Activity Report /

December 31, 2017

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

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in 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, 2016, 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 part of applicable regulatory or legal obligations.

In addition, this report 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 is useful and relevant regarding AXA's results. These alternative performance 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 in the pages 22 & 23 of this report. Adjusted Return on Equity is reconciled to the financial statements in the table set forth on page 29 of this report. Other non-GAAP financial measures used on this report are defined in the Glossary on pp. 70-77.

GOVERNANCE AND REPORTING CHANGES

On November 13, 2017, AXA announced a simplification of its operating model designed to empower its subsidiaries to accelerate their transformation and operate as closely as possible to their customers.

To reflect this new operating model, the AXA Group reorganized its governance based on five main geographies (France, Europe, Asia, the US and International), and a single, refocused Corporate Center (reduced from the previous three-layer model - head office, global business lines, regions). Key transversal entities are managed alongside those five geographies and correspond mainly to AXA Investment Managers, the AXA's core fully-owned asset management unit, and AXA Corporate Solutions Assurance, the AXA's entity dedicated to Property and Casualty business for large corporates. As part of this simplification, direct and traditional entities in Europe are reported together within their respective countries to accelerate the synergies between these activities.

In order to fully reflect the above-mentioned changes in the governance of the Group, the financial reporting has been aligned and retroactively restated for the year-ended December 31, 2016 in this report under the six following segments:

- France (insurance and banking activities, and holdings);
- Europe, consisting in:
    - Switzerland (insurance activities),
    - Germany (insurance activities excluding AXA Art, banking activities and holdings),
    - Belgium (insurance activities and holding),
    - United Kingdom & Ireland (insurance activities and holdings),
    - Spain (insurance activities),
    - Italy (insurance activities and holding);
- Asia, consisting in:
    - Japan (insurance activities),
    - Hong Kong (insurance activities),
    - Asia - Direct, consisting in:
        - AXA Global Direct Japan,
        - AXA Global Direct South Korea,
    - Asia High Potentials, consisting in:
        - Thailand (insurance activities),
        - Indonesia (insurance activities),
        - China (insurance activities),
        - The Philippines (insurance activities),
    - Asia Holding;
- United States (insurance activities, AB and holdings);
- International, consisting in:

  - 14 countries [1] within Europe, Middle East, Africa & Latin America, mainly including Turkey, Mexico, Morocco, Czech Republic & Slovak Republic and Luxembourg (insurance activities and holdings),
  - Singapore (insurance activities),
  - Malaysia (insurance activities),
  - India (insurance activities),
  - AXA Bank Belgium;
- Transversal & Central Holdings, consisting in:
  - AXA Investment Managers,
  - AXA Corporate Solutions Assurance,
  - AXA Assistance,
  - AXA Art,
  - AXA Liabilities Managers,
  - AXA Global Re,
  - AXA Life Europe,
  - AXA SA and other Central Holdings.

[1] *For the full list of countries, see the Glossary on the pages 70 & 71.*

Market Environment

FINANCIAL MARKET CONDITIONS IN 2017

In 2017, financial markets reacted to a number of important political events: elections in France, Germany, the United Kingdom, a referendum in Catalonia, protracted Brexit negotiations, as well as the passing of the US tax reform bill at the end of the year. Eurozone economic activity served up some positive surprises throughout the year, while the US continued its path of monetary policy normalisation in a trend that spread to other central banks, with the European Central Bank (ECB), the Bank of Japan (BoJ) and the Bank of England (BoE), all expected to normalize their accommodative policies over time.

In the United States, economic growth for 2017 continued to improve at 2.2% versus 1.6% in 2016. The labour market strengthened further with unemployment dropping to 4.1% at the end of the year, and inflation increased (around 2.1% in 2017 versus 1.3% in 2016). This pushed the Federal Reserve (Fed) to increase rates three times during the year, taking them to a range of 1.25%-1.50% at the end of 2017. After periods of uncertainties about policy reforms, the Trump administration delivered its tax reform program in December 2017 which should support economic activity in the years to come.

In Europe, the main election results did not see the rise in populism that some might have feared: the election of Emmanuel Macron in France and the elections in Germany were taken as a relief by investors. In the United Kingdom, Prime Minister Theresa May called for early elections in June, which resulted in a weaker coalition with the Northern Ireland Democratic Unionist Party (DUP). The Eurozone had a particularly strong year and macroeconomic indicators surprised positively throughout 2017. Growth is expected to come in at around 2.2% in 2017 after 1.7% in 2016. The driving force was household consumption and investment, supported by a boost in confidence and low interest rates. The Euro area also benefited from the world trade recovery. The labour market continued to improve gradually, with the unemployment rate falling from 9.7% at the end of 2016 to 8.8% at the end of 2017, the lowest since January 2009. Inflation stood at around 1.5% on average in 2017 versus 0.2% in 2016. The European Central Bank began normalizing its monetary policy by announcing a reduction of its asset purchase program in October from €60 billion to €30 billion per month, beginning January 2018. In the United Kingdom, GDP slowed in 2017, recording growth of 1.5% after 2.0% in 2016, while inflation peaked at 2.7% on average in 2017. The depreciation of the Sterling accounted for 0.7%. In this context, the Bank of England raised its key interest rate by 25 basis points in November.

Growth in Japan surprised on the upside (around 1.7% in 2017 after 0.7% in 2016), mainly supported by private investment, as household consumption struggled to rebound. Inflation remained low but should be positive in 2017 at around 0.4% on average (versus -0.1% in 2016). The yield curve control measures, introduced in September 2016 by the Bank of Japan, seemed to be bearing fruit with evidence of decoupling with other bond markets.

Chinese growth remained stable in 2017 (6.8% after 6.7% in 2016) as Beijing continues to implement macro-prudential reforms. Brazil and Russia were back to positive growth and are expected to grow at around 1.0% and 1.9% respectively in 2017.

Stock Markets

Equity markets in the United States, Japan and Europe posted gains in 2017. The MSCI World Index increased by 16.3%.

The Dow Jones Industrial Average index increased by 25.1% and the S&P 500 index increased by 19.4% in 2017. The Nikkei index in Tokyo increased by 19.1% and the FTSE 100 index in London increased by 7.6% in 2017. The EUROSTOXX 50 index in the Eurozone increased by 6.5%.

The MSCI G7 index increased by 16.9% and the MSCI Emerging index increased by 27.8%.

The S&P 500 implied volatility index (VIX) decreased from 14.0% on December 31, 2016, to 11.0% on December 31, 2017.

The S&P 500 realized volatility index decreased from 10.2% on December 31, 2016, to 5.6% on December 31, 2017.

Bond Markets

In most mature economies, except the US, government bond yields increased since December 31, 2016. The 10-year German Bund yield increased by 22 bps to 0.43%, the French 10-year government bond yield increased by 10 bps to 0.78%, the 10-year Belgium government bond yield increased by 10 bps to 0.64% and the 10-year Swiss government bond yield increased by 4 bps to -0.15%, while the 10-year US T-bond yield decreased by 5 bps to 2.40%.

The 10-year government bond yields increased also in most of the Eurozone peripheral countries: +18 bps to 2.00% in Italy and +18 bps to 1.57% in Spain while it decreased by 301 bps to 4.12% in Greece, by 183 bps to 1.93% in Portugal and by 9 bps to 0.68% in Ireland.

In Europe, the iTRAXX Main spreads decreased by 27 bps to 45 bps compared to December 31, 2016, and the iTRAXX Crossover decreased by 56 bps to 232 bps. In the United States, the CDX Main spread Index decreased by 18 bps to 49 bps.

The Euro interest rates implied volatility index (based on 10x10 Euro swaptions) decreased from 76.3% as of December 31, 2016, to 43.4% as of December 31, 2017.

Exchange Rates

	End of Period Exchange rate		Average Exchange rate	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(for €1)	(for €1)	(for €1)	(for €1)
US Dollar	1.20	1.05	1.13	1.11
Japanese Yen	135	123	127	121
British Sterling Pound	0.89	0.85	0.88	0.82
Swiss Franc	1.17	1.07	1.11	1.09

MARKET CONDITIONS

Insurance activities

CURRENT ENGINES

The **French insurance market** saw steady growth overall, with good momentum on the Individual Protection & Health businesses, and ongoing pressure on price and customer service in retail Property & Casualty. The overall market is benefiting from a positive economic outlook.

In **Europe**, the Property & Casualty market experienced growth. In Belgium, growth was in line with inflation while the market remained competitive. In Spain, growth was boosted by the economic recovery. The Swiss market remained saturated and very competitive with continuing pressure on prices. In Italy, the market was impacted by the continued decrease in average premiums in Motor. In Life & Savings persistently low interest rates continued to weigh, notably in Belgium, Italy and Switzerland. In Spain, the market decreased further as growth in Unit-Linked business was more than offset by the further decrease in clients appetite for G/A products. In Germany, the Health business remained challenged by a decrease in the number of privately insured clients.

In **Japan**, the Life & Savings insurance market declined sharply, negatively impacted by the strong decrease in the Protection and Annuity markets following tariff increases, which was partly offset by the development of tax-efficient savings products for SME in Health.

In **Hong Kong**, the Life & Savings new business sales declined significantly following a strong performance in 2016 and were notably impacted by restrictions put in place for Mainland Chinese visitors. The market is facing increased competition, notably from both Chinese and local players. In Property & Casualty, premiums grew modestly and profitability was impacted by natural catastrophes.

Life insurance sales in the United States were up with growth in both Whole Life and Unit-Linked products. US Variable Annuity sales decreased in the second half of 2017, following the implementation of the first phase of the US Department of Labor rule.

HIGH POTENTIALS

In **Latin America**, the Property & Casualty business experienced a positive trend, with strong growth in Mexico mainly from Non-Motor. The Brazilian market experienced limited growth in the context of the economic recession on-going since 2015.

In **China**, the Life & Savings market still witnessed strong growth but was subject to increased regulatory scrutiny on short-term savings products, as local authorities continued to push Protection at the expense of short-term savings products. In Property & Casualty, the market recorded solid double-digit growth although competition intensified due to the ongoing tariff deregulation. In **Thailand**, the Life & Savings market experienced negative growth due to the low interest rate environment and weak performance in bancassurance. Competition remained active with a few strategic partnerships announced. In **Indonesia**, the Life & Savings market experienced a double-digit growth, supported by the development of single premium products while the Property & Casualty market was supported by tariff increases. In the **Philippines**, the Life & Savings market continued to experience resilient growth, supported by the continuous increase in population and ongoing urbanization.

RANKINGS AND MARKET SHARES

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

		Life & Savings		Property & Casualty		
		Ranking	Market share (%)	Ranking	Market share (%)	Sources
Current Engines	France	3	8.9	2	14.2	FFA as of December 31, 2017.
	United States Life	19	1.7	n/a	n/a	LIMRA Life sales as of September 30, 2017.
	United States Variable Annuities	3	10.8	n/a	n/a	Morningstar VARDS as of September 30, 2017.
	United Kingdom (incl. Health)	n/a	n/a	2	8.0	UK General Insurance: Competitor Analytics 2017, Verdict Financial, as of December 31, 2016.
	United Kingdom Health	n/a	n/a	2	30.8	LaingBuisson 2017 HealthCover Report, as of December 31, 2016.
	Ireland (Republic of Ireland) Motor	n/a	n/a	1	24.0	Insurance Ireland P&C Statistics 2016, as of December 31, 2016.
	Ireland (Northern Ireland) Motor	n/a	n/a	1	27.0	Driver & Vehicle Licensing Authority registered vehicle numbers, as of December 31, 2016.
	Germany	8	3.8	5	5.4	GDV (German association of Insurance companies) as of December 31, 2016.
	Germany Health	4	7.7	n/a	n/a	PKV (Association of German private healthcare insurers) as of December 31, 2016.
	Switzerland	2	26.0	1	13.0	SIA (Swiss Insurance Association) Market share based on statutory premiums and market estimations by the SIA as at January 18, 2018.
	Belgium	3	8.4	1	17.8	Assuralia (Belgium Professional Union of Insurance companies) based on gross written premium as of September 30, 2017.
	Spain	13	1.9	5	5.4	Spanish Association of Insurance Companies. ICEA as of September 30, 2017.
	Italy	6	4.4	6	5.2	Associazione Nazionale Imprese Assicuratrici (ANIA). Ranking and market share as of December 31, 2016.
	Japan	14	1.7	n/a	n/a	Life Insurance Association Japan of Insurance Research Institute (excluding Kampo Life) for the 12 months ended September 30, 2017.
	Japan Health	12	2.6	n/a	n/a	Life Insurance Association Japan of Insurance Research Institute (excluding Kampo Life) for the 12 months ended September 30, 2017.
	Hong Kong	6	4.9	1	8.0	Insurance Authority statistics as of September 30, 2017 based on gross written premiums.
High Potentials	Brazil	n/a	n/a	20	0.2	SUSEP (Superintendência de Seguros Privados) as of December 31, 2016.
	Mexico	9	2.6	3	10.3	AMIS (Asociacion Mexicana de instituciones de Seguros) as of September 30, 2017.
	China	15	1.5	14	0.8	CIRC (China Insurance Regulatory Commission) as of November 30, 2017.
	Indonesia	2	8.6	n/a	n/a	AAJI Statistic as of September 30, 2017 measured on Weighted New Business Premium.
	Philippines	n/a	13.0	n/a	n/a	Insurance Commission as of December 31, 2017 measured on total premium income. Ranking not available.
	Thailand	4	12.4	16	1.6	TLAA (Thai Life Assurance Association) & TGIA (Thai General Insurance Association) statistics report as of November 30, 2017.

Asset Management

Institutional investors further diversified their portfolios with an increased focus on cost and better alignment of interests. In a market environment characterized by political turbulence and rising interest rates, inflows in mutual funds have been very dynamic in 2017. Significant inflows confirmed strong appetite for multi-assets and equity strategies, while inflows on fixed income strategies were focused on global currencies, global emerging markets and floating rates.

Responsible investment has become more mainstream and remains on the agenda of institutional investors. This is a growing area of focus for retail and wholesale investors as well.

In the asset management market, AXA Investment Managers ranked 19th [1] and AB 34th [1] based on volume of assets under management. On a combined basis, AXA ranked 10th [1].

[1] *Ranking established by AXA based on information available as of September 30, 2017.*

Operating Highlights

Governance

NEW MANAGEMENT COMMITTEE

On November 13, 2017, AXA announced a series of appointments to form a new management team to steer its operating model to achieve the objectives of Ambition 2020. The composition of the new Management Committee was made effective from December 1, 2017.

AXA'S BOARD OF DIRECTORS DECIDED TO PROPOSE THE RENEWAL OF DENIS DUVERNE AND THOMAS BUBERL

In preparation for AXA's next Shareholders' Meeting to be held on April 25, 2018, and based on the recommendation of its Compensation and Governance Committee, on December 14, 2017, AXA's Board of Directors unanimously decided to propose to shareholders the renewal of Messrs. Denis Duverne and Thomas Buberl as directors for a period of 4 years.

Should shareholders approve these proposed renewals, the Board of Directors would reappoint Mr. Denis Duverne as Chairman of the Board and Mr. Thomas Buberl as Chief Executive Officer of AXA.

Significant Disposals

AXA COMPLETED THE SALE OF ITS UK P&C COMMERCIAL BROKER BLUEFIN TO MARSH

On January 2, 2017, AXA announced that it had completed the sale of Bluefin Insurance Group Ltd ("Bluefin"), its P&C commercial broker in the United Kingdom, to Marsh. AXA recorded an exceptional negative impact of €82 million, accounted for in the 2016 net income.

AXA COMPLETED THE SALE OF ITS ROMANIAN OPERATIONS TO VIENNA INSURANCE GROUP

On April 28, 2017, AXA announced that it had completed the sale of its Life & Savings insurance operations in Romania to Vienna Insurance Group and exited the Romanian market. Vienna Insurance Group's subsidiaries BCR Life and Omniasig acquired 100% of AXA Life Insurance SA [(1)].

AXA COMPLETED THE SALE OF AXA LIFE EUROPE LIMITED'S OFFSHORE INVESTMENT BONDS BUSINESS TO LIFE COMPANY CONSOLIDATION GROUP

On July 3, 2017, AXA announced that it had completed the sale of AXA Life Europe Limited's offshore investment bonds business to Harcourt Life International dac (recently renamed to Utmost Ireland dac), a subsidiary of Life Company Consolidation Group.

[(1)] *AXA Life Insurance SA is the AXA Life & Savings operating entity in Romania.*

AXA TO SELL ITS SWISS PRIVILEGE FRANCHISE IN HONG KONG (AXA WEALTH MANAGEMENT (HK) LTD)

On December 22, 2017, AXA announced that it had entered into an agreement with Jeneration Holdings Limited to sell its Swiss Privilege franchise in Hong Kong, AXA Wealth Management (HK) Limited ("AWM").

AWM is a licensed life insurer in Hong Kong, managing individual policies through a network of salaried consultants under the Swiss Privilege brand. In 2016, it represented approximately 2% of AXA Hong Kong's Life & Savings new business APE.

