



Press release

Paris, February 21, 2019

Full Year 2018 Earnings

A pivotal year in our Focus and Transform strategy

- **Gross revenues**¹ up 4% to Euro 102.9 billion
- **Underlying earnings**² up 6% to Euro 6.2 billion
- **Underlying earnings per share**² up 3% to Euro 2.48
- **Dividend** of Euro 1.34 per share, up 6% from FY17, to be proposed by the Board of Directors

“AXA delivered another year of strong operating performance with a 6% increase in underlying earnings, to its highest ever reported level, even with a reduced ownership of AXA Equitable Holdings, Inc. and an unusually severe fourth quarter in terms of natural catastrophes”, said **Thomas Buberl, Chief Executive Officer of AXA.**

“Continuing to benefit from our simplified operating model, we achieved a significant increase in gross revenues across all of our geographies. Our preferred segments accelerated significantly, with revenues growing in Protection, P&C Commercial lines and Health by 3%, 5% and 7% respectively.”

“The strength of our balance sheet combined with the continued successful delivery in the third year of our Ambition 2020 plan, led the Board of Directors to propose a dividend of Euro 1.34 per share, an increase of 6% from last year, which corresponds to a payout ratio of 52%.”

“2018 was a pivotal year in AXA’s transformation journey, creating the #1 P&C Commercial lines insurer with the acquisition of XL Group and completing the biggest IPO of the sector with the listing of AXA Equitable Holdings, Inc. Our strategic shift towards our preferred segments is instrumental to our vision and ‘raison d’être’: empowering people to live a better life. Our new global brand positioning ‘Know You Can’ is the tangible expression of this purpose.”

“I would like to sincerely thank our customers for their trust, as well as all our colleagues and partners who have been working together every day to deliver these strong results and impactful transformation initiatives. We are convinced this will create sustainable long-term value for all our stakeholders.”

Key figures (in Euro million, unless otherwise noted)

	FY17	FY18	Change on a reported basis	Change at constant Forex
Gross Revenues ¹	98,549	102,874	+4%	+4%
Underlying earnings ²	6,002	6,182	+3%	+6%
Adjusted earnings ²	6,457	6,489	0%	+3%
Net income	6,209	2,140	-66%	-66%
Adjusted ROE ² (%)	14.5%	14.4%	0.0 pt	
Underlying earnings per share ² (in Euro)	2.40	2.48	+3%	
	FY17	FY18	Change on a reported basis	
Solvency II ratio ³ (%)	205%	193%	-12 pts	

All notes are on page 12 of this document.



FY18 key highlights

Sales

Total revenues were up 4% with strong growth in all markets, (i) Europe (+3%) notably with higher sales in both Italy and Spain, (ii) France (+3%) due to strong growth in Health and Protection, (iii) AXA XL (+10%), (iv) the United States (+2%) following a strong recovery in the second half in US Life & Savings as well as higher revenues at AB, (v) Asia (+4%) mostly in Hong Kong and Japan mainly from Protection, (vi) International (+4%) with robust growth essentially in Mexico and Turkey and (vii) Transversal (+3%) mostly from higher volumes at AXA Assistance.

Annual Premium Equivalent, APE⁴ (new business volume) was up 9%, mostly driven by (i) France (+21%) notably in Group Health and Protection, (ii) the United States (+6%) mainly from higher sales in Mutual Funds, (iii) Asia (+5%) with higher sales in Protection and Health, partly offset by lower sales of traditional G/A⁶ Savings products in China, in line with our strategy, and (iv) Europe (+4%) mostly in capital light⁵ G/A Savings and in Protection.

NBV margin⁴ was down 4.2 points to 39.3%, mostly due to higher sales in Group Health in France as well as higher sales in G/A Savings and a redesigned Protection product in Hong Kong. **New Business Value⁴** was down 1% to Euro 2.6 billion.

Preferred segments⁷

Health⁸ revenues were up 7%, with growth across most of our geographies, notably in France from higher Group business, as well as in Europe, Mexico and Hong Kong.

P&C Commercial lines revenues increased by 5%, mainly at AXA XL as well as in Europe with growth in all countries notably in UK & Ireland and Switzerland due to new business and positive price effects, and in Turkey.

Protection APE was up 10%, with growth across all geographies, mainly in Japan following the launch of a new product, France mostly in Group business, International notably in India and Poland, as well as Switzerland due to higher sales of semi-autonomous contracts.

Profitability

Property & Casualty all-year combined ratio² increased by 0.8 point to 97.0%. **Current year combined ratio²** increased by 1.6 points to 99.1%, mainly due to higher natural catastrophes⁹ (+1.7 points) mostly at AXA XL from California wildfires and Hurricane Michael. Favorable prior year reserve developments were higher at Group level at -2.1 points. Excluding XL Group, the all year combined ratio was 94.9%.

AXA's **new guidance for prior year reserve releases** is 1.5 points to 2.5 points per annum at Group level.

Protection combined ratio² improved by 1.3 points to 95.6%, mostly driven by an improved loss ratio in the US, Switzerland and Asia.

Health combined ratio² improved by 0.4 point to 94.4%, mainly driven by enhanced claims management in UK & Ireland, combined with improved expense ratios in both France and UK & Ireland.



Earnings

Underlying earnings² increased by 6% to Euro 6.2 billion, reflecting a strong operational performance across most of our geographies, partly offset by higher natural catastrophes at AXA XL.

Adjusted earnings² increased by 3% to Euro 6.5 billion, reflecting the increase in underlying earnings, partly offset by lower net realized capital gains mostly due to adverse market conditions at the end of 2018.

