



# FY17 Earnings

February 22, 2018



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

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in the forward looking statements. Please refer to Part 4 - "Risk factors and risk management" of AXA's Registration Document for the year ended December 31, 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 presentation 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. The non-GAAP measures underlying earnings and adjusted earnings are reconciled to net income on pages A27 and A28 of this presentation. Adjusted return on equity ("Adjusted ROE") is reconciled to the financial statements in the table set forth on page 22 of AXA's 2017 Activity Report. The abovementioned and other non-GAAP financial measures used in this presentation are defined in the Glossary set forth in AXA's 2017 Activity Report pages 69 to 76.



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**1**

# **Introduction & highlights**

Thomas Buberl, Group CEO



## Key takeaways



**Strong earnings growth** fueling a significant uplift in **dividend**

**All five geographies contributing** to growth in underlying earnings

**Our focus on profitable growth** is driving excellent results

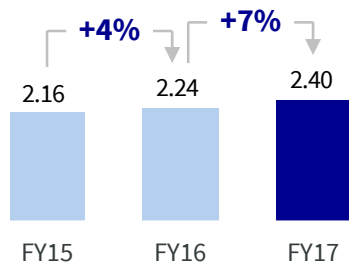
**Strong and reliable capital position** and cash generation capacity

**Innovating in Health and leading the way as a sustainable insurer**

# Ambition 2020 – Delivering on the upper end of the target range

## Underlying earnings per share

In Euro

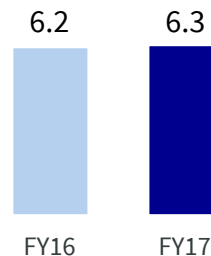


### Ambition 2020

3% - 7%  
UEPS CAGR<sup>1</sup>  
2015-2020

## Free cash flows<sup>2</sup>

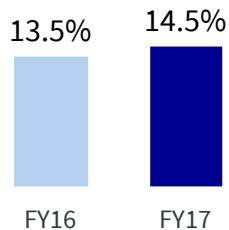
In Euro billion



### Ambition 2020

28 - 32  
Euro billion  
cumulative FCF  
2015-2020

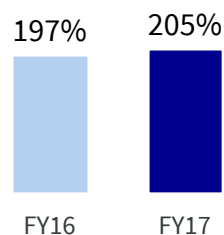
## Adjusted return on equity<sup>2</sup>



### Ambition 2020

12% - 14%

## Solvency II ratio<sup>3</sup>

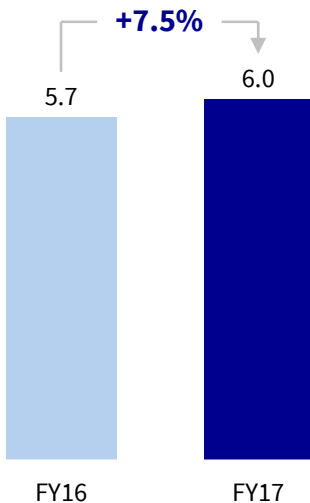


### Ambition 2020

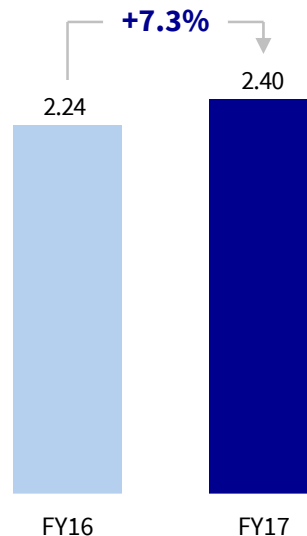
170% - 230%  
Target range

# Strong earnings growth at the top of the Ambition 2020 target range

Underlying earnings<sup>1</sup>  
In Euro billion

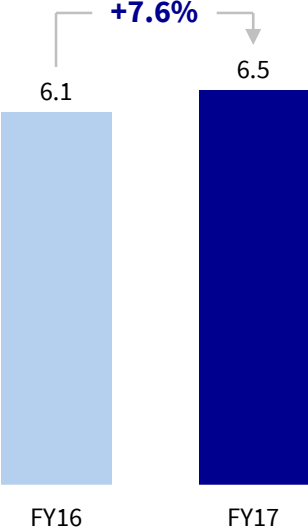


Underlying earnings per share  
In Euro

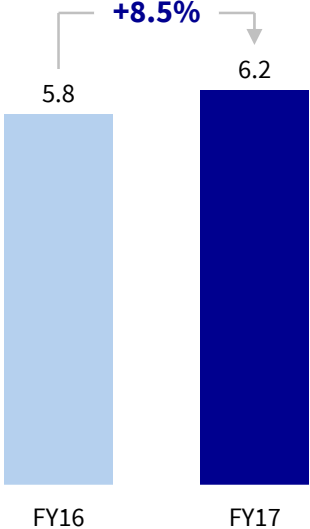


# Adjusted earnings and net income at historically high levels

Adjusted earnings<sup>1</sup>  
In Euro billion



Net income  
In Euro billion

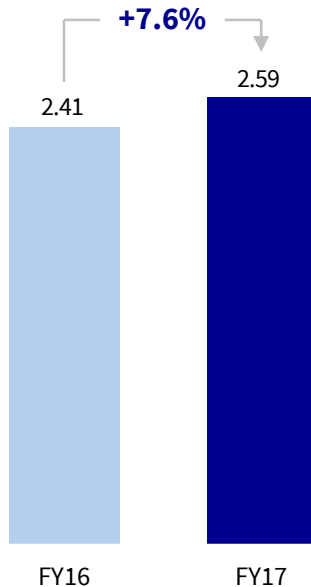




# Uplift in dividend fueled by earnings growth and increased payout

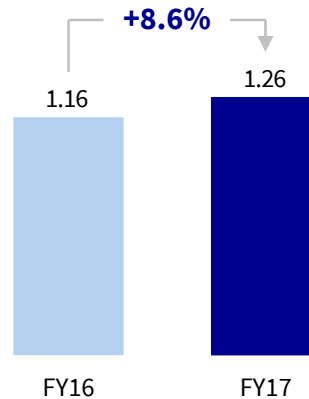
## Adjusted earnings per share

In Euro

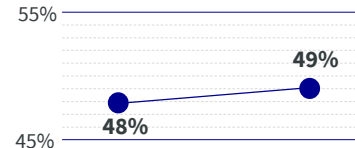


## Dividend per share





In Euro



Payout ratio  
guidance<sup>1</sup>  
45%-55%



# All five geographies contributing to growth in earnings

	FY17 underlying earnings (Euro billion)	FY17 underlying earnings growth	
<b>France</b>	<b>1.4</b>	 +3%	<ul style="list-style-type: none"><li>✓ <b>Top 3 position</b> in L&amp;S, P&amp;C and Health</li><li>✓ <b>Innovation leader</b> shaping the insurance market</li><li>✓ <b>Distribution powerhouse</b> with blended channels</li></ul>
<b>Europe</b> (excl. France)	<b>2.3</b>	 +2%	<ul style="list-style-type: none"><li>✓ <b>Strongholds</b> in P&amp;C – major European player</li><li>✓ <b>Leading positions</b> in Health (UK, Germany)</li><li>✓ <b>Excellent</b> business mix and profitability</li></ul>
<b>Asia</b> (incl. Japan)	<b>1.1</b>	 +7%	<ul style="list-style-type: none"><li>✓ <b>Unique positioning</b> – #1 multiline insurer in Asia</li><li>✓ <b>Strong bancassurance</b> partnerships with developing agency force</li></ul>
<b>US</b>	<b>1.1</b>	 +16%	<ul style="list-style-type: none"><li>✓ <b>Retirement, investment management and protection solutions</b></li><li>✓ <b>Affiliated distribution</b> with AXA Advisors, Bernstein Financial Advisors and third party financial professionals</li></ul>
<b>International</b>	<b>0.3</b>	 +20%	<ul style="list-style-type: none"><li>✓ <b>Develop</b> current and future “high potentials”</li><li>✓ <b>Manage</b> for profits and rationalize footprint</li></ul>

# Excellent and still increasing NBV margin

FY17 NBV margin<sup>1</sup>

**43.1%**

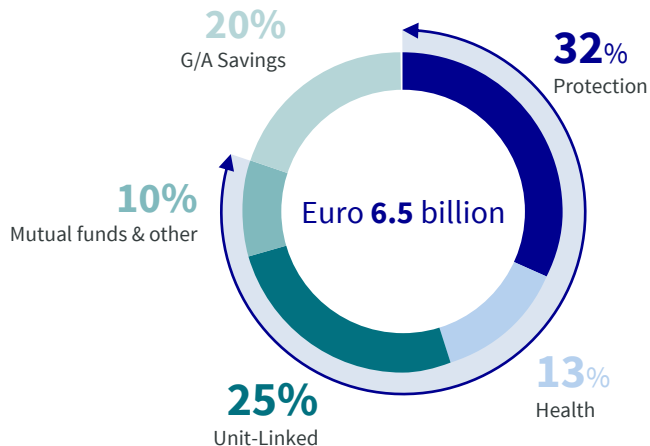
(+3.5 pts)

FY17 NBV<sup>1</sup>

**+8%**

Euro 2.8 billion

## Market leading business mix



FY17 APE<sup>1</sup> split by product type

## Improvement in profitability ratios across the board

P&C  
CY combined ratio

**97.6%**

(-0.1 pt)

Protection  
Combined ratio

**96.9%**

(-0.2 pt)

Health  
Combined ratio

**94.7%**

(-0.3 pt)

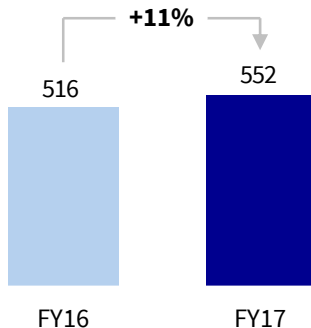
Strong technical discipline driving profitability

# Health | Fast-growing, profitable business and a key area for innovation

Gross revenues  
In Euro billion

**12 | +6%**

Underlying earnings  
In Euro million



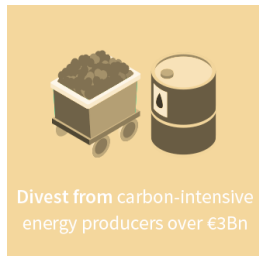
maestro health

Serving **500+** mid/large-size employers  
with over 1 million lives covered

- **Integrated** digital platform
- **Full set** of health benefits administration and third party services
- **Care coordination** solutions

Innovating to accelerate our  
**Payer to Partner strategy**

# Leading the way as a responsible and sustainable insurer



**3** Billion Euros of additional divestments from carbon-intensive energy producers



**x4** Green investments commitment by 2020, twice as high as COP21 recommendation



**5** years thought leadership initiative to improve governance, curb emissions and related disclosures

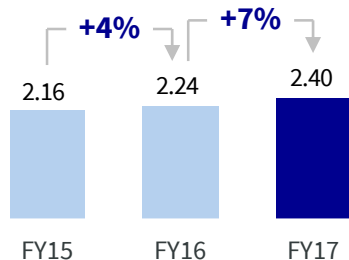


**NO** new insurance for coal and oil sands and associated pipelines business

# Ambition 2020 – Delivering on the upper end of the target range

## Underlying earnings per share

In Euro

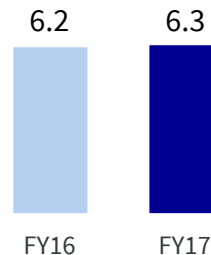


### Ambition 2020

3% - 7%  
UEPS CAGR<sup>1</sup>  
2015-2020

## Free cash flows<sup>2</sup>

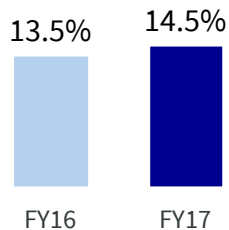
In Euro billion



### Ambition 2020

28 - 32  
Euro billion  
cumulative FCF  
2015-2020

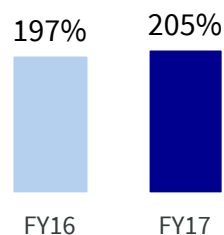
## Adjusted return on equity<sup>2</sup>



### Ambition 2020

12% - 14%

## Solvency II ratio<sup>3</sup>



### Ambition 2020

170% - 230%  
Target range





2

## **FY17 Business performance**

Gérald Harlin, Deputy CEO & Group CFO

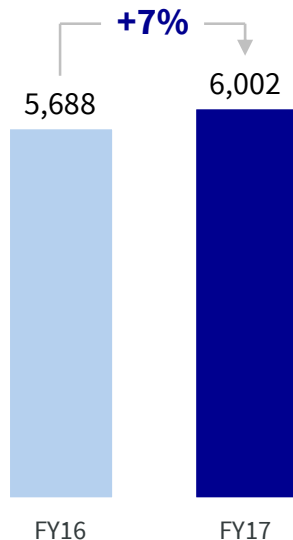




# Underlying earnings

In Euro million

## Underlying earnings



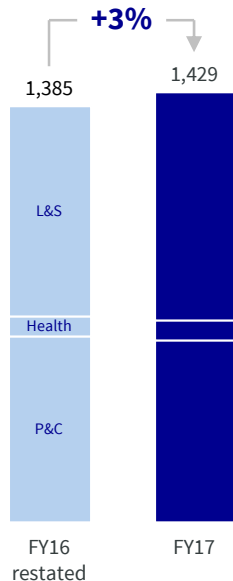
## Underlying earnings by geography

	FY16 restated	FY17	Change
France	1,385	1,429	+3%
Europe	2,305	2,326	+2%
Asia	1,047	1,089	+7%
United States	998	1,135	+16%
International	288	337	+20%
Transversal & central holdings	-335	-313	+8%
<b>Underlying earnings</b>	<b>5,688</b>	<b>6,002</b>	<b>+7%</b>

# France | Growth fueled by technical strength and leading market positions

## Underlying earnings

In Euro million



- + Higher Unit-Linked fees
- + Lower loss ratio in Protection
- + Improved claims experience in P&C Commercial lines
- Lower investment income
- Higher acquisition expenses, mainly from growth in preferred segments

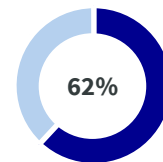
## Market leader focused on profitability

P&C CoR	Health CoR	NBV margin
<b>94.6%</b> (-0.4 pt)	<b>98.7%</b> (stable)	<b>34.5%</b> (+3 pts)

## Selective growth supported by distribution strength

**+4%** revenues  
excluding the sale of a large contract in 4Q16

+14% Health  
+13% Unit-Linked

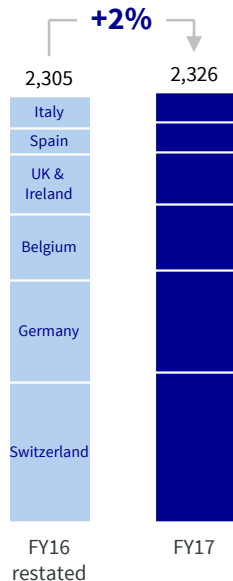


P&C, Health and Protection  
share of gross revenues

# Europe | Strong technical results and growth in preferred segments

## Underlying earnings

In Euro million



- + Higher technical margins notably in Belgium and Germany
- + Lower expenses from lower VBI amortization in Switzerland (non-repeat from 2016)
- Lower investment margin

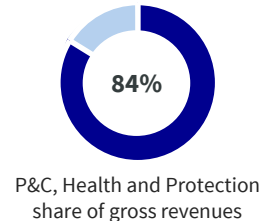
## Highly profitable business...