This transaction would be in line with the Group's portfolio simplification, and would allow AXA Hong Kong to focus on its core Life agency and broker channels, while simplifying its corporate structure. AXA remains committed to grow the Life, Health and Property & Casualty businesses in Hong Kong across all customer segments including high net-worth individuals.

The price consideration is HKD 2,200 million (or €237 million [(1)]) to be fully paid at closing, representing an implied 1.4x EV multiple. The proposed transaction is subject to customary conditions, including the receipt of regulatory approvals, and is expected to be finalized by the end of 2018 or early 2019.

AXA TO SELL ITS OPERATIONS IN AZERBAIJAN

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

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

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

Partnerships and Innovation

AXA AND UBER SIGNED A PARTNERSHIP IN VIEW OF STRENGTHENING THE PROTECTION OF INDEPENDENT WORKERS IN THE DIGITAL SECTOR

On July 25, 2017, AXA announced the signing of a partnership with Uber in view of strengthening the protection of independent workers using Uber technology in France.

As part of this innovative partnership, the AXA Group will bring its experience in the protection of independent workers, notably on coverage of medical expenses, disability indemnities, and survivor benefits in case of an accident. For its part, Uber will offer a new protection for free that will enable these independent workers to work flexibly with peace of mind.

[(1)] EUR 1 = HKD 9.29 as of December 21, 2017 (Source: Bloomberg).

Capital / Debt operations / Other

AXA RATINGS

On March 6, 2018, S&P Global Ratings placed the 'AA-' financial strength rating of AXA's core operating subsidiaries on CreditWatch with negative implications.

On March 6, 2018, Fitch Ratings placed the 'AA-' financial strength rating of AXA's core operating subsidiaries on Rating Watch negative.

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

AXA ANNOUNCED THE SUCCESSFUL PLACEMENT OF $1 BILLION DATED SUBORDINATED NOTES DUE 2047

On January 11, 2017, AXA announced the successful placement of $1 billion of Reg S subordinated notes due 2047 to institutional investors to refinance, in advance, part of its outstanding debt.

The initial coupon has been set at 5.125% per annum. It will be fixed until the first call date in January 2027 and floating thereafter with a margin including a 100 basis points step-up. The notes have been swapped into Euro over 10 years at a rate of 2.80%, corresponding to a 209 basis points spread over swap. Settlement of the notes took place on January 17, 2017.

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

US DEPARTMENT OF LABOR RULE

On April 6, 2016, the US Department of Labor (the "DOL") issued a final rule that significantly expands the range of activities that would be considered to be fiduciary investment advice (the "Fiduciary Rule") under the Employee Retirement Income Security Act of 1974 ("ERISA"). Pursuant to the new regulation, advisors and employees, including those affiliated with AXA US, who provide investment-related information and support to retirement plan sponsors, participants, and Individual Retirement Account ("IRA") holders would be subject to enhanced fiduciary duty obligations and requirements. In February 2017, the DOL was directed by memorandum (the "President's Memorandum") to review the Fiduciary Rule and determine whether the rule should be rescinded or revised, in light of the new administration's policies and orientations. In response, in March 2017, the DOL published a notice soliciting comments on the examination described in the President's Memorandum, which were due in April 2017. In addition, in April 2017, the DOL announced that the applicability date of the Fiduciary Rule was deferred from April 10, 2017, to June 9, 2017. The Fiduciary Rule became partially effective on June 9, 2017, with a special transition period, ending January 1, 2018, for certain of the Fiduciary Rule's requirements. On July 6, 2017, the DOL published a request for information in connection with its examination of the Fiduciary Rule, on which comments were requested by August 7, 2017, at the latest. On November 29, 2017, the DOL extended the special transition period from January 1, 2018, to July 1, 2019, with the primary purpose of considering public comments under the criteria set forth in the President's Memorandum, including whether possible changes and alternatives to exemptions would be appropriate in light of the current comment record and potential input from, and action by, the Securities and Exchange Commission and other regulators.

While the extent and timing of the implementation of the Fiduciary Rule continue to remain uncertain, and are currently subject to judicial challenge, Management continues to evaluate its potential impact on AXA US. If implemented as planned, and unless repealed or meaningfully revised, the new Fiduciary Rule is currently expected to cause adverse changes to the level and type of services provided by AXA US and its affiliated advisors

and firms, as well as the nature and amount of compensation and fees such entities receive which may have a significant adverse effect on AXA US's business and operations.

AXA ANNOUNCED ITS INTENTION TO IPO ITS US OPERATIONS

On May 10, 2017, AXA announced its intention to list a minority stake of its US operations [1] (expected to consist of its US Life & Savings business and AXA Group's interest in AB) in the first semester of 2018, subject to market conditions. To enhance the capitalization of the US operations ahead of the IPO, about $1 billion of outstanding debt owed by AXA US to AXA Group will be converted into equity. The proceeds of the IPO will be reinvested in the Group's priority lines of business, including Health, Capital-light Savings, Protection and P&C Commercial lines, in line with the Ambition 2020 strategy, and/or potentially returned to shareholders depending on acquisition opportunities and market conditions.

AXA SA ANNOUNCED FILING OF AXA U.S. REGISTRATION STATEMENT FOR INITIAL PUBLIC OFFERING

On November 13, 2017, AXA SA ("AXA") announced the filing by AXA Equitable Holdings, Inc. ("AEH"), AXA's wholly-owned U.S. holding company, of a registration statement on Form S-1 with the U.S. Securities and Exchange Commission ("SEC") relating to the proposed initial public offering ("IPO") and U.S. listing of AEH common stock. The offering is expected to consist of a minority stake in AEH's common stock, to be sold by AXA as selling stockholder. AXA anticipates that the IPO will occur in the second quarter of 2018. There can be no assurance that the IPO will be completed on the expected timeline or at all.

The shares will be offered by a group of underwriters led by Morgan Stanley & Co. LLC and J.P. Morgan LLC. The number of shares to be offered and the price range for the proposed offering have not yet been determined. When available, copies of the preliminary prospectus relating to the offering may be obtained from: Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, New York 10014 or J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717 Attention: Prospectus Department, or by calling toll-free at (866) 803-9204.

A registration statement relating to the proposed IPO has been filed with the SEC but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. The press release associated does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

AXA SA ANNOUNCED FILING OF AMENDMENT NO. 1 TO AXA US REGISTRATION STATEMENT FOR INITIAL PUBLIC OFFERING

On February 15, 2018, AXA SA ("AXA") announced the filing by AXA Equitable Holdings, Inc. ("AEH"), AXA's wholly-owned U.S. holding company, of Amendment No. 1 to the registration statement on Form S-1 with the U.S. Securities and Exchange Commission ("SEC") relating to the proposed initial public offering ("IPO") and U.S. listing of AEH common stock. The offering is expected to consist of a minority stake in AEH's common stock, to be sold by AXA as selling stockholder. AXA anticipates that the IPO will occur in the second quarter of 2018. There can be no assurance that the IPO will be completed on the expected timeline or at all.

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[1] *Expected NYSE listing of AXA Equitable Holdings, Inc., which is expected to consist of the AXA US Life & Savings business and the AXA Group's interest in AllianceBernstein LP and AllianceBernstein Holding LP ("AB"). AXA America Corporate Solutions Inc. is not expected to be part of the IPO.*

The shares will be offered by a group of underwriters led by Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, with Barclays Capital Inc. and Citigroup Global Markets Inc. also acting as underwriters for the offering. The number of shares to be offered and the price range for the proposed offering have not yet been determined.

A registration statement relating to the proposed IPO has been filed with the SEC but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. The press release associated does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

SHARE REPURCHASE PROGRAM

In order to meet its obligation to deliver shares and to eliminate the dilutive effect of certain share-based compensation schemes [(1)], as of June 30, 2017, AXA had bought back 37,000,000 shares, and then bought back a further 7,960,944 shares during the second half of the year. These shares will be delivered to the beneficiaries of share-based compensation schemes or canceled, all in accordance with the share repurchase program [(2)].

SHAREPLAN 2017

On December 4, 2017, AXA announced the results of the AXA Group employee share offering ("Shareplan 2017"), a capital increase reserved to its employees worldwide, which had been launched on August 25, 2017. Over 29,000 employees in 39 countries, representing over 27% of the eligible employees, subscribed to Shareplan 2017.

The aggregate proceeds from the offering amounted to approximately €444 million, for a total of over 19 million newly-issued shares, subscribed at a price of €20.19 for the classic plan and €22.96 for the leveraged plan. The new shares have been created with full rights as of January 1, 2017.

In order to eliminate the dilutive effect of the Shareplan 2017 offering and as announced in its press release published on September 13, 2017, AXA undertook a cancellation of its shares in accordance with its share repurchase program as authorized by the Shareholders' Meeting of April 26, 2017.

Following Shareplan 2017, on December 31, 2017, AXA's employees held 5.34% of the share capital and 6.88% of the voting rights.

The total number of outstanding AXA shares amounted to 2,425,235,751 on December 31, 2017.

Social and Environment

AXA ACCELERATES ITS COMMITMENT TO FIGHT CLIMATE CHANGE

On December 12, 2017, AXA announced several new ambitious decisions to accelerate its commitment to fight climate change.

These new decisions concern all the levers that the Group can activate: investments, divestments, and insurance.

- Investments

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(1) Stock-options plans and performance shares plans.
(2) AXA share repurchase program was authorized by the Shareholder's Meeting of April 26, 2017.

In 2015, AXA committed to reach €3 billion in green investments by 2020. Given that this target has already been reached, the Group has decided to quadruple its original target and reach €12 billion green investments by 2020. This accelerated target is twice as high as the recent recommendation from Christiana Figueres, former Executive Secretary of the United Nations Framework Convention on Climate Change and one of the leading architects of the COP21, to invest 1% of assets into green and clean technology by 2020.

- Divestments

AXA decided two years ago to divest €500 million from the coal industry by targeting companies which derive over 50% of their revenues from coal. The Group has decided to increase its divestment fivefold to reach €2.4 billion, by divesting from companies which derive more than 30% of their revenues from coal, have a coal-based energy mix that exceeds 30%, actively build new coal plants, or produce more than 20 million tonnes of coal per year.

In addition, because oil sands are also an extremely carbon-intensive form of energy and a serious cause of environmental pollution, AXA announced the divestment of over €700 million from the main oil sands producers and associated pipelines, and the discontinuation of further investments in these businesses.

- Insurance

It would be inconsistent to commercially support industries that the Group is divesting from. Therefore, AXA will stop insuring any new coal construction projects. Similarly, the Group will stop insuring the main oil sands and the associated pipeline businesses.

AXA also leads the European Union High Level Expert Group on Sustainable Finance, and supports several coalitions such as the Climate Action 100+ initiative and the United Nations Principles for Responsible Investment (UN PRI).

AXA and the International Finance Corporation (IFC) are launching an innovative $500 million partnership supporting climate related infrastructures projects in emerging countries with private sector funding. There will be no investments in coal and oil sands related projects.

Events subsequent to December 31, 2017

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

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

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

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

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

AXA TO ACQUIRE XL GROUP: CREATING THE #1 GLOBAL P&C COMMERCIAL LINES INSURANCE PLATFORM

On March 5, 2018, AXA announced that it had entered into an agreement to acquire 100% of XL Group Ltd (NYSE: XL), a leading global Property & Casualty commercial lines insurer and reinsurer with strong presence in North America, Europe, Lloyd's and Asia-Pacific. The merger agreement has been unanimously approved by the boards of AXA and XL Group. Total consideration for the acquisition would amount to USD 15.3 billion (€12.4 billion [2]), to be fully paid in cash. Under the terms of the transaction, XL Group shareholders will receive USD 57.60 per share [3]. This represents a premium of 33% to XL Group closing share price on March 2, 2018.

Founded in 1986, XL Group is a leader in P&C commercial and specialty lines with an active global network. XL Group generated USD 15 billion of GWP in FY17. It is a growing franchise with a high-quality underwriting platform and a rich and diversified product offering. XL Group is a highly agile company renowned for innovative client solutions and has a comprehensive business model of originating, packaging and selling risks. XL Group has ca. 7,400 colleagues worldwide and has a strong presence across specialty and mid-market segments via insurance and reinsurance.

This acquisition is aligned with AXA's Ambition 2020 preferred segments favoring product lines with high frequency customer contacts, quality service and superior technical expertise. XL Group provides both a premier specialty platform complementing and diversifying AXA's existing commercial lines insurance portfolio, and reinsurance capabilities that will allow AXA an access to enhanced diversification and alternative capital. The combination of AXA's and XL Group's existing position will propel the Group to the #1 global position in P&C Commercial lines with combined 2016 revenues of ca. €30 billion [4] and total P&C revenues of ca. €48 billion [5].

The opportunity to acquire XL Group has led AXA to review its exit strategy from its existing US operations which AXA now expects to accelerate. Together with the planned IPO of AXA's US operations (expected in 1H18 subject

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[1] EUR 1 = USD 1.2233 as of January 19, 2018 (Source: Bloomberg).
[2] EUR 1 = USD 1.2317 as of March 2, 2018 (Source: Bloomberg).
[3] Completion of the transaction is subject to approval by XL Group shareholders and other customary closing conditions, including the receipt of required regulatory approvals.
[4] Include P&C Commercial lines and P&C Commercial Health for comparability purposes with peers.
[5] Include P&C Health for comparability purposes with peers.

to market conditions) and intended subsequent sell-downs, this transaction would gear AXA further towards technical margins less sensitive to financial markets.

The strong complementarities between AXA and XL Group provides opportunities for significant value creation, offsetting the planned US IPO earnings dilution as soon as 2018. It also allows for material capital diversification benefits under the Solvency II framework and a strong return on investment. In this context, AXA also reaffirmed its Ambition 2020 targets.

Completion of the transaction is subject to approval by XL Group shareholders and other customary closing conditions, including the receipt of required regulatory approvals, and is expected to take place during the second half of 2018.

ACTIVITY INDICATORS

(in Euro million, except percentages)

	December 31, 2017	December 31, 2016 restated (b)	December 31, 2017 / December 31, 2016 restated (b) & (c)
Gross revenues (a)	**98,549**	**100,193**	**(0.1%)**
France	24,475	24,557	0.0%
Europe	35,992	37,039	(1.4%)
Asia	8,985	9,542	(2.6%)
United States	16,911	16,872	2.5%
International	7,034	6,981	2.3%
Transversal & Central Holdings	5,152	5,202	0.9%
APE (d)	**6,470**	**6,600**	**(0.4%)**
France	1,849	1,824	1.7%
Europe	1,034	1,124	(7.5%)
Asia	1,510	1,661	(6.2%)
United States	1,799	1,732	6.2%
International	278	246	14.9%
Transversal & Central Holdings	-	14	(100.0%)
NBV Margin (e)	**43.1%**	**39.7%**	**3.5 pts**

(a) Net of intercompany eliminations.
(b) Restated: as per the new governance.
(c) Changes are on comparable basis.
(d) Annual Premium Equivalent (APE) represents 100% of new regular premiums plus 10% of single premiums, in line with EEV methodology. APE is Group share.
(e) New Business Value (NBV) Margin is the ratio of (i) New Business Value representing the value of newly issued contracts during the current year to (ii) APE.

Consolidated gross revenues amounted to €98,549 million as at December 31, 2017, down 2% compared to December 31, 2016, on reported basis and stable on a comparable basis.

The comparable basis mainly consisted in the adjustment of the foreign exchange rate movements (€+1.5 billion or +1.5 points) mainly due to the appreciation of average Euro exchange rate against USD, GBP, JPY and CHF.

AXA has introduced Health as a separate line of business for activity and underlying earnings indicators. Unless otherwise specified, Life & Savings and Property & Casualty lines of business therefore exclude the Health business.

Gross Revenues

Gross revenues were down 2% on a reported basis and stable on a comparable basis to €98,549 million. The growth in *the United States*, *International* and *Transversal & Central Holdings*, was offset by a slowdown in *Europe* and *Asia*.

France gross revenues remained stable at €24,475 million on a comparable basis as the growth in (i) *Health* (€+474 million or +14%) notably reflecting an increase in *Group business* driven by tariff and volume increases in both international and domestic markets, and (ii) *Property & Casualty* (€+39 million or +1%) driven by *Commercial lines* due to higher volumes in assumed business and tariff increases in all segments as well as higher volumes in the Credit & Lifestyle Protection business, and by *Personal lines* mainly stemming from the Direct business, was partly offset by (iii) a slowdown in *Life & Savings* (€-437 million or -3%) mainly in Funds & Other reflecting the non-repeat of a large contract underwritten in December 2016, partly offset by Unit-Linked reflecting higher sales in real estate funds and discretionary mandates, and G/A Savings mainly in *Group business* due to the sale of a large contract in 4Q17.

