

2. Average AUM for AXA IM are calculated excluding the contribution from joint ventures

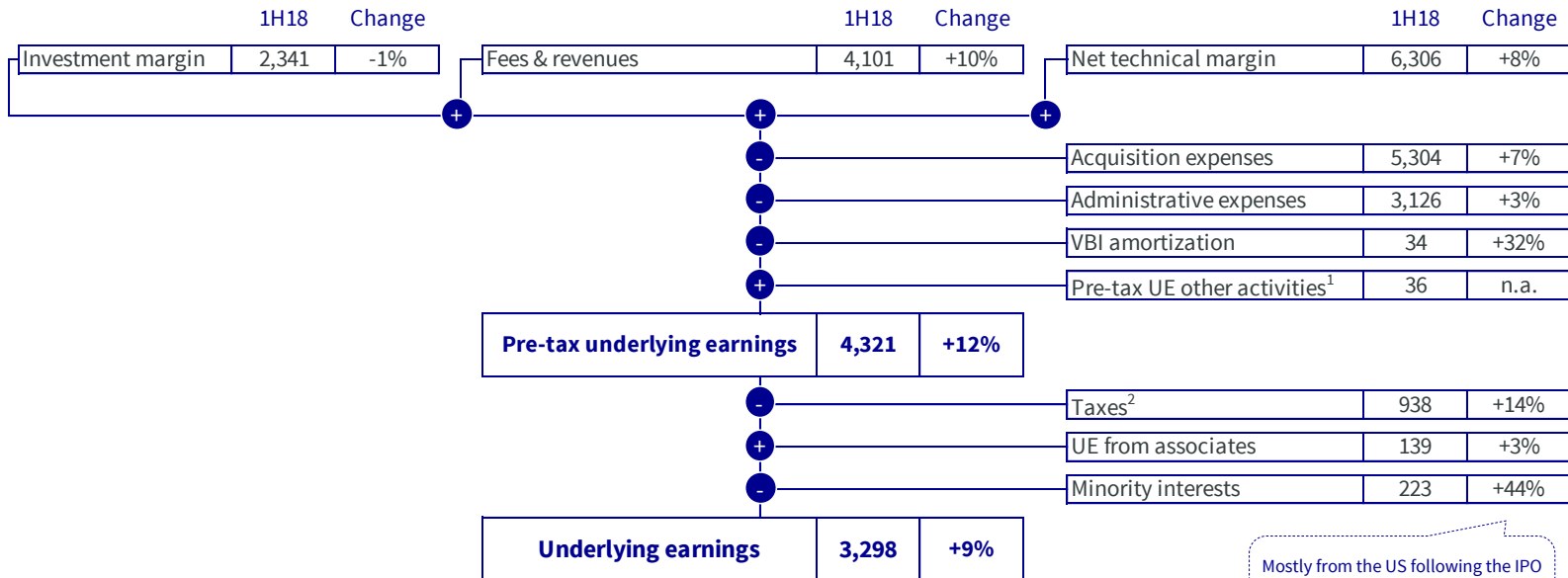


# B3

Profitability analysis

# Profitability analysis | Group underlying earnings margin analysis

In Euro million



Mostly from the US following the IPO of AXA Equitable Holdings, Inc. and higher pre-tax underlying earnings

Changes are at constant Forex

1. Corresponds to pre-tax underlying earnings of banking, asset management and holdings  
 2. Effective tax rate increased to 22% in 1H18 vs. 21% at 1H17

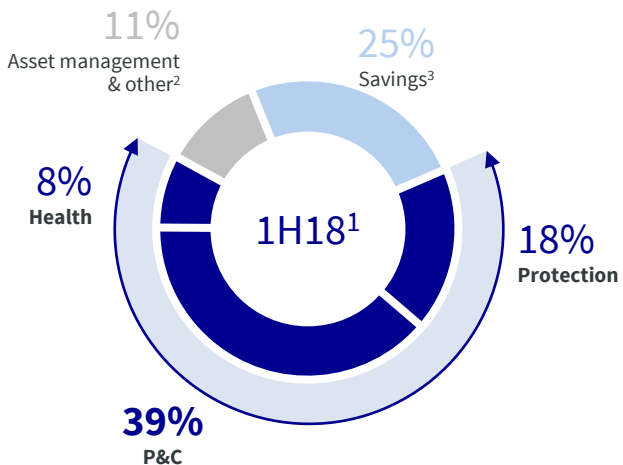


# Profitability analysis | Group underlying earnings margin analysis by country

In Euro million

	Total	France	Europe	Asia	US	International	Transversal	Central Holdings
Margin on revenues	2,447	696	457	941	238	116	0	-
Investment margin	2,341	825	920	19	256	189	132	-
Management fees	1,436	270	97	62	975	27	4	-
Technical Margin & Other <sup>1</sup>	6,524	1,489	3,157	396	58	754	672	-
<b>Gross margin</b>	<b>12,748</b>	<b>3,279</b>	<b>4,631</b>	<b>1,418</b>	<b>1,527</b>	<b>1,086</b>	<b>808</b>	<b>-</b>
Admin. Exp. & Other <sup>2</sup>	-3,160	-791	-1,168	-273	-433	-280	-215	-
Acquisition expenses	-5,304	-1,359	-1,815	-551	-597	-601	-382	-
Pre-tax UE other activities	36	0	40	-2	252	26	188	-468
<b>Pre-tax UE</b>	<b>4,321</b>	<b>1,130</b>	<b>1,688</b>	<b>592</b>	<b>749</b>	<b>231</b>	<b>398</b>	<b>-468</b>

# Underlying earnings by business | A predominantly P&C, Protection and Health company



**65%**  
from P&C, Protection and Health

Pre-tax underlying earnings	1H17	1H18	Change
Health	354	388	+15%
P&C	1,785	1,856	+7%
Protection	835	864	+10%
Savings	1,093	1,176	+13%
Asset management & other <sup>2</sup>	437	505	+23%
<b>Total (excl. AXA SA and other central holdings)</b>	<b>4,503</b>	<b>4,789</b>	<b>+11%</b>
AXA SA and other central holdings	-449	-468	+4%
<b>Total pre-tax underlying earnings</b>	<b>4,055</b>	<b>4,321</b>	<b>+12%</b>

Changes are at constant Forex

1. Pre-tax underlying earnings (excl. AXA SA and other central holdings) contribution by business line
2. Includes banking and other holdings pre-tax underlying earnings
3. Includes Unit-Linked, G/A Savings and Mutual Funds & Others pre-tax underlying earnings

# Profitability analysis | L&S underlying earnings margin analysis

In Euro million

1H18 Change

	1H18	Change
Investment margin	1,229	-2%
Average G/A reserves	341,667	+2%
Investment margin (bps)	72 bps	-3bps

1H18 Change

	1H18	Change
Fees & revenues	3,339	+10%
o/w Unit-Linked management fees	1,436	+14%
Average UL reserves	170,596	+6%
UL average management fees	168 bps	+12bps
o/w Loadings and other	1,903	+8%
L&S revenues	25,873	+3%
L&S average margin on revenues	6.5%	+0.3 pt

1H18 Change

	1H18	Change
Net technical margin	549	+51%
o/w Mortality & morbidity margin and other	634	+10%
o/w GMxB VA margin <sup>1</sup>	-85	+58%

+

+

+

-

-

-

**Pre-tax underlying earnings**

**2,040**

**+12%**

-

+

-

**Underlying earnings**

**1,653**

**0%**

Acquisition expenses	1,710	+12%
----------------------	-------	------

Administrative expenses	1,336	+5%
-------------------------	-------	-----

VBI amortization	32	+63%
------------------	----	------

Taxes <sup>2</sup>	400	+93%
--------------------	-----	------

UE from associates	76	-3%
--------------------	----	-----

Minority interests	63	+83%
--------------------	----	------

1. Includes basis (Euro -16 million), equity and interest rates volatility (Euro -36 million), model and assumption changes (Euro +3 million) and interest rates, credit spreads and other (Euro -36 million)

2. Effective tax rate increased to 20% in 1H18 vs. 11% at 1H17

# Profitability analysis | P&C underlying earnings margin analysis

In Euro million

1H18 Change

1H18 Change

Investment income	1,052	-2%
Average assets <sup>2</sup>	70,383	-1%
Average yield <sup>2,3</sup>	3.0%	0.0 bps