P&C CoR	Health CoR	NBV margin
<b>94.6%</b>	<b>96.1%</b>	<b>56.6%</b>
(-0.5 pt)	(-0.2 pt)	(+8 pts)

## ...benefiting from an excellent product mix

**-1%** revenues

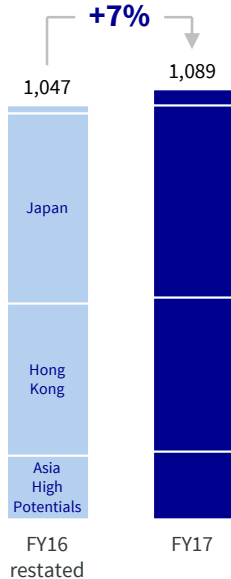
- 23% G/A Savings
- +30% Unit-Linked
- +3% P&C Commercial lines
- +4% Health



# Asia | Strong profitability in highly competitive markets

## Underlying earnings

In Euro million



- + Lower expenses in Japan, including lower pension costs
- + Improved morbidity in Japan
- + Lower frequency in Direct, mainly in South Korea
- + Increased Health earnings in Indonesia and Thailand

## Strong and improving profitability...

P&C CoR  
**97.6%**  
(-0.2 pt)

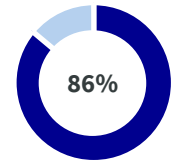
Health CoR  
**78.3%**  
(-0.9 pt)

NBV margin  
**70.6%**  
(+6 pts)

## ...from growing quality business

**+1%** economic revenues<sup>1</sup>

-6% Japan  
+2% Hong Kong  
+11% High Potentials

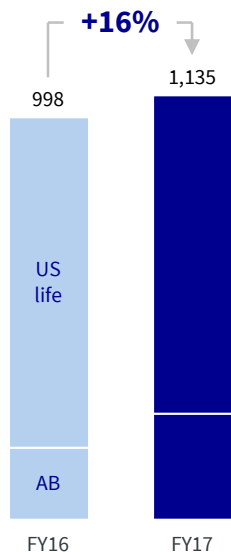


P&C, Health and Protection share of gross revenues

# United States | Growth across all businesses

## Underlying earnings

In Euro million



- + Higher Unit-Linked management fees
- + Higher GMxB hedge margin
- + Higher management fee bps at AB
- Unfavorable mortality experience
- Net unfavorable model updates<sup>1</sup>
- + Higher tax one-offs

## Growth in Life & Savings...

Metric	Value
NBV	<b>+14%</b> Euro 0.4 billion
APE	<b>+6%</b> Euro 1.8 billion
NBV margin	<b>23.4%</b> (+2 pts)

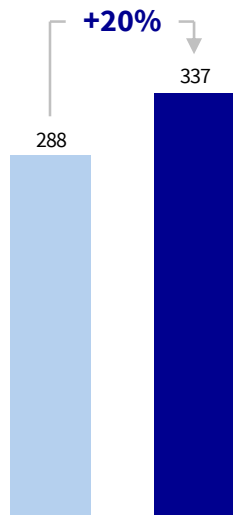
## ...and improving mix in Asset Management

<b>Euro 12 billion</b> net inflows o/w Euro 10 billion in Retail	<b>+2.7bps</b> management fee bps
--	--------------------------------------

# International | Building for growth and managing for profits

## Underlying earnings

In Euro million



+20%

337

288

FY16

restated

FY17

- + Higher investment income and improved technical margin in Turkey
- + Improved technical margin in Russia
- Higher Nat Cat charges in Mexico and Turkey

## Improving profitability...

P&C CoR  
**101.4%**  
(+0.3 pt  
o/w +1.5 pts nat cat)

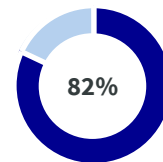
Health CoR  
**101.6%**  
(-1.2 pts)

NBV margin  
**28.0%**  
(+6 pts)

## ...with pace and discipline

**+2%** revenues

+6% excluding Turkey

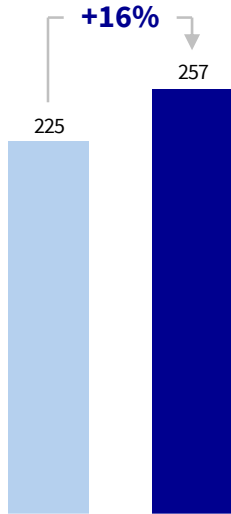


P&C, Health and Protection  
share of gross revenues

# AXA IM | Improved operating performance and strong growth in earnings

## Underlying earnings

In Euro million



+16%

257

225

- + Higher management fees
- + Improved cost income ratio
- + Improved mix from Asian JVs

FY16

FY17

restated

## Growing volumes...

### Euro 8 billion

net inflows

o/w Euro 9 billion in third party

## ...and improving cost income ratio

### -1.6 pts

Cost income ratio

72.4%



FY16

70.8%



FY17



3

## **FY17 Financial performance**

Gérald Harlin, Deputy CEO & Group CFO







Group earnings

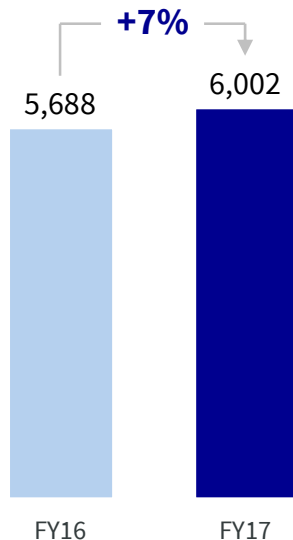


Balance sheet

# Underlying earnings

In Euro million

## Underlying earnings



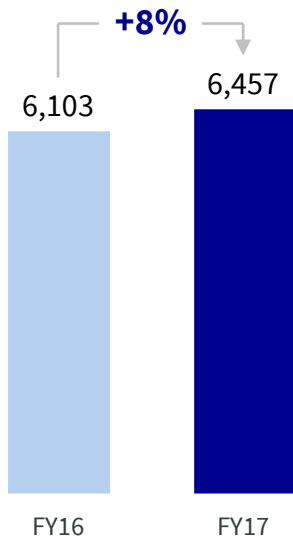
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<b>Underlying earnings</b>	<b>5,688</b>	<b>6,002</b>	<b>+7%</b>

# Adjusted earnings

In Euro million

## Adjusted earnings



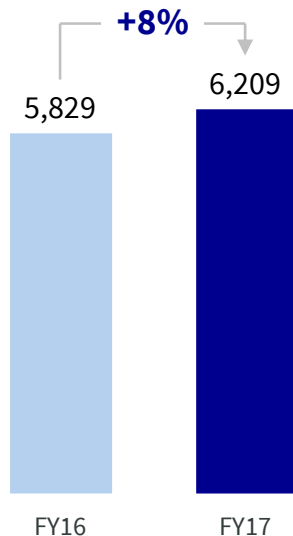
## Details of adjusted earnings

	FY16	FY17
<b>Underlying earnings</b>	<b>5,688</b>	<b>6,002</b>
Net realised capital gains/losses	415	455
o/w realised capital gains	880	674
o/w net impairments	-395	-127
o/w hedging of equity portfolio	-70	-92
<b>Adjusted earnings</b>	<b>6,103</b>	<b>6,457</b>

# Net income

In Euro million

## Net income



## Details of net income

	FY16	FY17
<b>Adjusted earnings</b>	<b>6,103</b>	<b>6,457</b>
Change in fair value and Forex	-118	-134
o/w gains/losses on economic hedges <sup>1</sup>	-158	-357
o/w change in fair value of assets accounted for as fair value option	40	222
Exceptional and discontinued operations	387	124
Integration and restructuring costs	-454	-148
Intangibles, amortization and other	-89	-90
<b>Net income</b>	<b>5,829</b>	<b>6,209</b>

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

Underlying earnings (In Euro million)	Total <sup>1</sup>		o/w Life & Savings		o/w Property & Casualty		o/w Health		o/w Asset Management	
	FY17	Change	FY17	Change	FY17	Change	FY17	Change	FY17	Change
France	1,429	+3%	765	+8%	608	-2%	69	+3%	-	-
Europe	2,326	+2%	789	+6%	1,355	+2%	164	+10%	-	-
Asia	1,089	+7%	726	+9%	49	+12%	321	+3%	-	-
United States	1,135	+16%	954	+7%	-	-	-15	+40%	283	+51%
International	337	+20%	67	+18%	238	+30%	-2	-	-	-
Transversal & central holdings	-313	+8%	-13	+56%	134	-39%	15	-	257	+16%
<b>Underlying earnings</b>	<b>6,002</b>	<b>+7%</b>	<b>3,288</b>	<b>+9%</b>	<b>2,384</b>	<b>-1%</b>	<b>552</b>	<b>+11%</b>	<b>540</b>	<b>+32%</b>

1. Including Banks and other holdings (Euro -762 million)

# Improvement in profitability ratios across the board

Health combined ratio

**94.7%**

(-0.3 pt)

P&C all-year combined ratio

**96.3%**

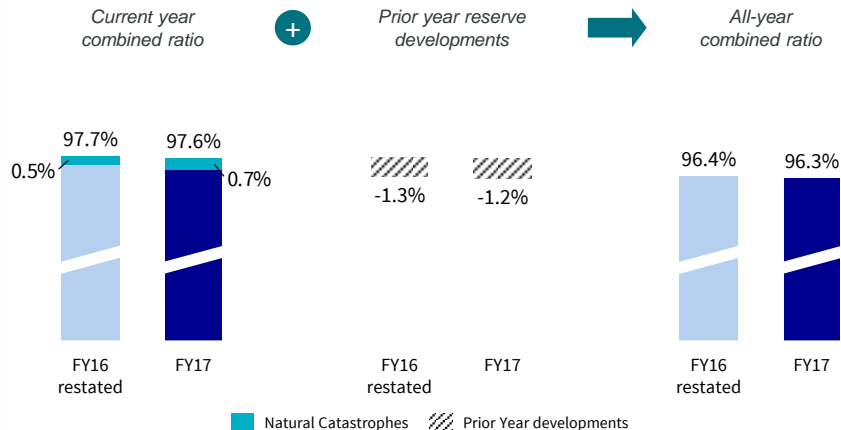
(stable)

Protection combined ratio

**96.9%**

(-0.2 pt)

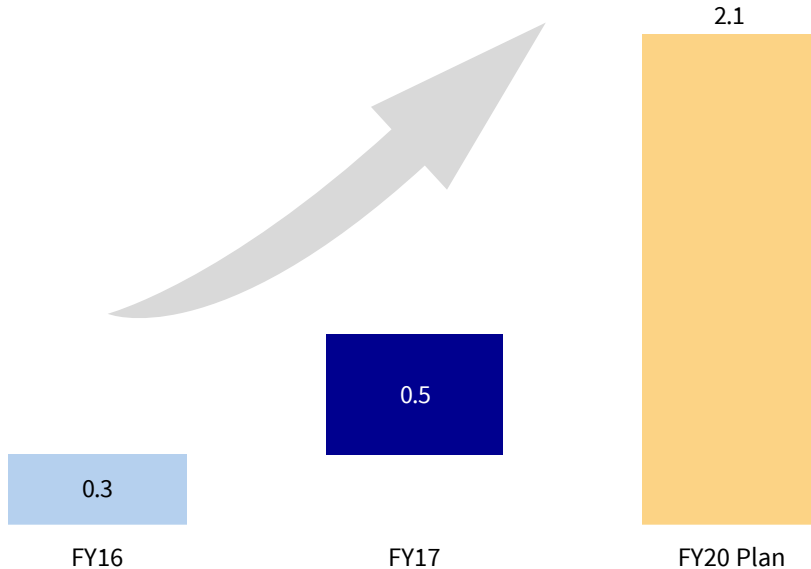
## P&C combined ratio – details



- + Lower attritional losses
- Higher natural catastrophes

# Well on track towards our cost savings Ambition

In Euro billion



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

## Ambition 2020

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

Group earnings

Balance sheet

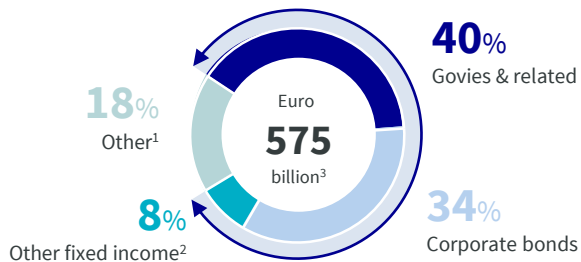




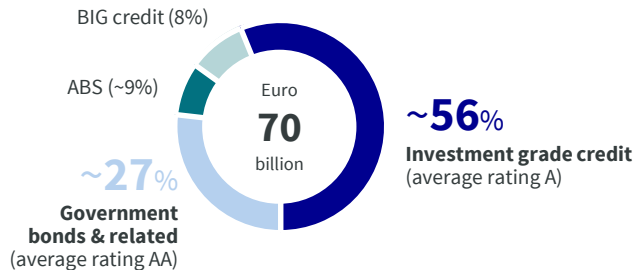
# High quality investment portfolio and resilient yield

## FY17 Total General Account invested assets

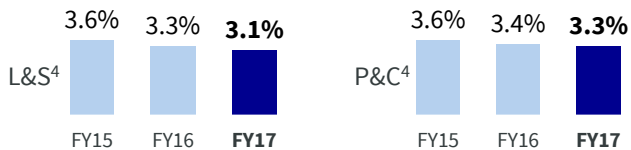
82% in Fixed Income with long duration (8.2 years)



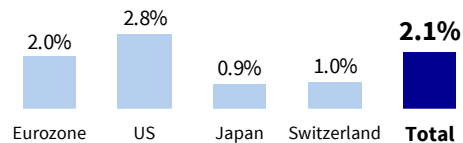
## FY17 New fixed income investments



## Yields on assets



## FY17 reinvestment yield



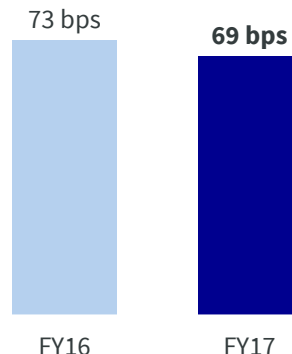
# Robust investment margin and yields – ahead of Ambition 2020 guidance

## Spread above guaranteed rates<sup>1</sup>

FY17	Yield on assets	Average guaranteed rates	Spread above guarantee
<b>Inforce</b>	3.1%	1.8%	<b>+130 bps</b>
<b>New business</b>	2.1%	0.3%	<b>+180 bps</b>

- Significant buffer to cover guarantees and to manage crediting rates to preserve investment margin
- Average inforce reserves<sup>1</sup> of Euro 368 billion
- New business sold in combination with higher margin Unit-Linked business (hybrid<sup>3</sup> sales)

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



Ambition 2020 guidance

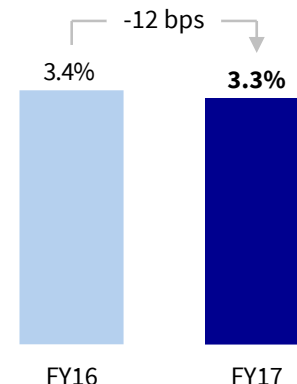
2016E – 2017E

**65 – 75 bps**

2018E – 2020E

**55 – 65 bps**

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



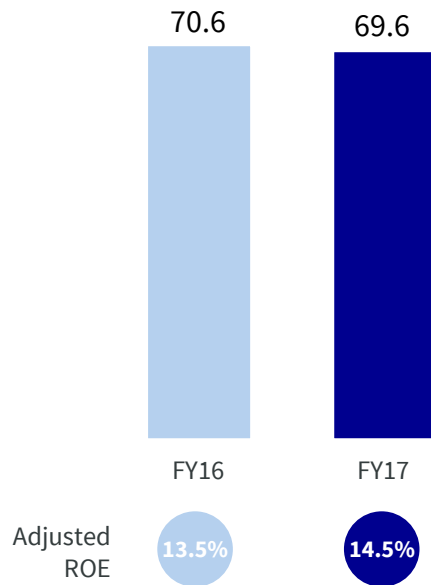
**10 – 20 bps**

Yield dilution per annum



# Shareholders' equity

In Euro billion

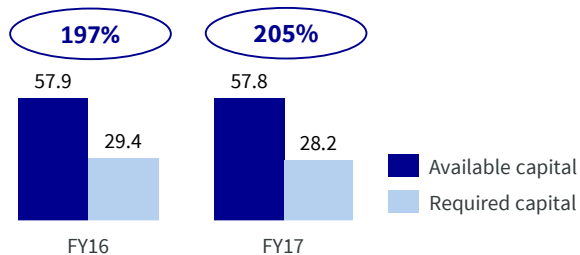


	FY17 vs. FY16
⊕ Net income for the period	+6.2
⊕ Change in net unrealized capital gains	+1.4
⊕ Change in pension benefits	+0.4
⊖ Forex and other	-4.8
⊖ Subordinated debt (incl. interest charges)	-0.6
⊖ Share buyback	-0.9
⊖ Dividends	-2.8