Europe gross revenues were down 1% (or €-536 million) to €35,992 million on a comparable basis, from:

- *Switzerland* (€-134 million or -1%) to €9,797 million mainly from *Life & Savings* driven by the non-repeat of the sale of a large Group Protection contract in 2016;
- *Germany* (€+138 million or +1%) to €10,672 million mainly from preferred businesses with (i) *Health* mainly due to tariff increases in full benefit insurance and continued growth in the civil service segment and (ii) *Property & Casualty Commercial lines* due to Non-Motor new business in SME and Mid-Market;
- *Belgium* (€-67 million or -2%) to €3,310 million from (i) *Property & Casualty* and *Health* both mainly due to the non-repeat of the one-off booking of a prior year reinsurance contract, and (ii) *Life & Savings* mainly driven by Unit-Linked due to the exit from the Individual Savings business;
- *The United Kingdom & Ireland* (€+72 million or +1%) to €5,130 million from (i) *Property & Casualty* mainly in *Commercial Motor* due to higher new business volumes and tariff increases, partly offset by *Personal Property* reflecting lower volumes following tariff increases and the exit of a scheme, and (ii) *Health* mainly driven by volume growth and tariff increases in the United Kingdom, as well as in Commercial International business;
- *Spain* (€-170 million or -7%) to €2,365 million mainly from *Life & Savings*, in line with the strategy to shift towards capital light products, driven by (i) Protection with Savings mainly due to the non-renewal of two large bank agreements, and (ii) G/A Savings as a consequence of the reduction of interest credited rates, partly offset by (iii) Unit-Linked mainly due to commercial focus;
- *Italy* (€-376 million or -7%) to €4,719 million mainly from (i) *Life & Savings* driven by G/A Savings, partly offset by Unit-Linked, driven by the difficulties faced by Banca Monte dei Paschi di Siena and the commercial focus on the new Unit-Linked products launched in 2H17, partly offset by (ii) *Property & Casualty* driven by *Personal* and *Commercial lines* both from higher volumes from agencies and new broker agreements.

Asia gross revenues were down 3% (or €-249 million) to €8,985 million on a comparable basis, mainly from:

- *Japan* (€-304 million or -6%) to €4,647 million from (i) *Life & Savings* mainly due to lower new business from the G/A capital light *Single Premium Whole Life* product in the context of new regulatory requirements effective late 2016, partly offset by (ii) *Health* mainly due to *Medical Whole Life* products driven by higher inforce revenues and the success of a *New Medical Care* product launched in the third quarter 2017;

- *Hong Kong* (€+78 million or +2%) to €3,170 million from (i) *Life & Savings* from Protection and G/A Savings both due to new business sales and in-force growth, partly offset by Unit-Linked due to the prolonged impact of the regulatory changes and lower single premiums, (ii) *Health* mainly driven by higher volumes in Individual, and (iii) *Property & Casualty* mainly stemming from higher new business;
- *Asia - Direct* (€-26 million or -3%) to €989 million driven by Motor in (i) *South Korea* following the implementation of a new strategy targeting clients with a low risk profile, and (ii) *Japan* mainly due to the non-repeat of a refinement of accounting methodology.

The United States gross revenues were up 2% (or €+413 million) to €16,911 million on a comparable basis:

- *The United States Life & Savings* (€+183 million or +1%) to €14,210 million mainly from Unit-Linked driven by higher sales of non-GMxB Variable Annuity products, partly offset by a decrease in GMxB Variable Annuity sales, and Mutual Funds & Other reflecting higher advisory sales from favorable market conditions;
- *AB* (€+230 million or +9%) to €2,700 million mainly driven by higher management fees resulting from favorable product mix and higher average AUM.

International gross revenues were up 2% (or €+165 million) to €7,034 million on a comparable basis, mainly from:

- *Singapore* (€+133 million or +17%) to €895 million mainly due to higher Unit-Linked revenues;
- *Brazil* (€+87 million or +109%) to €180 million mainly driven by new business in *Commercial lines*;
- *Poland* (€+73 million or +15%) to €572 million mainly due to new business in *Personal Motor* and *Commercial lines*;

partly offset by:

- *Turkey* (€-209 million or -20%) to €677 million mainly due to a decrease in Motor Third Party Liability reflecting a change in market conditions following the implementation of a cap on premiums by the government starting from April 12, 2017, as well as the introduction of an insurance pool.

Transversal & Central Holdings gross revenues were up 1% (or €+48 million) to €5,152 million on a comparable basis, mainly from:

- *AXA Investment Managers* (€+111 million or +9%) to €1,276 million driven by higher management, performance and other fees, as well as higher transaction fees;
- *AXA Corporate Solutions Assurance* (€+56 million or +2%) to €2,322 million driven by Marine, Liability and Property mainly from strong business growth in the United Kingdom and Brazil, partly offset by Construction due to actions undertaken to protect the profitability;

partly offset by:

- *AXA Life Europe* (€-134 million or -95%) to €7 million as a result of the decision to stop sales of the *Secure Advantage* product, mainly in the United Kingdom.

Annual Premium Equivalent [1]

New business APE was down 2% on a reported basis and stable on a comparable basis at €6,470 million. The growth in *the United States*, *International* and *France* was more than offset by the slowdown in *Asia* and *Europe*.

France (€1,849 million, 29% of total) up €32 million (+2%) mainly driven by (i) *Unit-Linked* (€+54 million) reflecting higher sales in real estate funds and discretionary mandates as well as in Group Retirement, (ii) *Health* (€+44 million) driven by higher volumes in international markets, and (iii) *G/A Savings* (€+40 million) mainly from Group Retirement due to the sale of a large contract, partly offset by (iv) *Funds & Other* (€-100 million) reflecting the non-repeat of a large contract underwritten in December 2016.

Europe (€1,034 million, 16% of total) down €85 million (-8%) from (i) *Switzerland* (€-36 million) primarily driven by the non-repeat of the sale of a large Group Protection contract in 2016, (ii) *Germany* (€-21 million) reflecting lower new business in G/A traditional business, (iii) *Italy* (€-15 million) mainly from G/A Savings partly offset by Unit-Linked, driven by the difficulties faced by Banca Monte dei Paschi di Siena and the commercial focus on new Unit-Linked products launched in 2H17, and (iv) *Spain* (€-13 million) in line with the strategy to shift towards capital light products.

Asia (€1,510 million, 23% of total) down €103 million (-6%) mainly from (i) *Hong Kong* (€-69 million) driven by Protection with Savings mainly due to a strong competition notably on the short term pay whole of life participating products with attractive policyholder returns, Health mainly reflecting the non-repeat of the sale of a large Group contract in 2016, and Unit-Linked due to the prolonged impact of the regulatory changes, and (ii) *Japan* (€-38 million) mainly due to lower new business in the G/A capital light *Single Premium Whole Life* product in the context of new regulatory requirements effective late 2016.

The United States (€1,799 million, 28% of total) up €107 million (+6%) mainly from *Mutual Funds & Other* reflecting higher advisory sales from favorable market conditions.

International (€278 million, 4% of total) up €37 million (+15%) notably from higher Unit-Linked sales in *Singapore*.

New Business Value Margin [2]

New Business Value Margin stood at 43.1%, improved by 3.3 points. On a comparable basis, New Business Value Margin improved by 3.5 points mainly driven by more favorable investment assumptions, and a favorable business mix in *Asia* mainly from *China* and *Japan*, partly offset by a less favorable country mix, mainly reflecting lower volume contribution in *Asia*, and higher volume contribution from *the United States*.

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

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

UNDERLYING EARNINGS, ADJUSTED EARNINGS AND NET INCOME GROUP SHARE

(in Euro million, except percentages)	December 31, 2017	France	Europe	Asia	United States	International	Transversal & Central Holdings
Investment margin	4,647	1,640	1,813	35	543	375	241
Fees & revenues	8,123	2,001	1,158	1,948	2,583	420	14
Net technical margin	11,929	2,909	6,200	768	(424)	1,396	1,080
Expenses	(16,898)	(4,531)	(5,965)	(1,550)	(1,865)	(1,859)	(1,128)
Amortization of value of purchased life business inforce	(42)	-	(25)	(13)	(1)	(3)	-
Underlying earnings before tax from insurance activities	**7,758**	**2,018**	**3,180**	**1,187**	**836**	**330**	**207**
Underlying earnings before tax from other activities	**(2)**	**(7)**	**24**	**(0)**	**556**	**49**	**(623)**
Income tax expenses / benefits	(1,665)	(598)	(807)	(257)	(7)	(91)	95
Income from affiliates and associates	297	20	7	166	-	86	18
Minority interests	(387)	(5)	(78)	(7)	(250)	(37)	(10)
Underlying earnings Group share	**6,002**	**1,429**	**2,326**	**1,089**	**1,135**	**337**	**(313)**
Net capital gains or losses attributable to shareholders net of income tax	455	237	237	23	(60)	(7)	26
Adjusted earnings Group share	**6,457**	**1,666**	**2,563**	**1,111**	**1,075**	**330**	**(288)**
Profit or loss on financial assets (under fair value option) and derivatives	(134)	31	(2)	(59)	96	11	(211)
Exceptional operations (including discontinued operations)	124	(252)	(57)	(0)	268	(22)	187
Goodwill and other related intangible impacts	(90)	-	(44)	(16)	(2)	(27)	(1)
Integration and restructuring costs	(148)	(25)	(25)	(9)	(21)	(16)	(53)
NET INCOME GROUP SHARE	**6,209**	**1,420**	**2,435**	**1,028**	**1,415**	**276**	**(365)**
Property & Casualty Combined Ratio	96.3%	94.6%	94.6%	97.6%	-	101.4%	101.1%
Health Combined Ratio	94.7%	98.7%	96.1%	78.3%	146.9%	101.6%	87.1%
Protection Combined Ratio	96.9%	95.6%	97.0%	86.7%	112.7%	98.4%	-

(in Euro million, except percentages)	December 31, 2016 restated (a)	France	Europe	Asia	United States	International	Transversal & Central Holdings
Investment margin	4,867	1,688	1,968	33	567	357	254
Fees & revenues	8,009	1,771	1,224	1,999	2,650	351	14
Net technical margin	12,295	2,800	6,155	784	91	1,341	1,125
Expenses	(17,360)	(4,328)	(6,134)	(1,651)	(2,385)	(1,757)	(1,105)
Amortization of value of purchased life business inforce	(169)	-	(127)	(28)	(10)	(4)	-
Underlying earnings before tax from insurance activities	**7,641**	**1,931**	**3,085**	**1,137**	**912**	**288**	**288**
Underlying earnings before tax from other activities	**56**	**(2)**	**91**	**(2)**	**499**	**68**	**(598)**
Income tax expenses / benefits	(1,908)	(556)	(792)	(242)	(208)	(80)	(30)
Income from affiliates and associates	239	17	2	160	-	47	12
Minority interests	(340)	(5)	(82)	(7)	(205)	(35)	(7)
Underlying earnings Group share	**5,688**	**1,385**	**2,305**	**1,047**	**998**	**288**	**(335)**
Net capital gains or losses attributable to shareholders net of income tax	415	152	237	19	8	(21)	20
Adjusted earnings Group share	**6,103**	**1,536**	**2,543**	**1,066**	**1,006**	**267**	**(315)**
Profit or loss on financial assets (under fair value option) and derivatives	(118)	27	30	45	(17)	22	(225)
Exceptional operations (including discontinued operations)	387	5	(507)	(0)	973	6	(91)
Goodwill and other related intangible impacts	(89)	-	(47)	(15)	(0)	(24)	(3)
Integration and restructuring costs	(454)	(60)	(310)	(0)	(18)	(29)	(37)
NET INCOME GROUP SHARE	**5,829**	**1,509**	**1,708**	**1,096**	**1,944**	**243**	**(671)**
Property & Casualty Combined Ratio	96.4%	95.0%	95.1%	97.7%	-	101.3%	98.7%
Health Combined Ratio	94.9%	98.7%	96.3%	79.1%	164.8%	102.7%	90.0%
Protection Combined Ratio	97.0%	96.9%	98.3%	85.9%	108.7%	101.1%	-

(a) Restated: as per the new governance.

ALTERNATIVE PERFORMANCE MEASURES

Adjusted earnings, Underlying earnings and Adjusted Return on Equity are Alternative Performance Measures as defined in ESMA's guidelines issued in 2015. 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 in the above tables. Adjusted Return on Equity is reconciled to the financial statements in the table set forth on page 29 of this report.

Adjusted Earnings

Adjusted earnings represent the net income (Group share) as disclosed in Part 5 - "Consolidated Financial Statements" of the Annual Report, before the impact of the following items net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

- integration and restructuring costs related to material newly-acquired companies as well as restructuring and associated costs related to productivity improvement plans;
- goodwill and other related intangibles;
- exceptional operations (primarily changes in scope and discontinued operations);

- profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets.

Underlying Earnings

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

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

Adjusted Return on Equity

The **Adjusted Return on Equity ("Adjusted RoE")** is calculated as adjusted earnings net of financial charges related to undated subordinated debt (recorded through shareholders' equity as disclosed in Part 5.4 - "Consolidated Statement of Changes in Equity" of the Annual Report) divided by the weighted average shareholders' equity. The weighted average shareholders' equity:

- is based on opening shareholders' equity adjusted for weighted average impact of capital flows (including dividends);
- without reserves relating to the change in the fair value of financial investments available for sale as disclosed in Part 5.4 – "Consolidated Statement of Changes in Equity" of the Annual Report;
- without undated subordinated debt as disclosed in Part 5.6 – "Note 13 Shareholders' Equity and Minority Interests" of the Annual Report.

For further information on those indicators, see the Glossary of this report.

COMMENTARIES ON GROUP EARNINGS

Underlying Earnings

Underlying earnings amounted to €6,002 million, up €314 million (+6%) *versus* 2016 on a reported basis. On a constant exchange rate basis, underlying earnings increased by €424 million (+7%) supported by all geographies.

On a constant exchange rate basis, **underlying earnings before tax from insurance activities** increased by €249 million (+3%) to €7,758 million:

- **Lower investment margin** (€-154 million or -3%) mainly driven by lower reinvestment yields on fixed income assets across geographies, primarily in *Europe* (€-133 million) and *France* (€-47 million), partly offset by *Turkey* (€+46 million) stemming from both higher interest rates and average asset base;
- **Higher fees & revenues** (€+259 million or +3%) primarily from higher Unit-Linked management fees (€+254 million). This growth is driven by (i) *the United States Life & Savings* (€+111 million) mainly driven by favorable equity market conditions, (ii) *France* (€+89 million) mainly reflecting a higher asset base as well as higher average fee bps, and (iii) *Europe* (€+44 million) mostly from *Italy* (€+46 million) mainly due to higher account value on Unit-Linked products as well as higher average fee bps;
- **Lower net technical margin** (€-144 million or -1%) primarily in (i) *the United States* (€-524 million) mainly due to unfavorable actual mortality and morbidity experience as well as model and assumption changes (mostly offset in Deferred Acquisition Costs). This was partly offset by (ii) *Europe* (€+166 million) mainly driven by favorable weather conditions and the non-repeat of terrorist attacks of March 2016 in *Belgium*, the non-repeat of an unfavorable 2016 prior year reserve development in *Germany*, and a favorable prior year reserve development in *Spain* and *Switzerland,* (iii) *France* (€+150 million) mainly driven by *Property & Casualty* from a lower current accident year loss ratio stemming from the cancellation of unprofitable contracts in *Commercial lines* and a favorable prior year reserve development, as well as *Life & Savings* mainly due to a higher profitability in Protection, and (iv*) International* (€+102 million) mainly due to the acquisition of Liberty Ubezpieczenia and the first consolidation of *Property & Casualty* traditional activities in *Poland*, and a favorable business mix combined with a positive volume effect in *Brazil*;
- **Lower expenses** (€+160 million or -1%) primarily in (i) *the United States* (€+479 million) mainly from lower Deferred Acquisition Cost amortization due to both unlocking and reactivity impacts of model changes (mostly offset in net technical margin), and (ii) *Europe* (€+59 million) primarily due to the cost savings program and lower Deferred Acquisition Cost amortization in *Germany*. This was partly offset by (iii) *France* (€-242 million) mainly driven by business growth in *Health* and *Life & Savings*, and (iv) *International* (€-160 million) as a consequence of the acquisition of Liberty Ubezpieczenia and the first consolidation of *Property & Casualty* traditional activities in *Poland*, a less favorable business mix in *Brazil*, and higher commissions in line with the business growth in *Colombia*;
- **Lower VBI amortization** (€+126 million or -74%) primarily in *Europe* (€+102 million) due to the non-repeat of the unfavorable change in interest rate assumptions in *Switzerland* and *Germany*.

On a constant exchange rate basis, **underlying earnings before tax from other activities** decreased by €41 million (-73%) to €-2 million:

- *Europe* (€-68 million or -75%) mainly driven by the non-repeat of an exceptional decrease in pension costs in 2016 in *Germany Holdings*;
- *International* (€-19 million or -28%) mainly due to the decrease in gross revenues at *AXA Bank Belgium*;

- *The United States* (€+69 million or +14%) driven by *AB* from higher gross revenues and staff costs containment initiatives, partly offset by higher promotion and servicing expenses as well as one-off charges linked to the reduction of real estate footprint and vendor termination payment;
- *Transversal & Central Holdings* (€-20 million or -3%):
    - *AXA SA* (€-63 million or -7%) mainly driven by higher financial charges,
    - *AXA Investment Managers* (€+42 million or +13%) as a result of higher gross revenues and an improved underlying cost income ratio reflecting the cost savings program.