Technical margin	5,094	+5%
Gross earned premium	15,953	+2%
AY Loss ratio	68.1%	-0.8pt
CY Loss ratio	70.2%	+0.5pt
o/w Nat Cat	0.6%	+0.5pt
PY Reserve development	-2.1%	-1.3pt

Acquisition expenses	2,850	+3%
Acquisition expense ratio	17.9%	+0.1pt

Administrative expenses	1,441	+1%
Administrative expense ratio	9.0%	-0.1pt

<b>Pre-tax underlying earnings</b>	<b>1,856</b>	<b>+7%</b>
------------------------------------	--------------	------------

Taxes <sup>1</sup>	542	+15%
--------------------	-----	------

UE from associates	51	+29%
--------------------	----	------

Minority interests	33	+20%
--------------------	----	------

<b>Underlying earnings</b>	<b>1,331</b>	<b>+4%</b>
----------------------------	--------------	------------

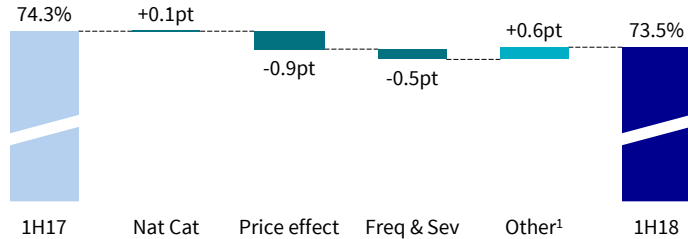
1. Effective tax rate increased to 29% in 1H18 vs. 27% at 1H17

2. Average assets and average yield are estimated excluding Health previously reported in the P&C segment

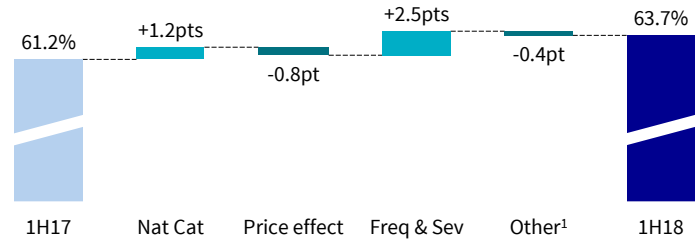
3. Net of interests credited of P&C reserves relating to annuities. Gross asset yield for P&C including Health previously reported in the P&C segment at 3.3%

# Profitability analysis | Details on P&C current year loss ratio

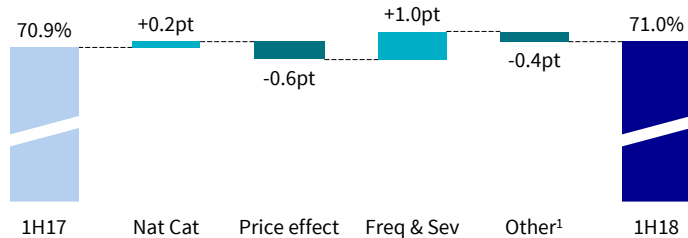
## Personal Motor



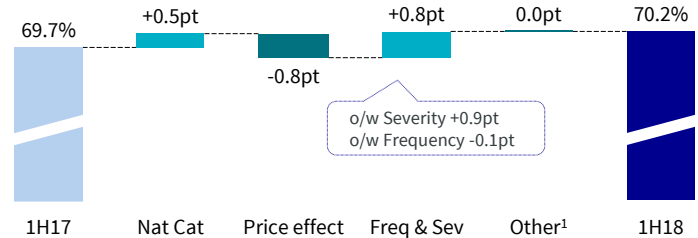
## Personal Non-Motor



## Total Commercial lines Incl. Construction & Work. Comp.



## Total P&C



1. Other includes opening adjustments, changes in mix, claims handling costs, reinsurance impact excl. Nat Cat, other changes in reserves, Forex and scope

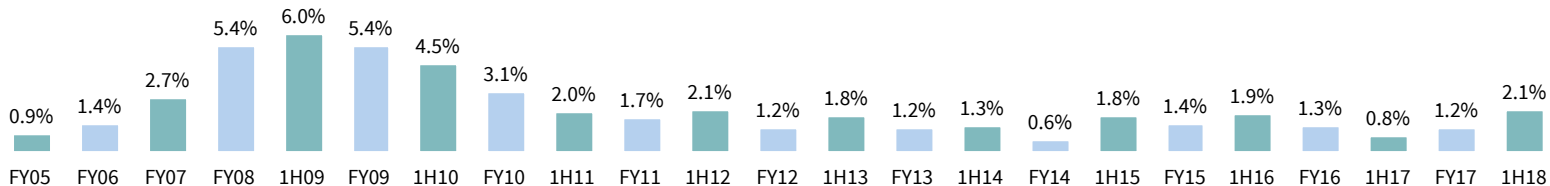




# Profitability analysis | Focus on P&C reserves

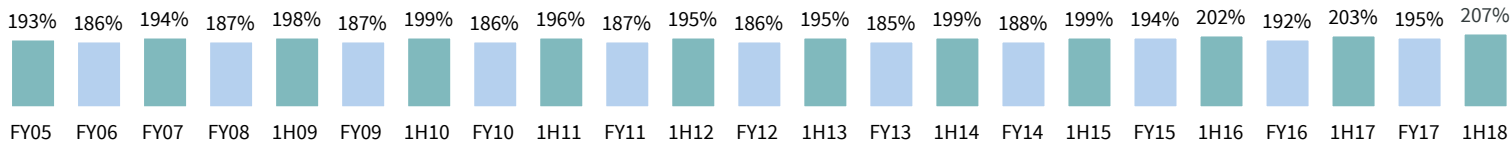
## Prior year reserve development level

(in % of gross earned premiums)



## Reserving ratio<sup>1</sup>

(Net technical reserves/Net earned premiums)



Information related to FY13 was restated for the retrospective application of the new IFRS standards on consolidation  
 FY05 to FY12 figures were not adjusted for this change. Note: FY05 to FY09 figures do not exclude Canadian operations

International Insurance activity reclassified in the Property & Casualty segment from FY15

Health "Property & Casualty like" previously reported under the Property & Casualty segment is reported as a separate business line from FY16 for prior year reserve developments



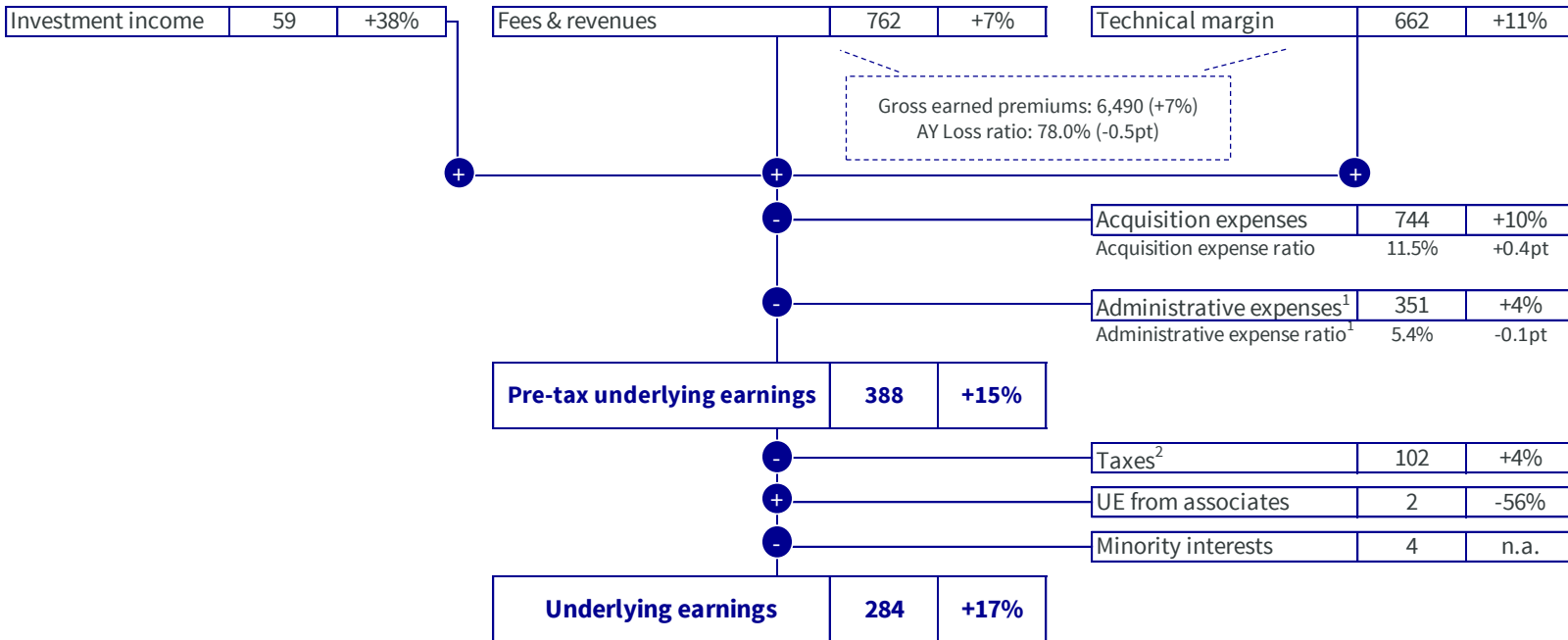
# Profitability analysis | Health underlying earnings margin analysis

