

The background of the entire page is a photograph taken from behind a person holding a smartphone up to capture a city scene at night. The city lights are blurred into vibrant, multi-colored streaks of red, orange, yellow, green, and blue, creating a sense of motion and energy. The person's hands and the back of their head are visible in the foreground, silhouetted against the bright background.

AXA Essentials

2019
Edition

Leading **Editorial** our way **by Thomas Buberl,** to the future **AXA CEO** of insurance

AXA has transformed its business in 2018 for its customers and its future. Thomas Buberl shares his vision in seven editorials underpinned by facts and figures.



THE INSURANCE SECTOR IS AT A HISTORIC TURNING POINT. Our customers – both individuals and companies – are no longer what they once were: they are interacting in new ways, exploring new services and facing new risks. This might seem a rather obvious statement and yet our society is still a long way from exploring the full depth of these changes. Their impact on our sector in particular will be major. I am convinced there is immense growth potential for insurance companies that are capable of transforming their offering to meet new protection needs. This has driven every action we have undertaken in 2018.

We have chosen to considerably reduce our exposure to financial risks and accelerate our development in core insurance business. This is a major decision we have implemented with determination. With this strategy, we set ourselves the medium and long term.

At the same time, we experienced strong growth in three key segments for our business: commercial lines property & casualty insurance, health insurance, and protection. Those activities offer enormous potential

for innovation and interaction with our customers, in line with our “Payer to Partner” strategy. That is where they need us more than ever and where we can bring more value. To accelerate growth in these three segments, we made some ambitious choices in 2018, starting with the acquisition of XL Group. This transaction enabled us to become one of the rare global companies capable of offering a complete range of insurance and reinsurance products to companies of every kind.

**“Having long been
a promise for the future,
insurance is now increasingly
an instant service as well.”**

Serving our customers better, one of our priorities, and meeting their new needs is leading us to develop a policy of innovation that is ongoing, proactive and above all directly useful to clients. This last point seems critical to me. That is why we are developing partnerships with companies like Uber and ING. We have also created a new entity, AXA Next, aimed at creating disruptive business models that will meet the future needs of a very large number of people. Creativity is a state of mind that should permeate the entire Group – every department, business line, and region. By combining disruption with day-to-day innovation, we can be a truly useful, distinctive partner for our customers.

I am convinced that responsible leadership is a fundamental way to create long-term value and I am particularly proud of AXA’s unswerving determination in this field. On coal and tobacco AXA has implemented strong, innovative decisions in terms of corporate responsibility, taking on a driving role in the banking and insurance sector. We now want to break new ground, to protect biodiversity or promote a better nutrition. Finally, diversity and inclusion are particularly important in my view and I want us to have a proactive policy on these issues.

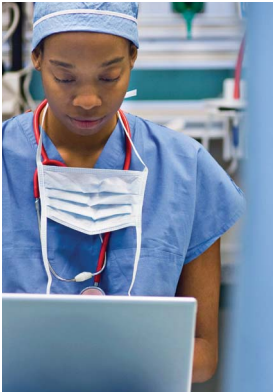


2018 was a remarkable year in AXA's history, decisive in our transformation journey. We also demonstrated strong performance, as our operating income rose once again and reached a new historical high. Of course, we will keep up the good work in 2019, by completing the integration of XL and continuing to deleverage, as well as by consistently pursuing innovation to serve our customers and society. I am convinced this is the key to creating sustainable value for all.

As our new global signature "Know You Can" expresses it, AXA aims to be a partner that encourages and helps each and everyone reach their goal. We want to be a partner for our customers for whom we strive to deliver truly useful products, services, and innovation. We also want to be a partner for our employees, who we must empower to continually develop their personal and professional skills. Finally, we want to be a partner for society at large, with a meaningful strategy of covering and anticipating risks to enable people to plan for their future.

2018

Major steps to building AXA's future



JAN. 22

Acquisition of Maestro Health, a U.S. based company offering a digital platform for health benefits management

MAR. 5

Announcement of the acquisition of XL Group, making AXA the #1 global commercial lines property & casualty insurance platform

MAR. 8

Presentation of an action plan to achieve gender parity by 2023, a commitment reaffirmed with the signature of the United Nations Women's Empowerment Principles

APR. 10

Transformation of AXA's Swiss group life insurance to focus on death and disability in a semi-autonomous model coverage



MAY 14

Initial public offering of AXA Equitable Holdings Inc., followed by a secondary common stock offering in November, generating total proceeds of \$5.8 billion in 2018

MAY 23

Reinforcement of AXA's partnership with Uber to enhance its insurance offering for drivers and delivery workers across Europe