On a constant exchange rate basis, **income tax expenses** decreased by €220 million (-12%) to €-1,665 million as higher pre-tax underlying earnings across geographies were more than offset by a lower effective tax rate, the impact of the removal of the 3% French tax on dividends paid to shareholders in 2017 at *AXA SA*, as well as higher positive tax one-offs in *the United States Life & Savings* (€202 million in 2017 vs. €164 million in 2016).

On a constant exchange rate basis, **income from affiliates & associates** increased by €50 million (+21%) to €297 million mainly driven by an improved net technical margin at *Reso*, portfolio growth in *the Philippines* and *Thailand* and an improved mix from Asian joint ventures at *AXA Investment Managers*.

On a constant exchange rate basis, **minority interests** increased by €55 million (+16%) to €-387 million mainly driven by *the United States* from *AB* as AXA ownership increased from 63.7% on December 31, 2016, to 64.7% on December 31, 2017.

On a constant exchange rate basis, **the Property & Casualty combined ratio** remained stable at 96.3% as the negative impact from higher natural events (+0.8 point) notably from the earthquakes in Mexico and Harvey, Maria, Irma and Lydia hurricanes, were fully offset by a better claims experience notably in *France* and *International*. Prior year reserve development slightly deteriorated by 0.1 point to -1.2 points.

On a constant exchange rate basis, **the Health combined ratio** improved by 0.3 point to 94.7% supported by an improvement across geographies, notably from growth in *France* and *Europe*, the positive impact of profitability measures in *Indonesia*, in *the Gulf Region* and *Turkey*, as well as *the United States* mainly driven by lower expenses.

On a constant exchange rate basis, **the Protection combined ratio** improved by 0.2 point to 96.9% as the deterioration in *the United States* driven by adverse mortality margin, partly offset by lower expenses due to lower Deferred Acquisition Cost amortization, was more than offset by an improvement in *France*, *Europe* and *International* as a result of a lower loss ratio.

Adjusted Earnings to Net Income

Net realized capital gains and losses attributable to shareholders amounted to €455 million. On a constant exchange rate basis, net realized capital gains and losses attributable to shareholders increased by €40 million due to:

- €+266 million **lower impairments** to €-127 million mainly driven by equity securities (€+176 million), alternative investments (€+41 million), real estate (€+25 million) and fixed income assets (€+22 million);
- €-24 million **more unfavorable change in intrinsic value** to €-92 million related to equity hedging derivatives;
- €-202 million **lower net realized capital gains** to €674 million mainly driven by fixed income assets (€-248 million to €-65 million), equity securities (€-47 million to €+330 million) and real estate (€-27 million to €+208 million), partly offset by alternative investments (€+118 million to €+201 million).

As a result, **adjusted earnings** amounted to €6,457 million, up €354 million (+6%). On a constant exchange rate basis, adjusted earnings increased by €464 million (+8%).

Net income amounted to €6,209 million, up €380 million (+7%). On a constant exchange rate basis, net income increased by €494 million (+8%) mainly from:

- **higher adjusted earnings** (€+464 million);
- **a less favorable change in the fair value of financial assets and derivatives** net of foreign exchange impacts; down €17 million to €-134 million driven by:
    - the unfavorable change in the fair value of foreign exchange derivatives not eligible for hedge accounting under IAS 39 net of foreign exchange rate movements on investments denominated in foreign currencies, down €191 million to €-152 million,
    - the change in the fair value of interest rate and credit derivatives not eligible for hedge accounting under IAS 39, down €11 million to €-205 million,
    - the change in the fair value of assets accounted for under fair value option driven by equity and private equity funds, up €185 million to €+222 million;
- **lower integration and restructuring costs** (€+302 million) to €-148 million;
- **lower impact from exceptional and discontinued operations** (€-254 million) to €+124 million mainly due to:
    - the non-repeat of major transactions which occurred in 2016: the sale of two real estate properties in New York (€-1.0 billion), partly offset by the disposal of the Life & Savings operations and Bluefin in the United Kingdom (€+0.5 billion),
    - the adverse impact of regulatory changes on annuity legal indexation at AXA France (€-0.2 billion) and the impact of the partial write-off of the net deferred tax asset position in France due to the decrease in the corporate tax rate from 34% to 26% enacted in 2017 and effective in the coming years (€-0.2 billion),
    - the negative impact from the sale of a part of the occupational pensions portfolio in Germany (€-0.1 billion),

    partly offset by:

    - the impact of the revaluation of the net deferred tax liability in the United States (€+0.3 billion) following the decrease in the corporate tax rate from 35% to 21% enacted in December 2017 and effective from 2018 onwards,
    - the one-off benefit from the upcoming reimbursement of the 3% tax on the dividend paid to shareholders on prior years (2013 to 2016) at AXA SA (€+0.3 billion).

SHAREHOLDERS' EQUITY GROUP SHARE

As of December 31, 2017, Shareholders' Equity Group share totaled €69.6 billion. The movements in Shareholders' Equity Group share since December 31, 2016, are presented in the table below:

(in Euro million)	Shareholders' Equity Group share
At December 31, 2016	**70,597**
Share Capital	0
Capital in excess of nominal value	(116)
Equity-share based compensation	37
Treasury shares sold or bought in open market	(763)
Change in equity component of compound financial instruments	(95)
Deeply subordinated debt (including accumulated interests charges)	(560)
Fair value recorded in shareholders' equity	1,424
Impact of currency fluctuations	(4,588)
Payment of N-1 dividend	(2,808)
Other	(108)
Net income for the period	6,209
Actuarial gains and losses on pension benefits	405
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	(23)
At December 31, 2017	**69,611**

SHAREHOLDER VALUE

Earnings per share ("EPS")

(in Euro except ordinary shares in million)	December 31, 2017		December 31, 2016		December 31, 2017 / December 31, 2016	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,395**	**2,404**	**2,416**	**2,423**		
Net income (Euro per Ordinary Share)	2.50	2.49	2.30	2.30	8.4%	8.4%
Adjusted earnings (Euro per Ordinary Share)	2.60	2.59	2.42	2.41	7.6%	7.6%
Underlying earnings (Euro per Ordinary Share)	2.41	2.40	2.24	2.24	7.4%	7.3%

Return On Equity ("ROE")

(in Euro million)	December 31, 2017	December 31, 2016	December 31, 2017 / December 31, 2016
ROE	**9.3%**	**8.8%**	**0.5 pt**
Net income	6,209	5,829	
Average shareholders' equity	66,433	66,120	
Adjusted ROE	**14.5%**	**13.5%**	**1.0 pt**
Adjusted earnings (a)	6,228	5,836	
Average shareholders' equity (b)	43,067	43,352	
Underlying ROE	**13.4%**	**12.5%**	**0.9 pt**
Underlying earnings (a)	5,773	5,421	
Average shareholders' equity (b)	43,067	43,352	

(a) Including an adjustment to reflect net financial charges related to undated debt (recorded through shareholders' equity).
(b) Excluding fair value of invested assets and derivatives and undated debt (both recorded through shareholders' equity).

SEGMENT INFORMATION

France

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**24,475**	**24,557**
Life & Savings	13,151	13,611
Property & Casualty	7,307	7,338
Health	3,877	3,404
Other (c)	139	205
New business		
APE	1,849	1,824
NBV Margin	34.5%	31.0%
Underlying earnings before tax	**2,011**	**1,928**
Life & Savings	1,007	926
Property & Casualty	908	905
Health	103	100
Other (c)	(7)	(2)
Income tax expenses / benefits	(598)	(556)
Minority interests	(5)	(5)
Income from affiliates and associates	20	17
Underlying earnings Group share	**1,429**	**1,385**
Net capital gains or losses attributable to shareholders net of income tax	237	152
Adjusted earnings Group share	**1,666**	**1,536**
Profit or loss on financial assets (under fair value option) and derivatives	31	27
Exceptional operations (including discontinued operations)	(252)	5
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(25)	(60)
NET INCOME GROUP SHARE	**1,420**	**1,509**
Property & Casualty Combined Ratio	94.6%	95.0%
Health Combined Ratio	98.7%	98.7%
Protection Combined Ratio	95.6%	96.9%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities, as well as banking activities and holdings into the Other activities.
(c) Other corresponds to banking activities and holdings.

Gross revenues decreased by €83 million (0%) to €24,475 million. On a comparable basis, gross revenues increased by €10 million (0%):

- **Health** (€+474 million or +14%) to €3,877 million. On a comparable basis, Health gross revenues increased by €474 million (+14%) reflecting an increase in *Group business* (€+449 million) driven by tariff and volume increases in both international and domestic markets as well as in *Individual business* (€+25 million) due to higher renewals;

- **Property & Casualty** (€-30 million or 0%) to €7,307 million. On a comparable basis, Property & Casualty gross revenues increased by €39 million (+1%) driven by *Commercial lines* (€+26 million) due to higher volumes in assumed business and tariff increases in all segments as well as higher volumes in the Credit & Lifestyle Protection business, and *Personal lines* (€+12 million) mainly stemming from the Direct business;
- **Life & Savings** (€-460 million or -3%) to €13,151 million. On a comparable basis, Life & Savings gross revenues decreased by €437 million (-3%) mainly in *Funds & Other* (€-1,067 million) reflecting the non-repeat of a large contract underwritten in December 2016. Adjusting for this large contract, Life & Savings gross revenues increased by 4% mainly driven by *Unit-Linked* (€+413 million) reflecting higher sales in real estate funds and discretionary mandates. Unit-Linked revenues contributed to 40.3% of total Individual Savings revenues, compared to 29.9% on average for the market. *G/A Savings* revenues increased by €217 million mainly in *Group business* due to the sale of a large contract in 4Q17 (€392 million), partly offset by lower revenues in *Individual business*;
- **Other** (€-66 million or -32%) to €139 million. On a comparable basis, Other gross revenues decreased by €66 million (-32%) driven by Banking activities. Operating net banking revenues slightly increased (€+2 million).

APE increased by €25 million (+1%) to €1,849 million. On a comparable basis, APE increased by €32 million (+2%) mainly driven by *Unit-Linked* (€+54 million) reflecting higher sales in real estate funds and discretionary mandates as well as in Group Retirement, *Health* (€+44 million) driven by higher volumes in international markets, and *G/A Savings* (€+40 million) mainly from Group Retirement due to the sale of a large contract in 4Q17 (€51 million), partly offset by *Funds & Other* (€-100 million) reflecting the non-repeat of a large contract underwritten in December 2016.

NBV Margin increased by 3.5 points to 34.5% mainly driven by (i) favorable economic conditions reflecting favorable equity markets, lower interest rate volatilities and lower equity volatilities, (ii) the decrease in the corporate tax rate, and (iii) the positive impact of a change in policyholder behavior assumptions.

Underlying earnings before tax increased by €83 million (+4%) to €2,011 million. On a constant exchange rate basis, underlying earnings before tax increased by €86 million (+4%):

- **Life & Savings** (€+81 million or +9%) to €1,007 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €84 million (+9%) mainly driven by higher Unit-Linked management fees (€+89 million) reflecting a higher asset base and higher average fee bps, as well as higher loadings on premiums (€+63 million) mainly in Protection and Unit-Linked stemming from higher sales. Net technical margin increased by €41 million driven by higher profitability in Protection. This was partly offset by higher commissions (€-82 million) and a lower investment margin (€-21 million) mainly from lower reinvestment yields;
- **Property & Casualty** (€+4 million or 0%) to €908 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €4 million (0%) mainly due to a lower current year loss ratio (-1.0 point) mainly driven by the cancellation of unprofitable contracts in Commercial lines and a favorable prior year reserve development (-0.3 point), partly offset by an increase in expense ratio as well as a lower net investment margin (€-24 million). The natural event charges remained stable;
- **Health** (€+3 million or +3%) to €103 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €3 million (+3%) mainly driven by higher volumes;
- **Other** (€-5 million) to €-7 million. On a constant exchange rate basis, Other underlying earnings before tax decreased by €5 million mainly at AXA France Holding.

Income tax expenses increased by €42 million (+7%) to €-598 million. On a constant exchange rate basis, income tax expenses increased by €42 million (+8%) mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €44 million (+3%) to €1,429 million. On a constant exchange rate basis, underlying earnings increased by €47 million (+3%).

Adjusted earnings increased by €129 million (+8%) to €1,666 million. On a constant exchange rate basis, adjusted earnings increased by €132 million (+9%) driven by higher underlying earnings and higher net realized capital gains.

Net income decreased by €89 million (-6%) to €1,420 million. On a constant exchange rate basis, net income decreased by €87 million (-6%) as higher adjusted earnings were more than offset by the adverse impact of regulatory changes on annuity legal indexation (€-206 million) and the impact of the partial write-off of the net deferred tax asset position due to the decrease in the corporate tax rate from 34% to 26% enacted in 2017 and effective in the coming years (€-52 million).

Europe

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**35,992**	**37,039**
Life & Savings	15,215	16,315
Property & Casualty	15,633	15,683
Health	5,105	5,004
Other (c)	39	37
New business		
APE	1,034	1,124
NBV Margin	56.6%	48.2%
Underlying earnings before tax	**3,204**	**3,177**
Life & Savings	1,127	1,053
Property & Casualty	1,827	1,817
Health	226	216
Other (c)	24	91
Income tax expenses / benefits	(807)	(792)
Minority interests	(78)	(82)
Income from affiliates and associates	7	2
Underlying earnings Group share	**2,326**	**2,305**
Net capital gains or losses attributable to shareholders net of income tax	237	237
Adjusted earnings Group share	**2,563**	**2,543**
Profit or loss on financial assets (under fair value option) and derivatives	(2)	30
Exceptional operations (including discontinued operations)	(57)	(507)
Goodwill and other related intangible impacts	(44)	(47)
Integration and restructuring costs	(25)	(310)
NET INCOME GROUP SHARE	**2,435**	**1,708**
Property & Casualty Combined Ratio	94.6%	95.1%
Health Combined Ratio	96.1%	96.3%
Protection Combined Ratio	97.0%	98.3%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities, as well as banking activities and holdings into the Other activities.
(c) Other corresponds to banking activities and holdings.

EUROPE - SWITZERLAND

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**9,797**	**10,132**
Life & Savings	6,727	7,044
Property & Casualty	3,070	3,088
Health	0	-
New business		
APE	259	301
NBV Margin	66.4%	57.9%
Underlying earnings before tax	**1,014**	**952**
Life & Savings	419	351
Property & Casualty	606	601
Health	(11)	-
Income tax expenses / benefits	(202)	(186)
Minority interests	(4)	(4)
Income from affiliates and associates	-	-
Underlying earnings Group share	**809**	**761**
Net capital gains or losses attributable to shareholders net of income tax	55	49
Adjusted earnings Group share	**864**	**810**
Profit or loss on financial assets (under fair value option) & derivatives	(43)	(42)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangible impacts	(28)	(31)
Integration and restructuring costs	-	(2)
NET INCOME GROUP SHARE	**792**	**735**
Property & Casualty Combined Ratio	85.8%	86.2%
Health Combined Ratio	n/a	-
Protection Combined Ratio	97.2%	98.2%
Average exchange rate : € 1.00 = Swiss Franc	*1.11*	*1.09*

(a) Net of intercompany eliminations.

Gross revenues decreased by €335 million (-3%) to €9,797 million. On a comparable basis, gross revenues decreased by €134 million (-1%):

- **Life & Savings** (€-317 million or -5%) to €6,727 million. On a comparable basis, Life & Savings gross revenues decreased by €179 million (-3%) driven by *Protection* (€-166 million) mainly due to the non-repeat of the sale of a large Group contract in 2016, and *G/A Savings* (€-20 million) driven by lower new business;
- **Property & Casualty** (€-18 million or -1%) to €3,070 million. On a comparable basis, Property & Casualty gross revenues increased by €45 million (+1%) mainly driven by *Commercial lines* (€+45 million) due to higher volumes and tariff increases mainly in Workers' Compensation.

APE decreased by €41 million (-14%) to €259 million. On a comparable basis, APE decreased by €36 million (-12%) driven by *Protection* (€-29 million) mainly due to the non-repeat of the sale of a large Group contract in 2016 and lower sales in *Individual Life*.

NBV Margin increased by 8.5 points to 66.4% mainly driven by a favorable financial assumption update as a result of higher interest rates as well as a positive business mix towards *Group Protection.*

Underlying earnings before tax increased by €63 million (+7%) to €1,014 million. On a constant exchange rate basis, underlying earnings before tax increased by €83 million (+9%):

- **Life & Savings** (€+68 million or +19%) to €419 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €77 million (+22%) mainly driven by lower amortization of VBI (€+63 million) mainly due to the non-repeat of model assumption update combined with lower expenses (€+9 million) as well as an improved net technical margin (€+8 million). Investment margin increased by €5 million due to higher distribution from private equity investments;
- **Property & Casualty** (€+5 million or +1%) to €606 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €18 million (+3%) as a higher current year combined ratio (+2.8 points) mainly due to higher natural events, was more than offset by a favorable prior year reserve development (-3.2 points). Investment margin remained stable;
- **Health** (€-11 million) to €-11 million. On a constant exchange rate basis, Health underlying earnings before tax decreased by €11 million driven by the investments related to the launch of the business in 2H17.