Net income decreased by 66% to Euro 2.1 billion, as the increase in adjusted earnings was more than offset by (i) the impairments of both the goodwill from AXA Equitable Holdings, Inc. in Group Share (Euro -3.0 billion) and other intangible assets linked to the transformation of our Swiss Group Life business, as anticipated, (ii) higher restructuring costs and exceptional charges, related to both the IPO of AXA Equitable Holdings, Inc. and the acquisition of XL Group, combined with (iii) the negative impact from the change in the fair value of financial assets and derivatives.

Balance sheet

Shareholders' equity was at Euro 62.4 billion, down Euro 7.2 billion versus December 31, 2017, as the negative accounting impacts from the change in net unrealized capital gains, the dividend paid to shareholders in 2018, the IPO and secondary offering of AXA Equitable Holdings, Inc. and the redemption of undated subordinated debt were partly offset by the impacts of net income contribution and favorable foreign exchange.

Solvency II ratio³ was down 12 points versus December 31, 2017 to 193%, as the effect of the closing of the XL Group acquisition was partly offset by the positive economic impacts from both the IPO and secondary offering of AXA Equitable Holdings, Inc., a strong operating return net of dividend to be proposed by the Board of Directors, and management actions to reduce equity market risk.

Debt gearing² was at 32%, up 7 points versus December 31, 2017, reflecting the debt issuance by AXA Equitable Holdings, Inc. ahead of its IPO, combined with both the consolidation of XL Group's debt and the issuance by AXA S.A. linked to the acquisition of XL Group, partly offset by Euro 1.8 billion debt repayment by both AXA S.A. and XL Group.

Adjusted ROE² was broadly stable at 14.4%.

A **dividend** of Euro 1.34 per share (up 6% versus FY17) will be proposed at the Shareholders' Annual General Meeting on April 24, 2019. The dividend is expected to be paid on May 6, 2019 with an ex-dividend date of May 2, 2019. This would represent a payout ratio of 52% of Adjusted Earnings, net of the interest charges on undated debt.

Ratings

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

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

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

France

- Market leader delivering further growth across preferred segments
- Best in class profitability

“Our excellent 2018 results demonstrate once again our ability to sustainably grow revenues and earnings while transforming our business model”, said **Jacques de Peretti, Chairman and CEO of AXA France.**

“By continuing to foster an innovative culture which places the evolving needs of our customers at the heart of our business, we are making our Payer to Partner model a reality for our customers.”

Strong growth in Health and Protection

Health
revenues
+12%

Total revenues increased by 3% to Euro 25.2 billion, mainly driven by strong sales in Health (+12%) mostly from Group business, Protection (+5%), and capital light G/A Savings (+12%), partly offset by lower revenues in traditional G/A Savings, in line with our strategy. P&C revenues decreased slightly (-1%) mainly driven by Commercial lines as positive price effects were more than offset by the termination of two large contracts.

APE
+21%

APE increased by 21%, mainly supported by strong growth in Group Health.

High level of profitability

P&C CoR
92.3%

Property & Casualty all-year combined ratio improved by 2.3 points to 92.3%, mainly driven by more favorable prior year reserve developments combined with a lower expense ratio and an improved claims experience, partly offset by higher natural catastrophe charges.

Health combined ratio improved by 0.8 point to 97.9%, mainly driven by a lower expense ratio.

NBV
+3%

NBV margin decreased by 5.0 points to 29.5%, mainly driven by a change in business mix towards Group Health. **New Business Value** increased by 3% to Euro 0.7 billion.

Strong earnings across all lines

Underlying
earnings
+10%

Underlying earnings rose by 10% to Euro 1,573 million, mainly from higher technical margin across all lines and lower expenses as well as higher Unit-Linked management fees, partly offset by lower investment income.

Europe

- Strong growth in Italy and Spain
- Continued strong and profitable growth in preferred segments

“In Europe, AXA continued to deliver strong and profitable growth in its preferred segments, further building on its excellent technical profitability”, said **Antimo Perretta, CEO of AXA in Europe**. *“In 2018, we also took a major step towards reducing our sensitivity to financial markets with the transformation of our Swiss Group Life business, becoming the largest provider of semi-autonomous solutions for SMEs in Switzerland.”*

Continued momentum in preferred segments

P&C Commercial lines revenues **+3%** **Total revenues** were up 3% to Euro 36.7 billion driven by (i) Italy (+15%) mostly due to higher sales in capital light G/A savings, (ii) continued positive momentum in P&C Commercial lines (+3%), notably in UK & Ireland, Switzerland and Spain, and (iii) growth in Health (+3%) across all countries.

APE increased by 4%, driven by strong growth in capital light G/A Savings mainly from Italy (+34%) due to higher volumes through the BMPS partnership, and in Protection (+3%) notably from semi-autonomous sales in Switzerland. This was partly offset by lower Health sales in Germany.

High levels of profitability

P&C CoR
94.5%

Property & Casualty all-year combined ratio improved by 0.1 point to 94.5%, as higher current year loss ratio was offset by more favorable prior year reserve developments, combined with an improvement in the expense ratio.

Health combined ratio improved by 1.3 points to 94.8%, primarily driven by enhanced claims management in UK & Ireland and a positive price effect.

NBV margin
49.6%

NBV margin decreased by 3.6 points to 49.6%, mainly driven by Germany with lower Health sales, and Italy. **New Business Value** decreased by 3% to Euro 0.6 billion.