JUNE 13

Digital partnership with ING to build a global insurance platform for property & casualty, health and protection



AUG. 1

Start of exclusive discussions for the potential sale of AXA Life Europe, the Group's European variable annuities carrier

AUG. 24

25th Shareplan, AXA Group's annual employee share offering

SEP. 26

Signature of the Tobacco-Free Finance Pledge before the United Nations General Assembly

AXA ESSENTIALS



OCT. 4

Partnership with Liverpool FC, the legendary English Premier League football club

NOV. 8

Global Learning Days, AXA's global training initiative

NOV. 26

Acquisition of the remaining 50% stake in AXA Tianping in China, where AXA is the leading foreign property & casualty insurer

DEC. 18

Creation of AXA Next, an entity dedicated to innovation, and AXA REV, the Group's department of data and technology

A global diversified leader

UNITED STATES

16%

- +6% new business volume
- +5% asset management revenues
- +4% underlying earnings



- +13% property & casualty revenues
- +16% reinsurance revenues
- +3% specialty insurance revenues

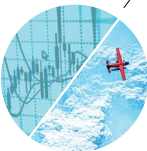
6%

AXA XL

INTERNATIONAL
AND TRANSVERSAL
ENTITIES

9%

- +11% health insurance revenues for International
- +28% underlying earnings for International
- +6% underlying earnings for AXA IM





% of Group revenues

2018 results

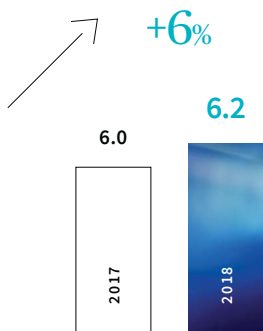
GROUP GROSS REVENUES

+4%



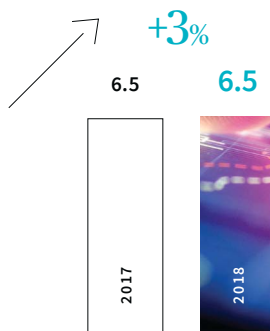
UNDERLYING EARNINGS

In €bn,
change at constant forex



ADJUSTED EARNINGS

In €bn,
change at constant forex



SHAREHOLDERS' EQUITY

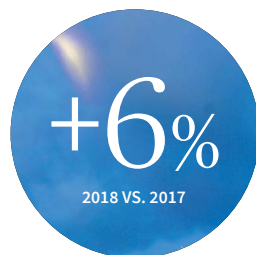
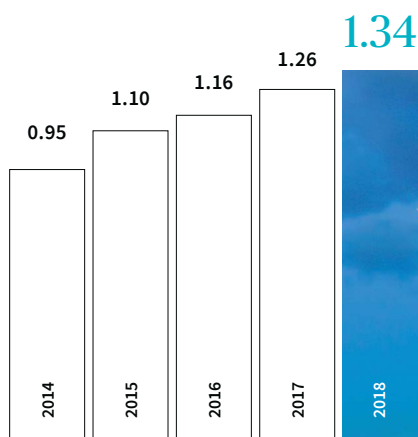
€62bn

DEBT GEARING

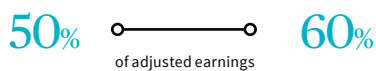
32%

AXA ESSENTIALS

DIVIDEND IN €/SHARE



DIVIDEND PAYOUT RATIO



Dividend payout ratio range,
increased in November 2018



Commercial lines property & casualty insurance

Helping companies go further

AXA ENSURES COMPANIES AGAINST
SEVERAL MAJOR RISKS



1 — PROPERTY INSURANCE.

AXA covers material losses (a warehouse destroyed by fire, computer equipment stolen, etc.) and their impact on the company's business.

2 — PROFESSIONAL LIABILITY.

AXA covers damage caused by the company to a third party, including physical damage or intangible damage (a product recall, damage to a partner's reputation or operating losses).

3 — SPECIALTY RISKS.

AXA protects companies with sector-specific exposure and needs (e.g. construction companies, banks...).

By covering companies against any damage they may suffer or cause, property & casualty insurance offers them the peace of mind to develop their businesses and invest in the future. AXA protects companies of all sizes with tailored solutions. AXA's capabilities have been boosted by the acquisition of XL Group, with its expert teams and diverse product

lines. The new division, AXA XL, is positioned as a partner able to solve complex problems and offer customers a close, long-term relationship. By rethinking its value proposition and boosting its expertise, the Group can maximize the growth potential offered by commercial property & casualty insurance, and be a real partner for its customers.