Income tax expenses increased by €15 million (+8%) to €-202 million. On a constant exchange rate basis, income tax expenses increased by €19 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €48 million (+6%) to €809 million. On a constant exchange rate basis, underlying earnings increased by €64 million (+8%).

Adjusted earnings increased by €53 million (+7%) to €864 million. On a constant exchange rate basis, adjusted earnings increased by €71 million (+9%) driven by higher underlying earnings as well as higher net realized capital gains.

Net income increased by €57 million (+8%) to €792 million. On a constant exchange rate basis, net income increased by €73 million (+10%) mainly driven by higher adjusted earnings.

EUROPE - GERMANY

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**10,672**	**10,534**
Life & Savings	3,696	3,786
Property & Casualty	3,879	3,836
Health	3,059	2,876
Other (c)	39	37
New business		
APE	361	382
NBV Margin	58.2%	43.0%
Underlying earnings before tax	**771**	**782**
Life & Savings	201	186
Property & Casualty	419	387
Health	115	103
Other (c)	36	107
Income tax expenses / benefits	(221)	(235)
Minority interests	(1)	(1)
Income from affiliates and associates	7	2
Underlying earnings Group share	**556**	**549**
Net capital gains or losses attributable to shareholders net of income tax	109	61
Adjusted earnings Group share	**665**	**610**
Profit or loss on financial assets (under fair value option) and derivatives	46	18
Exceptional operations (including discontinued operations)	(87)	(3)
Goodwill and other related intangible impacts	(4)	(4)
Integration and restructuring costs	2	(95)
NET INCOME GROUP SHARE	**621**	**525**
Property & Casualty Combined Ratio	96.0%	97.8%
Health Combined Ratio	96.3%	96.5%
Protection Combined Ratio	97.1%	99.6%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of banking activities and holdings into the Other activities.
(c) Other corresponds to banking activities and holdings.

Gross revenues increased by €138 million (+1%) to €10,672 million. On a comparable basis, gross revenues increased by €138 million (+1%) driven by preferred businesses with Health and *Commercial lines Non-Motor* in Property & Casualty:

- **Health** (€+183 million or +6%) to €3,059 million. On a comparable basis, Health gross revenues increased by €183 million (+6%) mainly due to tariff increases in full benefit insurance and continued growth in the civil service segment;

- **Property & Casualty** (€+43 million or +1%) to €3,879 million. On a comparable basis, Property & Casualty gross revenues increased by €43 million (+1%) driven by *Commercial lines* (€+39 million) due to new business in Non-Motor in SME and Mid-Market;
- **Life & Savings** (€-90 million or -2%) to €3,696 million. On a comparable basis, Life & Savings gross revenues decreased by €90 million (-2%) reflecting lower volumes in *G/A traditional business* (€-118 million) in line with the strategy, as well as lower hybrid products (€-73 million). This was partly offset by strong growth in preferred businesses, namely *Unit-Linked* (€+70 million) and *Pure Protection* (€+30 million).

APE decreased by €21 million (-5%) to €361 million. On a comparable basis, APE decreased by €21 million (-5%) reflecting lower new business in *G/A traditional business* (€-14 million) and lower volume of hybrid products (€-10 million), partly offset by higher sales in *Protection* (€+4 million).

NBV Margin increased by 15.2 points to 58.2% mainly driven by a business mix shift from *G/A traditional business* to *Pure Protection*, as well as a positive evolution in *Health*.

Underlying earnings before tax decreased by €11 million (-1%) to €771 million as the growth across insurance businesses was more than offset by the decrease in Holdings:

- **Property & Casualty** (€+33 million or +8%) to €419 million as a higher current year combined ratio (+0.6 point) driven by higher large losses and natural events, partly offset by a lower expense ratio (-0.6 point) reflecting the impact of the cost savings program, was more than offset by higher prior year reserve results (-2.5 points) mainly due to the non-repeat of an unfavorable 2016 prior year reserve development. This was partly offset by a lower investment margin (€-39 million) mainly from lower reinvestment yields on fixed income assets;
- **Life & Savings** (€+15 million or +8%) to €201 million mainly due to a decrease in expenses driven by lower Deferred Acquisition Cost amortization and a lower VBI amortization from the non-repeat of the unfavorable change in interest rate assumptions, partly offset by a lower investment margin (€-43 million) mainly from lower reinvestment yields on fixed income assets;
- **Health** (€+12 million or +12%) to €115 million mainly driven by profitable growth supported by tariff increases;
- **Other** (€-71 million) to €36 million mainly driven by Holdings (€-73 million) mainly due to the non-repeat of an exceptional decrease in pension costs in 2016.

Income tax expenses decreased by €14 million (-6%) to €-221 million due to higher positive tax one-offs (€+9 million).

Income from affiliates and associates increased by €4 million to €7 million.

Underlying earnings increased by €7 million (+1%) to €556 million.

Adjusted earnings increased by €55 million (+9%) to €665 million mainly driven by higher net realized capital gains.

Net income increased by €96 million (+18%) to €621 million driven by higher adjusted earnings, the non-repeat of restructuring costs and a favorable change in the fair value of economic hedge derivatives not eligible for hedge accounting, partly offset by the negative impact related to the disposal of a part of the occupational pension business.

EUROPE - BELGIUM

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**3,310**	**3,377**
Life & Savings	1,178	1,210
Property & Casualty	2,044	2,097
Health	87	70
New business		
APE	56	55
NBV Margin	75.4%	57.9%
Underlying earnings before tax	**531**	**519**
Life & Savings	253	266
Property & Casualty	286	262
Health	(7)	(4)
Other (c)	(2)	(4)
Income tax expenses / benefits	(174)	(160)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**357**	**359**
Net capital gains or losses attributable to shareholders net of income tax	49	107
Adjusted earnings Group share	**406**	**466**
Profit or loss on financial assets (under fair value option) and derivatives	16	34
Exceptional operations (including discontinued operations)	34	0
Goodwill and other related intangible impacts	(4)	(2)
Integration and restructuring costs	23	(149)
NET INCOME GROUP SHARE	**475**	**349**
Property & Casualty Combined Ratio	93.6%	95.0%
Health Combined Ratio	110.2%	108.6%
Protection Combined Ratio	98.2%	100.6%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities and the holding into the Other activities.
(c) Other corresponds to the holding.

Gross revenues decreased by €67 million (-2%) to €3,310 million. On a comparable basis, gross revenues decreased by €67 million (-2%):

- **Property & Casualty** (€-53 million or -3%) to €2,044 million. On a comparable basis, Property & Casualty gross revenues decreased by €17 million (-1%) driven by *Commercial lines* (€-21 million) mainly due to the non-repeat of the one-off booking of a prior year reinsurance contract, partly offset by *Personal lines* (€+4 million) as lower volumes were more than offset by tariff increases;
- **Life & Savings** (€-31 million or -3%) to €1,178 million. On a comparable basis, Life & Savings gross revenues decreased by €31 million (-3%) driven by *Unit-Linked* (€-60 million) due to lower single

premiums, mainly on the *Oxylife Invest* hybrid product, in line with the strategy to stop the Individual Savings business, partly offset by *G/A Savings* (€+17 million) driven by pension products for SME and self-employed, and *Protection* (€+11 million), in line with the strategy;

- **Health** (€+18 million or +25%) to €87 million. On a comparable basis, Health gross revenues decreased by €18 million (-17%) due to the non-repeat of the one-off booking of a prior year reinsurance contract, partly offset by an increase in *Group business* due to a new large contract.

APE increased by €1 million (+1%) to €56 million. On a comparable basis, APE increased by €1 million (+1%) mainly from *G/A Savings* (€+9 million) driven by pension products for SME and self-employed, partly offset by *Unit-Linked* (€-4 million) due to lower single premiums, mainly on the *Oxylife Invest* hybrid product, in line with the strategy to stop the Individual Savings business, as well as lower new business in *Group Protection* (€-4 million).

NBV Margin increased by 17.5 points to 75.4% mainly driven by lower acquisition expenses and the positive impact of the decrease in the corporate tax rate.

Underlying earnings before tax increased by €12 million (+2%) to €531 million:

- **Property & Casualty** (€+25 million or +9%) to €286 million mainly due to a lower current year combined ratio (-2.5 points) driven by favorable weather conditions and the non-repeat of terrorist attacks of March 2016, partly offset by an unfavorable prior year result (+1.0 point). Investment margin decreased by €3 million;
- **Other** (€+2 million or +57%) to €-2 million driven by lower expenses in the Holding;
- **Life & Savings** (€-13 million or -5%) to €253 million driven by a lower investment margin (€-39 million) mainly due to the non-repeat of exceptional mutual funds dividends in 2016, partly offset by a higher net technical margin (€+17 million) mainly due to a more favorable mortality experience, as well as lower expenses (€+9 million) resulting from the cost savings program;
- **Health** (€-3 million or -70%) to €-7 million mainly driven by a higher combined ratio (+1.6 points) mainly from an unfavorable prior year reserve development.

Income tax expenses increased by €14 million (+9%) to €-174 million driven by an exceptional dividend paid to the Group (€-13 million).

Underlying earnings decreased by €2 million (-1%) to €357 million.

Adjusted earnings decreased by €60 million (-13%) to €406 million driven by lower net realized capital gains as well as lower underlying earnings.

Net income increased by €126 million (+36%) to €475 million as lower adjusted earnings and an unfavorable change in the fair value of foreign exchange derivatives not eligible for hedge accounting were more than offset by the non-repeat of restructuring costs combined with the impact of the reduction of the net deferred tax liability position due to the decrease in the corporate tax rate from 34% to 25% enacted in 2017 and effective in the coming years (€+34 million).

EUROPE - UNITED KINGDOM & IRELAND

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**5,130**	**5,366**
Life & Savings	57	70
Property & Casualty	3,372	3,472
Health	1,700	1,824
Underlying earnings before tax	**340**	**375**
Life & Savings	12	3
Property & Casualty	228	280
Health	109	103
Other (c)	(10)	(12)
Income tax expenses / benefits	(58)	(55)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**282**	**320**
Net capital gains or losses attributable to shareholders net of income tax	13	11
Adjusted earnings Group share	**295**	**331**
Profit or loss on financial assets (under fair value option) and derivatives	(32)	21
Exceptional operations (including discontinued operations)	7	(505)
Goodwill and other related intangible impacts	(4)	(5)
Integration and restructuring costs	(22)	(26)
NET INCOME GROUP SHARE	**243**	**(184)**
Property & Casualty Combined Ratio	99.1%	98.1%
Health Combined Ratio	94.9%	95.7%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities and holdings into the Other activities.
(c) Other corresponds to holdings.

Gross revenues decreased by €237 million (-4%) to €5,130 million. On a comparable basis, gross revenues increased by €72 million (+1%):

- **Property & Casualty** (€-100 million or -3%) to €3,372 million. On a comparable basis, Property & Casualty gross revenues increased by €49 million (+1%) in *Commercial lines* (€+86 million) principally in Motor due to higher new business and tariff increases, partly offset by *Personal lines* (€-37 million) mainly in Property reflecting lower volumes following tariff increases and the exit of a scheme, partly offset by growth in Motor in Ireland;
- **Health** (€-124 million or -7%) to €1,700 million. On a comparable basis, Health gross revenues increased by €31 million (+2%) mainly driven by volume growth and tariff increases in the United Kingdom, as well as in Commercial International business;
- **Life & Savings** (€-12 million or -18%) to €57 million. On a comparable basis, Life & Savings gross revenues decreased by €8 million (-12%).

Underlying earnings before tax decreased by €35 million (-9%) to €340 million. On a constant exchange rate basis, underlying earnings before tax decreased by €15 million (-4%):

- **Property & Casualty** (€-52 million or -18%) to €228 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax decreased by €40 million (-14%) as the improvement in the current year combined ratio (-1.7 points) mainly driven by lower natural events in Great Britain and Motor tariff increases to compensate for increases in injury claims costs following the 'Ogden' legislation change, was more than offset by a lower favorable prior reserve development (+2.7 points) reflecting the non-repeat of a favorable prior year reserve development in Direct in 2016 combined with reserves strengthening of Travel business in 2017. Investment margin decreased by €6 million mainly due to higher foreign exchange hedging costs;
- **Health** (€+6 million or +6%) to €109 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €14 million (+13%) driven by higher volumes and an improvement in the combined ratio (-0.8 point) mainly due to tariff increases in Corporate business and an improvement in claims management;
- **Life & Savings** (€+10 million) to €12 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €10 million mainly due to lower expenses;
- **Other** (€+2 million) to €-10 million. On a constant exchange rate basis, Other underlying earnings before tax increased by €1 million at AXA UK Holdings.

Income tax expenses increased by €3 million (+6%) to €-58 million. On a constant exchange rate basis, income tax expenses increased by €6 million (+12%) as lower pre-tax underlying earnings were more than offset by the non-repeat of positive tax one-offs in 2016.

Underlying earnings decreased by €38 million (-12%) to €282 million. On a constant exchange rate basis, underlying earnings decreased by €22 million (-7%).

Adjusted earnings decreased by €36 million (-11%) to €295 million. On a constant exchange rate basis, adjusted earnings decreased by €19 million (-6%) driven by lower underlying earnings, partly offset by higher net realized capital gains.

Net income increased by €428 million to €243 million. On a constant exchange rate basis, net income increased by €442 million as lower adjusted earnings and an unfavorable change in the fair value of derivatives not eligible to hedge accounting were more than offset by the non-repeat of the realized loss relating to the disposal of the Life & Savings operations and Bluefin in the United Kingdom in 2016, and lower restructuring costs.

EUROPE - SPAIN

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**2,365**	**2,534**
Life & Savings	571	794
Property & Casualty	1,606	1,568
Health	188	173
New business		
APE	73	86
NBV Margin	84.3%	75.0%
Underlying earnings before tax	**207**	**185**
Life & Savings	61	58
Property & Casualty	131	114
Health	15	13
Income tax expenses / benefits	(48)	(44)
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**159**	**140**
Net capital gains or losses attributable to shareholders net of income tax	4	5
Adjusted earnings Group share	**163**	**146**
Profit or loss on financial assets (under fair value option) and derivatives	(2)	13
Exceptional operations (including discontinued operations)	(2)	(1)
Goodwill and other related intangible impacts	(4)	(5)
Integration and restructuring costs	(16)	(28)
NET INCOME GROUP SHARE	**140**	**125**
Property & Casualty Combined Ratio	97.5%	98.9%
Health Combined Ratio	92.8%	93.3%
Protection Combined Ratio	93.0%	94.9%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities.

Gross revenues decreased by €170 million (-7%) to €2,365 million. On a comparable basis, gross revenues decreased by €170 million (-7%):

- **Life & Savings** (€-223 million or -28%) to €571 million. On a comparable basis, Life & Savings gross revenues decreased by €223 million (-28%) in line with the strategy to shift towards capital light products, driven by *Protection with Savings* (€-180 million) mainly due to the non-renewal of two large bank agreements, and *G/A Savings* (€-123 million) as a consequence of the reduction of interest credited rates, partly offset by *Unit-Linked* (€+73 million) mainly due to the commercial focus;
- **Property & Casualty** (€+38 million or +2%) to €1,606 million. On a comparable basis, Property & Casualty gross revenues increased by €38 million (+2%) driven by both *Personal lines* (€+25 million) from Motor

(€+26 million) with higher volumes and moderate tariff increases, and *Commercial lines* (€+13 million) with higher volumes and tariff increases across lines of business;

- **Health** (€+15 million or +9%) to €188 million. On a comparable basis, Health gross revenues increased by €15 million (+9%) mainly driven by *Personal lines* with higher volumes and tariff increases.

APE decreased by €13 million (-15%) to €73 million. On a comparable basis, APE decreased by €13 million (-15%) in line with the strategy to shift towards capital light products, driven by *Protection with Savings* (€-16 million) mainly due to the non-renewal of two large bank agreements, and *G/A Savings* (€-12 million) as a consequence of the reduction of interest credited rates, partly offset by *Unit-Linked* (€+9 million) mainly due to the commercial focus.

NBV Margin increased by 9.3 points to 84.3% mainly driven by a business mix shift from *G/A Savings* to *Protection*, in line with the above-mentioned strategy to shift towards capital light products.

Underlying earnings before tax increased by €22 million (+12%) to €207 million:

- **Property & Casualty** (€+18 million or +16%) to €131 million driven by a lower current accident year loss ratio (-0.4 point) due to a favorable claims experience in Commercial lines, despite higher natural events, reflecting management actions to improve profitability, a favorable prior year reserve development (-0.6 point) as well as lower administrative expenses mainly resulting from the cost savings program, partly offset by a lower investment margin (€-6 million) mainly driven by the non-repeat of an exceptional distribution from mutual funds in 2016;
- **Life & Savings** (€+3 million or +5%) to €61 million mainly driven by a higher investment margin from lower interests credited to policyholders;
- **Health** (€+1 million or +9%) to €15 million mainly driven by a positive volume effect.