Strong earnings growth from higher technical margin

Underlying earnings
+10%

Underlying earnings were up 10% to Euro 2,532 million from a higher technical margin across all lines, notably in UK & Ireland, Switzerland, Spain and in Germany, as well as lower corporate tax rates in Belgium and Switzerland, partly offset by a lower investment margin.

Asia

- Leading multiline insurer in the region and largest foreign P&C insurer in China
- Growth driven by new product launches while maintaining high profitability levels

“AXA in Asia delivered further growth in revenues and earnings in 2018, with a recovery in Hong Kong and continued strong performance in Japan. We also made significant progress on our growth priorities notably by taking full control of AXA Tianping in China, and on Brand with the Liverpool FC partnership”, said Gordon Watson, CEO of AXA in Asia.

Strong growth in Hong Kong and Japan

<p>Protection +8%</p>	<p>Total revenues were up 4%, mainly driven by Protection (+8%) and Health (+2%) mainly in Hong Kong and Japan. This was partly offset by lower revenues in P&C (-3%) and G/A Savings (-3%).</p>
<p>Japan APE +27%</p>	<p>APE was up 5%, mainly driven by growth in Japan (+27%) notably due to a new Protection product, and Hong Kong (+5%) due to a new G/A Savings product. This was partly offset by China (-18%) due to the continued shift away from traditional G/A Savings towards Protection products, and Thailand.</p>

Strong profitability levels

Property & Casualty all-year combined ratio improved by 0.5 point to 97.1%, mainly driven by an improved claims experience, partly offset by higher expenses in Asia-Direct.

<p>Health CoR 78.8%</p>	<p>Health combined ratio increased by 0.6 point to 78.8%, driven by higher acquisition expenses in Japan linked to business growth, partly offset by a lower administrative expense ratio in Hong Kong.</p>
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<p>NBV margin 62.2%</p>	<p>NBV margin decreased by 7.4 points to 62.2%, as a favorable change in business mix in China and Thailand, in line with our strategy, was more than offset by the launch of new products to improve competitive positioning in Hong Kong, and a lower margin from Protection sales in Japan.</p>
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New Business Value decreased by 7% to Euro 0.9 billion.

Underlying earnings growth across the region

<p>Underlying earnings +5%</p>	<p>Underlying earnings were up 5% to Euro 1,101 million, driven by higher technical margin in Japan L&S, higher Unit-Linked management fees in Hong Kong, and higher profit contribution from China.</p>
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AXA XL

- Favorable business momentum, with integration well underway
- Two very significant natural catastrophe events in 4Q18

“We have achieved measurable rate increases in 2018 and the outlook for 2019 looks to be as favorable. We are progressing fast on integration and the delivery of associated synergies, and are already experiencing revenue lift”, said Greg Hendrick, CEO of AXA XL. “Our financials were impacted by two significant Nat Cat events in the US in the fourth quarter. At January 1st, 2019, we refined and added to our catastrophe protections and are in alignment with the Group’s risk appetite. We continue to make use of substantial alternative capital, including growth in AUM at New Ocean, our in-house ILS fund manager.”

XL Group is reported as part of a new segment named AXA XL, comprising XL Group, AXA Corporate Solutions Assurance and AXA Art. Gross revenues and underlying earnings for AXA XL in FY18 include contributions from AXA Corporate Solutions Assurance and AXA Art for the whole of 2018, and contributions from XL Group for the fourth quarter of 2018. In the comments below, changes in revenues are on a comparable basis, including the contribution from XL Group for 4Q17. Comments on underlying earnings are focused on FY18 and not on the change versus FY17, as no contribution from XL Group is included under IFRS for 4Q17.

Strong growth and favorable rate outlook

Revenues
+10%

Total revenues increased by 10% to Euro 6.3 billion, mainly driven by

- **P&C Insurance** (+13%) mainly from a significant contract in North America Casualty and Property.
- **Reinsurance** (+16%) mainly driven by an increased share written on a large multi-line low volatility quota share treaty.
- **Specialty** (+3%) mainly from higher volumes in Political Risk as well as Aviation from both higher pricing and volumes.
- **Price increases** at XL Group were around 4% in insurance and reinsurance, both in the fourth quarter and for the full year 2018.

Underlying earnings impacted by significant natural catastrophes in 4Q18

Underlying earnings were Euro -233 million, impacted by significant natural catastrophe charges in 4Q18, exceeding the normalized¹⁰ level by ca. Euro 0.5 billion mainly from California wildfires (Euro -335 million¹¹) and Hurricane Michael (Euro -261 million¹¹) in the United States.



United States*

- Successful IPO and subsequent secondary offering of AXA Equitable Holdings, Inc.
- Very strong operating performance under IFRS

“With our successful listing and subsequent secondary offering, 2018 was a key milestone in our journey towards being a leading financial services provider in the US. Our very strong financial performance last year also confirmed the dynamism of our operations”, said **Mark Pearson, CEO of AXA US**.

US Life & Savings: strong sales throughout 2018

APE
+6%

APE increased by 6%, driven by Mutual Funds (+9%) with higher advisory sales, Unit-Linked (+2%) following a strong recovery in 2H18 (+9%) mostly from higher sales of non-GMxB Variable Annuity resulting from new partnerships in third party channels, and Protection (+9%).

NBV margin
23.0%

NBV margin decreased by 0.4 point to 23.0%, mainly driven by a less favorable business mix. **New Business Value** increased by 4% to Euro 0.3 billion.

AB: increase in revenues and improved profitability

Revenues
+5%

Asset Management net flows amounted to Euro -7 billion, as inflows in the private wealth channel were more than offset by outflows in lower-margin institutional retirement products.