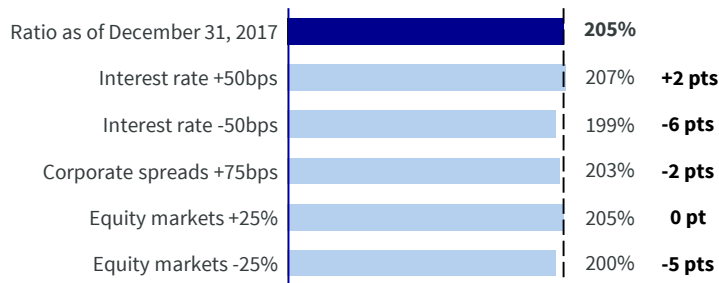
# Solvency II ratio

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

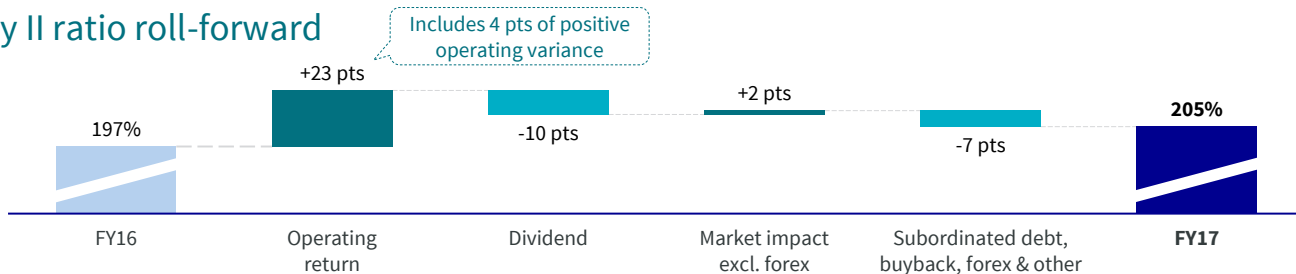
In Euro billion



## Key sensitivities

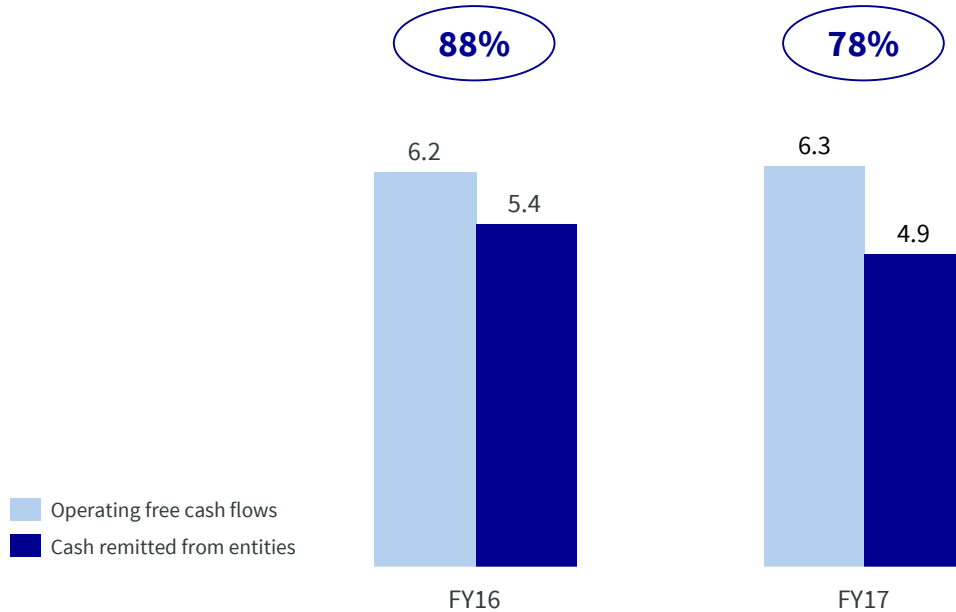


## Solvency II ratio roll-forward



# Strong cash flow generation and remittance

In Euro billion



Remittance ratio  
**in line with our  
guidance of 75% - 85%**



4

## Concluding remarks

Thomas Buberl, Group CEO



## Key takeaways



**Strong earnings growth** fueling a significant uplift in **dividend**



**All five geographies contributing** to growth in underlying earnings



**Our focus on profitable growth** is driving excellent results



**Strong and reliable capital position** and cash generation capacity



**Innovating in Health and leading the way as a sustainable insurer**



**Q&A**





## Call us

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Marketing & Events Manager

## Meet our management

<b>March 20-21</b>	Morgan Stanley European Financials Conference	London
<b>April 10</b>	HSBC West Coast Financials Conference	San Francisco
<b>April 25</b>	Annual General Meeting	Paris
<b>May 3</b>	First Quarter Activity Indicators	Call
<b>May 30</b>	Deutsche Bank Global Financial Services Conference	New York
<b>June 6</b>	Goldman Sachs Europeans Financial Services Conference	Frankfurt
<b>August 3</b>	Half Year 2018 Earnings Release	London

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**Thank You**



# Scope

**FY16 has been restated to reflect the new reporting which is aligned with the new operating model and organization announced on November 13, 2017.**

- **France:** includes insurance activities, banking and holdings activities in France.
- **Europe:** includes Belgium (insurance activities and holdings), Italy (insurance activities and holding), Germany (insurance excluding AXA Art, banking activities and holdings), Spain (insurance activities), Switzerland (insurance activities), United Kingdom and Ireland (insurance activities and holdings).
- **Asia:** includes Japan, Hong Kong, Asia High Potential (in which (i) Thailand P&C, Indonesia L&S (excl. bancassurance entity) are fully consolidated and (ii) China, Thailand L&S, Philippines and L&S bancassurance business in Indonesia are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income), Asia Direct (AXA Global Direct Japan and AXA Global Direct South Korea) and Asia Holdings.
- **United States:** includes Life & Savings insurance activities and holdings in the US, as well as AB.
- **International:** includes (i) Mexico, Singapore, Colombia, Turkey, Poland, the Gulf Region, Morocco, AXA Bank Belgium, Malaysia P&C, Luxembourg, Brazil, the Czech Republic Life & Savings, the Slovak Republic Life & Savings and Greece which are fully consolidated; (ii) Russia (Reso), India, Nigeria and Lebanon which 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.
- **Transversal & Central Holdings:** includes AXA Investment Managers, AXA Corporate Solutions Assurance, AXA Assistance, AXA Art, AXA Liabilities Managers, AXA Global Re (formerly AXA Global P&C and AXA Global Life), AXA Life Europe, AXA SA and other Central Holdings.

# Notes (1/2)

## Page A6

1. Compound annual growth rate
2. Adjusted RoE and free cash flows are non-GAAP financial measures. For further information, please refer to the reconciliation of adjusted ROE to the financial statements and its definition in the Glossary, which are provided in AXA's 2017 Activity Report (respectively, on page 22-26 and pages 69 to 76).
3. The Solvency II ratio is estimated based on AXA's internal model calibrated based on adverse 1/200 years shock and assuming US equivalence. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's SFCR for FY2016, available on AXA's website ([www.axa.com](http://www.axa.com))

## Page A7

1. Underlying earnings is a non-GAAP financial measure. For further information, please refer to the reconciliation of underlying earnings to the financial statements and its definition in the Glossary, which are provided in AXA's 2017 Activity Report (respectively, on pages 22-26 and pages 69 to 76).

## Page A8

1. Adjusted earnings is a non-GAAP financial measure. For further information, please refer to the reconciliation of adjusted earnings to the financial statements and its definition in the Glossary, which are provided in AXA's 2017 Activity Report (respectively, on pages 22-26 and pages 69 to 76).

## Page A9

1. Payout ratio guidance: 45%-55% of adjusted earnings net of undated debt interest charges

## Page A11

1. Annual premium equivalent (APE), New business value (NBV) and NBV margin are non-GAAP financial measures are defined in the Glossary set forth in AXA's 2017 Activity Report pages 69 to 76 and include "life-like" Health business.

## Page A15

1. Compound annual growth rate
2. Adjusted RoE and free cash flows are non-GAAP financial measures. For further information, please refer to the reconciliation of adjusted ROE to the financial statements and its definition in the Glossary, which are provided in AXA's 2017 Activity Report (respectively, on page 22-26 and pages 69 to 76).
3. The Solvency II ratio is estimated based on AXA's internal model calibrated based on adverse 1/200 years shock and assuming US equivalence. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's SFCR for FY2016, available on AXA's website ([www.axa.com](http://www.axa.com))

## Page A20

1. Due to the nature of our joint-venture holdings in Asia, revenues are presented using economic gross revenues, which better reflect our performance in that geography. Economic revenues are calculated as IFRS Gross Revenues (100% for fully consolidated entities and no contribution for entities consolidated under the equity method) as disclosed in Appendix 1 of this Press Release multiplied by the percentages of Group share of interests disclosed in Part 2 of the 2017 Half Year Financial Report – "Note 2 Scope of consolidation". As an example, in China, ICBC-AXA (consolidated under the equity-method) Gross Revenues do not contribute to IFRS Gross Revenues, but are consolidated at 27.5% in economic revenues.

# Notes (2/2)

## **Page A21**

1. Includes Euro -0.1 billion mortality model update in 1H17, a Euro +0.1 billion mortality model update in 2H17 and a Euro -0.1 billion GMxB model update in 2H17

## **Page A28**

1. Interest rate and foreign exchange economic hedges not eligible for hedge accounting under IAS 39

## **Page A31**

1. Subject to consultation process with social partners

## **Page A33**

1. Others includes Real estate (Euro 33 billion), Listed equities (Euro 22 billion), Cash (Euro 22 billion), Alternative investments (Euro 20 billion) mainly in Private Equity (Euro 9 billion) and Hedge Funds (Euro 7 billion), and Policy Loans (Euro 5 billion)
2. Other Fixed income investments include Asset backed securities (Euro 12 billion), residential loans (Euro 12 billion), commercial and agricultural loans (Euro 20 billion), and Agency pools (Euro 1 billion)
3. FY17 invested assets referenced on page 27 of the financial supplement are Euro 774 billion, which includes Unit-Linked assets and assets related to Banking activities
4. Including life-like Health in L&S and P&C-like Health in P&C

## **Page A34**

1. Group investment margin on total Life & Savings and Health General Account business
2. P&C gross yield including P&C like Health business
3. Hybrid products are savings products allowing clients to invest in both Unit-Linked and General Account assets

## **Page A36**

1. The Solvency II ratio is estimated based on AXA's internal model calibrated based on adverse 1/200 years shock and assuming US equivalence. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's SFCR for FY2016, available on AXA's website ([www.axa.com](http://www.axa.com))



# Full Year 2017 Appendices

February 22, 2018



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

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in the forward looking statements. Please refer to Part 4 - "Risk factors and risk management" of AXA's Registration Document for the year ended December 31, 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. The Non-GAAP measures underlying earnings and adjusted earnings are reconciled to net income on pages A26 and A27 of the main presentation of this release. Other non-GAAP financial measures used in this document are defined in the Glossary set forth in AXA's 2017 Activity Report (pp. 69-76).

# Table of contents

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6.	PRO-FORMA REPORTING SCOPE	B.67





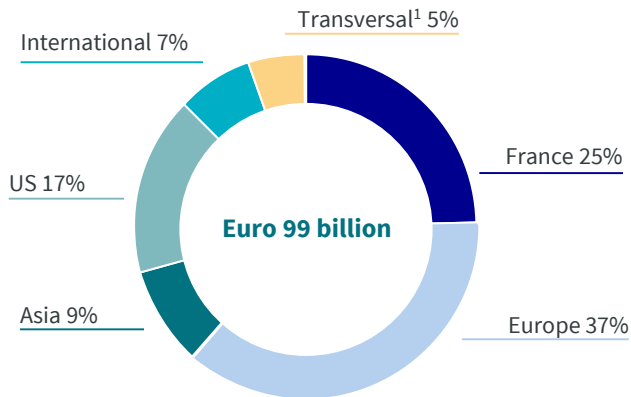
# B1

Group overview

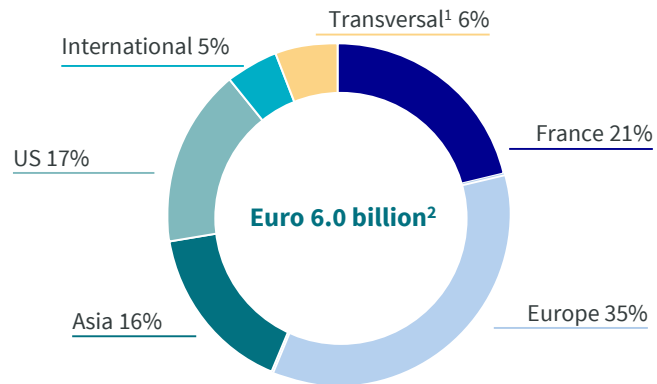
# Revenues and underlying earnings by geography

FY17 figures

## Revenues by geography



## Underlying earnings by geography



# AXA's rankings

FY17 figures<sup>1</sup>

## Current engines

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

## High potentials

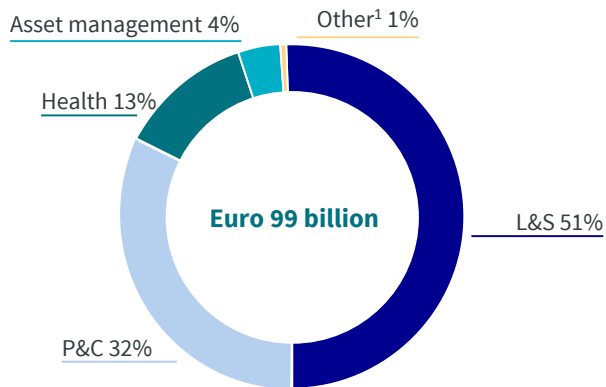
L&S	<b>#15</b> China	<b>#4</b> Thailand
	<b>#2</b> Indonesia	<b>#2</b> Philippines <sup>3</sup>
	<b>#9</b> Mexico	
P&C	<b>#20</b> Brazil	<b>#16</b> Thailand
	<b>#14</b> China	<b>#5</b> Philippines <sup>3</sup>
	<b>#3</b> Mexico	

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

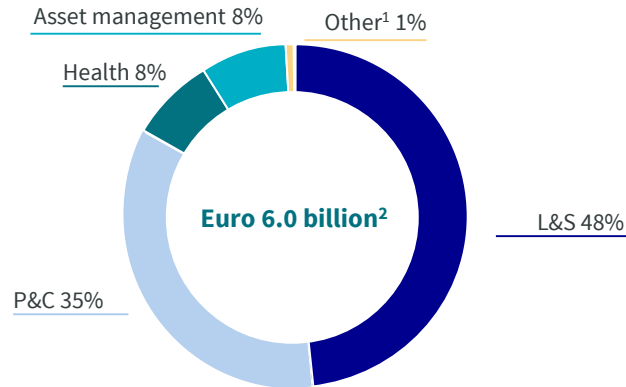
# Revenues and underlying earnings by line of business

FY17 figures

## Revenues by line of business



## Underlying earnings by line of business

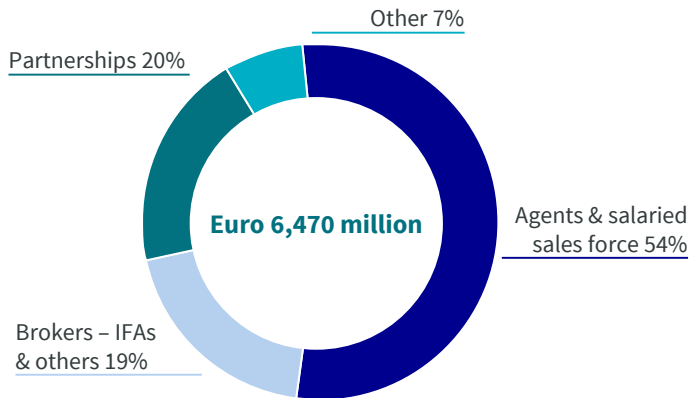


1. Other corresponds to banking activities  
2. Breakdown by geography based on underlying earnings excluding AXA SA and other holdings

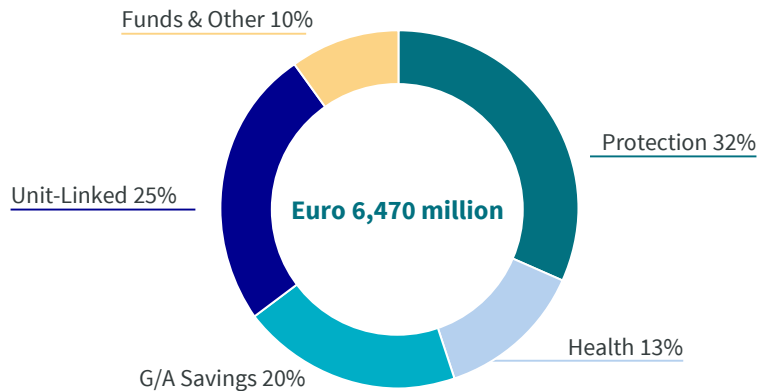
# Life & Savings | Distribution and product mix

FY17 APE including life-like Health

## APE by channel



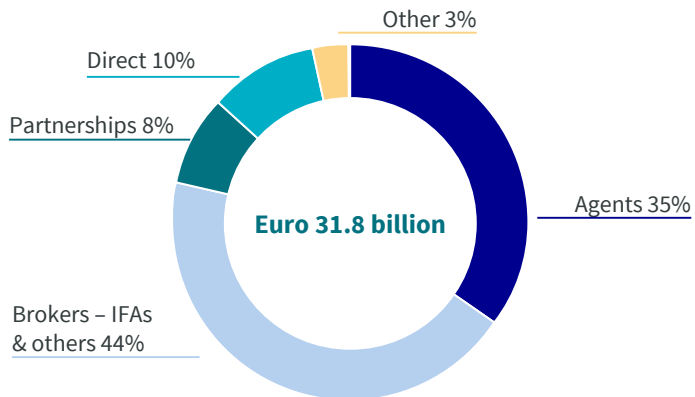
## APE by product



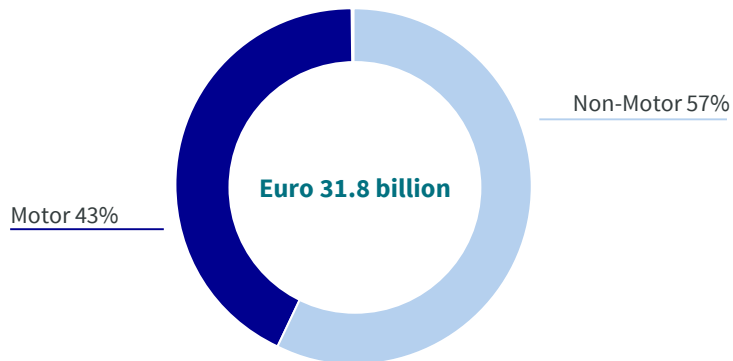
# Property & Casualty | Distribution and product mix