Income tax expenses increased by €3 million (+7%) to €-48 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €19 million (+13%) to €159 million.

Adjusted earnings increased by €18 million (+12%) to €163 million mainly driven by higher underlying earnings.

Net income increased by €15 million (+12%) to €140 million mainly driven by higher adjusted earnings and lower restructuring costs, partly offset by an unfavorable change in the fair value of foreign exchange derivatives not eligible to hedge accounting.

EUROPE - ITALY

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**4,719**	**5,095**
Life & Savings	2,985	3,411
Property & Casualty	1,663	1,622
Health	70	62
New business		
APE	284	300
NBV Margin	34.9%	35.7%
Underlying earnings before tax	**341**	**363**
Life & Savings	181	189
Property & Casualty	156	174
Health	5	0
Other (c)	0	0
Income tax expenses / benefits	(105)	(111)
Minority interests	(72)	(77)
Income from affiliates and associates	-	-
Underlying earnings Group share	**164**	**176**
Net capital gains or losses attributable to shareholders net of income tax	6	4
Adjusted earnings Group share	**170**	**180**
Profit or loss on financial assets (under fair value option) and derivatives	13	(15)
Exceptional operations (including discontinued operations)	(9)	3
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(10)	(10)
NET INCOME GROUP SHARE	**164**	**159**
Property & Casualty Combined Ratio	96.5%	95.8%
Health Combined Ratio	95.1%	99.7%
Protection Combined Ratio	82.9%	80.6%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities and the holding into the Other activities.
(c) Other corresponds to the holding.

Gross revenues decreased by €376 million (-7%) to €4,719 million. On a comparable basis, gross revenues decreased by €376 million (-7%):

- **Life & Savings** (€-426 million or -12%) to €2,985 million. On a comparable basis, Life & Savings gross revenues decreased by €426 million (-12%) mainly from *G/A Savings* (€-815 million), partly offset by *Unit-Linked* (€+376 million) driven by the difficulties faced by Banca Monte dei Paschi di Siena and the commercial focus on new Unit-Linked products launched in 2H17, and *Protection* (€+13 million);
- **Property & Casualty** (€+42 million or +3%) to €1,663 million. On a comparable basis, Property & Casualty gross revenues increased by €42 million (+3%) from *Personal lines* (€+23 million) as a consequence of

higher volumes from new agencies and *Commercial lines* (€+18 million) mainly due to higher volumes from agencies and new broker agreements;

- **Health** (€+8 million or +13%) to €70 million. On a comparable basis, Health gross revenues increased by €8 million (+13%) resulting from a strong commercial focus.

APE decreased by €15 million (-5%) to €284 million. On a comparable basis, APE decreased by €15 million (-5%) mainly from *G/A Savings* (€-53 million), partly offset by *Unit-Linked* (€+35 million) driven by the difficulties faced by Banca Monte dei Paschi di Siena and the commercial focus on the new Unit-Linked products launched in 2H17.

NBV Margin decreased by 0.8 point to 34.9% mainly driven by higher volume share of Unit-Linked with lower than average profitability.

Underlying earnings before tax decreased by €22 million (-6%) to €341 million:

- **Property & Casualty** (€-18 million or -10%) to €156 million as the improvement of the current year combined ratio (-1.9 points) driven by the cost savings program and selective underwriting measures was more than offset by a lower positive prior year reserve development (+2.7 points) and a lower investment margin (€-8 million);
- **Life & Savings** (€-9 million or -5%) to €181 million mainly due to lower Unearned Revenue Reserve and Deferred Acquisition Cost amortization (€-24 million) as a consequence of lower *Protected* Unit-Linked surrenders, partly offset by higher Unit-Linked management fees and a higher investment margin (€+4 million) due to the decrease in minimum guaranteed rates;
- **Health** (€+5 million) to €5 million mainly due to higher volumes and improved profitability.

Income tax expenses decreased by €6 million (-5%) to €-105 million mainly driven by lower pre-tax underlying earnings.

Underlying earnings decreased by €12 million (-7%) to €164 million.

Adjusted earnings decreased by €10 million (-6%) to €170 million mainly driven by lower underlying earnings.

Net income increased by €5 million (+3%) to €164 million as lower adjusted earnings and higher exceptional costs related to the renewal of the partnership with Banca Monte dei Paschi di Siena were more than offset by a favorable change in the fair value of derivatives not eligible to hedge accounting.

Asia

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**8,985**	**9,542**
Life & Savings	5,702	6,153
Property & Casualty	1,313	1,348
Health	1,970	2,041
New business		
APE	1,510	1,661
NBV Margin	70.6%	65.3%
Underlying earnings before tax	**1,187**	**1,135**
Life & Savings	679	639
Property & Casualty	60	57
Health	448	440
Other (c)	(0)	(2)
Income tax expenses / benefits	(257)	(242)
Minority interests	(7)	(7)
Income from affiliates and associates	166	160
Underlying earnings Group share	**1,089**	**1,047**
Net capital gains or losses attributable to shareholders net of income tax	23	19
Adjusted earnings Group share	**1,111**	**1,066**
Profit or loss on financial assets (under fair value option) & derivatives	(59)	45
Exceptional operations (including discontinued operations)	(0)	(0)
Goodwill and other related intangible impacts	(16)	(15)
Integration and restructuring costs	(9)	(0)
NET INCOME GROUP SHARE	**1,028**	**1,096**
Property & Casualty Combined Ratio	97.6%	97.7%
Health Combined Ratio	78.3%	79.1%
Protection Combined Ratio	86.7%	85.9%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities and the holding into the Other activities.
(c) Other corresponds to the holding.

ASIA - JAPAN

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**4,647**	**5,161**
Life & Savings	3,252	3,715
Health	1,395	1,447
New business		
APE	441	499
NBV Margin	112.1%	98.2%
Underlying earnings before tax	**719**	**682**
Life & Savings	298	259
Health	421	422
Income tax expenses / benefits	(215)	(195)
Minority interests	(7)	(6)
Income from affiliates and associates	-	-
Underlying earnings Group share	**497**	**480**
Net capital gains or losses attributable to shareholders net of income tax	9	19
Adjusted earnings Group share	**506**	**499**
Profit or loss on financial assets (under fair value option) & derivatives	(8)	69
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(2)	-
NET INCOME GROUP SHARE	**497**	**568**
Health Combined Ratio	71.1%	71.7%
Protection Combined Ratio	88.1%	88.8%
Average exchange rate : € 1.00 = Yen	*127*	*121*

(a) Net of intercompany eliminations.

Gross revenues decreased by €514 million (-10%) to €4,647 million. On a comparable basis, gross revenues decreased by €304 million (-6%):

- **Life & Savings** (€-462 million or -12%) to €3,252 million. On a comparable basis, Life & Savings gross revenues decreased by €315 million (-8%) mainly due to lower new business from the G/A capital light *Single Premium Whole Life* product (€-337 million) in the context of new regulatory requirements effective late 2016;
- **Health** (€-52 million or -4%) to €1,395 million. On a comparable basis, Health gross revenues increased by €11 million (+1%) mainly due to *Medical Whole Life* products driven by higher inforce revenues and the success of a *New Medical Care* product launched in the third quarter 2017.

APE decreased by €58 million (-12%) to €441 million. On a comparable basis, APE decreased by €38 million (-8%) mainly due to lower new business from the G/A capital light *Single Premium Whole Life* product (€-33 million) in the context of new regulatory requirements effective late 2016.

NBV Margin increased by 13.9 points to 112.1% mainly driven by tariff increases since April 2017 as well as a more favorable business mix shift towards *Protection*.

Underlying earnings before tax increased by €38 million (+6%) to €719 million. On a constant exchange rate basis, underlying earnings before tax increased by €70 million (+10%):

- **Life & Savings** (€+39 million or +15%) to €298 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €52 million (+20%) primarily driven by lower expenses (€+55 million) mainly as a result of the restructuring of the pension scheme as well as costs containment initiatives, and higher fees & revenues (€+12 million) mainly due to in-force growth, partly offset by a lower net technical margin (€-7 million) mainly due to a less favorable mortality margin;
- **Health** (€-1 million or 0%) to €421 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €18 million (+4%) mainly driven by a higher mortality margin.

Income tax expenses increased by €20 million (+10%) to €-215 million. On a constant exchange rate basis, income tax expenses increased by €30 million (+15%) driven by higher pre-tax underlying earnings as well as the non-repeat of the tax one-off related to the decrease in the corporate tax rate in 1H16.

Underlying earnings increased by €17 million (+4%) to €497 million. On a constant exchange rate basis, underlying earnings increased by €40 million (+8%).

Adjusted earnings increased by €7 million (+1%) to €506 million. On a constant exchange rate basis, adjusted earnings increased by €30 million (+6%) driven by higher underlying earnings, partly offset by lower net realized capital gains.

Net income decreased by €71 million (-12%) to €497 million. On a constant exchange rate basis, net income decreased by €48 million (-9%) as higher adjusted earnings were more than offset by an unfavorable change in the fair value of mutual funds and interest rate hedging derivatives not eligible for hedge accounting.

ASIA - HONG KONG

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**3,170**	**3,172**
Life & Savings	2,384	2,374
Property & Casualty	256	247
Health	530	551
New business		
APE	456	536
NBV Margin	63.8%	74.9%
Underlying earnings before tax	**412**	**418**
Life & Savings	367	367
Property & Casualty	19	22
Health	27	29
Income tax expenses / benefits	(20)	(29)
Minority interests	-	-
Income from affiliates and associates	-	-
Underlying earnings Group share	**392**	**389**
Net capital gains or losses attributable to shareholders net of income tax	2	(5)
Adjusted earnings Group share	**393**	**384**
Profit or loss on financial assets (under fair value option) & derivatives	1	6
Exceptional operations (including discontinued operations)	(0)	(0)
Goodwill and other related intangible impacts	(15)	(14)
Integration and restructuring costs	(5)	-
NET INCOME GROUP SHARE	**373**	**375**
Property & Casualty Combined Ratio	96.2%	94.2%
Health Combined Ratio	95.2%	95.0%
Protection Combined Ratio	84.9%	81.8%
Average exchange rate : € 1.00 = Hong Kong Dollar	*8.80*	*8.59*

(a) Net of intercompany eliminations.

Gross revenues decreased by €2 million (0%) to €3,170 million. On a comparable basis, gross revenues increased by €78 million (+2%):

- **Life & Savings** (€+10 million or 0%) to €2,384 million. On a comparable basis, Life & Savings gross revenues increased by €39 million (+2%) from *Protection* (€+150 million) and *G/A Savings* (€+38 million) both due to new business sales and in-force growth, partly offset by *Unit-Linked* (€-149 million) due to the prolonged impact of the regulatory changes and lower single premiums;
- **Health** (€-21 million or -4%) to €530 million. On a comparable basis, Health gross revenues increased by €24 million (+5%) mainly driven by higher volumes in *Individual business*;

- **Property & Casualty** (€+9 million or +4%) to €256 million. On a comparable basis, Property & Casualty gross revenues increased by €15 million (+6%) from *Personal lines* (€+8 million) driven by higher new business in Motor and price increases in Travel, as well as *Commercial lines* (€+7 million) mainly from higher new business in Liability and Workers' Compensation.

APE decreased by €80 million (-15%) to €456 million. On a comparable basis, APE decreased by €69 million (-13%) driven by *Protection with Savings* (€-42 million) mainly due to a strong competition notably on the short term pay whole of life participating products with attractive policyholder returns, *Health* (€-12 million) mainly reflecting the non-repeat of the sale of a large Group contract in 2016, and *Unit-Linked* (€-11 million) due to the prolonged impact of the regulatory changes.

NBV Margin decreased by 11.2 points to 63.8% mainly driven by an unfavorable business mix and higher unit costs as a result of lower sales volume.

Underlying earnings before tax decreased by €6 million (-1%) to €412 million. On a constant exchange rate basis, underlying earnings before tax increased by €4 million (+1%):

- **Life & Savings** stable at €367 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €9 million (+2%) mainly due to higher fees & revenues from gross revenues growth, higher mortality and surrender margins, partly offset by an unfavorable impact from an accounting mismatch;
- **Health** (€-2 million or -7%) to €27 million. On a constant exchange rate basis, Health underlying earnings before tax decreased by €1 million (-5%);
- **Property & Casualty** (€-3 million or -15%) to €19 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax decreased by €3 million (-13%) mainly due to a less favorable claims experience in Personal Motor combined with higher losses from natural events in both Personal Motor and Commercial Property.

Income tax expenses decreased by €9 million (-30%) to €-20 million. On a constant exchange rate basis, income tax expenses decreased by €8 million (-28%) as higher pre-tax underlying earnings were more than offset by positive tax one-offs.

Underlying earnings increased by €3 million (+1%) to €392 million. On a constant exchange rate basis, underlying earnings increased by €13 million (+3%).

Adjusted earnings increased by €10 million (+3%) to €393 million. On a constant exchange rate basis, adjusted earnings increased by €20 million (+5%) driven by higher underlying earnings as well as higher net realized capital gains.

Net income decreased by €2 million (0%) to €373 million. On a constant exchange rate basis, net income increased by €8 million (+2%) driven by higher adjusted earnings, partly offset by an unfavorable change in the fair value of financial assets as well as higher restructuring costs.

ASIA - HIGH POTENTIALS

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**180**	**177**
Life & Savings	66	64
Property & Casualty	72	74
Health	42	39
New business		
APE	613	626
NBV Margin	45.8%	31.0%
Underlying earnings before tax	**4**	**(1)**
Life & Savings	14	13
Property & Casualty	(10)	(3)
Health	(0)	(11)
Income tax expenses / benefits	1	1
Minority interests	0	0
Income from affiliates and associates	166	160
Underlying earnings Group share	**171**	**161**
Net capital gains or losses attributable to shareholders net of income tax	14	8
Adjusted earnings Group share	**185**	**168**
Profit or loss on financial assets (under fair value option) & derivatives	(54)	(29)
Exceptional operations (including discontinued operations)	(0)	-
Goodwill and other related intangible impacts	-	(0)
Integration and restructuring costs	(2)	-
NET INCOME GROUP SHARE	**129**	**139**
Property & Casualty Combined Ratio	115.2%	105.9%
Health Combined Ratio	102.5%	128.7%
Protection Combined Ratio	94.8%	97.0%

(a) Net of intercompany eliminations.

Scope: (i) for gross revenues and combined ratios: Property & Casualty subsidiary in Thailand and non-bancassurance Life & Savings subsidiary in Indonesia, on a 100% share basis; (ii) for APE, NBV, underlying earnings, adjusted earnings and net income: China, Indonesia, Thailand and the Philippines, on a Group share basis.

Gross revenues increased by €3 million (+2%) to €180 million. On a comparable basis, gross revenues increased by €3 million (+2%):

- **Health** (€+3 million or +8%) to €42 million. On a comparable basis, Health gross revenues increased by €3 million (+9%) mainly driven by *Indonesia* (€+2 million) due to in-force growth and *Thailand* (€+2 million) mainly driven by tariff increases in both *Commercial* and *Personal lines*;
- **Life & Savings** (€+1 million or +2%) to €66 million. On a comparable basis, Life & Savings gross revenues increased by €3 million (+4%) in *Indonesia* (€+3 million) mainly driven by *Protection*;

- **Property & Casualty** (€-1 million or -2%) to €72 million. On a comparable basis, Property & Casualty gross revenues decreased by €3 million (-4%) in *Thailand* (€-3 million) driven by lower revenues from *Commercial Property* and *Personal Motor*.

APE decreased by €13 million (-2%) to €613 million. On a comparable basis, APE increased by €3 million (0%):

- *The Philippines* (€+7 million or +17%) to €50 million. On a comparable basis, APE increased by €12 million (+27%) mainly from *Protection* (€+11 million) driven by the strong performance of Unit-Linked products from both bancassurance and agency channels;
- *Indonesia* (€+3 million or +2%) to €133 million. On a comparable basis, APE increased by €6 million (+5%) driven by the launch of a new *Protection* product through agency channel as well as successful marketing initiatives in *Health*;
- *China* (€-22 million or -7%) to €269 million. On a comparable basis, APE decreased by €10 million (-4%) due to lower sales of *traditional G/A Savings* products (€-38 million), partly offset by *Protection* (€+24 million) due to higher sales of a critical illness product;
- *Thailand* (€-1 million or -1%) to €161 million. On a comparable basis, APE decreased by €4 million (-3%) due to lower *Protection with Savings* sales (€-25 million) following the decision to stop sales of a product with low profitability, partly offset by higher *G/A Savings* (€+15 million) and *Unit-Linked* sales (€+3 million) both driven by the launch of new products.

NBV Margin increased by 14.8 points to 45.8%. On a comparable basis, NBV Margin increased by 15.1 points mainly driven by a more favorable business mix and an increase in interest rates in *China*.