Management
fee bps
+0.9 bp

Asset Management revenues were up 5% to Euro 2.7 billion, mostly from higher average assets under management and higher management fee bps (+0.9 bp) due to an improved business mix.

Asset Management underlying cost income ratio decreased by 1.0 point to 70.8%, mainly due to the non-repeat of exceptional charges linked to the reduction of real estate footprint in 2017.

Strong operating performance

Underlying
earnings
+4%

Underlying earnings were up 4% to Euro 1,125 million as (i) a strong operating performance with higher Unit-Linked and mutual fund fees (Euro +0.1 billion) mainly from favorable market conditions for most of 2018 and a higher investment margin (Euro +0.1 billion) stemming from higher yields and asset base, and (ii) favorable model and assumption changes (Euro +0.3 billion) mostly offset by lower tax one-offs (Euro -0.2 billion), were partly offset by (iii) a reduced average ownership (to 81%) and higher debt expenses in the context of the IPO and the subsequent secondary offering of AXA Equitable Holdings, Inc. (Euro -0.3 billion).

*The results of our US segment are presented herein on the basis of IFRS and are not, and should not be relied upon as representing, the US GAAP results of AXA Equitable Holdings, Inc. (including AllianceBernstein), which, as a US public company, reports in US GAAP in accordance with the rules of the US Securities and Exchange Commission (“SEC”). For further information on AEH’s financial results and other public reports please consult the SEC website at www.sec.gov.

International

- Building for growth, managing for profits
- Excellent operating performance

“International earnings grew by 28% in 2018. There is great potential here”, said **Benoît Claveranne, CEO of International and New Markets.** *“It is about growth, technical excellence and innovation. It is about capturing unique opportunities to reinvent our business. Customer expectations in those markets are challenging traditional business models and offer a great opportunity to leapfrog technologies.”*

Growth in preferred segments

Health
revenues
+11%

Total revenues increased by 4% to Euro 6.5 billion, mainly driven by (i) Mexico from both positive price effects and increased volumes in Health and higher P&C revenues notably driven by our partnership with Uber, as well as (ii) Turkey from higher sales in P&C Commercial lines.

Protection APE
+20%

APE eased by 2%, as strong sales in Protection (+20%), mostly in India, were more than offset by lower sales of Unit-Linked products and traditional G/A Savings in Singapore.

Focus on profitability

Mexico P&C
CoR
-3.7 pts

Property & Casualty all-year combined ratio was stable at 100.6%, as technical improvements mainly in Mexico, Colombia and Poland were offset by a deterioration in Turkey, mostly linked to regulations and inflation.

Health CoR
-2.1 pts

Health combined ratio improved by 2.1 points to 99.6%, primarily driven by a more favorable claims experience in both Mexico and the Gulf region.

NBV margin
+7.9 pts

NBV margin grew by 7.9 points to 36.5%, reflecting a continued improvement in business mix, notably in Singapore and Poland. **New Business Value** increased by 26%, to Euro 0.1 billion.

Strong increase in underlying earnings

Underlying
earnings
+28%

Underlying earnings were up 28% to Euro 400 million, mainly driven by (i) higher earnings in Mexico from both P&C and Health, in Russia due to growth in volumes, higher technical margin and higher investment income, and in Turkey mostly from higher investment income, combined with (ii) increased earnings at AXA Bank Belgium.



Transversal and Central Holdings

AXA IM

Third-party
net inflows
Euro +3 billion

Asset Management net flows amounted to Euro -6 billion. Positive third-party net flows (Euro +3 billion) were more than offset by outflows from Asian JVs (Euro -7 billion).

Average assets under management amounted to Euro 642 billion, up 3%, driven by overall positive market effects in 2018.

Total revenues decreased by 2% to Euro 1.2 billion, mainly driven by lower average management fee bps due to an unfavorable change in business mix.

Underlying cost income ratio increased by 1.4 points to 72.1%, driven by the impact of lower revenues.

Underlying
earnings
+6%

Underlying earnings were up by 6% to Euro 270 million, as lower financial charges, lower income tax expenses mainly linked to higher real estate performance fees and higher underlying earnings from Asian JVs were partly offset by lower management fees.

AXA S.A.

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

Capital Management

Main transactions between January 1, 2018 and December 31, 2018:

- Announcement to sell AXA's operations in Azerbaijan on February 21, 2018;
- Completion of the acquisition of Maestro Health announced on February 27, 2018;
- Successful placement of Euro 2 billion dated subordinated notes due 2049 announced on March 22, 2018;
- Announcement to transform AXA's Swiss group life business on April 10, 2018;
- Announcement of receipt of USD 3.2 billion by AXA S.A. from the completion of the US pre-IPO reorganization transactions on April 25, 2018;
- Announcement of the successful completion of the IPO of AXA Equitable Holdings, Inc. and securing the financing of the acquisition of XL Group on May 14, 2018;
- Announcement of AXA entering into exclusivity for the potential disposal of its European Variable Annuities Carrier, AXA Life Europe, on August 1, 2018;
- Completion of the acquisition of XL Group and creation of the #1 global P&C commercial lines insurance platform announced on September 12, 2018;
- Announcement on September 17, 2018 of buyback of AXA shares to eliminate the dilutive impact of Shareplan 2018;
- Announcement to sell AXA's operations in Ukraine on October 23, 2018;
- Announcement of the successful completion of the Secondary Common Stock Offering of AXA Equitable Holdings, Inc. and related Share Buyback on November 20, 2018;
- Announcement of the acquisition of the 50% remaining stake in AXA Tianping on November 26, 2018.