In Euro million

1H18 Change

1H18 Change

1H18 Change

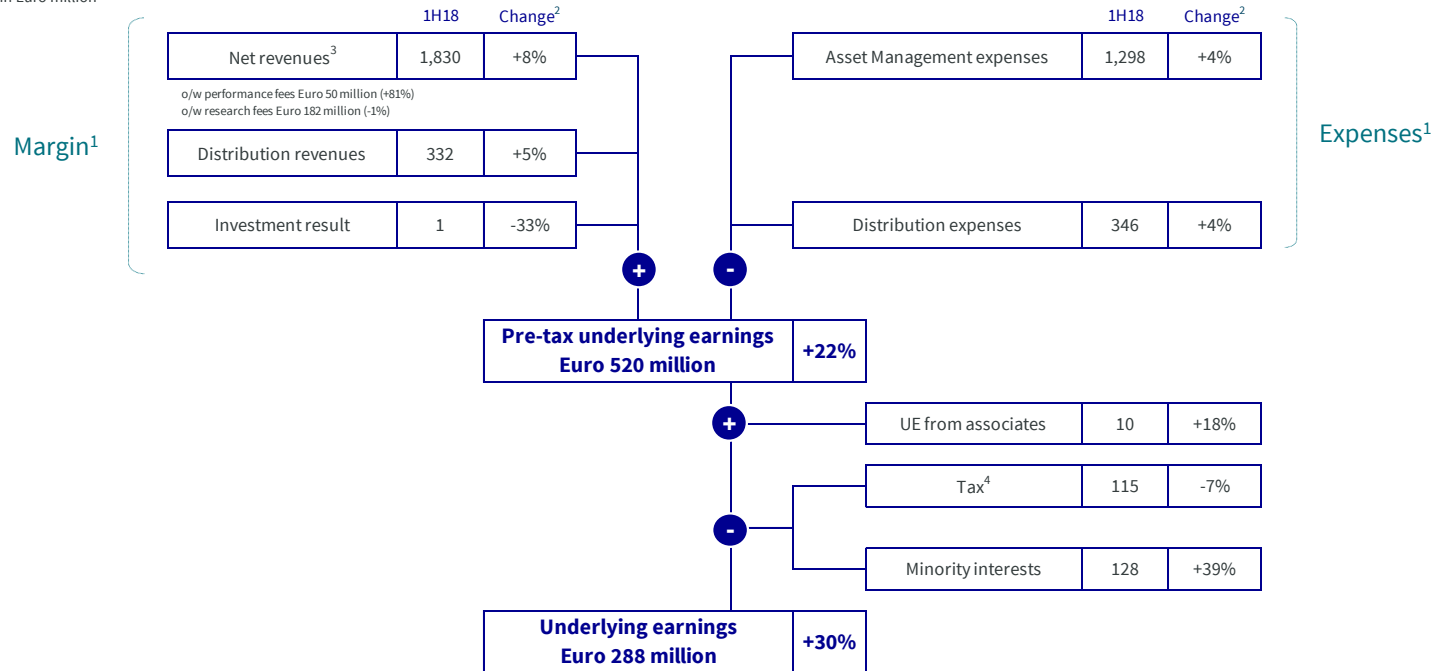


1. Includes VBI amortization

2. Effective tax rate decreased to 26% in 1H18 vs. 29% at 1H17

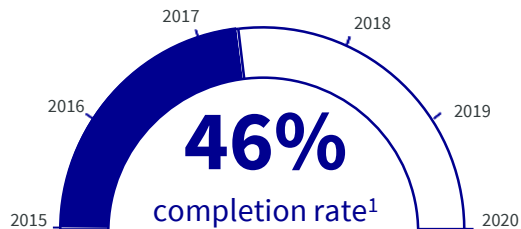
# Profitability analysis | Asset management underlying earnings margin analysis

In Euro million



1. Margin and expenses are calculated gross of intercompany eliminations.
2. Changes are on a comparable basis for activity indicators (constant Forex, scope and methodology), and at constant Forex for earnings.
3. Or Euro 1,728 million net of intercompany eliminations.
4. Tax rate decreased to 22% in 1H18 vs. 28% at 1H17.

# Cost savings | Halfway through our cost savings target



**Euro 1.0 billion**  
FY16-1H18 Cost savings

Euro 0.3 billion<sup>1</sup> from leaner central functions will be phased in over FY18 and FY19

## Ambition 2020

**+3%**  
contribution to  
2015 – 2020E UEPS CAGR  
from cost savings

1. Subject to social partners approval



# B4

Balance Sheet

# Balance sheet

1.	General Account invested assets	<a href="#">B.39</a>
	I. Government and corporate bonds by rating	<a href="#">B.40</a>
	II. Government Bonds and related	<a href="#">B.41</a>
	III. Corporate Bonds	<a href="#">B.42</a>
	IV. Asset Backed Securities	<a href="#">B.43</a>
	V. Listed Equity	<a href="#">B.44</a>
	VI. Real Estate	<a href="#">B.45</a>
	VII. Hedge Funds	<a href="#">B.46</a>
	VIII. Private Equity	<a href="#">B.47</a>
	IX. Mortgage Loans	<a href="#">B.48</a>
2.	Focus on net unrealized capital gains	<a href="#">B.49</a>
3.	Asset Liability management	<a href="#">B.50</a>
4.	Net financial debt and adjusted ROE	<a href="#">B.52</a>
5.	Solvency II	<a href="#">B.54</a>

# General Account Invested Assets

Invested assets (100%) In Euro billion	FY17	%	1H18	%
Fixed income	474	82%	476	80%
<i>o/w Govies and related</i>	232	40%	230	38%
<i>o/w Corporate bonds</i>	196	34%	201	34%
<i>o/w Asset backed securities</i>	12	2%	12	2%
<i>o/w Mortgage loans &amp; other<sup>1</sup></i>	33	6%	34	6%
Cash	22	4%	41	7%
Listed equities	22	4%	20	3%
Real Estate	33	6%	34	6%
Alternative investments <sup>2</sup>	20	3%	21	4%
Policy loans	5	1%	5	1%
<b>Total Insurance Invested Assets<sup>3</sup></b>	<b>575</b>	<b>100%</b>	<b>597</b>	<b>100%</b>

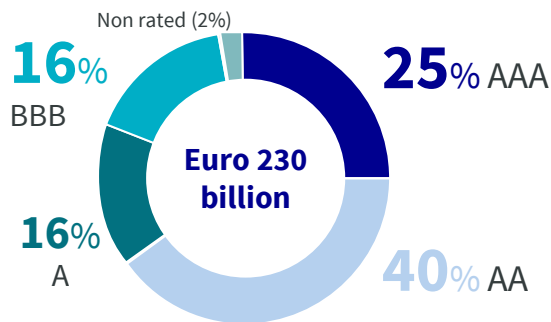
1. Mortgage loans & other include residential loans (Euro 12 billion), commercial & agricultural loans (Euro 21 billion) and Agency Pools (Euro 0.3 billion)
2. Mainly Private Equity and Hedge Funds
3. 1H18 invested assets referenced in page 30 of the financial supplement are Euro 766 billion, which include notably Euro 177 billion of Unit-linked assets.