FY17 revenues excluding Health

## Revenues by channel



## Revenues by product





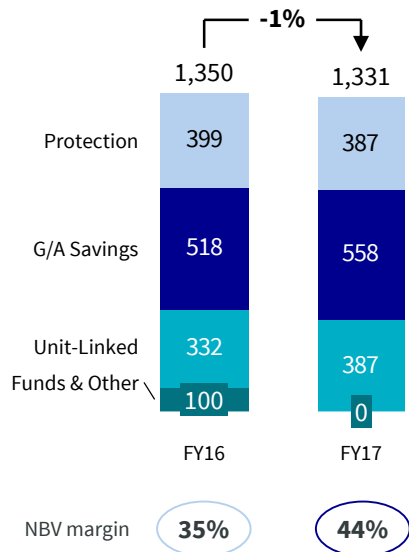
# B2

Geographies

# France | Topline overview

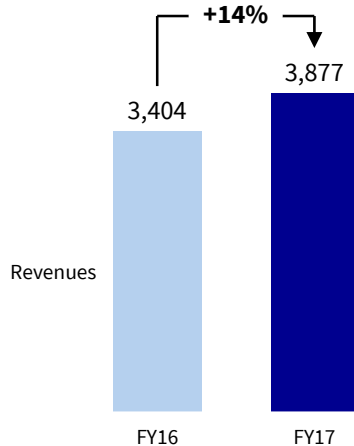
## L&S APE (excl. Health)

In Euro million



## Health revenues

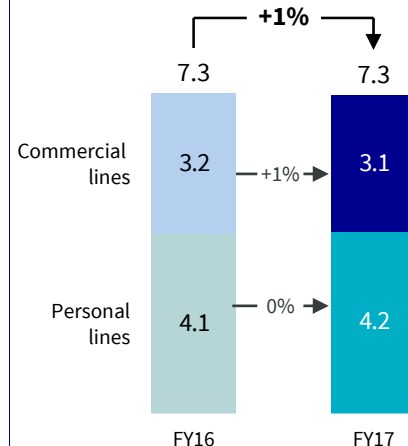
In Euro million



FY 17 APE: Euro 518 million (+9%)  
FY17 NBV margin: 10% (-9 pts)

## P&C revenues

In Euro billion

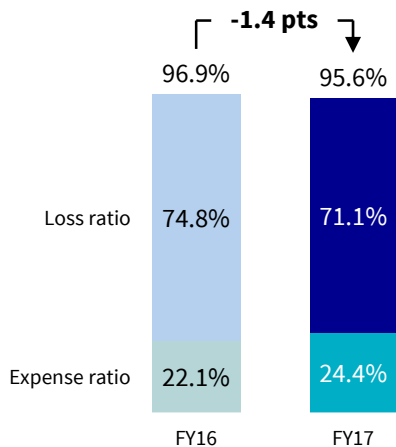


Commercial lines price effect: +2.2% in FY17  
Personal lines price effect: +1.3% in FY17

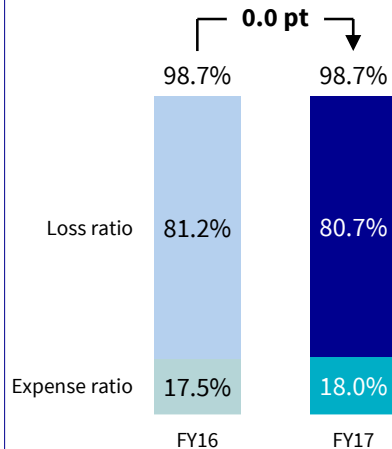


# France | Profitability analysis

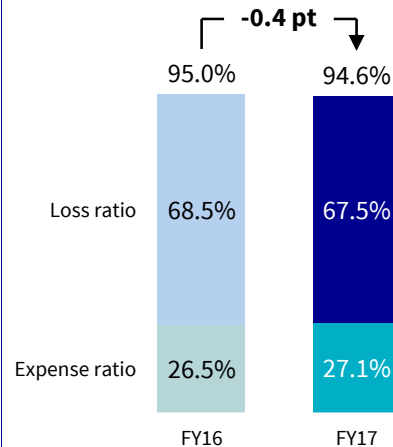
## Protection combined ratio



## Health combined ratio



## P&C combined ratio

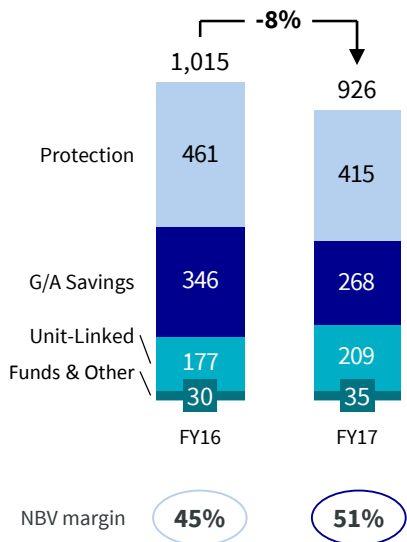


Prior year reserve developments  
-2.1% (vs. -1.9% in FY16)

# Europe | Topline overview

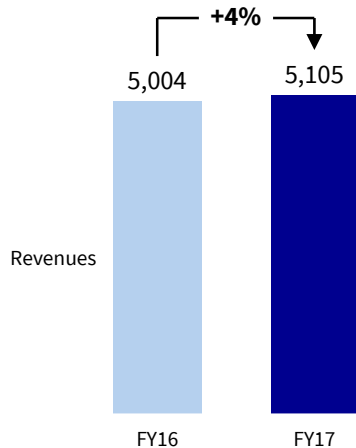
## L&S APE (excl. Health)

In Euro million



## Health revenues

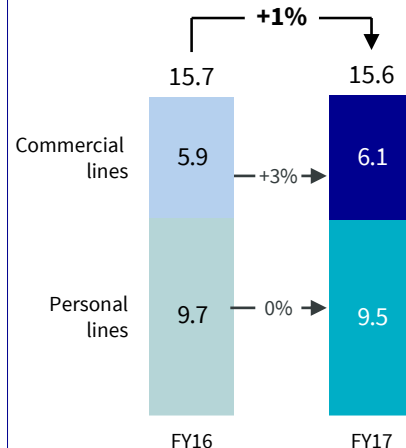
In Euro million



FY 17 APE: Euro 108 million (-1%)  
FY17 NBV margin: 107% (+30 pts)

## P&C revenues

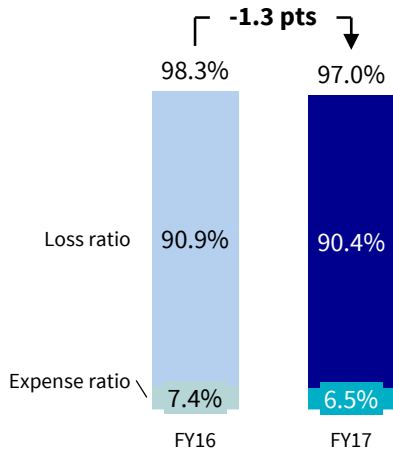
In Euro billion



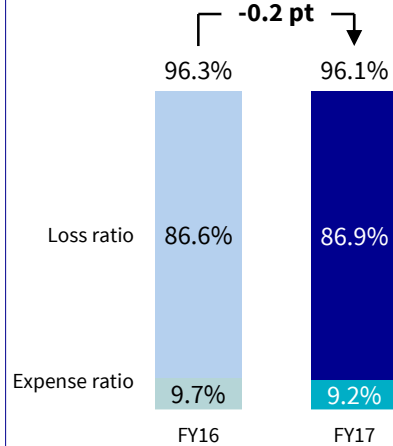
Commercial lines price effect: +1.9% in FY17  
Personal lines price effect: +2.5% in FY17

# Europe | Profitability analysis

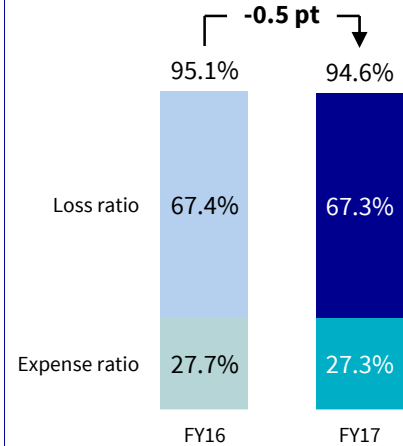
## Protection combined ratio



## Health combined ratio



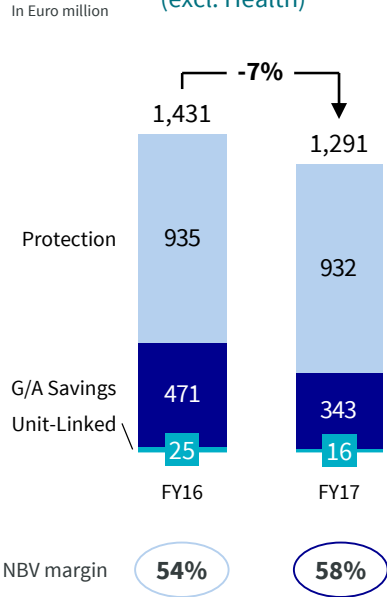
## P&C combined ratio



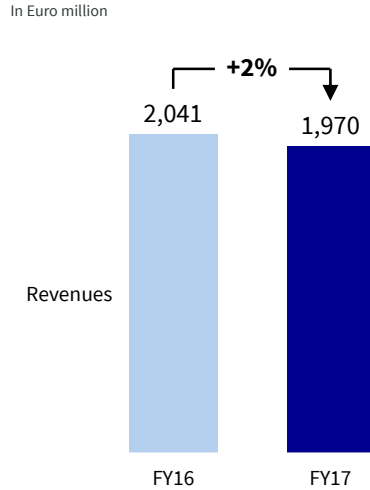
Prior year reserve developments  
-1.6% (vs. -1.2% in FY16)

# Asia | Topline overview

## L&S APE (excl. Health)

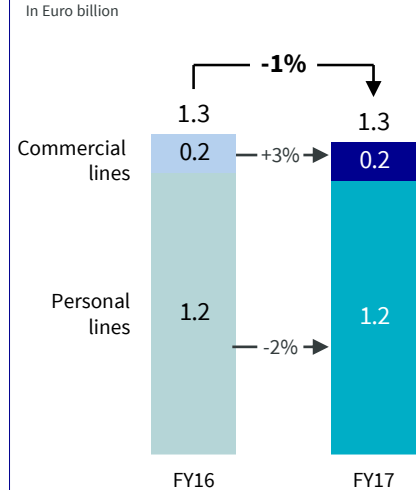


## Health revenues



FY 17 APE: Euro 219 million (-2%)  
FY17 NBV margin: 143% (+7 pts)

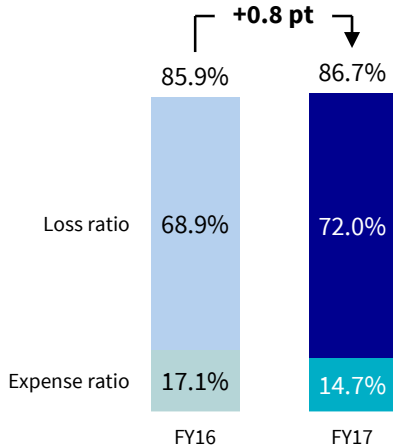
## P&C revenues



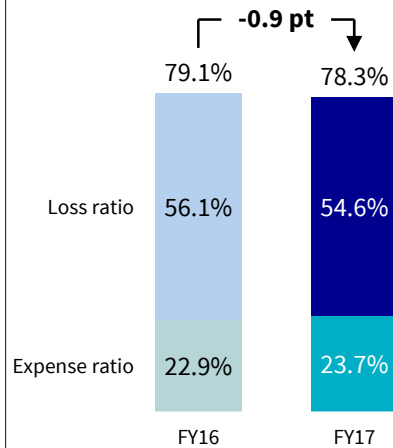
Commercial lines price effect: -4.3% in FY17  
Personal lines price effect: +0.8% in FY17

# Asia | Profitability analysis

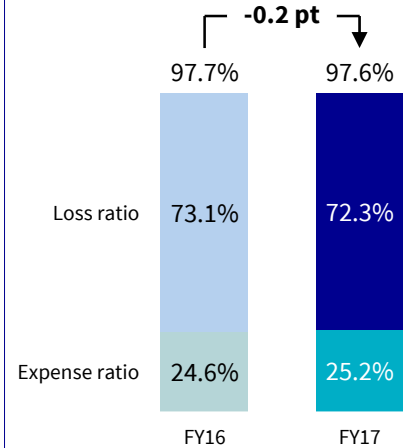
## Protection combined ratio



## Health combined ratio



## P&C combined ratio



Prior year reserve developments  
-0.4% (vs. 0.0% in FY16)

# US | Life & Savings profitability analysis

## US Variable Annuity GMxB Underlying earnings<sup>3</sup>

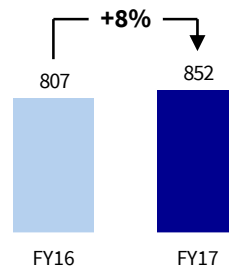
In Euro million

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

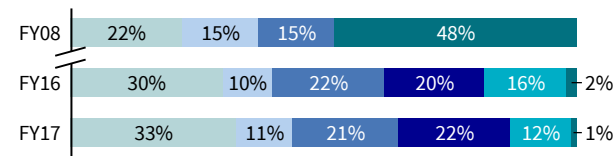
1. Notional tax rate of 35%
2. The reserve strengthening figures include the effect on DAC of base fees related to assumption and model changes
3. Including AXA Corporate Solutions Life Reinsurance Company and Holdings
4. New Non GMxB Variable Annuity includes Investment Edge, Structured Capital Strategies and other

## US L&S Underlying earnings<sup>3</sup>

In Euro million



## US L&S APE

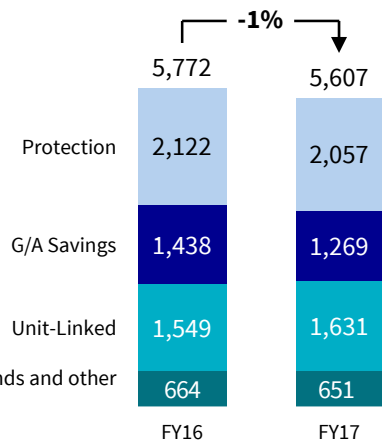


- Mutual Funds & Other
- Life
- Employee Sponsored Non-GMxB VA
- New Non-GMxB VA<sup>4</sup>
- Floating rate GMxB VA
- Fixed rate GMxB VA

# Group | Topline overview

## L&S APE (excl. Health)

In Euro million

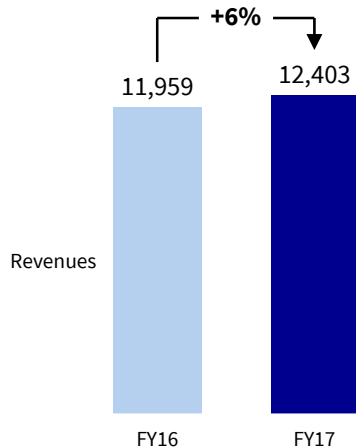


NBV margin **37%**

**41%**

## Health revenues

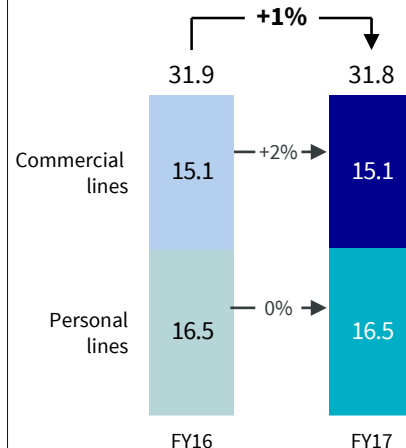
In Euro million



FY 17 APE: Euro 863 million (+5%)  
FY17 NBV margin: 57% (-2 pts)

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

In Euro billion

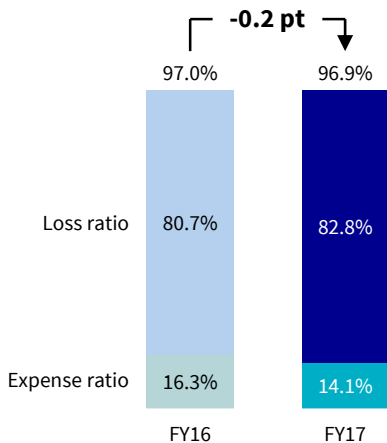


Commercial lines price effect: +1.3% in FY17  
Personal lines price effect: +2.0% in FY17