Definitions

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

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

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

AXA XL: includes insurance activities and holdings of XL Group as acquired on September 12, 2018 ("XL Group"), AXA Corporate Solutions Assurance (insurance activities) and AXA Art (insurance activities).

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

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

Transversal & Central Holdings: includes AXA Investment Managers, AXA Assistance, AXA Liabilities Managers, AXA Global Re, AXA Life Europe, AXA S.A. and other Central Holdings.



Notes

1. Change in gross revenues is on a comparable basis (constant Forex, scope and methodology).
2. Underlying Earnings, Underlying Earnings per share, Underlying combined ratio, Adjusted Earnings, Adjusted Return on Equity and Debt Gearing are non-GAAP financial measures, or alternative performance measures (“APMs”). A reconciliation from APMs Adjusted Earnings, Underlying Earnings and Underlying combined ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 28 and 29 of AXA’s 2018 Activity Report. APMs Adjusted Return on Equity and Underlying Earnings per share are reconciled to the financial statements in the table set forth on page 37 of AXA’s 2018 Activity Report, and Debt Gearing is reconciled to the financial statements in the table set forth on page 36 of AXA’s 2018 Activity Report. The above-mentioned and other non-GAAP financial measures used in this press release are defined in the Glossary set forth on pages 78 to 85 of AXA’s 2018 Activity Report.
3. The Solvency II ratio is estimated primarily using AXA’s internal model calibrated based on an adverse 1/200 years shock and assuming equivalence for AXA Equitable Holdings, Inc. in the US. For further information on AXA’s internal model and Solvency II disclosures, please refer to AXA Group’s SFCR for FY17, available on AXA’s website (www.axa.com). As in previous disclosures all AXA US entities are taken into account assuming US equivalence. The contribution to the AXA Group Solvency II ratio from the entities that were part of the XL Group (“XL entities”) as at December 31, 2018 was calculated in accordance with the equivalence regime, based on the Bermudian Standard Formula SCR, plus a 5% add-on required by the AXA’s lead supervisor (ACPR), as a transitional measure. In compliance with the decision from ACPR, XL entities will be fully consolidated for Solvency II purposes (as per the consolidation-based method set forth in the Solvency II Directive) and their contribution to the Group’s Solvency capital requirement will be calculated using the Solvency II standard formula from March 31, 2019. Subject to prior approval of the ACPR, the Group intends as soon as FY 2020 to extend its Internal Model to XL entities.
4. APE, NBV margin and NBV include Life & Savings business, as well as Health “life-like” business, and are Group Share. Annual Premium Equivalent (APE), New Business Value (NBV) and NBV margin are defined in the Glossary set forth on pages 78 to 85 of AXA’s 2018 Activity Report.
5. General Account Savings products which, at inception, create more AFR than the economic capital they consume.
6. General account.
7. Preferred segments are Health, P&C Commercial lines and Protection, as shown during the 2017 Investor Day presentation on November 14, 2017.
8. From FY17, Health is reported as a separated business line.
9. From FY18 natural catastrophe losses include natural catastrophe losses regardless of event size. Prior to FY18, natural catastrophes only took into account events beyond various thresholds by lines and entities and amounted to 0.7 point of combined ratio in FY17. This was equivalent to 2.5 points of FY17 combined ratio taking into account all natural catastrophe losses.
10. The level of normalized natural catastrophe charges is ca. 4% of Gross Earned Premiums for AXA XL.
11. Pre-tax and net of reinsurance.

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

AXA’s FY18 financial statements were examined by the Board of Directors on February 20, 2019 and are subject to completion of an audit procedure by AXA’s statutory auditors.

**ABOUT THE AXA GROUP**

The AXA Group is a worldwide leader in insurance and asset management, with 171,000 employees serving 105 million clients in 63 countries. In 2018, IFRS revenues amounted to Euro 102.9 billion and underlying earnings to Euro 6.2 billion. AXA had Euro 1,424 billion in assets under management as of December 31, 2018.

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

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

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

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Corporate Responsibility strategy:

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IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP FINANCIAL MEASURES

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward-looking statements. Please refer to Part 4 - "Risk factors and Risk Management" of AXA's Registration Document for the year ended December 31, 2017, for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

In addition, this press release refers to certain non-GAAP financial measures, or alternative performance measures (APMs), used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS. A reconciliation from APMs Adjusted Earnings, Underlying Earnings and Underlying Combined Ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 28 to 29 of AXA's 2018 Activity Report, which is available on AXA's website (www.axa.com). APMs Adjusted Return on Equity and Underlying Earnings per share are reconciled to the financial statements in the table set forth on page 37 of AXA's 2018 Activity Report, and Debt Gearing is reconciled to the financial statements in the table set forth on page 36 of AXA's 2018 Activity Report. The abovementioned and other non-GAAP financial measures used in this press release, are defined in the glossary set forth in AXA's 2018 Activity Report (pp. 78-85).

The results of our US segment are presented herein on the basis of IFRS and are not, and should not be relied upon as representing, the US GAAP results of AXA Equitable Holdings, Inc. (including AllianceBernstein), which, as a US public company, reports in US GAAP in accordance with the rules of the US Securities and Exchange Commission ("SEC"). For further information on AEH's financial results and other public reports please consult the SEC website at www.sec.gov.