## Changes in asset mix

- ➔ **Forex:** positive impact from the depreciation of Euro against major currencies
- ➔ **Yields:** negative impact linked to the increase in interest rates on fixed income assets
- ➔ **Cash:** mostly from temporary inflows linked to the acquisition of XL Group

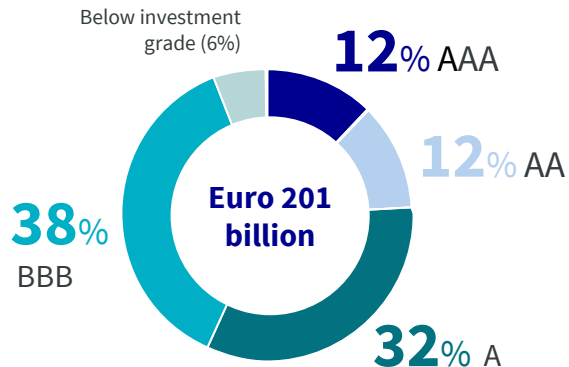
# Government and corporate bonds by rating

## Government and related bonds



Average rating maintained in the **AA** range

## Corporate bonds<sup>1</sup>



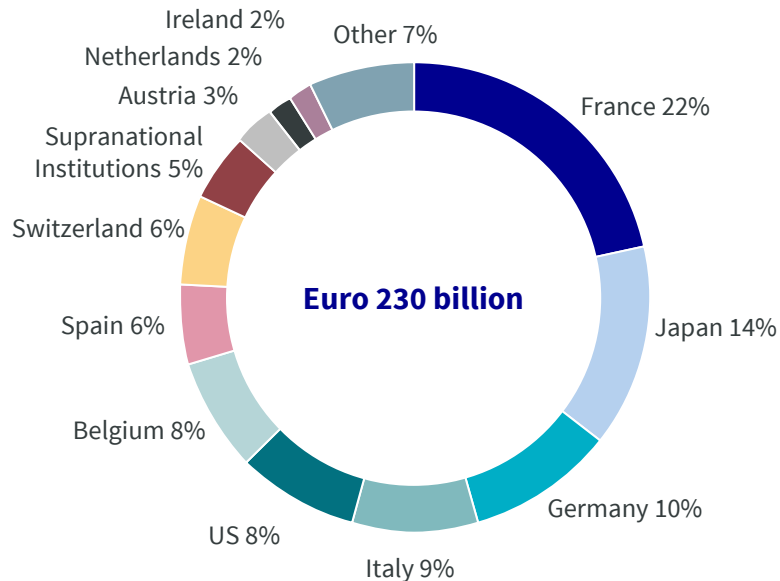
Average rating maintained in the **A** range

1. Corporate bonds not rated by external rating agencies are reallocated under AXA's internal ratings: AAA: Euro 0.2 billion, AA: Euro 3.3 billion, A: Euro 3.6 billion, BBB: Euro 4.6 billion, Below investment grade: Euro 3.8 billion



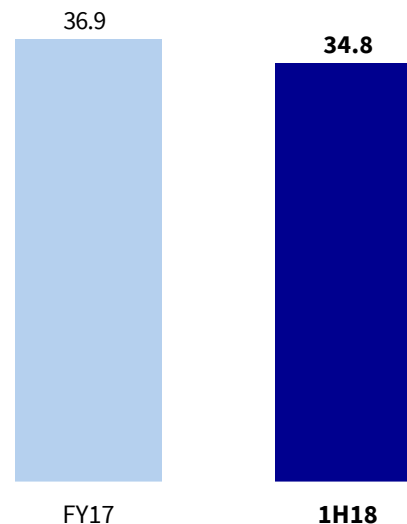
# Government bonds and related

## Breakdown by geography



As of June 30, 2018

## Gross<sup>1</sup> unrealized capital gains and losses In Euro billion

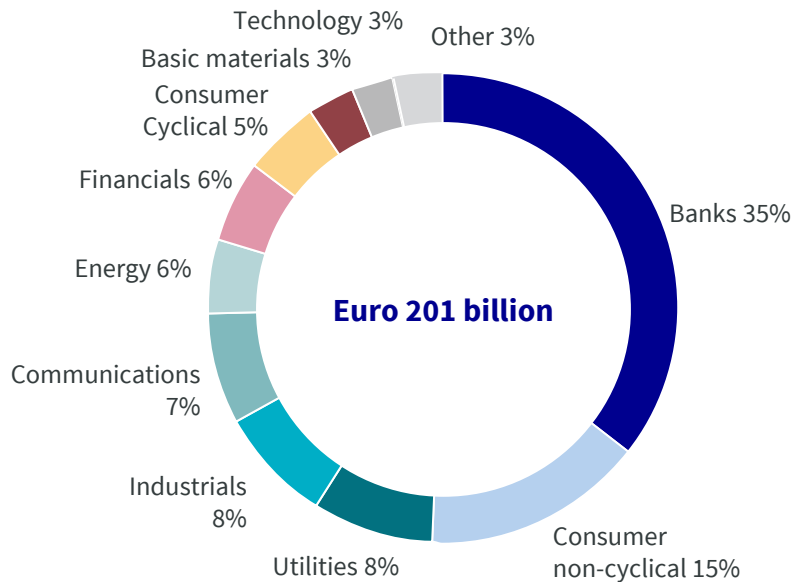


1. Gross of tax and policyholders' participation



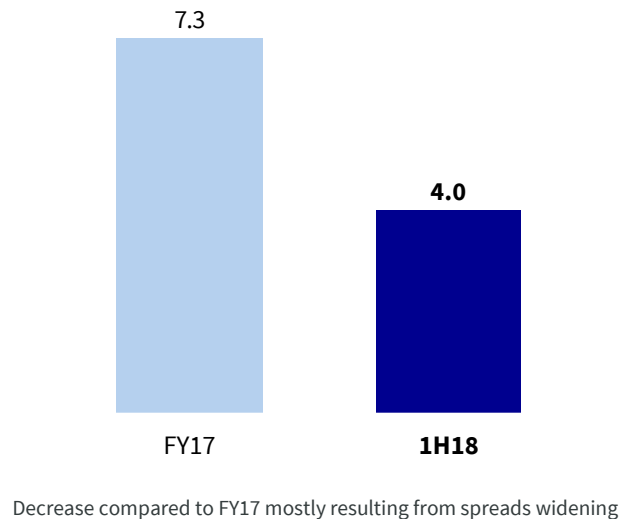
# Corporate bonds

## Breakdown by industry



As of June 30, 2018

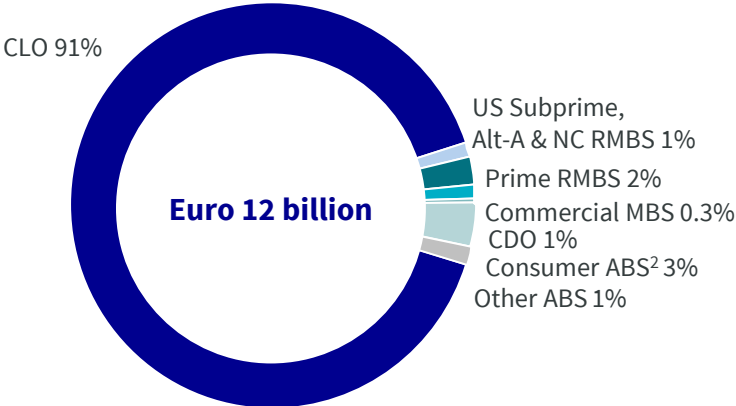
## Gross<sup>1</sup> unrealized capital gains and losses In Euro billion



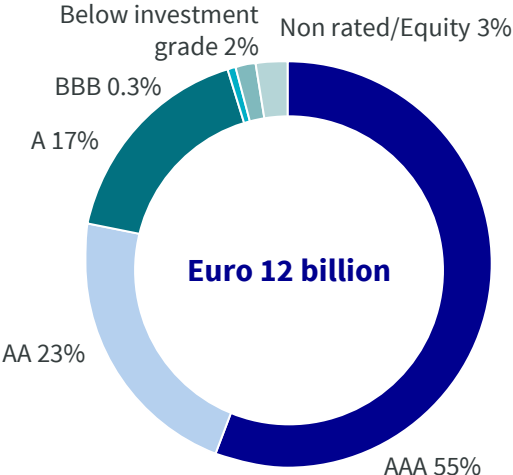
1. Gross of tax and policyholders' participation