Underlying earnings before tax increased by €5 million to €4 million. On a constant exchange rate basis, underlying earnings before tax increased by €6 million:

- **Health** (€+11 million) to €0 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €11 million mainly driven by Indonesia (€+7 million) following the discontinuation of unprofitable products combined with a favorable portfolio growth and Thailand (€+3 million) mainly driven by a lower combined ratio following tariff increases in both Commercial and Personal lines;
- **Life & Savings** (€+1 million) to €14 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €2 million in Indonesia (€+2 million) mainly driven by the launch of a new Protection product combined with a favorable portfolio growth;
- **Property & Casualty** (€-7 million) to €-10 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax decreased by €7 million in Thailand (€-7 million) driven by a higher current year loss ratio due to higher large losses mainly in Commercial Property combined with higher Nat Cat events.

Income tax expenses remained stable at €1 million. On a constant exchange rate basis, income tax expenses remained stable.

Income from affiliates and associates increased by €5 million (+3%) to €166 million. On a constant exchange rate basis, income from associates and affiliates increased by €7 million (+5%):

- *The Philippines* (€+5 million or +30%) to €21 million and *Thailand* (€+5 million or +6%) to €85 million, both mainly from higher fees & revenues combined with a higher investment income, as a result of portfolio growth;
- *Indonesia* (€+2 million or +6%) to €44 million mainly from Unit-Linked management fees due to portfolio growth and positive equity market performance;
- *China* (€-5 million or -25%) to €15 million mainly from financial assumption updates.

Underlying earnings increased by €10 million (+6%) to €171 million. On a constant exchange rate basis, underlying earnings increased by €13 million (+8%).

Adjusted earnings increased by €17 million (+10%) to €185 million. On a constant exchange rate basis, adjusted earnings increased by €20 million (+12%) driven by higher underlying earnings as well as higher net realized capital gains.

Net income decreased by €10 million (-7%) to €129 million. On a constant exchange rate basis, net income decreased by €8 million (-6%) as higher adjusted earnings were more than offset by an unfavorable change in the fair value of financial assets in China and an unfavorable accounting mismatch in Thailand.

United States

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**16,911**	**16,872**
Life & Savings	14,154	14,287
Health	57	55
Other (c)	2,700	2,530
New business		
APE	1,799	1,732
NBV Margin	23.4%	21.8%
Underlying earnings before tax	**1,392**	**1,411**
Life & Savings	863	951
Health	(27)	(39)
Other (c)	556	499
Income tax expenses / benefits	(7)	(208)
Minority interests	(250)	(205)
Income from affiliates and associates	-	-
Underlying earnings Group share	**1,135**	**998**
Net capital gains or losses attributable to shareholders net of income tax	(60)	8
Adjusted earnings Group share	**1,075**	**1,006**
Profit or loss on financial assets (under fair value option) & derivatives	96	(17)
Exceptional operations (including discontinued operations)	268	973
Goodwill and other related intangible impacts	(2)	(0)
Integration and restructuring costs	(21)	(18)
NET INCOME GROUP SHARE	**1,415**	**1,944**
Health Combined Ratio	146.9%	164.8%
Protection Combined Ratio	112.7%	108.7%
Average exchange rate : € 1.00 = US Dollar	*1.13*	*1.11*

(a) Net of intercompany eliminations.
(b) Restated: reallocation of AXA Corporate Solutions Life Reinsurance Company operations into the Life & Savings activities, as well as asset management activities and holdings into the Other activities.
(c) Other corresponds to asset management activities and holdings.

UNITED STATES - LIFE & SAVINGS

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**14,210**	**14,342**
Life & Savings	14,154	14,287
Health	57	55
New business		
APE	1,799	1,732
NBV Margin	23.4%	21.8%
Underlying earnings before tax	**707**	**795**
Life & Savings	863	951
Health	(27)	(39)
Other (c)	(129)	(117)
Income tax expenses / benefits	145	11
Minority interests	(0)	(0)
Income from affiliates and associates	-	-
Underlying earnings Group share	**852**	**807**
Net capital gains or losses attributable to shareholders net of income tax	(60)	8
Adjusted earnings Group share	**792**	**815**
Profit or loss on financial assets (under fair value option) & derivatives	96	(40)
Exceptional operations (including discontinued operations)	135	973
Goodwill and other related intangible impacts	(2)	(0)
Integration and restructuring costs	(14)	(13)
NET INCOME GROUP SHARE	**1,006**	**1,735**
Health Combined Ratio	146.9%	164.8%
Protection Combined Ratio	112.7%	108.7%
Average exchange rate : € 1.00 = US Dollar	*1.13*	*1.11*

(a) Net of intercompany eliminations.
(b) Restated: reallocation of AXA Corporate Solutions Life Reinsurance Company operations into the Life & Savings activities, and holdings into the Other activities.
(c) Other corresponds to holdings.

Gross revenues decreased by €131 million (-1%) to €14,210 million. On a comparable basis, gross revenues increased by €183 million (+1%):

- **Life & Savings** (€-133 million or -1%) to €14,154 million. On a comparable basis, Life & Savings gross revenues increased by €180 million (+1%) mainly from *Unit-Linked* (€+114 million) driven by higher sales of non-GMxB Variable Annuity products, partly offset by a decrease in GMxB Variable Annuity sales, and *Mutual Funds & Other* (€+100 million) reflecting higher advisory sales from favorable market conditions;
- **Health** (€+2 million or +4%) to €57 million. On a comparable basis, Health gross revenues increased by €3 million (+6%).

APE increased by €67million (+4%) to €1,799 million. On a comparable basis, APE increased by €107 million (+6%) mainly from *Mutual Funds & Other* (€+92 million) reflecting higher advisory sales from favorable market conditions.

NBV Margin increased by 1.6 points to 23.4% mainly driven by the decrease in the corporate tax rate from 35% to 21% enacted in December 2017 and effective from 2018 onwards.

Underlying earnings before tax decreased by €89 million (-11%) to €707 million. On a constant exchange rate basis, underlying earnings before tax decreased by €73 million (-9%):

- **Life & Savings** (€-88 million or -9%) to €863 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax decreased by €69 million (-7%) mainly driven by unfavorable actual mortality and morbidity experience (€-161 million) as well as model and assumption changes (€-81 million) in 2017, partly offset by favorable GMxB hedge margin and higher Unit-Linked management fees reflecting higher average separate account balances;
- **Other** (€-12 million or -11%) to €-129 million. On a constant exchange rate basis, Other underlying earnings before tax decreased by €15 million (-13%) from Holdings mainly driven by lower rental income due to the sale of two real estate properties in New York in 2016;
- **Health** (€+12 million or +31%) to €-27 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €11 million (+29%) mainly driven by lower expenses.

Income tax benefits increased by €134 million to €145 million. On a constant exchange rate basis, income tax benefits increased by €137 million due to lower pre-tax underlying earnings, higher positive tax settlements (€202 million in 2017 vs. €164 million in 2016) as well as a lower effective tax rate.

Underlying earnings increased by €45 million (+6%) to €852 million. On a constant exchange rate basis, underlying earnings increased by €64 million (+8%).

Adjusted earnings decreased by €23 million (-3%) to €792 million. On a constant exchange rate basis, adjusted earnings decreased by €5 million (-1%) as higher underlying earnings were more than offset by lower net realized capital gains.

Net income decreased by €729 million (-42%) to €1,006 million. On a constant exchange rate basis, net income decreased by €707 million (-41%) mainly from Holdings due to the non-repeat of the exceptional net capital gains on the sale of two real estate properties in New York, partly offset by the impact of the revaluation of the net deferred tax liability following the decrease in the corporate tax rate from 35% to 21% enacted in December 2017 and effective from 2018 onwards (€+156 million).

UNITED STATES - AB

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**2,700**	**2,530**
Underlying earnings before tax	**685**	**616**
Income tax expenses / benefits	(152)	(220)
Minority interests	(250)	(205)
Income from affiliates and associates	-	-
Underlying earnings Group share	**283**	**191**
Net capital gains or losses attributable to shareholders net of income tax	-	-
Adjusted earnings Group share	**283**	**191**
Profit or loss on financial assets (under Fair Value option) and derivatives	-	23
Exceptional operations (including discontinued operations)	133	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(7)	(5)
NET INCOME GROUP SHARE	**410**	**210**
Average Assets under Management (in Euro billion)	469	464
Asset management fee bps	39.8	37.1
Underlying cost income ratio	71.8%	73.4%
Average exchange rate : € 1.00 = US Dollar	*1.13*	*1.11*

(a) Net of intercompany eliminations. Gross Revenues amounted to €2,816 million before intercompany eliminations as of December 31, 2017.

Assets under Management ("AUM") decreased by €18 billion from December 31, 2016, to €468 billion at the end of December 31, 2017, driven by €-62 billion unfavorable foreign exchange rate impact and €-21 billion change in scope impact related to the transfer of the AXA Japan advisory mandate to AXA IM, partly offset by €+53 billion positive market effects and €+12 billion net inflows mainly from retail clients (€+10 billion).

Management fee bps increased by 2.7 bps to 39.8 bps due to a change in business mix from higher average retail AUM.

Gross revenues increased by €170 million (+7%) to €2,700 million. On a comparable basis, gross revenues increased by €230 million (+9%) mainly driven by higher management fees (€+179 million) resulting from favorable product mix and higher average AUM, higher performance fees (€+57 million) due to favorable market conditions and higher distribution fees (€+25 million) due to higher average AUM in retail mutual funds, partly offset by lower Institutional Research Services fees (€-27 million) due to lower trading volumes in the United States.

Underlying earnings before tax increased by €69 million (+11%) to €685 million. On a constant exchange rate basis, underlying earnings before tax increased by €85 million (+14%) mainly driven by higher gross revenues and staff costs containment initiatives, partly offset by one-off charges linked to the reduction of real estate footprint (€-33 million), higher promotion and servicing expenses (€-32 million), and vendor termination payment (€-18 million).

The underlying cost income ratio decreased by 1.6 points to 71.8%.

Income tax expenses decreased by €68 million (-31%) to €-152 million. On a constant exchange rate basis, income tax expenses decreased by €64 million (-29%) mainly due to the non-repeat of an unfavorable tax one-off (€-66 million).

Underlying earnings and **adjusted earnings** increased by €92 million (+48%) to €283 million. On a constant exchange rate basis, underlying earnings and adjusted earnings increased by €98 million (+51%).

AXA ownership of AB at December 31, 2017, was 64.7%, compared to 63.7% at December 31, 2016.

Net income increased by €200 million (+95%) to €410 million. On a constant exchange rate basis, net income increased by €209 million (+100%) mainly driven by higher adjusted earnings and the impact of the revaluation of the net deferred tax liability following the decrease in the corporate tax rate from 35% to 21% enacted in December 2017 and effective from 2018 onwards (€+148 million).

International

(in Euro million, except percentages)	December 31, 2017	December 31, 2016 restated (b)
Gross revenues (a)	**7,034**	**6,981**
Life & Savings	1,678	1,532
Property & Casualty	3,798	3,808
Health	1,235	1,288
Other (c)	323	354
New business		
APE	278	246
NBV Margin	28.0%	21.8%
Underlying earnings before tax	**379**	**356**
Life & Savings	92	72
Property & Casualty	235	230
Health	3	(13)
Other (c)	49	68
Income tax expenses / benefits	(91)	(80)
Minority interests	(37)	(35)
Income from affiliates and associates	86	47
Underlying earnings Group share	**337**	**288**
Net capital gains or losses attributable to shareholders net of income tax	(7)	(21)
Adjusted earnings Group share	**330**	**267**
Profit or loss on financial assets (under fair value option) and derivatives	11	22
Exceptional operations (including discontinued operations)	(22)	6
Goodwill and other related intangible impacts	(27)	(24)
Integration and restructuring costs	(16)	(29)
NET INCOME GROUP SHARE	**276**	**243**
Property & Casualty Combined Ratio	101.4%	101.3%
Health Combined Ratio	101.6%	102.7%
Protection Combined Ratio	98.4%	101.1%

(a) Net of intercompany eliminations.
(b) Restated: reallocation of Direct Insurance business into the other Property & Casualty activities, as well as banking activities and holdings into the Other activities.
(c) Other corresponds to AXA Bank Belgium and holdings.

Scope: (i) Mexico, Singapore, Colombia, Turkey, Poland, the Gulf Region, Morocco, AXA Bank Belgium, Malaysia Property & Casualty, Luxembourg, Brazil, the Czech Republic Life & Savings, the Slovak Republic Life & Savings, and Greece are fully consolidated; (ii) Russia (Reso), India, Nigeria and Lebanon are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income; (iii) Poland Property & Casualty traditional activities are fully consolidated since January 1, 2017; (iv) AXA Bank Hungary was disposed since November 2, 2016.

In the comments below, the 2016 comparable basis includes the contribution of Poland (acquisition of Liberty Ubezpieczenia and first consolidation of Property & Casualty traditional activities) and excludes the contribution of AXA Bank Hungary.

Gross revenues increased by €53 million (+1%) to €7,034 million. On a comparable basis, gross revenues increased by €165 million (+2%):

- **Life & Savings** (€+147 million or +10%) to €1,678 million. On a comparable basis, Life & Savings gross revenues increased by €158 million (+10%) mainly driven by *Singapore* (€+121 million to €576 million) with higher *Unit-Linked* revenues;
- **Property & Casualty** (€-10 million or 0%) to €3,798 million. On a comparable basis, Property & Casualty gross revenues increased by €23 million (+1%):
    - *Brazil* (€+87 million or +109%) to €180 million mainly driven by new business in *Commercial lines*,
    - *The Gulf Region* (€+75 million or +17%) to €513 million mainly driven by new business in *Commercial Motor*,
    - *Poland* (€+65 million or +19%) to €423 million mainly driven by new business in *Personal Motor* and *Commercial lines*,
    - *Colombia* (€+20 million or +6%) to €369 million mainly driven by new business in *Personal Accident* and *Workers' Compensation*, partly offset by the loss of a large contract in *Commercial Liability*,
    - *Turkey* (€-194 million or -20%) to €620 million mainly due to a decrease in Motor Third Party Liability reflecting a change in market conditions following the implementation of a cap on premiums by the government starting from April 12, 2017, as well as the introduction of an insurance pool,
    - *Malaysia* (€-16 million or -6%) to €239 million from lower sales in a context of fierce market competition;
- **Health** (€-53 million or -4%) to €1,235 million. On a comparable basis, Health gross revenues were stable at €1,282 million, as the loss of large accounts in *the Gulf Region* (€-73 million or -19% to €306 million) was offset by higher revenues in *Mexico* (€+67 million or +12% to €615 million) driven by tariff increases;
- **Other** (€-31 million or -9%) to €323 million. On a comparable basis, Other gross revenues decreased by €16 million (-5%) fully driven by *AXA Bank Belgium* mainly due to a lower commercial margin on current and savings accounts, partly offset by strong sales of mutual funds as well as a positive change in the fair value of interest rate swaps hedging AXA Banque France loans.

APE increased by €31 million (+13%) to €278 million. On a comparable basis, APE increased by €37 million (+15%):

- *Singapore* (€+25 million or +24%) to €124 million mainly driven by *Unit-Linked* sales;
- *The Czech Republic* and *the Slovak Republic* (€+6 million or +16%) to €45 million mainly driven by higher *Mutual funds* sales;
- *Mexico* (€-6 million or -19%) to €23 million mainly due to lower *Protection* sales with the non-repeat of large Group Protection accounts underwritten in 2016.

NBV Margin increased by 6.2 points to 28.0%. On a comparable basis, NBV Margin increased by 5.9 points mainly driven by an improvement in *Unit-Linked* in *Singapore* and higher weight of Group business with higher margins in *Poland*.

Underlying earnings before tax increased by €23 million (+6%) to €379 million. On a comparable basis, underlying earnings before tax increased by €51 million (+15%):

- **Life & Savings** (€+20 million or +28%) to €92 million. On a comparable basis, Life & Savings underlying earnings before tax increased by €22 million (+31%) mainly driven by (i) Singapore reflecting higher Unit-

Linked fees, partly offset by (ii) Poland reflecting higher Deferred Acquisition Cost amortization in line with increased surrenders;

- **Health** (€+17 million) to €3 million. On a comparable basis, Health underlying earnings before tax increased by €17 million mainly driven by the Gulf Region and Turkey reflecting profitability measures on the net technical margin, partly offset by Mexico mainly driven by higher expenses to support the business growth, partly compensated by an improved loss ratio benefiting from tariff increases, and Singapore mainly due to higher expenses;
- **Property & Casualty** (€+5 million or +2%) to €235 million. On a comparable basis, Property & Casualty underlying earnings before tax increased by €31 million (+14%) mainly driven by (i) Turkey with higher investment income (€+46 million) due to both higher interest rates and average asset base, combined with a higher net technical margin mainly driven by lower large losses in Commercial Property, and (ii) Poland from a higher net technical margin in Personal Motor, partly offset by (iii) Singapore due to a lower net technical margin in Personal Motor, and (iv) Mexico mainly driven by Nat Cat events (notably Raboso earthquake of September 19);
- **Other** (€-19 million or -28%) to €49 million. On a comparable basis, Other underlying earnings before tax decreased by €19 million from AXA Bank Belgium (€-13 million to €67 million) mainly due to the decrease in gross revenues, and Holdings (€-6 million).