Earnings: Key figures

in Euro million	FY17	FY18	Change on a reported basis	Change at constant Forex
France	1,429	1,573	+10%	+10%
Europe	2,326	2,532	+9%	+10%
Asia	1,089	1,101	+1%	+5%
AXA XL ⁱ	70	-233	-	-
United States	1,135	1,125	-1%	+4%
International	337	400	+19%	+28%
Transversal	323	384	+19%	+20%
Central Holdings	-706	-701	+1%	+1%
Underlying earnings	6,002	6,182	+3%	+6%
Realized capital gains/losses	674	841	+25%	+25%
Impairments	-127	-440	-246%	-249%
Equity portfolio hedging	-92	-94	-2%	-3%
Adjusted earnings	6,457	6,489	0%	+3%
Change in fair value & Forex	-134	-463	-244%	-241%
Goodwill and related intangibles	-90	-3,102	-	-
Integration and restructuring costs	-148	-332	-125%	-128%
Exceptional and discontinued operations	124	-451	-	-
Net income	6,209	2,140	-66%	-66%

i. XL Group is reported as part of a new segment named AXA XL, comprising XL Group, AXA Corporate Solutions Assurance and AXA Art. Underlying earnings for AXA XL in FY18 include AXA Corporate Solutions Assurance and AXA Art for the whole of 2018 and contributions from XL Group for the fourth quarter of 2018. Underlying earnings for AXA XL in FY17 include AXA Corporate Solutions and AXA Art.

Earnings per share - fully diluted

in Euro	FY17	FY18	Change on a reported basis
Underlying EPS ⁱ	2.40	2.48	+3%
Adjusted EPS ⁱ	2.59	2.61	+1%
Net income per share ⁱ	2.49	0.79	-68%

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



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

Press release

Gross revenues	Total ⁱ		o/w Life & Savings		o/w Property & Casualty		o/w Health		o/w Asset Management	
	FY18	Change	FY18	Change	FY18	Change	FY18	Change	FY18	Change
in Euro million										
France	25,175	+3%	13,542	+3%	7,061	-1%	4,356	+12%	-	-
Europe	36,738	+3%	15,679	+5%	15,760	+1%	5,258	+3%	-	-
Asia	8,973	+4%	5,780	+5%	1,245	-3%	1,947	+2%	-	-
AXA XL ⁱⁱ	6,287	+10%	45	-12%	6,241	+11%	-	-	-	-
United States	16,483	+2%	13,723	+1%	-	-	54	-1%	2,706	+5%
International	6,535	+4%	1,285	+1%	3,722	+5%	1,295	+11%	-	-
Transversal and other	2,684	+3%	5	-	1,290	+7%	146	+11%	1,243	-2%
Total	102,874	+4%	50,059	+3%	35,320	+3%	13,056	+7%	3,950	+3%

Underlying earnings	Total ⁱⁱⁱ		o/w Life & Savings		o/w Property & Casualty		o/w Health		o/w Asset Management	
	FY18	Change	FY18	Change	FY18	Change	FY18	Change	FY18	Change
in Euro million										
France	1,573	+10%	854	+12%	622	+2%	99	+44%	-	-
Europe	2,532	+10%	812	+5%	1,370	+2%	229	+41%	-	-
Asia	1,101	+5%	745	+7%	44	-8%	317	+2%	-	-
AXA XL ⁱⁱ	-233	-	6	-	-231	-	-	-	-	-
United States	1,125	+4%	999	+9%	-	-	-17	-23%	271	0%
International	400	+28%	69	+7%	271	+25%	13	-	-	-
Transversal	384	+20%	-7	-	132	+107%	-11	-	270	+6%
Central Holdings	-701	+1%	-	-	-	-	-	-	-	-
Total	6,182	+6%	3,479	+9%	2,207	-6%	630	+16%	541	+3%

i. Including Banking (Euro 490 million).

ii. XL Group is reported as part of a new segment named AXA XL, comprising XL Group, AXA Corporate Solutions Assurance and AXA Art. Gross revenues and underlying earnings for AXA XL in FY18 include contributions from AXA Corporate Solutions Assurance and AXA Art for the whole of 2018, and contributions from XL Group for the fourth quarter of 2018. Changes in revenues are on a comparable basis, including the contribution from XL Group for 4Q17.

iii. Including Banking activities (Euro 87 million) and Holdings (Euro -762 million)



Gross revenues	Total		o/w Health		o/w P&C Commercial lines		o/w Protection	
	FY18	Change	FY18	Change	FY18	Change	FY18	Change
in Euro million								
France	25,175	+3%	4,356	+12%	3,059	-2%	4,080	+5%
Europe	36,738	+3%	5,258	+3%	6,243	+3%	9,250	+2%
Asia	8,973	+4%	1,947	+2%	144	-7%	4,583	+8%
AXA XL ⁱ	6,287	+10%	-	-	6,241	+11%	22	-19%
United States	16,483	+2%	54	-1%	-	-	2,876	-1%
International	6,535	+4%	1,295	+11%	2,226	+4%	711	+4%
Transversal and other	2,684	+3%	146	+11%	1,203	+7%	-	-
Total	102,874	+4%	13,056	+7%	19,116	+5%	21,523	+3%

i. XL Group is reported as part of a new segment named AXA XL, comprising XL Group, AXA Corporate Solutions Assurance and AXA Art. Gross revenues for AXA XL in FY18 include contributions from AXA Corporate Solutions Assurance and AXA Art for the whole of 2018, and contributions from XL Group for the fourth quarter of 2018. Changes in revenues are on a comparable basis, including the contribution from XL Group for 4Q17.