# Asset backed securities

## Breakdown by asset type<sup>1</sup>



## Breakdown by rating



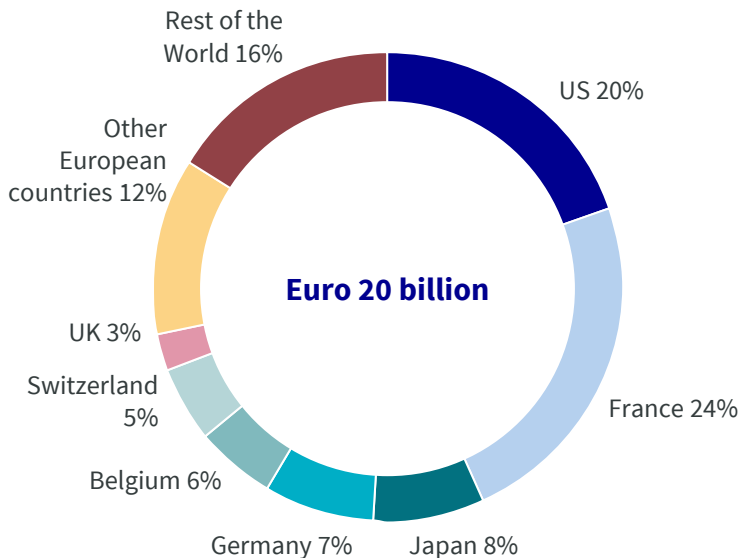
1. Including debt and equity tranches of ABS  
2. Mainly consumer loan ABS (plus some leases and operating ABS assets)

As of June 30, 2018



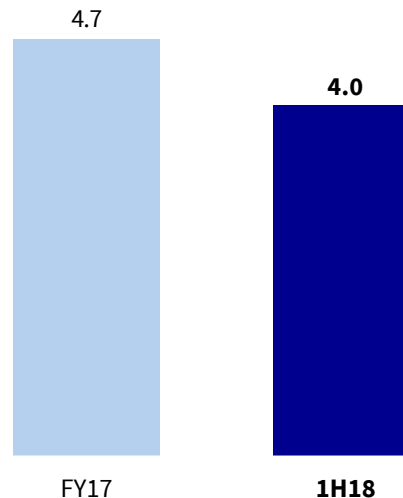
# Listed equity portfolio overview

## Breakdown by geography



As of June 30, 2018

## Gross<sup>1</sup> unrealized capital gains and losses In Euro billion

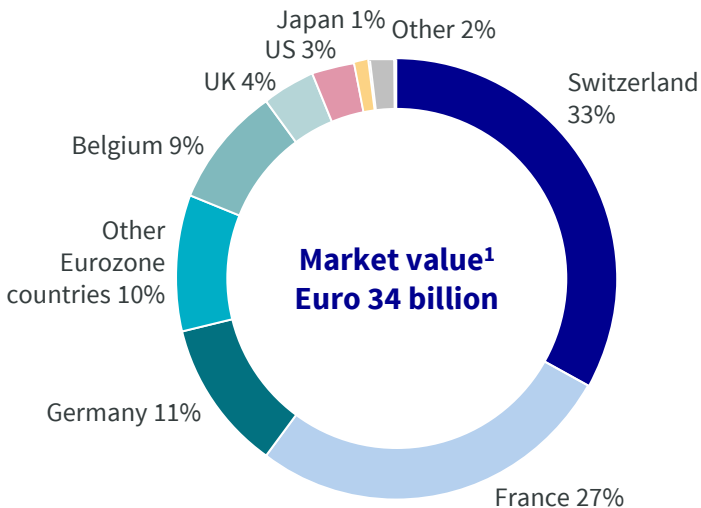


1. Gross of tax and policyholders' participation

# Real estate investments

Defensive portfolio with good performance over the long term

Breakdown by geography



Breakdown by type and geography

	Switzerland	France	Belgium	Germany	Other	Total
Office	11%	10%	6%	4%	9%	<b>40%</b>
Residential	18%	2%	0%	0%	3%	<b>23%</b>
Retail	2%	10%	2%	2%	3%	<b>18%</b>
Others	2%	5%	1%	5%	5%	<b>18%</b>
<b>Total</b>	<b>33%</b>	<b>27%</b>	<b>9%</b>	<b>11%</b>	<b>19%</b>	<b>100%</b>

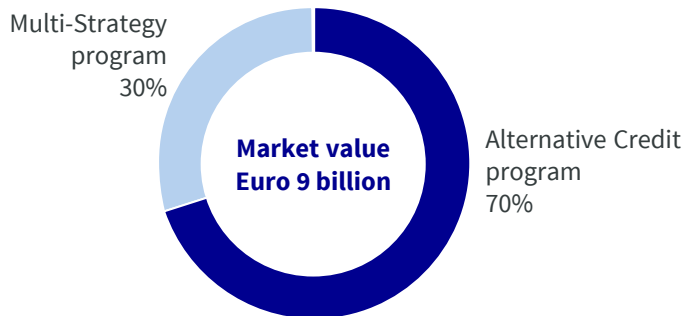
Portfolio Yield from Rental Income ~ 3.8%

1. Representing Euro 4.5 billion of unrealized gains off balance sheet, net of tax and PB. The assets in scope exclude those held directly by the French Mutual funds and the non-Main Fund unit linked holdings, as well as CRE loans.

As of June 30, 2018

# Hedge fund investments

## AXA portfolio return drivers



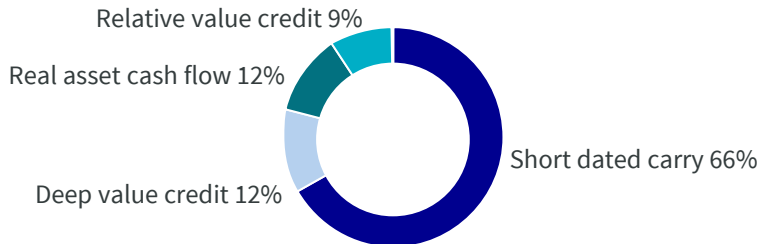
- **Alternative Credit** program: steady carry engine from direct lending sub-strategy while deep value and relative value strategies were slightly muted over 1H18.
- **Multi-Strategy** program: focus on low volatility and uncorrelated returns. Annual performance exceeded benchmarks for hedge fund industry.

As of June 30, 2018

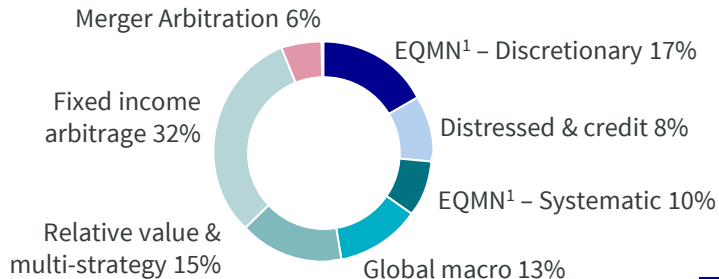
Source: AXA IM

## Well diversified portfolio

### Alternative Credit : 10 managers



### Multi-Strategy : 19 managers

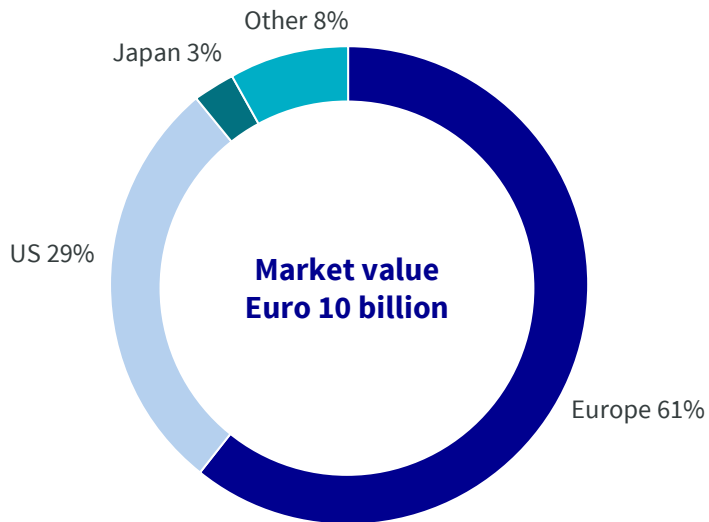


1. Equity Market Neutral: investment strategy on equities focusing on alpha generation with limited beta exposure to equity markets.