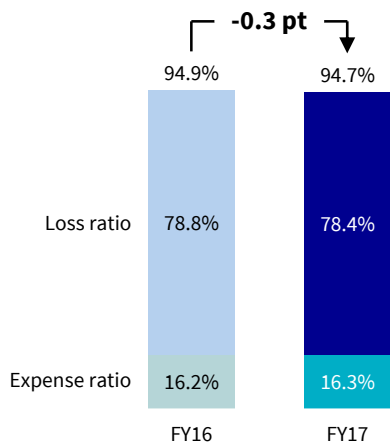


# Group | Profitability analysis

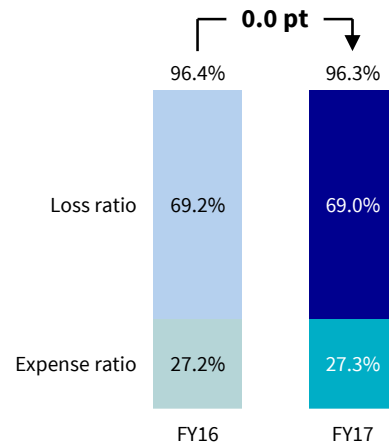
## Protection combined ratio



## Health combined ratio



## P&C combined ratio



Prior year reserve developments  
-1.2% (vs. -1.3% in FY16)





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

Underlying earnings (In Euro million)	Total <sup>1</sup>		o/w Life & Savings		o/w Property & Casualty		o/w Health		o/w Asset Management	
	FY17	Change	FY17	Change	FY17	Change	FY17	Change	FY17	Change
France	1,429	+3%	765	+8%	608	-2%	69	+3%	-	-
Europe	2,326	+2%	789	+6%	1,355	+2%	164	+10%	-	-
Asia	1,089	+7%	726	+9%	49	+12%	321	+3%	-	-
United States	1,135	+16%	954	+7%	-	-	-15	+40%	283	+51%
International	337	+20%	67	+18%	238	+30%	-2	-	-	-
Transversal & central holdings	-313	+8%	-13	+56%	134	-39%	15	-	257	+16%
<b>Underlying earnings</b>	<b>6,002</b>	<b>+7%</b>	<b>3,288</b>	<b>+9%</b>	<b>2,384</b>	<b>-1%</b>	<b>552</b>	<b>+11%</b>	<b>540</b>	<b>+32%</b>

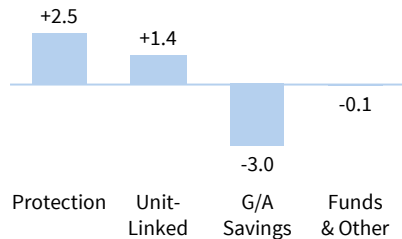
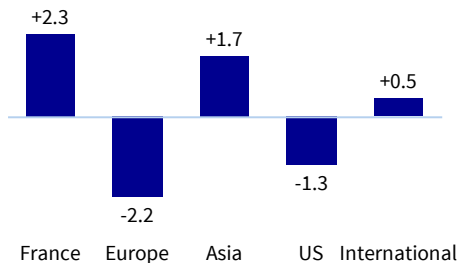
1. Including Banks and other holdings (Euro -762 million)

# Group | Net flows

FY17 figures

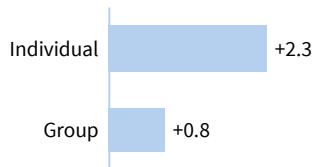
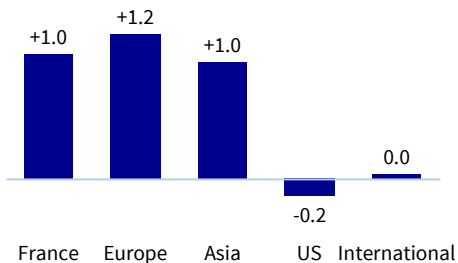
## L&S: Euro +0.8 billion

in Euro billion



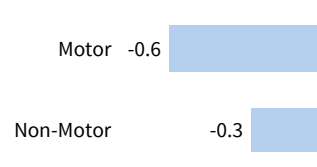
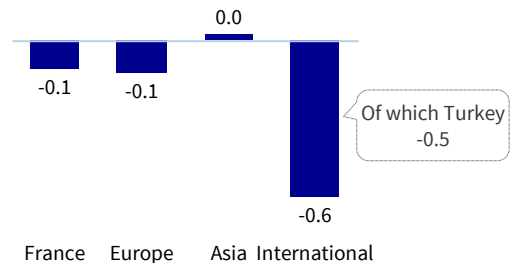
## Health: Euro +3.1 billion

in Euro billion



## P&C NNC: -851k contracts

in millions of contracts



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

FY17 figures

In Euro million	FY17 APE by product					Total APE			NBV			NBV margin		
	Protection	G/A Savings	Unit-Linked	Health	Mutual funds & other	FY16 restated	FY17	Change on a comparable basis	FY16 restated	FY17	Change on a comparable basis	FY16 restated	FY17	Change on a comparable basis
France	387	558	387	518	0	1,824	1,849	+2%	565	637	+13%	31%	34%	+3 pts
Europe	415	268	209	108	35	1,124	1,034	-8%	542	585	+9%	48%	57%	+8 pts
<i>Switzerland</i>	245	-	9	-	5	301	259	-12%	174	172	+1%	58%	66%	+8 pts
<i>Germany</i>	83	118	35	108	18	382	361	-5%	164	210	+28%	43%	58%	+15 pts
<i>Belgium</i>	24	27	5	-	0	55	56	+1%	32	42	+32%	58%	75%	+18 pts
<i>Spain</i>	22	12	27	-	12	86	73	-15%	64	61	-4%	75%	84%	+9 pts
<i>Italy</i>	40	110	134	-	0	300	284	-5%	107	99	-7%	36%	35%	-1 pt
Asia	932	343	16	219	-	1,661	1,510	-6%	1,085	1,066	+2%	65%	71%	+6 pts
<i>Japan</i>	288	47	0	107	-	499	441	-8%	490	495	+6%	98%	112%	+14 pts
<i>Hong Kong</i>	331	64	13	48	-	536	456	-13%	402	291	-26%	75%	64%	-11.2 pts
<i>Asia High Potentials</i>	313	233	3	64	-	626	613	0%	194	281	+50%	31%	46%	+15 pts
United States	197	84	920	3	596	1,732	1,799	+6%	378	421	+14%	22%	23%	+2 pts
International	127	15	99	15	21	246	278	+15%	54	78	+46%	22%	28%	+6 pts
Other <sup>1</sup>	-	-	-	-	-	14	-	n.a.	-	-	n.a.	-	-	n.a.
<b>Total Group</b>	<b>2,057</b>	<b>1,269</b>	<b>1,631</b>	<b>863</b>	<b>651</b>	<b>6,600</b>	<b>6,470</b>	<b>0%</b>	<b>2,623</b>	<b>2,787</b>	<b>+8%</b>	<b>40%</b>	<b>43%</b>	<b>+3 pts</b>

1. Other includes transversal and other

# P&C | Revenues by business line

FY17 figures

In Euro million	Personal Motor		Personal Non-Motor		Commercial Motor		Commercial Non-Motor	
	Gross revenues	Change on comparable basis	Gross revenues	Change on comparable basis	Gross revenues	Change on comparable basis	Gross revenues	Change on comparable basis
France	2,011	-1%	2,157	+2%	577	-2%	2,562	+1%
Europe	5,936	+1%	3,586	0%	1,469	+6%	4,601	+2%
<i>Switzerland</i>	1,111	0%	563	0%	113	+1%	1,283	+3%
<i>Germany</i>	1,228	0%	1,206	+2%	216	0%	1,188	+3%
<i>Belgium</i>	633	+1%	477	0%	256	+5%	678	-5%
<i>Spain</i>	892	+3%	351	0%	53	-8%	310	+6%
<i>UK &amp; Ireland</i>	1,223	+1%	647	-6%	634	+12%	867	+1%
<i>Italy</i>	849	+2%	342	+3%	197	+3%	275	+5%
Asia	962	-3%	191	+4%	14	-6%	146	+4%
<i>Hong Kong</i>	42	+10%	88	+5%	8	-11%	117	+7%
<i>Asia High Potentials</i>	30	-5%	7	+10%	6	+2%	29	-6%
<i>Asia Direct</i>	889	-3%	96	+3%	-	-	-	-
International	1,185	-6%	313	+15%	796	-8%	1,504	+10%
Other	0	0%	190	+8%	712	0%	2,731	+2%
<b>Total</b>	<b>10,093</b>	<b>-1%</b>	<b>6,438</b>	<b>+1%</b>	<b>3,568</b>	<b>0%</b>	<b>11,544</b>	<b>+3%</b>

# P&C | Price effect by geography

In Euro million	Personal Lines			Commercial Lines		
	Revenues	Price effect	Revenues growth	Revenues	Price effect	Revenues growth
France	4,168	+1.3%	+0.3%	3,139	+2.2%	+0.8%
Switzerland	1,674	-0.5%	0.0%	1,396	+1.3%	+3.3%
Germany	2,433	+2.2%	+1.0%	1,403	+0.7%	+2.9%
Belgium	1,109	+1.9%	+0.4%	934	+1.1%	-2.2%
UK & Ireland	1,870	+7.1%	-1.8%	1,501	+4.1%	+5.7%
Spain	1,243	+2.5%	+2.1%	363	+3.8%	+3.7%
Italy	1,191	+0.1%	+2.0%	472	-0.6%	+4.1%
Asia	1,153	+0.8%	-1.6%	160	-4.3%	+3.4%
International	1,498	+1.8%	-2.4%	2,300	+0.3%	+2.6%
<b>Total</b>	<b>16,530</b>	<b>+2.0%</b>	<b>+0.1%</b>	<b>15,113</b>	<b>+1.3%</b>	<b>+2.2%</b>

2018 Market pricing trends	
	Increase in prices in personal lines and increased pressure on prices in commercial lines
	Continued price softening in personal lines and stable pricing in commercial lines
	Prices expected to be stable in personal lines and slightly increasing in commercial lines
	Continuous soft market conditions fueled by higher capacity
	Following strong repricing in 2017, expected softening of motor prices while positive price increases continuing in other lines
	Continuous positive trend in Personal & Commercial lines following last year market hardening
	Prices in Non-Motor expected to grow and to stay stable in Motor



Prices expected to increase



Prices expected to be stable



Prices expected to decrease

# Asset management | Asset under management rollforward

FY17 figures

## Assets under Management rollforward

In Euro billion	AB	AXA IM	AXA IM - Fully consolidated scope	AXA IM - Asian Joint Ventures	Total
<b>AUM at FY16</b>	<b>486</b>	<b>717</b>	607	110	<b>1,203</b>
Net flows	12	8	8	0	+19
Market appreciation	53	21	19	2	+75
Scope & other	-21	20	20	0	-1
Forex impact	-62	-21	-15	-6	-82
<b>AUM at FY17</b>	<b>468</b>	<b>746</b>	640	106	<b>1,214<sup>2</sup></b>
<b>Average AUM over the period<sup>1</sup></b>	<b>469</b>	-	<b>630</b>	-	<b>1,098</b>
<i>Change of average AUM on a reported basis vs. FY16</i>	+1%	-	+6%	-	+4%
<i>Change of average AUM on a comparable basis vs. FY16</i>	+3%	-	+7%	-	+5%

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

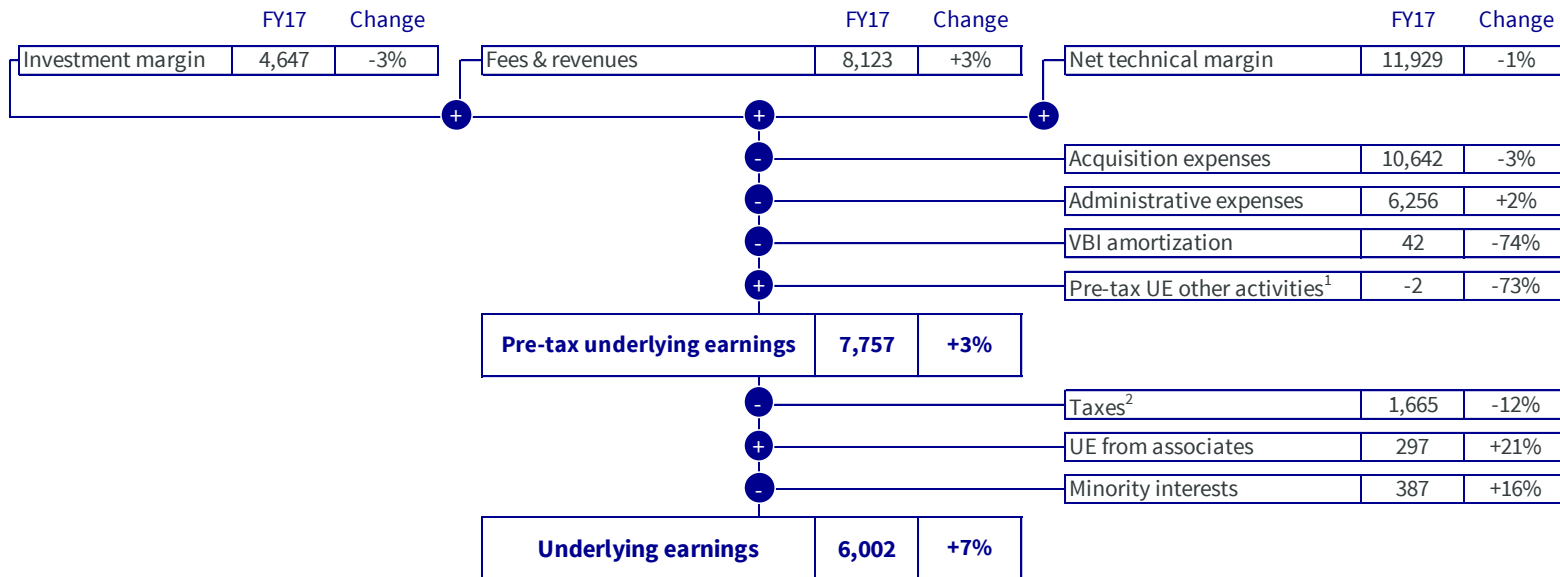
2. The difference with Euro 1,439 billion of total assets under management mentioned in Financial Supplement page 58 corresponds to assets directly managed by AXA insurance companies