AXA Group IFRS revenues - Contribution & growth by geography				
in Euro million	FY17	FY18	Change on a reported basis	Change on a comparable basis
France	24,475	25,175	+3%	+3%
Europe	35,992	36,738	+2%	+3%
Switzerland	9,797	9,531	-3%	+1%
Germany	10,672	10,738	+1%	+1%
Belgium	3,310	3,359	+1%	+1%
UK & Ireland	5,130	5,166	+1%	+1%
Spain	2,365	2,525	+7%	+7%
Italy	4,719	5,418	+15%	+15%
Asia	8,985	8,973	0%	+4%
Japan	4,647	4,564	-2%	+1%
Hong Kong	3,170	3,305	+4%	+10%
Asia - Direct	989	950	-4%	-2%
Asia High Potentials	180	153	-15%	-10%
AXA XL ⁱ	2,512	6,287	-	+10%
United States	16,911	16,483	-3%	+2%
United States Life & Savings	14,210	13,777	-3%	+1%
AB	2,700	2,706	0%	+5%
International	7,034	6,535	-7%	+4%
Transversal	2,640	2,684	+2%	+3%
AXA IM	1,276	1,243	-3%	-2%
AXA Assistance	1,275	1,331	+4%	+7%
Other	89	110	+23%	+23%
Total	98,549	102,874	+4%	+4%

i. XL Group is reported as part of a new segment named AXA XL, comprising XL Group, AXA Corporate Solutions Assurance and AXA Art. Gross revenues for AXA XL in FY18 include AXA Corporate Solutions and AXA Art for the whole of 2018 and contribution from XL Group for the fourth quarter of 2018. Gross revenues for AXA XL in FY17 include AXA Corporate Solutions Assurance and AXA Art. The change in gross revenues on comparable basis includes the contribution from XL Group for 4Q17.



APPENDIX 5: NEW BUSINESS VOLUME (APE), VALUE (NBV) AND NBV MARGIN

Press release

in Euro million	APE FY18 by product										Total APE			NBV			NBV margin		
	Protection	Change ⁱ	G/A Savings	Change ⁱ	Unit-Linked	Change ⁱ	Health ⁱⁱ	Change ⁱ	MF & other	Change ⁱ	FY17	FY18	Change ⁱ	FY17	FY18	Change ⁱ	FY17	FY18	Change ⁱ
France	420	+9%	564	+1%	355	-8%	890	+72%	3	-	1,849	2,232	+21%	637	659	+3%	34%	30%	-5 pts
Europe	496	+3%	316	+19%	211	+1%	89	-17%	34	-2%	1,034	1,146	+4%	585	569	-3%	57%	50%	-4 pts
Switzerland ⁱⁱⁱ	324	+4%	0	-	11	+27%	0	-	5	+7%	259	340	+4%	172	180	+4%	66%	53%	0 pt
Germany	81	-3%	121	+3%	32	-9%	89	-17%	18	0%	361	340	-6%	210	180	-14%	58%	53%	-5 pts
Belgium	23	-6%	37	+36%	4	-16%	-	-	-	-	56	64	+14%	42	42	0%	75%	67%	-9 pts
Spain	27	+22%	15	+27%	35	+29%	-	-	11	-10%	73	88	+20%	61	70	+14%	84%	80%	-5 pts
Italy	42	+4%	143	+30%	130	-3%	-	-	-	-	284	315	+11%	99	97	-3%	35%	31%	-4 pts
Asia	1,004	+12%	276	-17%	19	+19%	220	+4%	-	-	1,510	1,520	+5%	1,066	945	-7%	71%	62%	-7 pts
Japan	404	+44%	35	-23%	-	-	108	+4%	-	-	441	546	+27%	495	534	+11%	112%	98%	-14 pts
Hong Kong	313	0%	82	+36%	9	-31%	52	+12%	-	-	456	456	+5%	291	215	-22%	64%	47%	-17 pts
Asia High Potentials	287	-3%	159	-30%	11	-	61	-1%	-	-	613	517	-12%	281	196	-22%	46%	38%	-5 pts
United States	166	+9%	77	+18%	725	+2%	3	+61%	500	+9%	1,799	1,471	+6%	421	338	+4%	23%	23%	0 pt
International	143	+20%	9	-48%	72	-21%	14	-6%	23	+6%	278	262	-2%	78	95	+26%	28%	36%	+8 pts
Total	2,229	+10%	1,243	0%	1,383	-2%	1,217	+42%	559	+8%	6,470	6,631	+9%	2,787	2,607	-1%	43%	39%	-4 pts

i. Changes are at comparable basis (constant forex, scope and methodology), notably restating for the decrease in ownership of AXA Equitable Holdings, Inc.

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

iii. FY18 APE, and the change on comparable basis, includes the underwritten savings contributions from semi-autonomous solutions. FY18 NBV and NBV margin, and the change on comparable basis, includes net investment services fees retained by AXA Switzerland from semi-autonomous solutions.