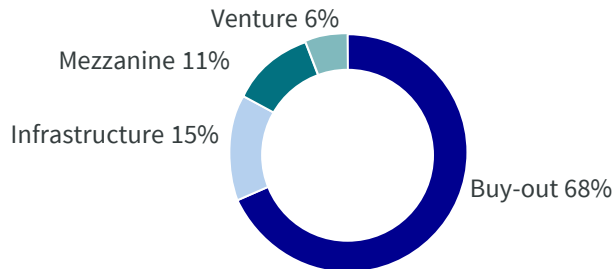


# Private equity investments

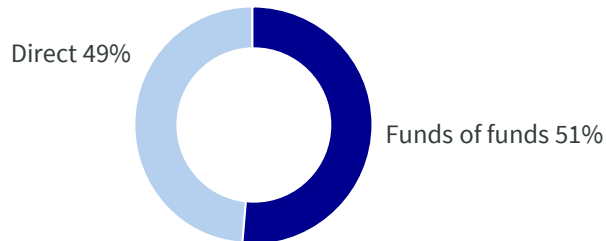
Diversified portfolio built over the long run



## Breakdown by expertise



## Diversified portfolio



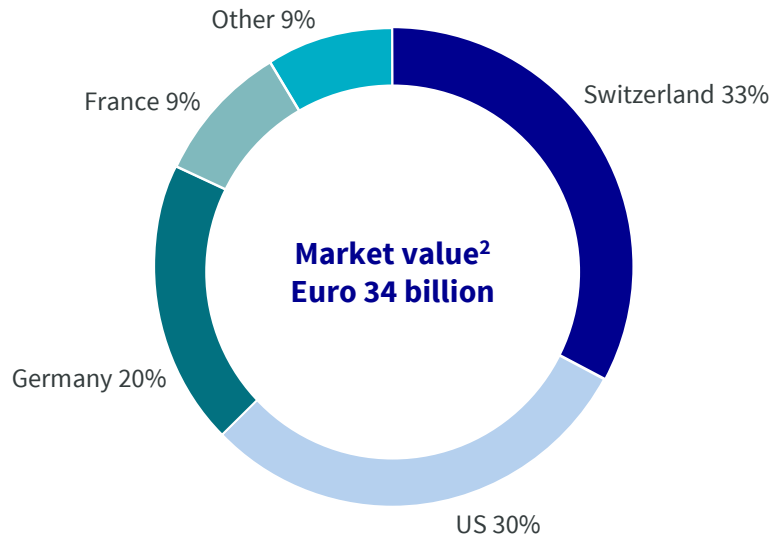
As of June 30, 2018



# Mortgage loans & other

## Low risk mortgage loan portfolio

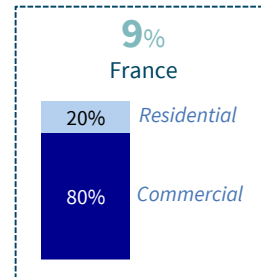
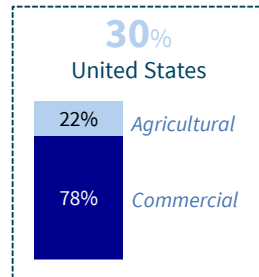
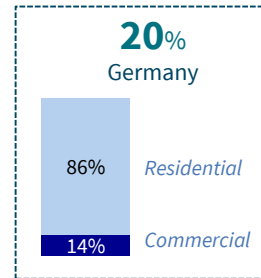
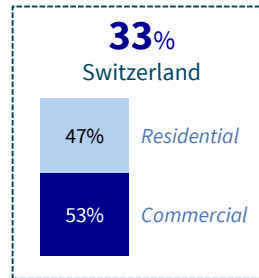
1H18 market value by entity<sup>1</sup>



1. Excluding banking operations

2. Including Euro 0.3 billion of Agency pools (Mortgage-backed securities issued by US Government Sponsored Enterprises)

As of June 30, 2018



**Very secured portfolio:**

**1H18 default rate 0.27%**

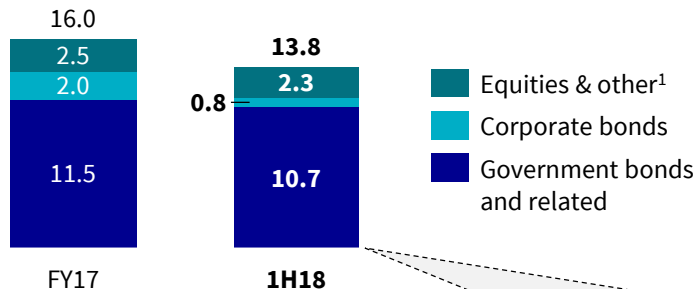
**1H18 loan to value 60%**



# Focus on net unrealized capital gains

## Balance sheet net unrealized capital gains

In Euro billion

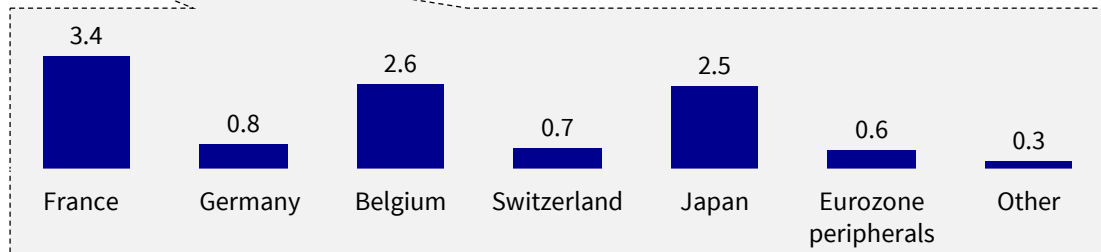


## Off balance sheet net unrealized capital gains

In Euro billion



Net unrealized capital gains on government bonds and related by issuer



1. Including ABS, alternative investments, other assets, minorities and equity methods

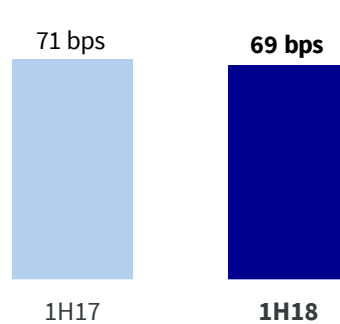
# Asset & Liability management (1/2)

## Spread above guaranteed rates

1H18	Yield on assets	Average guaranteed rates	Spread above guarantee
<b>Inforce</b>	3.2%	1.8%	<b>+140 bps</b>
<b>New business</b>	2.4%	0.3%	<b>+210 bps</b>

- Significant buffer to cover guarantees and to manage crediting rates to preserve investment margin
- Average inforce reserves of Euro 368 billion
- New business sold in combination with higher margin Unit-Linked business (hybrid<sup>3</sup> sales)