Protection

Preserving the future

AXA'S PROTECTION INSURANCE COVERS
SEVERAL TYPES OF RISKS



Protection policies shield people from life risks and guarantee a safe future for their families. This kind of policy can be taken out by an individual, a professional or a company on behalf of its employees, and covers death, short-term and long-term disability, and long-term care. Major trends, including economic growth,

longer life expectancies, emerging middle classes and new forms of work, are driving demand for protection insurance. The Group is ready to seize these opportunities in mature countries and emerging countries, especially in the fast-growing Asian market.

Health insurance

Improving access to quality healthcare

AXA MEETS FOUR FUNDAMENTAL HEALTHCARE NEEDS

1 — PAYING FOR TREATMENT
without compromising the
household budget through
effective coverage.

**3 — PREVENTING HEALTH
PROBLEMS** through awareness
and early detection.



**2 — ACCESSING A QUALITY, SMOOTH
AND WELL COORDINATED
HEALTHCARE JOURNEY**
and a support
for long-term illnesses.

4 — IMPROVING QUALITY OF LIFE
and well-being through
personalized information
and coaching.

Health insurance offers customers partial or total financial support to pay for medical expenses. In addition to playing this “payer” role, AXA can assist patients throughout their whole healthcare journey: Appointment platforms, home medicine deliveries and medical teleconsultations.

Health insurance offers significant growth potential, due to both medical advances and rising medical expenses. What makes AXA’s healthcare offering so strong is the natural alignment of the Group’s interests with its customers’. This convergence makes AXA a true partner for patients.

Playing a positive role

A RESPONSIBLE STRATEGY

Through its expertise and its economic and social role, the insurance sector can make an important contribution

to meeting the major challenges of our times. AXA was one of the first companies to commit to a responsible investment and underwriting strategy.

The Group actively focuses its investments on projects that can make a positive impact: green investments and bonds, infrastructure projects and impact funds. AXA is also reducing its exposure to sectors and companies that make a negative impact. After pioneering efforts to divest from the coal and tobacco industries, the Group is now going further with its first TCFD report, which analyses the climate risks attached to its portfolio. In its insurance business, AXA is also committed to excluding negative-impact sectors (controversial arms, tobacco, coal and oil sands) from its underwriting policy. This demanding policy has already been adopted by AXA XL.



INNOVATION

As a day-to-day partner for its customers, AXA aims to offer helpful new services.

This ambition is reflected

in an innovation strategy focused on their needs, enhancing the company's insurance value proposition and simplifying the user experience. Created in 2018, AXA Next is responsible for designing and developing new business models to bring new value to the largest possible number of customers in four ways: investing in startups through AXA Venture Partners, creating and developing disruptive models at Kamet, forging partnerships with recognized companies to co-build innovative solutions, and acquiring companies to integrate new technologies.

At the same time, the Group is promoting everyday innovation to transform and improve the customer experience at every touchpoint.

Measuring our impact

HR data*

EMPLOYEES (OPEN-ENDED
AND FIXED-TERM CONTRACTS)

125,934

19,533 new hires
in 2018

PAYROLL

€9.3bn

Environmental data*

POWER
CONSUMPTION

2,772

kWh/FTE

-12%

CO₂
EMISSIONS

1.50

t CO₂/FTE

-14%

Financial strength

OPERATING
FREE CASH FLOWS

€6.6bn

SHAREHOLDERS'
EQUITY

€62.4bn

Extra-financial impact

DOW JONES SUSTAINABILITY
INDEX

Top 5%

in the insurance sector for
the third year in a row

MSCI
(ESG rating)

AAA

* Our HR and environmental data are audited by our statutory auditors (see registration document, section 7).

AXA ESSENTIALS

Our reporting as well as the ratings issued by financial and extra-financial agencies allow us to measure the tangible and perceived impact of our activity.

MEN/WOMEN

47/53%

SALARIED WORKFORCE AVERAGE LENGTH OF SERVICE

10.4 years

The salaried workforce average age is 40,8 years

EMPLOYEE TRAINING

97.8%

of employees have attended at least one training course

INTERNAL MOBILITY RATE

8.9%

RENEWABLE ELECTRICITY

55%

of AXA's building using
100% renewable electricity

TRANSPORTATION BUSINESS TRAVEL

336,684

thousand
kilometers

PAPER CONSUMPTION

13

kg/FTE
-17%

WATER CONSUMPTION

8

m³/FTE

DEBT GEARING

32%

SOLVENCY II RATIO

193%

FINANCIAL RATINGS OF OUR PRINCIPAL INSURANCE SUBSIDIARIES

AA-
Standard & Poor's

Aa3
Moody's

AA-
Fitch

UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT (UNPRI) (score)

A+

VIGEO EIRIS

Leader
in its sector


CDP (score)

A-

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2008



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