Income tax expenses increased by €11 million (+14%) to €-91 million. On a comparable basis, income tax expenses increased by €14 million (+17%) mainly driven by higher pre-tax underlying earnings in Turkey.

Income from affiliates and associates increased by €39 million (+83%) to €86 million. On a comparable basis, income from affiliates and associates increased by €29 million (+62%) mainly driven by higher earnings from Reso.

Underlying earnings increased by €49 million (+17%) to €337 million. On a comparable basis, underlying earnings increased by €63 million (+22%).

Adjusted earnings increased by €63 million (+23%) to €330 million. On a comparable basis, adjusted earnings increased by €75 million (+29%) driven by higher underlying earnings as well as higher net realized capital gains.

Net income increased by €33 million (+14%) to €276 million. On a comparable basis, net income increased by €76 million (+36%) mainly driven by higher adjusted earnings, partly offset by a less favorable change in the fair value of mutual funds and derivatives not eligible for hedge accounting.

Transversal & Central Holdings

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**5,152**	**5,202**
Life & Savings	7	144
Property & Casualty	3,711	3,710
Health	158	167
Other (b)	1,276	1,180
Underlying earnings before tax	**(417)**	**(310)**
Life & Savings	(13)	(32)
Property & Casualty	197	303
Health	23	17
Other (b)	(623)	(598)
Income tax expenses / benefits	95	(30)
Minority interests	(10)	(7)
Income from affiliates and associates	18	12
Underlying earnings Group share	**(313)**	**(335)**
Net capital gains or losses attributable to shareholders net of income tax	26	20
Adjusted earnings Group share	**(288)**	**(315)**
Profit or loss on financial assets (under fair value option) & derivatives	(211)	(225)
Exceptional operations (including discontinued operations)	187	(91)
Goodwill and other related intangible impacts	(1)	(3)
Integration and restructuring costs	(53)	(37)
NET INCOME GROUP SHARE	**(365)**	**(671)**
Property & Casualty Combined Ratio	101.1%	98.7%
Health Combined Ratio	87.1%	90.0%

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

AXA INVESTMENT MANAGERS ("AXA IM")

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**1,276**	**1,180**
Underlying earnings before tax	**353**	**316**
Income tax expenses / benefits	(104)	(96)
Minority interests	(9)	(5)
Income from affiliates and associates	18	11
Underlying earnings Group share	**257**	**225**
Net capital gains or losses attributable to shareholders net of income tax	-	-
Adjusted earnings Group share	**257**	**225**
Profit or loss on financial assets (under Fair Value option) and derivatives	10	8
Exceptional operations (including discontinued operations)	68	36
Goodwill and other related intangibles impacts	(1)	-
Integration and restructuring costs	(12)	(4)
NET INCOME GROUP SHARE	**322**	**265**
Average Assets under Management (in Euro billion)	630	595
Asset management fee bps	17.9	17.7
Underlying cost income ratio	70.8%	72.4%

(a) Net of intercompany eliminations. Gross Revenues amounted to €1,604 million before intercompany eliminations as of December 31, 2017.

Assets under Management ("AUM") increased by €29 billion from December 31, 2016, to €746 billion at the end of December 31, 2017, driven by €+21 billion positive market effects, €+20 billion positive scope impact mainly related to the transfer of the AXA Japan advisory mandate from AB, €+8 billion net inflows mainly from Third-Party clients (€+9 billion), partly offset by Main Fund (€-1 billion), as well as €-21 billion negative foreign exchange rate impact.

Management fee bps increased by 0.2 bps to 17.9 bps. On a comparable basis, management fee bps increased by 0.3 bps due to a better product and client mix.

Gross revenues increased by €95 million (+8%) to €1,276 million. On a comparable basis, gross revenues increased by €111 million (+9%) driven by higher management, performance and other fees (€+103 million), as well as higher transaction fees (€+8 million).

Underlying earnings before tax increased by €37 million (+12%) to €353 million. On a constant exchange rate basis, underlying earnings before tax increased by €42 million (+13%) as a result of higher gross revenues and an improved underlying cost income ratio reflecting the cost savings program.

The underlying cost income ratio decreased by 1.6 points to 70.8%.

Income tax expenses increased by €8 million (+8%) to €-104 million. On a constant exchange rate basis, income tax expenses increased by €9 million (+9%).

Income from affiliates and associates increased by €7 million (+59%) to €18 million. On a constant exchange rate basis, income from affiliates and associates increased by €7 million (+64%) mainly due to an increase in both AUM and management fee bps in the Chinese joint venture.

Underlying earnings and **adjusted earnings** increased by €32 million (+14%) to €257 million. On a constant exchange rate basis, underlying earnings and adjusted earnings increased by €36 million (+16%).

Net income increased by €58 million (+22%) to €322 million. On a constant exchange rate basis, net income increased by €62 million (+24%) mainly driven by higher adjusted earnings and a positive adjustment to the deferred consideration linked to the disposal of AXA Private Equity in 2013.

AXA CORPORATE SOLUTIONS ASSURANCE

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**2,322**	**2,318**
Underlying earnings before tax	**78**	**155**
Income tax expenses / benefits	(27)	(32)
Minority interests	(1)	(2)
Income from affiliates and associates	-	-
Underlying earnings Group share	**50**	**122**
Net capital gains or losses attributable to shareholders net of income tax	31	25
Adjusted earnings Group share	**81**	**146**
Profit or loss on financial assets (under fair value option) and derivatives	(36)	4
Exceptional operations (including discontinued operations)	(6)	6
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(0)	(8)
NET INCOME GROUP SHARE	**40**	**149**
Property & Casualty Combined Ratio	104.2%	101.2%

(a) Net of intercompany eliminations.

Gross revenues increased by €4 million (0%) to €2,322 million. On a comparable basis, gross revenues increased by €56 million (+2%) stemming from Marine (€+46 million or +9%), Liability (€+24 million or +5%) and Property (€+17 million or +2%), which are all mainly driven by a strong business growth in the United Kingdom (€+61 million or +31%) and Brazil (€+6 million or +7%), partly offset by Construction (€-41 million or -20%) due to actions undertaken to protect the profitability.

Underlying earnings before tax decreased by €77 million (-50%) to €78 million. On a constant exchange rate basis, underlying earnings before tax decreased by €78 million (-50%) driven by a higher all accident year loss ratio (+2.9 points) mainly due to higher natural events (€80 million in 2017).

Income tax expenses decreased by €5 million (-16%) to €-27 million. On a constant exchange rate basis, income tax expenses decreased by €5 million (-17%) mainly due to lower pre-tax underlying earnings.

Underlying earnings decreased by €71 million (-59%) to €50 million. On a constant exchange rate basis, underlying earnings decreased by €72 million (-59%).

Adjusted earnings decreased by €65 million (-45%) to €81 million. On a constant exchange rate basis, adjusted earnings decreased by €66 million (-45%) driven by lower underlying earnings, partly offset by higher net realized capital gains.

Net income decreased by €109 million (-73%) to €40 million. On a constant exchange rate basis, net income decreased by €109 million (-74%) driven by lower adjusted earnings, higher negative foreign exchange impacts (€-49 million) and the impact of the partial write-off of the net deferred tax asset position due to the decrease in the corporate tax rate from 34% to 26% enacted in 2017 and effective in the coming years (€-4 million).

AXA ASSISTANCE

(in Euro million, except percentages)	December 31, 2017	December 31, 2016
Gross revenues (a)	**1,275**	**1,276**
Property & Casualty	1,117	1,109
Health	158	167
Underlying earnings before tax	**43**	**34**
Property & Casualty	20	17
Health	23	17
Income tax expenses / benefits	(16)	(22)
Minority interests	(0)	0
Income from affiliates and associates	1	1
Underlying earnings Group share	**27**	**13**
Net capital gains or losses attributable to shareholders net of income tax	0	0
Adjusted earnings Group share	**28**	**14**
Profit or loss on financial assets (under fair value option) and derivatives	(7)	(2)
Exceptional operations (including discontinued operations)	(1)	-
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(5)	(17)
NET INCOME GROUP SHARE	**14**	**(5)**
Property & Casualty Combined Ratio	98.7%	99.0%
Health Combined Ratio	87.1%	90.0%

(a) Net of intercompany eliminations.

Gross revenues decreased by €2 million (0%) to €1,275 million. On a comparable basis, gross revenues increased by €14 million (+1%):

- **Health** (€-9 million or -5%) to €158 million. On a comparable basis, Health gross revenues increased by €8 million (+5%) mainly from Central Europe and France;
- **Property & Casualty** (€+7 million or +1%) to €1,117 million. On a comparable basis, Property & Casualty gross revenues increased by €6 million (+1%) from higher volumes in *Non-Motor* (€+13 million) mainly in Home despite large cancellations in Travel, partly offset by lower volumes in *Motor* (€-7 million).

Underlying earnings before tax increased by €9 million (+27%) to €43 million:

- **Health** (€+6 million or +38%) to €23 million driven by lower claims handling costs and higher revenues;
- **Property & Casualty** (€+3 million or +17%) to €20 million driven by an improved all accident year loss ratio due to lower attritional losses in Motor and a positive prior year reserve development in Travel, partly offset by a deteriorated expense ratio due to a higher level of commissions stemming from the business model evolution through large partnerships in Motor and Travel.

Income tax expenses decreased by €5 million (-25%) to €-16 million driven by a lower effective tax rate due to a more favorable country mix.

Underlying earnings increased by €14 million (+104%) to €27 million.

Adjusted earnings increased by €14 million (+104%) to €28 million driven by higher underlying earnings.

Net income increased by €19 million to €14 million driven by higher adjusted earnings combined with lower restructuring costs.

AXA SA

(in Euro million)	December 31, 2017	December 31, 2016
Underlying earnings Group share	**(726)**	**(772)**
Net capital gains or losses attributable to shareholders net of income tax	(0)	(7)
Adjusted earnings Group share	**(727)**	**(779)**
Profit or loss on financial assets (under fair value option) and derivatives	(197)	(247)
Exceptional operations (including discontinued operations)	136	(106)
Goodwill and other related intangible impacts	-	-
Integration and restructuring costs	(35)	-
NET INCOME GROUP SHARE	**(822)**	**(1,133)**

Underlying earnings increased by €46 million to €-726 million mainly driven by the impact of the removal of the 3% French tax on dividends paid to shareholders in 2017.

Adjusted earnings increased by €53 million to €-727 million driven by higher underlying earnings and the absence of impairments in 2017.

Net income increased by €311 million to €-822 million mainly due to higher adjusted earnings, the one-off benefit from the upcoming reimbursement of the 3% tax above-mentioned on prior years (2013 to 2016) and a favorable change in the fair value of interest rate and foreign exchange economic derivatives not eligible for hedge accounting, partly offset by the impact of the partial write-off of the net deferred tax asset position due to the decrease in the corporate tax rate from 34% to 26% enacted in 2017 and effective in the coming years (€-113 million).

Outlook

AXA remains focused on the delivery of its Ambition 2020 plan and on the transformation of its business model - anticipating the rapidly evolving needs of its customers - and articulated around its preferred segments (Health, P&C Commercial lines and Protection).

This shift in business model is well underway across all major geographies and is set to accelerate with the IPO of the US operations, targeted to take place during the second quarter of 2018, with the redeployment of proceeds through M&A towards preferred segments and/or capital return to shareholders.

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

With its clear Ambition 2020 strategy, a simplified organization focused on fewer countries designed to foster growth across its preferred segments, AXA is well positioned to create lasting shareholder value and offer an attractive return.

Glossary

This glossary includes definitions of non-GAAP financial measures, or alternative performance measures (APMs), that management believes are useful to understand the Group's business and analyze the Group's performance. The scope of the following definitions of APMs remains unchanged compared to prior periods. All APMs are indicated by an asterisk (*).

Scope and comparable basis

SPLIT BY GEOGRAPHIES

The split by geographies is detailed below:

- **France** (insurance and banking activities, and holdings);
- **Europe**, consisting in:
  - Switzerland (insurance activities),
  - Germany (insurance activities excluding AXA Art, banking activities and holdings),
  - Belgium (insurance activities and holding),
  - United Kingdom and Ireland (insurance activities and holdings),
  - Spain (insurance activities),
  - Italy (insurance activities and holding);
- **Asia**, consisting in:
  - Japan (insurance activities),
  - Hong Kong (insurance activities),
  - Asia - Direct, consisting in:
    - AXA Global Direct Japan,
    - AXA Global Direct South Korea,
  - Asia High Potentials, consisting in:
    - Thailand (insurance activities),
    - Indonesia (insurance activities),
    - China (insurance activities),
    - The Philippines (insurance activities),
  - Asia Holding;
- **United States** (insurance activities, AB and holdings);
- **International**, consisting in:
  - AXA Bank Belgium (banking activities),
  - Brazil (insurance activities and holding),
  - Colombia (insurance activities),

  - Czech Republic and Slovak Republic (insurance activities),
  - Greece (insurance activities),
  - The Gulf Region (insurance activities and holding),
  - India (insurance activities),
  - Lebanon (insurance activities and holding),
  - Luxembourg (insurance activities and holding),
  - Malaysia (insurance activities),
  - AXA Mediterranean Holdings,
  - Mexico (insurance activities),
  - Morocco (insurance activities and holding),
  - Nigeria (insurance activities and holding),
  - Poland (insurance activities),
  - Russia (Reso) (insurance activities),
  - Singapore (insurance activities),
  - Turkey (insurance activities and holding);
- **Transversal & Central Holdings**, consisting in:
  - AXA Investment Managers,
  - AXA Corporate Solutions Assurance,
  - AXA Assistance,
  - AXA Art,
  - AXA Liabilities Managers,
  - AXA Global Re,
  - AXA Life Europe,
  - AXA SA and other Central Holdings.

CURRENT ENGINES AND HIGH POTENTIALS

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

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

COMPARABLE BASIS FOR REVENUES, ANNUAL PREMIUM EQUIVALENT AND NBV MARGIN

"On a comparable basis" means the following:

- data for the current period were restated using the prevailing foreign currency exchange rates for the same period of prior year (**constant exchange rate basis**);

- data in one of the two periods being compared were restated for the results of acquisitions, disposals and business transfers (**constant structural basis**) and for changes in accounting principles (**constant methodological basis**).

Earnings and Capital

ADJUSTED EARNINGS*

Adjusted Earnings represent the net income (Group share) as disclosed in Part 5 – "Consolidated Financial Statements" of the Annual Report, before the impact of the following items net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

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

Derivatives related to invested assets:

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

UNDERLYING EARNINGS*

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

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

EARNINGS PER SHARE

Earnings per share (**EPS**) represent AXA's consolidated earnings (after interest charges related to undated debts recorded through shareholders' equity), divided by the weighted average number of outstanding ordinary shares.

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

RETURN ON EQUITY

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

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

FREE CASH FLOWS

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

AFR (AVAILABLE FINANCIAL RESOURCES)

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

REGULATORY SOLVENCY RATIO

This ratio is calculated as per Solvency II regulation, and is equal to the total of available financial resources (AFR) divided by the Group solvency capital requirement. The solvency capital requirement is set at a level ensuring that insurers and reinsurers are able to meet their obligations towards policyholders and beneficiaries over the next 12 months, with a 99.5% probability. The denominator of the ratio can be calculated either through a standard formula or through an internal model. AXA is using an internal model.

DEBT GEARING

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

Activities

INSURANCE

LIFE & SAVINGS HYBRID AND G/A CAPITAL LIGHT PRODUCTS

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

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

LIFE & SAVINGS NET INFLOWS

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

APE (ANNUAL PREMIUM EQUIVALENT)

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

NBV (NEW BUSINESS VALUE)

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

NBV MARGIN (NEW BUSINESS VALUE MARGIN)

New Business Value Margin is the ratio of:

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

This ratio represents the profitability of the new business.

MARGIN ANALYSIS

The margin analysis is presented on an underlying earnings basis.

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

Underlying investment margin includes the following items:

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

Underlying fees & revenues include:

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

Underlying net technical margin includes the following components:

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

Underlying expenses include the following components:

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

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

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

- For insurance contracts and investment contracts with Discretionary Participation Features (DPF):
    - gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between “Fees & Revenues” and “Net Technical Margin”;

  - policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, i.e. primarily "Investment Margin" and "Net Technical Margin";
  - the "Investment margin" represents the net investment result in the Statement of Income and is adjusted to consider the related policyholder participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees & Revenues";
  - change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis.

- For investment contracts without DPF:
  - deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross Consolidated Revenues on a separate line, and in Margin Analysis in the lines "Fees & Revenues" and "Net Technical Margin";
  - change in UFR (Unearned Fee Reserve - capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis.

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

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

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

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

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

Underlying expense ratio is the ratio of:

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

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

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

ASSET MANAGEMENT

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

Underlying cost income ratio is the ratio of:

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

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

BANKING

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