# B3

Profitability analysis

# Profitability analysis | Group underlying earnings margin analysis



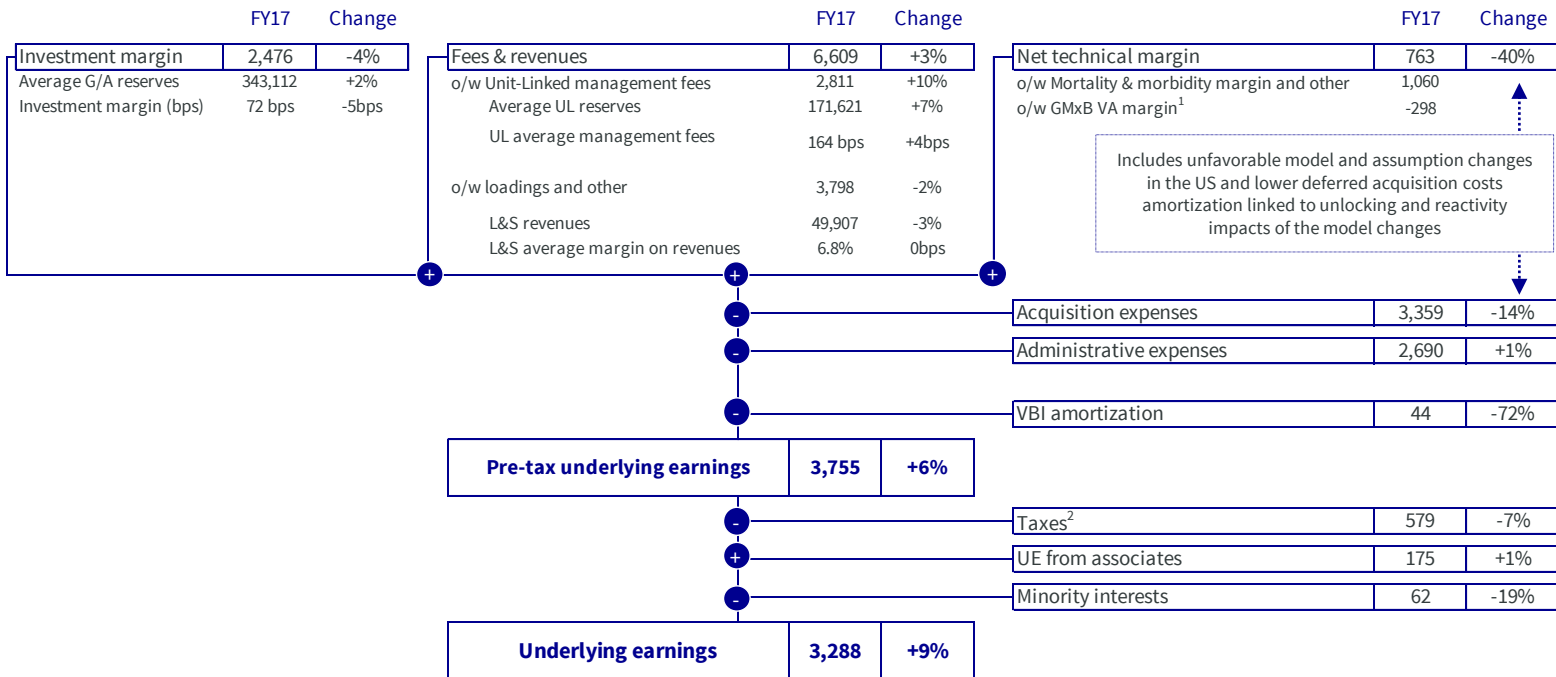
Changes are at constant Forex



# Profitability analysis | Group underlying earnings margin analysis by country

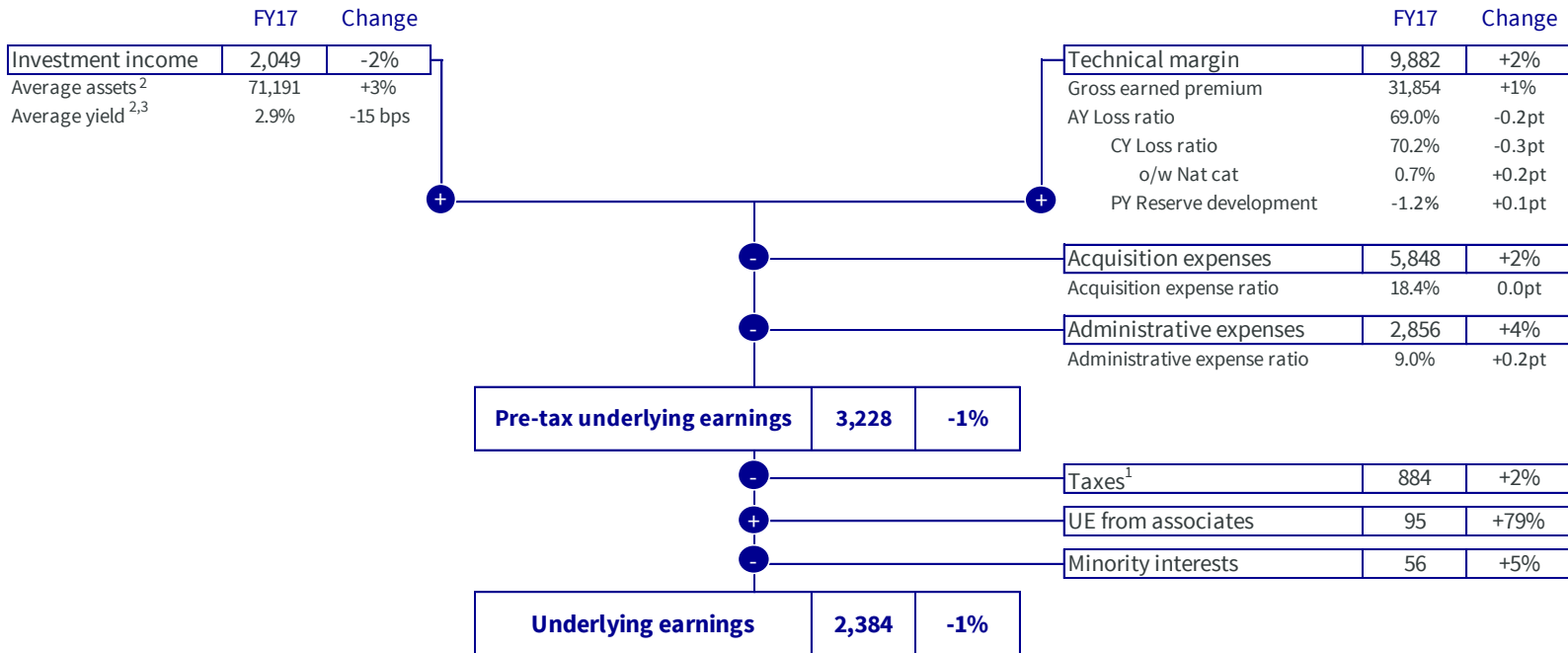
	Total	France	Europe	Asia	US	International	Transversal & holdings and other
Margin on revenues	4,885	1,479	954	1,847	284	319	2
Investment margin	4,647	1,640	1,813	35	543	375	241
Management fees	2,811	521	187	106	1,937	53	7
Technical Margin & Other <sup>1</sup>	12,355	2,909	6,216	763	-62	1,444	1,085
<b>Gross margin</b>	<b>24,699</b>	<b>6,550</b>	<b>9,170</b>	<b>2,751</b>	<b>2,702</b>	<b>2,190</b>	<b>1,335</b>
Admin. Exp. & Other <sup>2</sup>	-6,298	-1,573	-2,347	-549	-878	-593	-359
Acquisition expenses	-10,642	-2,959	-3,643	-1,015	-988	-1,268	-769
Pre-tax UE other activities	-2	-7	24	0	556	49	-623
<b>Pre-tax UE</b>	<b>7,757</b>	<b>2,011</b>	<b>3,204</b>	<b>1,187</b>	<b>1,392</b>	<b>379</b>	<b>-417</b>

# Profitability analysis | L&S underlying earnings margin analysis



1. Includes basis (Euro +5 million), equity and interest rates volatility (Euro +85 million), model and assumption changes (Euro -189 million) and interest rates, credit spreads and other (Euro -198 million)  
 2. Tax rate decreased to 15% in FY17 vs. 17% at FY16

# Profitability analysis | P&C underlying earnings margin analysis



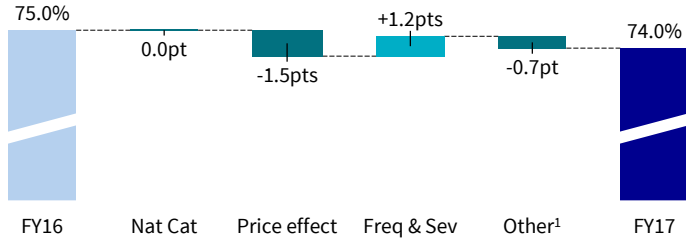
1. Tax rate remained stable at 27% in FY17 vs. FY16

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

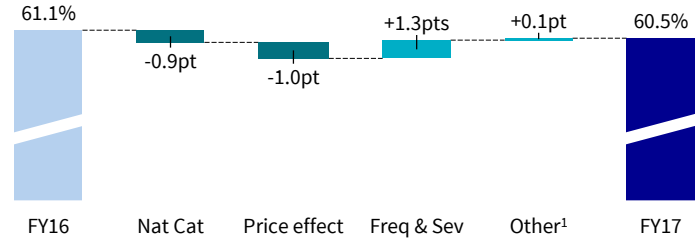
3. Net of interests credited of P&C reserves relating to annuities. Gross asset yield for P&C including Health previously reported in the P&C segment at 3.3%

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

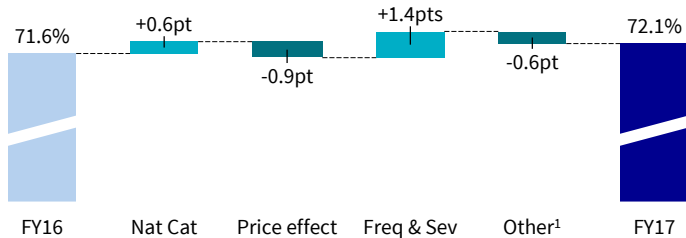
## Personal Motor



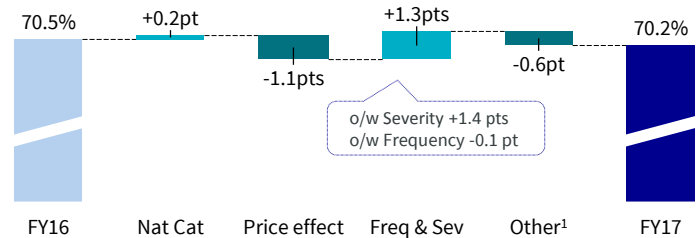
## Personal Non-Motor



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



## Total P&C



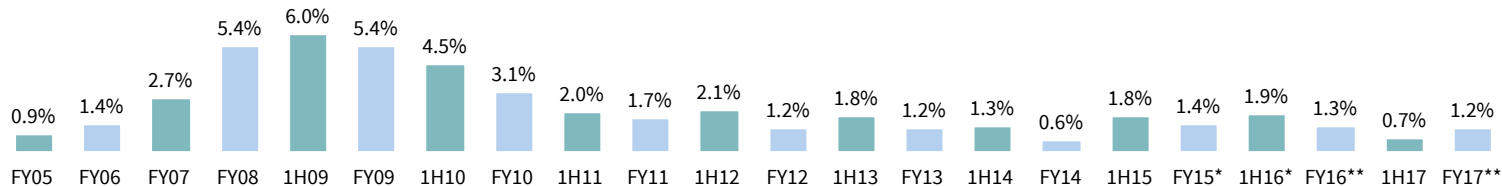
1. Other includes opening adjustments, changes in mix, claims handling costs, reinsurance impact excl. Nat Cat, other changes in reserves, Forex and scope



# Profitability analysis | Focus on P&C reserves

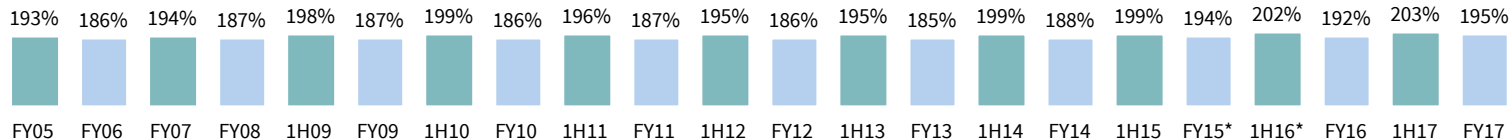
## Prior year reserve development level

(in % of gross earned premiums)



## Reserving ratio

(Net technical reserves/Net earned premiums)



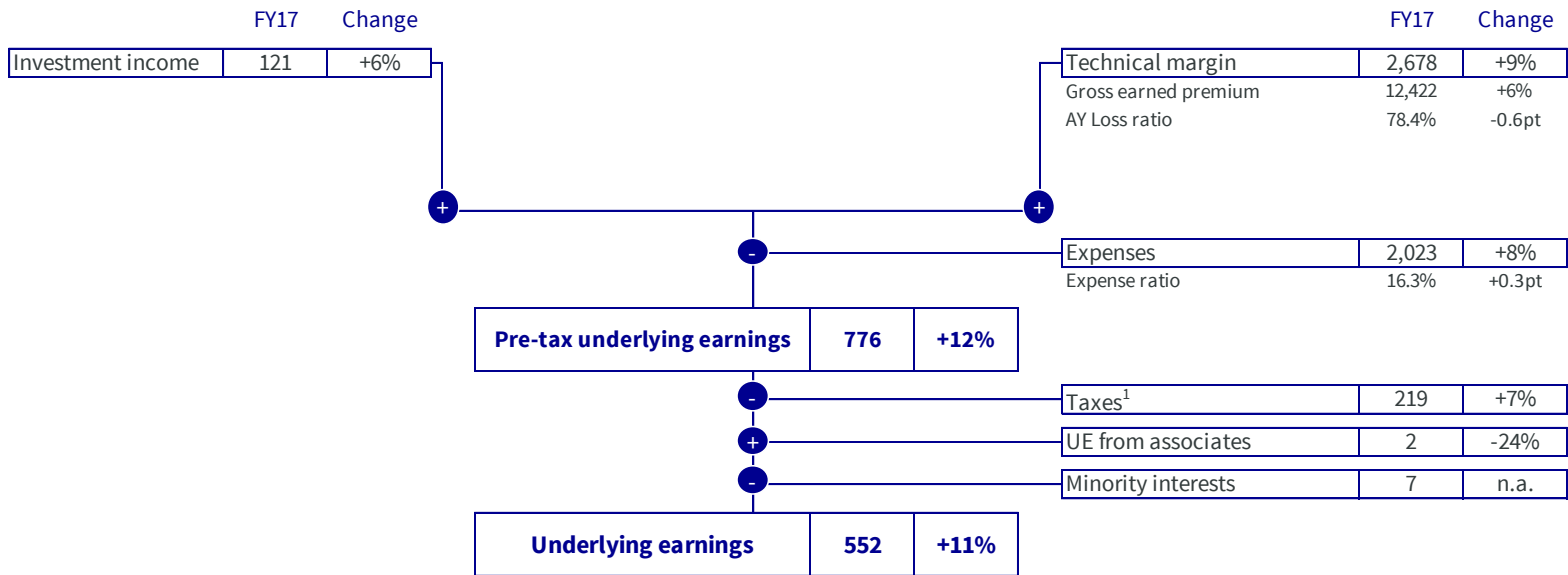
Information related to FY13 was restated for the retrospective application of the new IFRS standards on consolidation

FY04 to FY12 figures were not adjusted for this change. Note: FY04 to FY09 figures do not exclude Canadian operations

\*FY15, 1H16 figures have been restated to include the reclassification of International Insurance activity in the Property & Casualty segment

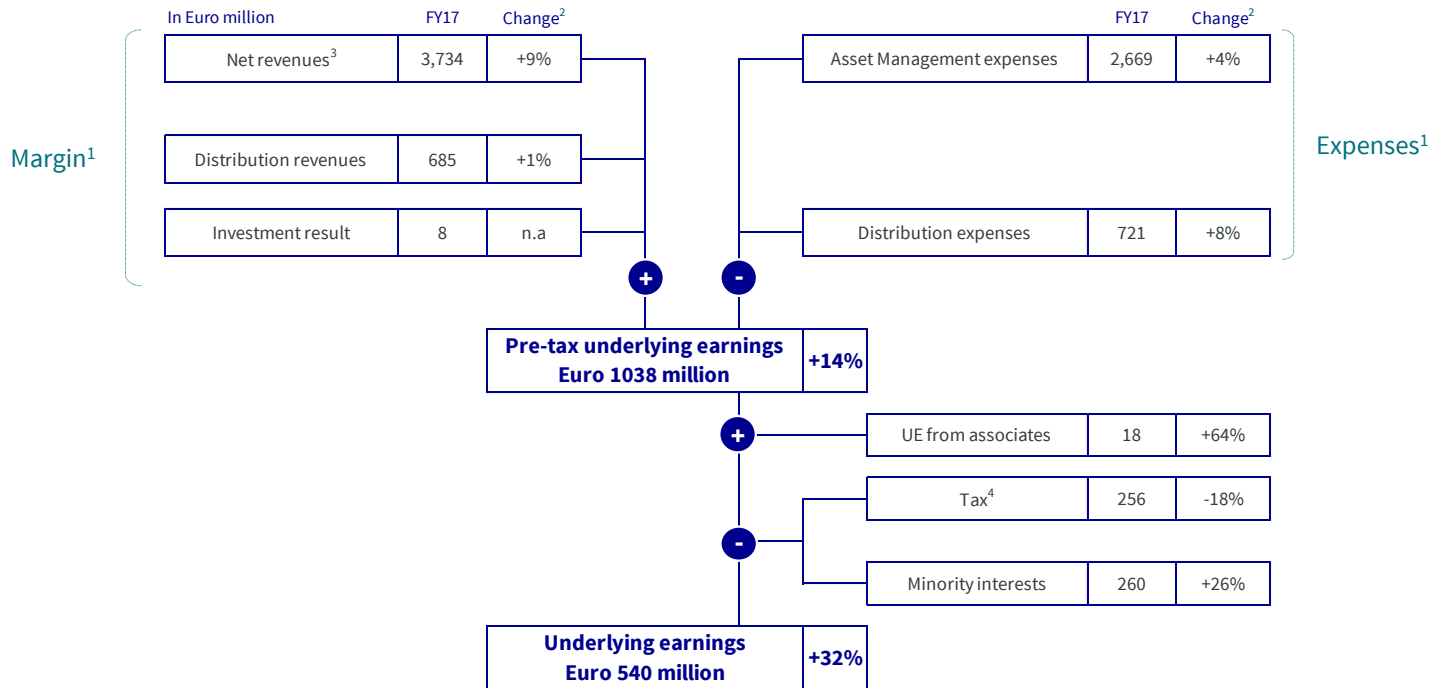
\*\*FY16 and FY17 have been restated to exclude the Health "Property & Casualty like" previously reported under the Property & Casualty segment

# Profitability analysis | Health underlying earnings margin analysis



1. Tax rate decreased to 28% in FY17 vs. 29% at FY16

# Profitability analysis | Asset management underlying earnings margin analysis



1. Margin and expenses are calculated gross of intercompany eliminations
2. Changes are on a comparable basis for activity indicators (constant Forex, scope and methodology), and at constant Forex for earnings
3. Or Euro 3,510 million net of intercompany eliminations
4. Tax rate decreased to 25% in FY17 vs. 34% at FY16