## L&S investment margin<sup>1</sup>



Ambition 2020 guidance

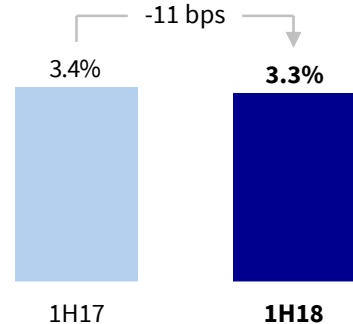
2016 – 2017

65 – 75 bps

2018E – 2020E

55 – 65 bps

## P&C yield<sup>2</sup>



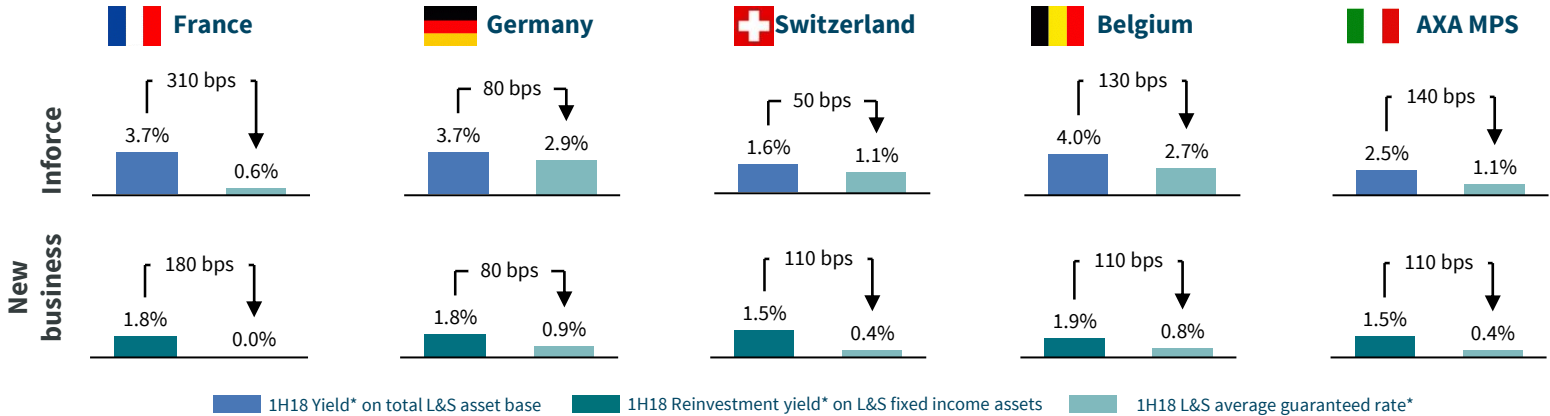
10 – 20 bps

Yield dilution per annum

1. Annualized. Group investment margin on total Life & Savings General Account business, including Health previously reported in the L&S segment.
2. Annualized. P&C gross asset yield including Health previously reported in the P&C segment.
3. Hybrid products are savings products allowing clients to invest in both Unit-Linked and General Account assets.

# Asset & Liability Management (2/2)

## Life & Savings General Account investment spreads above guarantees for main entities



- Average G/A reserves: Euro 110 billion
- G/A Savings new business sales with long term guarantees stopped in 1998

- Average Life reserves: Euro 43 billion
- Asset portfolio with long investment horizon and with limited reinvestments in Bunds

- Average G/A reserves: Euro 54 billion
- Transformation of in-force Group Life business to a semi-autonomous model

- Average G/A reserves: Euro 24 billion
- Strategic decision to exit the Individual Savings business

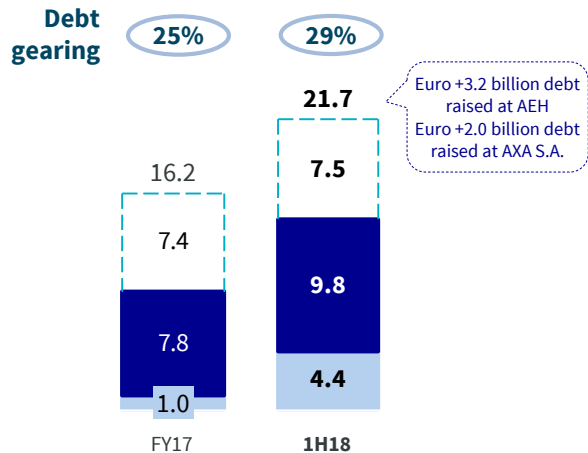
- Average G/A reserves: Euro 12 billion
- Emphasizing hybrid products and Protection businesses



# Net financial debt – Long-term maturities

## Net financial debt

In Euro billion



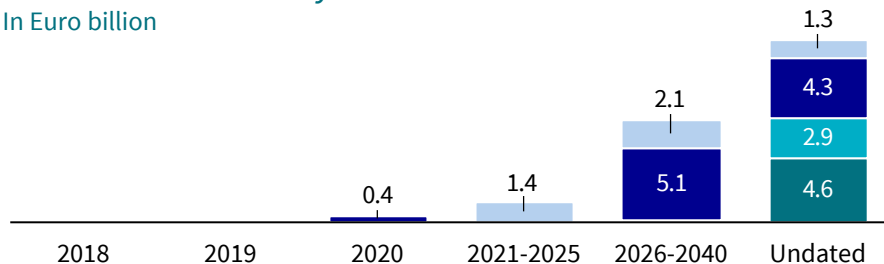
Undated subordinated debt      Senior debt

Subordinated debt<sup>1</sup>

1. Including Euro 0.6 billion of reversal of marked-to-market on interest rates derivatives in 1H18 versus Euro 0.7 billion in FY17

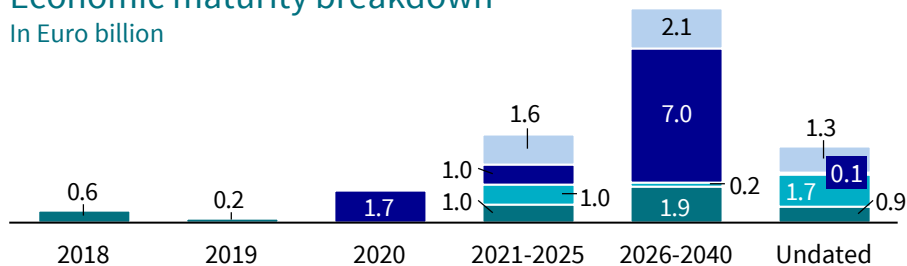
## Contractual maturity breakdown

In Euro billion



## Economic maturity breakdown

In Euro billion



Senior debt

TSDI = undated subordinated notes

Subordinated debt

TSS = undated deeply subordinated notes



# Adjusted ROE

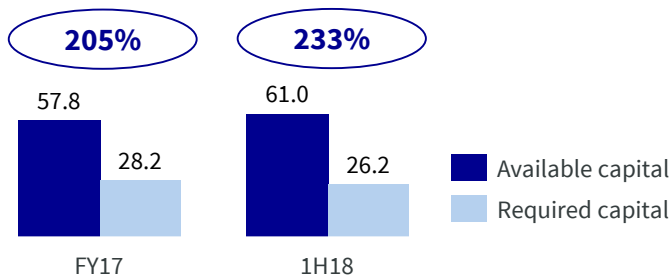
In Euro million (unless otherwise noted)	1H17	1H18
Adjusted earnings	3,478	3,628
<i>Interest charges on undated debt<sup>1</sup></i>	-117	-115
<i>Average adjusted shareholders' equity</i>	45,782	45,142
<b>Adjusted ROE<sup>2</sup> (%)</b>	<b>14.7%</b>	<b>15.6%</b>

1. Includes financial charges related to undated subordinated debt (recorded through shareholders' equity) and equity component of bonds Mandatorily Exchangeable into shares of AXA Equitable Holdings, Inc.
2. Annualized