APPENDIX 6: **PROPERTY & CASUALTY – REVENUES CONTRIBUTION & GROWTH BY BUSINESS LINE**

Press release

in Euro million	Personal Motor		Personal Non-Motor		Commercial Motor		Commercial Non-Motor		Total P&C	
	Gross revenues	Change	Gross revenues	Change	Gross revenues	Change	Gross revenues	Change	Gross revenues	Change
France	1,986	-1%	2,017	0%	591	+2%	2,468	-4%	7,061	-1%
Europe	5,908	0%	3,612	0%	1,464	+4%	4,779	+3%	15,760	+1%
Switzerland	1,060	-1%	554	+2%	107	-1%	1,271	+3%	2,992	+1%
Germany	1,256	+2%	1,286	+3%	167	-1%	1,301	+1%	4,006	+2%
Belgium	624	-1%	482	+1%	252	-2%	704	+4%	2,061	+1%
UK & Ireland	1,206	-1%	589	-8%	689	+9%	885	+3%	3,369	+1%
Spain	906	+2%	353	+1%	49	-8%	335	+8%	1,644	+2%
Italy	856	+1%	348	+2%	201	+2%	283	+3%	1,688	+2%
Asia	914	-3%	187	+1%	13	-5%	131	-7%	1,245	-3%
Hong Kong	36	-10%	86	+3%	7	-6%	110	-1%	240	-1%
Asia High Potentials	25	-18%	7	0%	6	-4%	21	-30%	58	-20%
Asia Direct	853	-2%	94	0%	-	-	-	-	947	-2%
AXA XL ⁱ	-	-	-	-	214	+4%	6,028	+11%	6,241	+11%
International	1,158	+6%	337	+14%	775	+8%	1,451	+1%	3,722	+5%
Transversal	-	-	0	-	511	+2%	692	+11%	1,290	+7%
Total	9,966	0%	6,153	+1%	3,568	+4%	15,548	+5%	35,320	+3%

i. XL Group is reported as part of a new segment named AXA XL, comprising XL Group, AXA Corporate Solutions Assurance and AXA Art.

Gross revenues for AXA XL in FY18 include AXA Corporate Solutions Assurance and AXA Art for the whole of 2018 and contribution from XL Group for the fourth quarter of 2018. The change in gross revenues on comparable basis includes the contribution from XL Group for 4Q17.

Personal lines net new contracts amounted to -64k, mainly driven by France (-92k) due to strong market competition and Asia (-18k) mainly due to lower volumes in Asia-Direct, partly offset by higher net new contracts in International (+41k).



Assets under Management rollforward					
in Euro billion	AB	AXA IM	AXA IM - Fully consolidated scope	AXA IM - Asian Joint Ventures	Total
AUM as of December 31, 2017	468	746	640	106	1,214
Net Flows	-7	-6	1	-7	-13
Market appreciation	-25	-12	-11	-1	-38
Scope & other	0	-4	-4	0	-4
Forex impact	23	6	6	0	28
AUM as of December 31, 2018	459	730	632	98	1,189
Average AUM over the periodⁱ	467	-	642	-	1,109
Change of average AUM on a reported basis vs. FY17	0%	-	+2%	-	+1%
Change of average AUM on a comparable basis vs. FY17	+4%	-	+3%	-	+3%

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



For 1 Euro	End of Period Exchange rate		Average Exchange rate	
	FY17	FY18	FY17	FY18
USD	1.20	1.14	1.13	1.18
CHF	1.17	1.13	1.11	1.16
GBP	0.89	0.90	0.88	0.88
JPY	135	125	127	130
HKD	9.39	8.95	8.80	9.26

**Changes in scope:**

- 01/02/2017 – [AXA has completed the sale of its UK P&C commercial broker Bluefin to Marsh](#)
- 04/28/2017 – [AXA has completed the sale of its Romanian operations to Vienna Insurance Group](#)
- 07/03/2017 – [AXA has completed the sale of AXA Life Europe Limited's Offshore Investment Bonds business to Life Company Consolidation Group](#)
- 03/05/2018 – [AXA to acquire XL Group: Creating the #1 global P&C commercial lines insurance platform](#)
- 05/14/2018 – [AXA has successfully completed the IPO of AXA Equitable Holdings, Inc. and secured the financing of the acquisition of XL Group](#)
- 11/20/2018 – [AXA announces the successful completion of Secondary Common Stock Offering of AXA Equitable Holdings, Inc. and related Share Buyback](#)

Main press releases issued in 4Q18

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

- 10/04/2018 – [AXA becomes Official Global Insurance Partner of Liverpool Football Club](#)
- 10/16/2018 – [AXA announces the Subscription Prices for its 2018 employee share offering \(Shareplan 2018\)](#)
- 10/23/2018 – [AXA to sell its operations in Ukraine](#)
- 11/06/2018 – [9M18 Activity indicators : another strong quarter, with continued growth momentum](#)
- 11/13/2018 – [AXA S.A. announces the launch of a Secondary Offering of AXA Equitable Holdings, Inc.'s Common Stock](#)
- 11/16/2018 – [AXA S.A. announces the pricing of a Secondary Offering of AXA Equitable Holdings, Inc.'s Common Stock](#)
- 11/20/2018 – [AXA announces the successful completion of Secondary Common Stock Offering of AXA Equitable Holdings, Inc. and related Share Buyback](#)
- 11/26/2018 – [AXA to acquire the remaining 50% stake in AXA Tianping to accelerate its growth in China as the #1 foreign P&C insurer](#)
- 11/28/2018 – [AXA holds its 2018 Investor Day](#)
- 12/03/2018 – [Results of the AXA Group employee share offering in 2018](#)

Post FY18 closing events

- 02/01/2019 – [AXA Group unveils its new global brand positioning: "Know you can"](#)
- 02/14/2019 – [AXA has completed the sale of its Ukrainian operations](#)

2018 Operations on AXA shareholders' equity and debt

Shareholders' equity: No significant operation

Debt:

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

Next main investor events

- 04/24/2019 – Shareholders' Annual General Meeting in Paris, Palais des Congrès
- 05/02/2019 – First quarter 2019 Activity Indicators
- 08/01/2019 – Half Year 2019 Earnings Release