# FY17 Key sensitivities

In Euro billion		P&L			Balance sheet
		Impairments net of hedges through <u>Adjusted earnings</u>	Change <sup>1</sup> in fair value and Forex through <u>Net income</u>	<u>Total impact net income</u> (incl. impact through adjusted earnings)	Net unrealized capital gains through <u>Shareholders' equity</u>
<b>Equities</b>	-25%	-0.4	-0.1	-0.5	-1.3
	25%	0.0	+0.2	+0.2	+1.7
<b>Interest rates</b>	-100 bps		0.0	0.0	9.2
	+100 bps		0.0	0.0	-9.5
<b>Corporate spreads</b>	-75 bps		+0.2	+0.2	+2.1
	+75 bps		-0.3	+0.3	-2.0

1. Consists of gains/losses on derivatives and forex economic hedges not eligible for hedge accounting under IAS 39, as well as the change in fair value of assets accounted for as fair value option





# B4

Balance Sheet

# Balance sheet

1.	General Account invested assets	B.38
	I. Government and corporate bonds by rating	B.39
	II. Government Bonds and related	B.40
	III. Corporate Bonds	B.41
	IV. Asset Backed Securities	B.42
	V. Listed Equity	B.43
	VI. Real Estate	B.44
	VII. Hedge Funds	B.45
	VIII. Private Equity	B.46
	IX. Mortgage Loans	B.47
2.	Focus on net unrealized capital gains	B.48
3.	Asset Liability management	B.49
4.	Net financial debt and adjusted ROE	B.51
5.	Solvency II and cash	B.53
6.	Life and Savings value and IRR	B.58
7.	Operating free cash flows	B.60

# General Account Invested Assets

Invested assets (100%) In Euro billion	FY16 Published	%	FY17	%
Fixed income	485	83%	474	82%
<i>o/w Govies and related</i>	236	40%	232	40%
<i>o/w Corporate bonds</i>	202	35%	196	34%
<i>o/w Asset backed securities</i>	13	2%	12	2%
<i>o/w Mortgage loans &amp; other<sup>1</sup></i>	34	6%	33	6%
Cash	23	4%	22	4%
Listed equities	19	3%	22	4%
Real Estate	30	5%	33	6%
Alternative investments <sup>2</sup>	20	3%	20	3%
Policy loans	6	1%	5	1%
<b>Total Insurance Invested Assets<sup>3</sup></b>	<b>583</b>	<b>100%</b>	<b>575</b>	<b>100%</b>

1. Mortgage loans & other include residential loans (Euro 12 billion), commercial & agricultural loans (Euro 20 billion) and Agency Pools (Euro 1 billion)

2. Mainly Private Equity and Hedge Funds

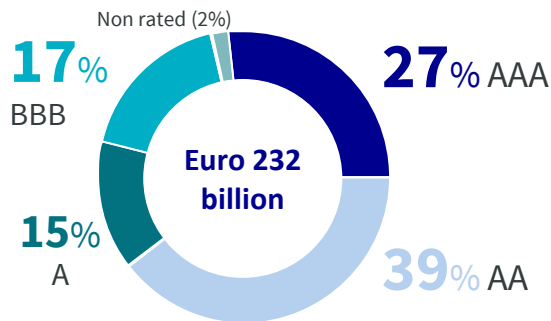
3. FY17 invested assets referenced in page 27 of the financial supplement are Euro 774 billion, which include notably Euro 175 billion of Unit-linked assets, and assets related to the Banking segment.

## Changes in asset mix

- **Forex:** negative impact from the appreciation of Euro against major currencies
- **Yields:** negative impact linked to the increase in interest rates on fixed income assets

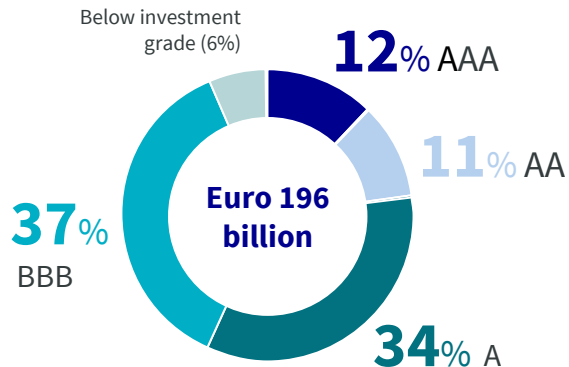
# Government and corporate bonds by rating

## Government and related bonds



Average rating maintained in the **AA** range

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



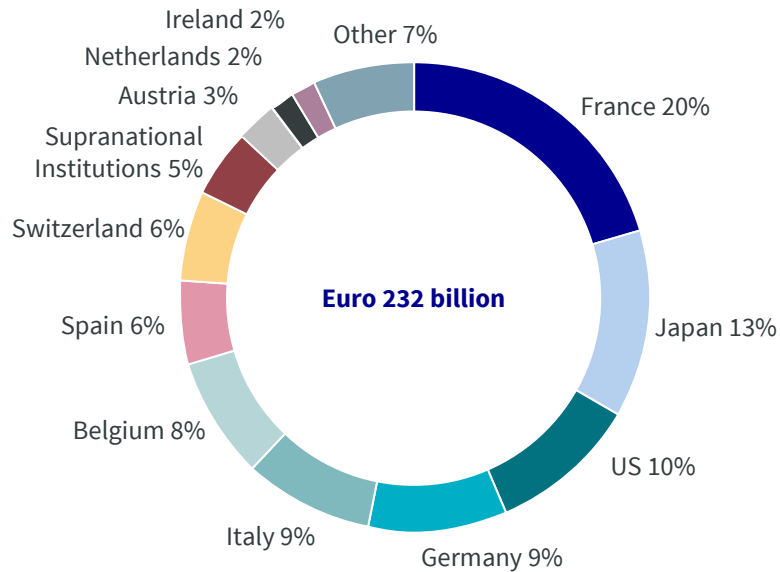
Average rating maintained in the **A** range

As of December 31, 2017

1. Corporate bonds not rated by external rating agencies are reallocated under AXA's internal ratings: AAA: Euro 0.2 billion, AA: Euro 1.0 billion, A: Euro 3.5 billion, BBB: Euro 3.9 billion, Below investment grade: Euro 3.0 billion

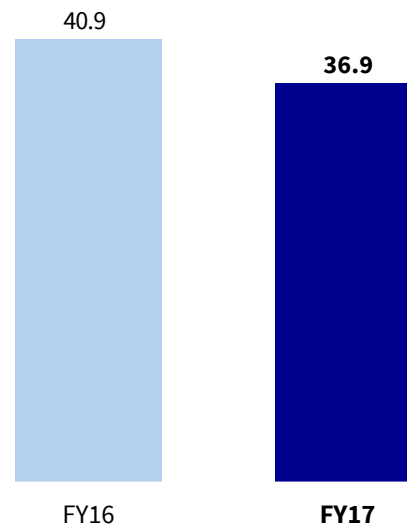
# Government bonds and related

## Breakdown by geography



As of December 31, 2017

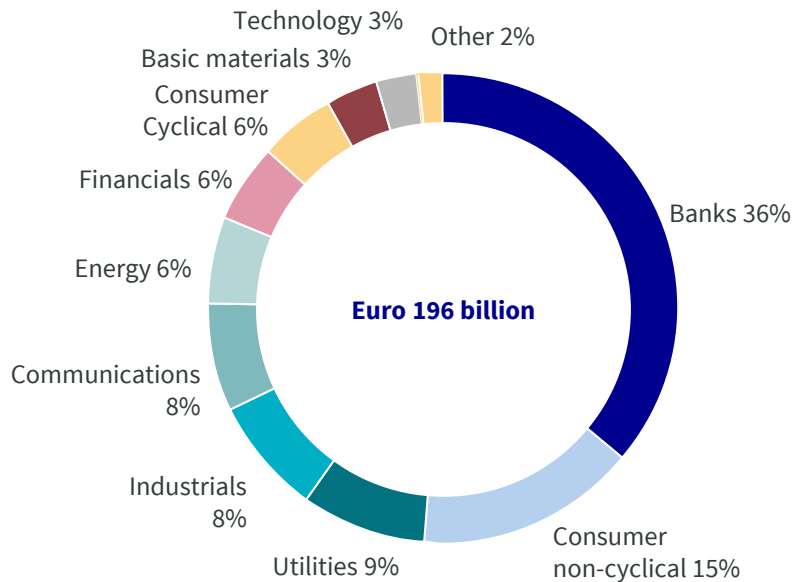
## Gross<sup>1</sup> unrealized capital gains and losses In Euro billion



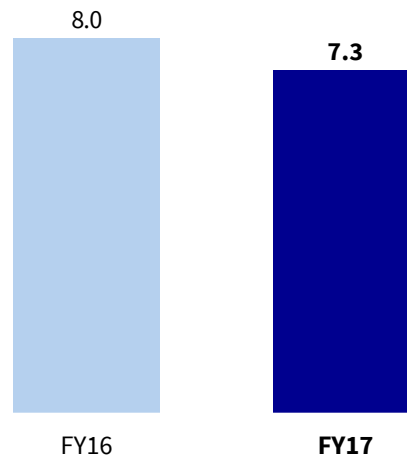
1. Gross of tax and policyholders' participation

# Corporate bonds

## Breakdown by industry



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



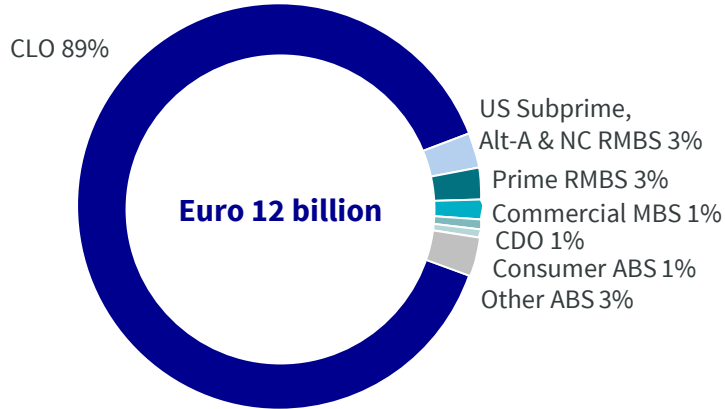
As of December 31, 2017

1. Gross of tax and policyholders' participation

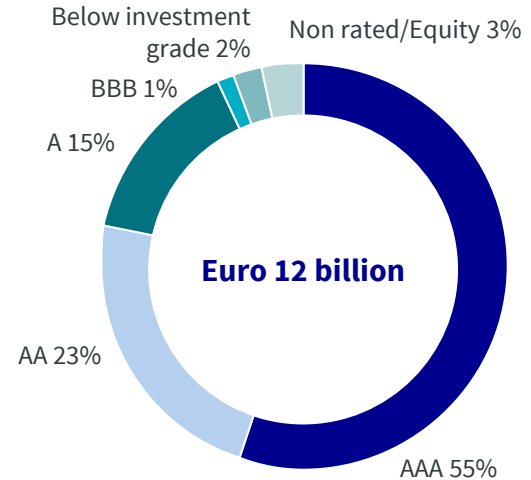


# Asset backed securities

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



## Breakdown by rating

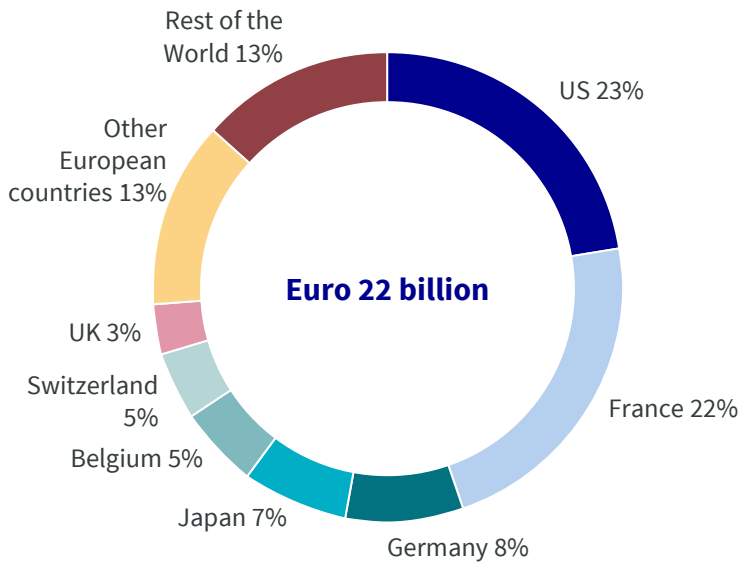


1. Including debt and equity tranches of ABS
2. Mainly consumer loan ABS (plus some leases and operating ABS assets)

As of December 31, 2017

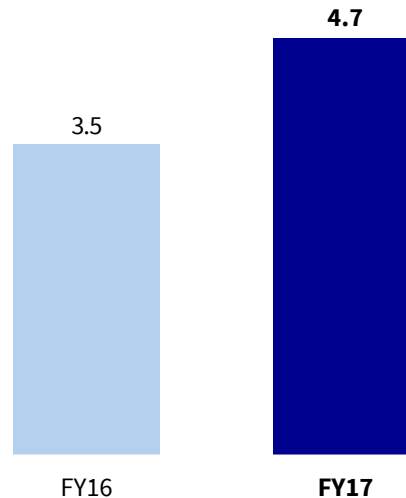
# Listed equity portfolio overview

## Breakdown by geography



As of December 31, 2017

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



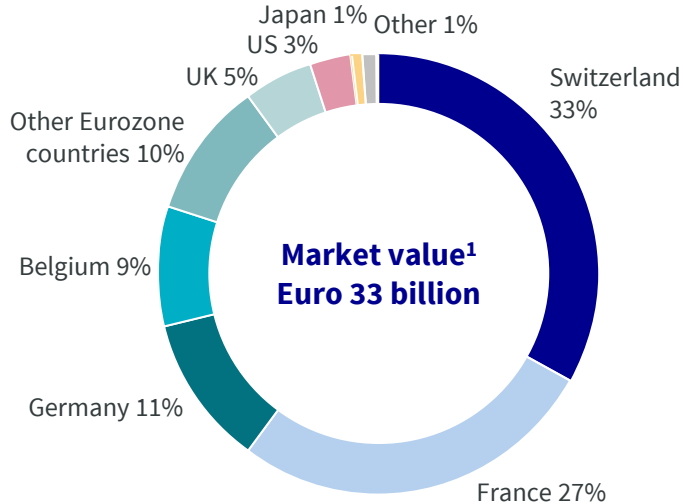
1. Gross of tax and policyholders' participation



# Real estate investments

Defensive portfolio with good performance over the long term

Breakdown by geography



Breakdown by type and geography

	Switzerland	France	Belgium	Germany	Other	Total
Office	10%	11%	7%	4%	9%	40%
Residential	18%	3%	0%	0%	3%	24%
Retail	2%	10%	2%	2%	3%	19%
Others	2%	5%	1%	5%	5%	18%
<b>Total</b>	<b>33%</b>	<b>27%</b>	<b>9%</b>	<b>11%</b>	<b>19%</b>	<b>100%</b>

Portfolio Yield from Rental Income ~ 3.9%

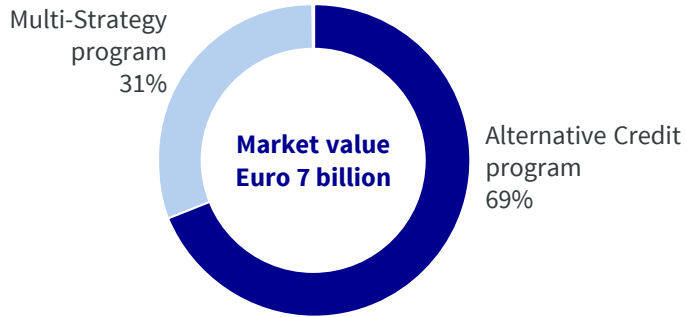
1. Representing Euro 4.2 billion of unrealized gains off balance sheet, net of tax and PB. The assets in scope exclude those held directly by the French Mutual funds and the non-Main Fund unit linked holdings, as well as CRE loans.

As of December 31, 2017



# Hedge fund investments

## AXA portfolio return drivers

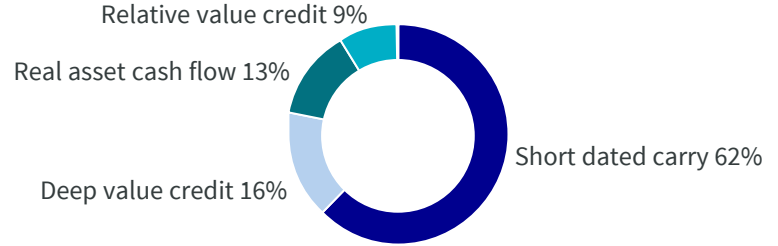


- **Alternative Credit** program: steady carry engine from direct lending sub-strategy while deep value and relative value strategies were slightly muted over FY17.
- **Multi-Strategy** program: focus on low volatility and uncorrelated returns. Annual performance exceeded benchmarks for hedge fund industry.