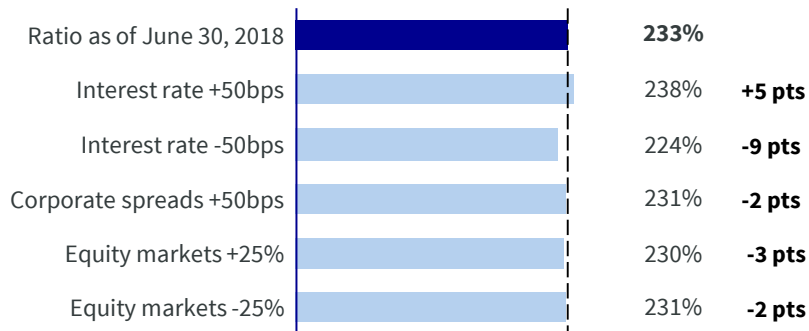
# Solvency II

## Solvency II ratio<sup>1</sup>

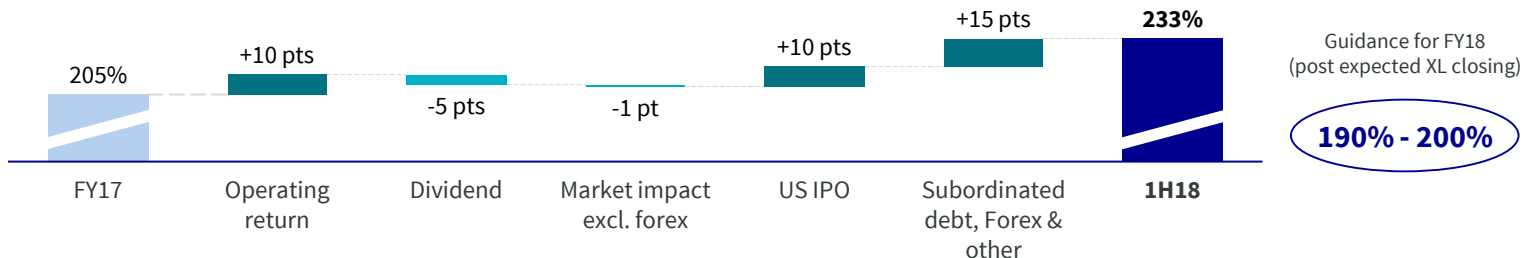
In Euro billion



## Key sensitivities



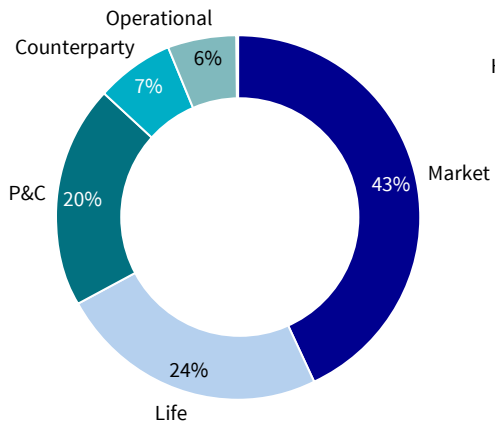
## Solvency II ratio roll-forward



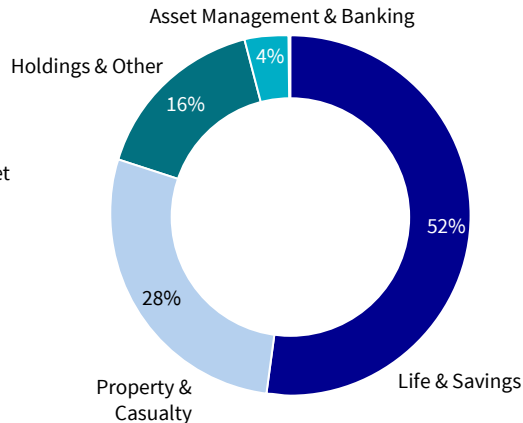
# Solvency II required capital

## Split by Risk, Geography & Business

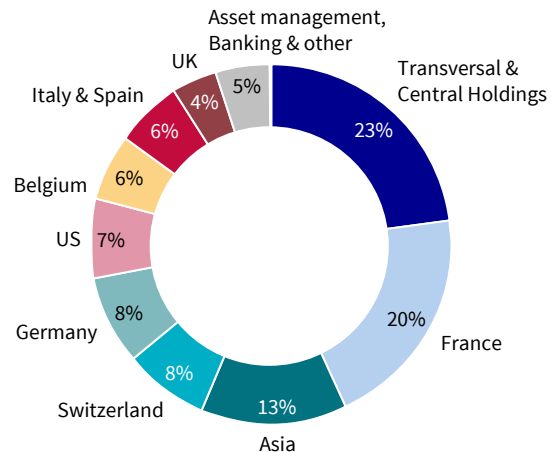
Required capital by risk  
1H18



Required capital by business  
FY17



Required capital by geography  
FY17





# B5

Corporate Responsibility



# Main SRI rating

6<sup>th</sup> overall/worldwide and 1<sup>st</sup> insurer by number of SRI funds in its capital (Ipreo, Q3 2017)



## 2016: Sector Leader

1<sup>st</sup> on 37 insurance companies  
Included in Euronext Vigeo indexes



“A+” in the 2017 UN PRI Reporting  
(Responsible Investment Strategy)



Score: A-  
Level Score: « **Leadership** »



Score: **AAA**



**2017: 2<sup>d</sup> best in the sector**  
Score: 85/100  
Included in  
DJSI Europe & DJSI World indexes

**Accounts for 10% of  
AXA employee's  
performance shares  
attribution**



FTSE4Good

Included in the  
**FTSE4GOOD**  
index since 2008

# ESG integration into investments

## AXA's "ESG + Carbon" RI Strategy

CO<sub>2</sub>

### "ESG + CARBON" INTEGRATION

- Long-term ESG integration process: gradual and systematic integration of tangible ESG factors in AXA's investment mandates
- In 2015 we had pledged to reach Euro 3 billion in **green investments** by 2020. In 2017 we committed to reach a more ambitious target of **Euro 12 billion**.
- **Coal divestment:** from Euro 500 million in 2015 to **Euro 3 billion** announced in 2017. Coal mining and coal-based power generation.
- **Oil sands divestment: Euro 700 million.**
- #1 award for "Best Investor Climate-Related Disclosures" by the French government in 2016.
- First genuine climate risks analysis in the industry.
- Co-chair of G20 Taskforce on Climate-Related Financial Disclosures (**TCFD**)



### SECTOR GUIDELINES & EXCLUSIONS

- Current sector exclusions:
  - Coal-based energy production, coal mines, "new coal" developers.
  - Oil sands and associated pipelines
  - Tobacco
  - Controversial weapons
  - Palm oil production
  - Food commodity derivatives
- ESG Footprint Committee: ad-hoc exclusions and/or engagement for poorest ESG performers
- Exclusions are applied to both investment and insurance business

**Exclusions are applied to both investment and insurance business**



### IMPACT INVESTING

- Impact investment" funds
  - Impact Fund 1: inclusion, health, education (Euro 200 million)
  - Impact Fund 2: environmental & social resilience (Euro 150 million)
  - Euro 155 million renewable energy PE fund managed by Ardian
- Creating both financial returns and positive social or environmental impacts that are actively measured
- Impact KPIs examples (Fund 1): making available financial inclusion (micro loans and micro insurance) to 100 million beneficiaries; 23.6 million tones of CO2 emissions saved
- The funds support 10 out of the 17 UN Sustainable Development Goals



# Pro-forma reporting scope

# BC6

# Pro forma figures (former reporting scope) | Revenues and underlying earnings

Revenues	1H17	1H18
Life & Savings	26,671	25,873
(+) Health	4,447	4,716
(=) Life & Savings inc. Health (former scope)	31,118	30,589
Property & Casualty	18,908	18,770
(+) Health	2,076	2,054
(=) P&C incl. Health (former scope)	20,983	20,824
AB	1,333	1,321
AXA IM	607	631
Asset Management (former scope)	1,941	1,952
Banking (former scope)	240	235
<b>Total</b>	<b>54,283</b>	<b>53,600</b>

Underlying earnings	1H17	1H18
Life & Savings	1,758	1,653
(+) Health	226	220
(=) Life & Savings inc. Health (former scope)	1,984	1,873
Property & Casualty	1,317	1,331
(+) Health	30	64
(=) P&C incl. Health (former scope)	1,347	1,396
AB	107	148
AXA IM	129	139
Asset Management (former scope)	236	288
Banking (former scope)	52	52
AXA SA and other central holdings	-381	-282
Other holdings (former scope)	-67	-28
Holdings (former scope)	-448	-310
<b>Total</b>	<b>3,171</b>	<b>3,298</b>

## Pro forma figures (former reporting scope) | Other indicators

P&C profitability	1H17	1H18
P&C current year combined ratio	96.6%	97.1%
Impact of Health	+0.3 pt	+0.0 pt
<b>P&amp;C current year combined ratio incl. Health (former scope)</b>	<b>96.9%</b>	<b>97.1%</b>
P&C all-year combined ratio	95.7%	95.0%
Impact of Health	+0.3 pt	+0.2 pt
<b>P&amp;C all-year combined ratio incl. Health (former scope)</b>	<b>96.1%</b>	<b>95.1%</b>

Asset management	1H17	1H18
Net flows at AXA IM	-4	+13
Net flows at AB	+4	-8
<b>Net flows asset management (former scope)</b>	<b>0</b>	<b>+4</b>
Average AUM at AXA IM	627	641
Average AUM at AB	475	461
<b>Average AUM asset management (former scope)</b>	<b>1,102</b>	<b>1,102</b>