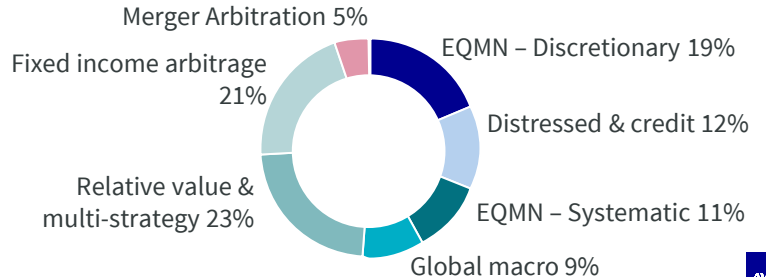
As of December 31, 2017 Source: AXA IM

## Well diversified portfolio

### Alternative Credit : 9 managers

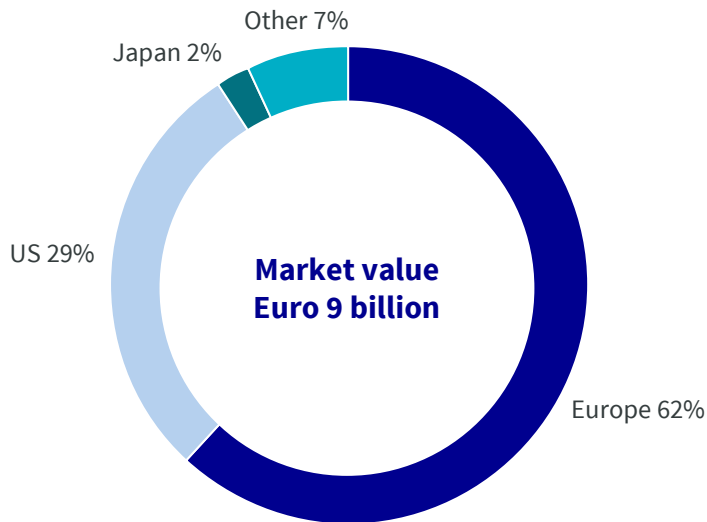


### Multi-Strategy : 19 managers

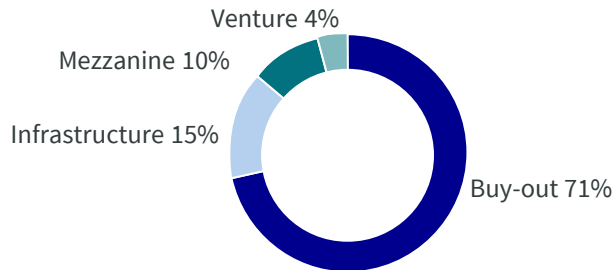


# Private equity investments

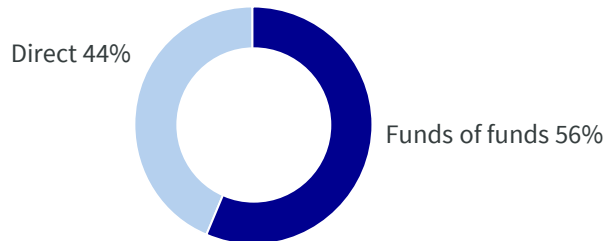
Diversified portfolio built over the long run



## Breakdown by expertise



## Diversified portfolio



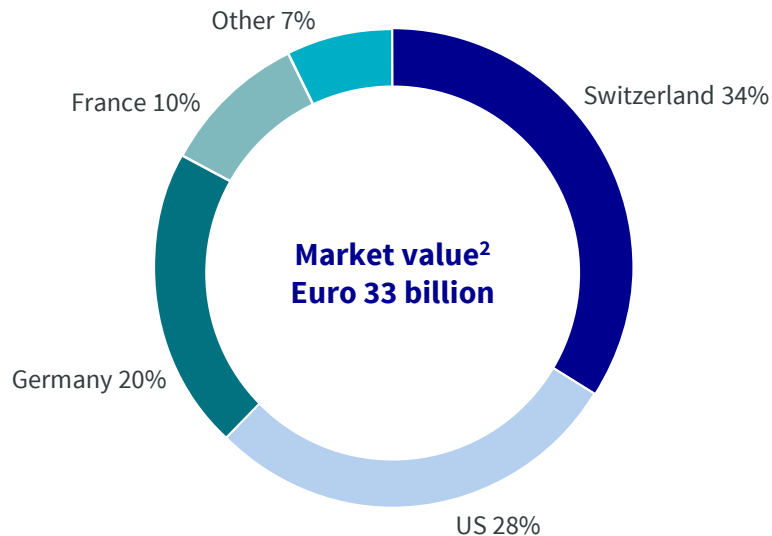
As of December 31, 2017



# Mortgage loans & other

## Low risk mortgage loan portfolio

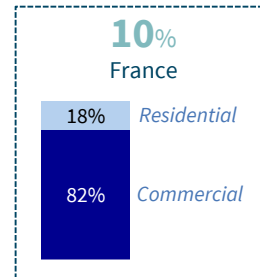
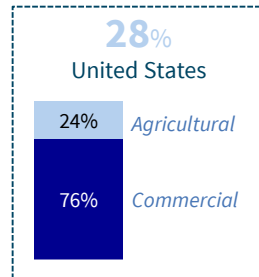
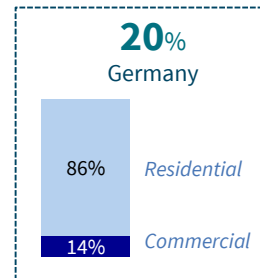
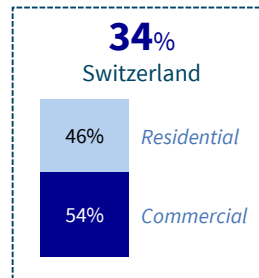
FY17 market value by entity<sup>1</sup>



1. Excluding banking operations

2. Including Euro 1 billion of Agency pools (Mortgage-backed securities issued by US Government Sponsored Enterprises)

As of December 31, 2017



**Very secured portfolio:**

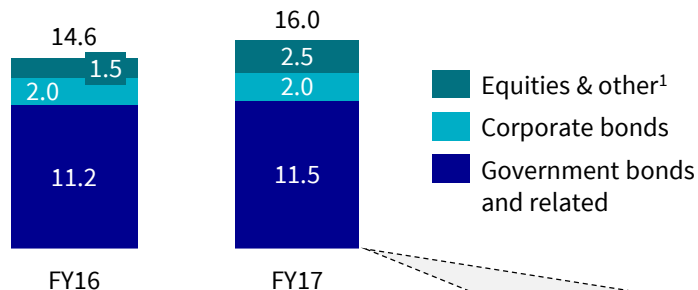
**FY17 default rate 0.27%**

**FY17 loan to value 60%**

# Focus on net unrealized capital gains

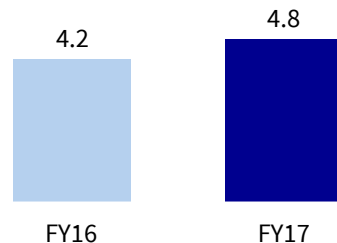
## Balance sheet net unrealized capital gains

In Euro billion

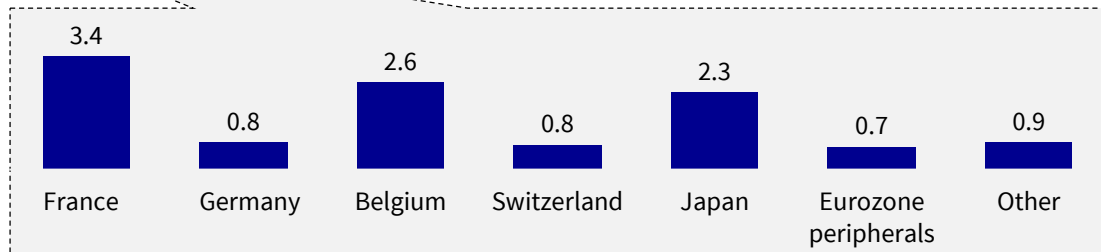


## Off balance sheet net unrealized capital gains

In Euro billion



Net unrealized capital gains on government bonds and related by issuer



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

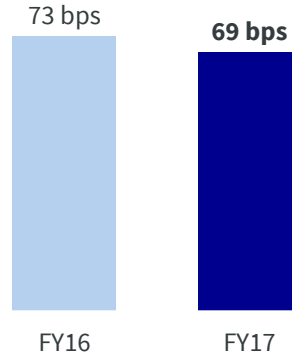
# Asset & Liability management (1/2)

## Spread above guaranteed rates

FY17	Yield on assets	Average guaranteed rates	Spread above guarantee
<b>Inforce</b>	3.1%	1.8%	<b>+130 bps</b>
<b>New business</b>	2.1%	0.3%	<b>+180 bps</b>

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

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



Ambition 2020 guidance

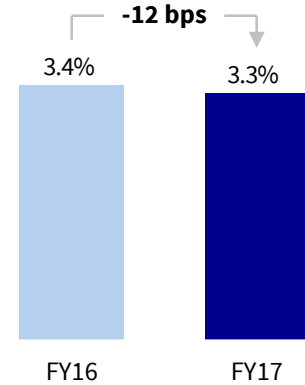
2016 – 2017

**65 – 75 bps**

2018E – 2020E

**55 – 65 bps**

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



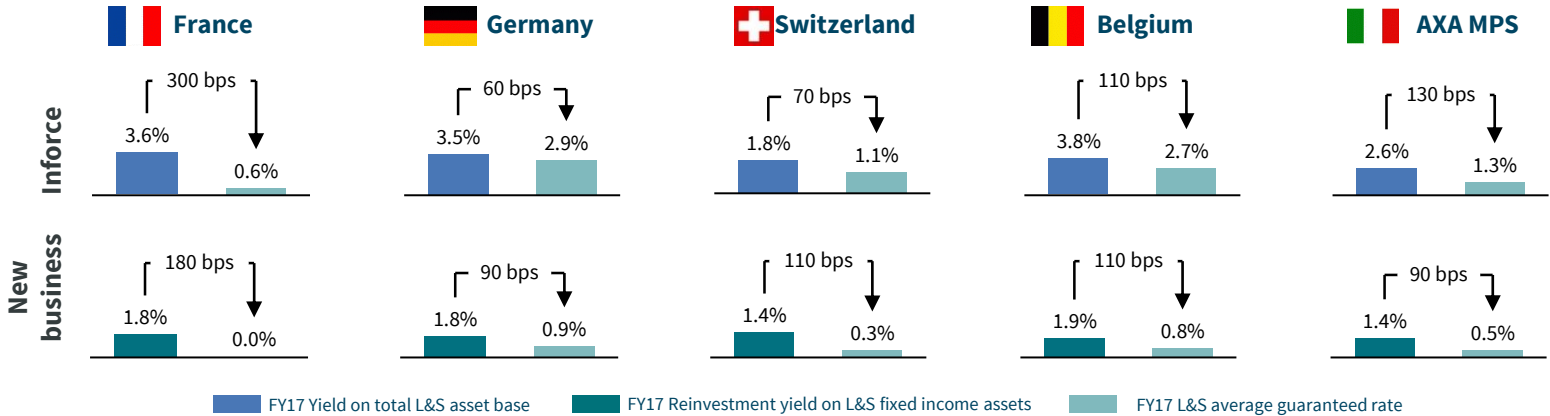
**10 – 20 bps**

Yield dilution per annum

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

# Asset & Liability Management (2/2)

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



- Average G/A reserves: Euro 103 billion
- G/A Savings new business sales with long term guarantees stopped in 1998

- Average Life reserves: Euro 41 billion
- Asset portfolio with long investment horizon and with limited reinvestments in Bunds

- Average G/A reserves: Euro 58 billion
- Protection components making products very profitable

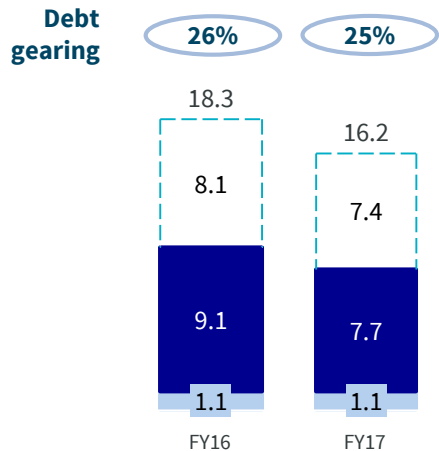
- Average G/A reserves: Euro 24 billion
- Strategic decision to exit the Individual Savings business

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

# Net financial debt – Long-term maturities

## Net financial debt

In Euro billion



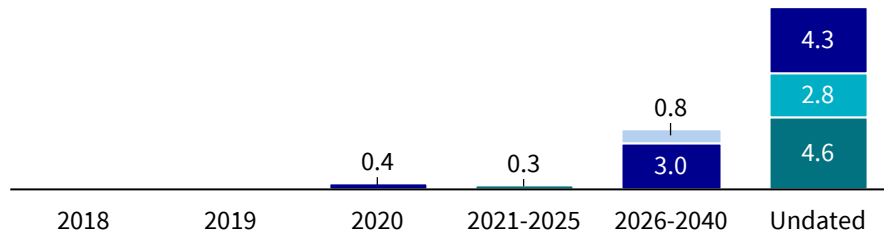
Undated subordinated debt      Senior debt

Subordinated debt<sup>1</sup>

1. Including Euro 0.7 billion of reversal of marked-to-market on interest rates derivatives in FY17 versus Euro 1.3 billion in FY16

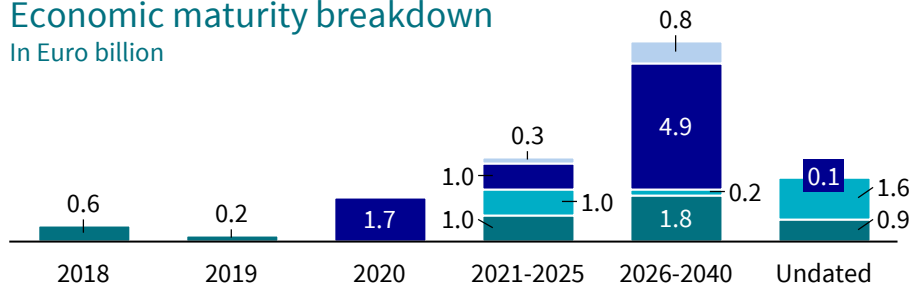
## Contractual maturity breakdown

In Euro billion



## Economic maturity breakdown

In Euro billion



Senior debt

Subordinated debt

TSDI = undated subordinated notes

TSS = undated deeply subordinated notes





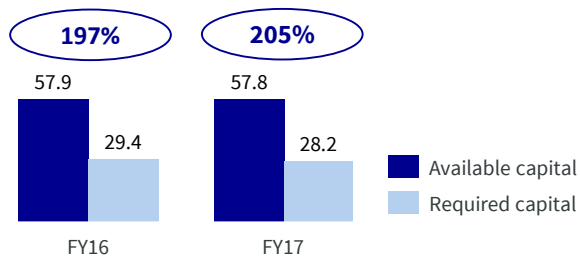
# Adjusted ROE

In Euro million	<b>FY16</b>	<b>FY17</b>
Adjusted earnings	6,103	6,457
<i>Interest charges on undated debt</i>	-267	-229
<i>Average adjusted shareholders' equity</i>	43,352	43,067
<b>Adjusted ROE</b>	<b>13.5%</b>	<b>14.5%</b>

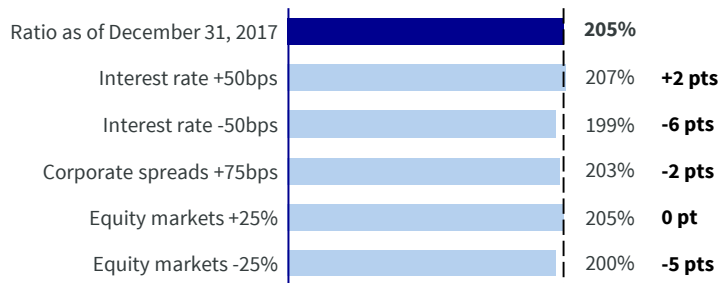
# Solvency II

## Solvency II ratio

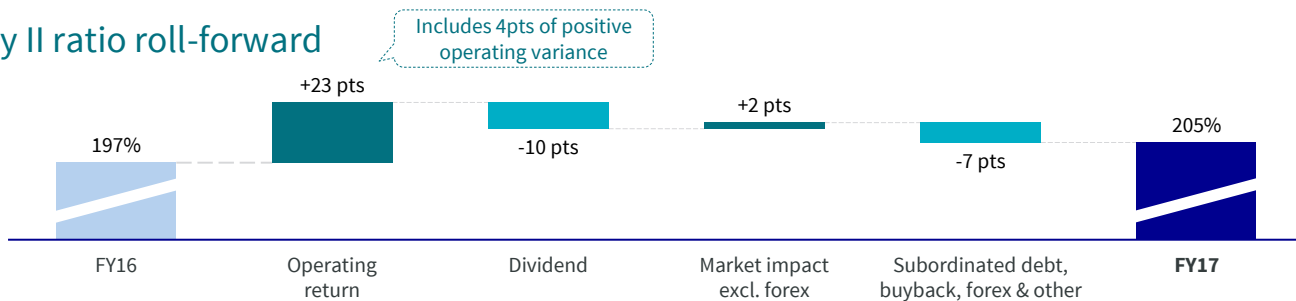
In Euro billion



## Key sensitivities



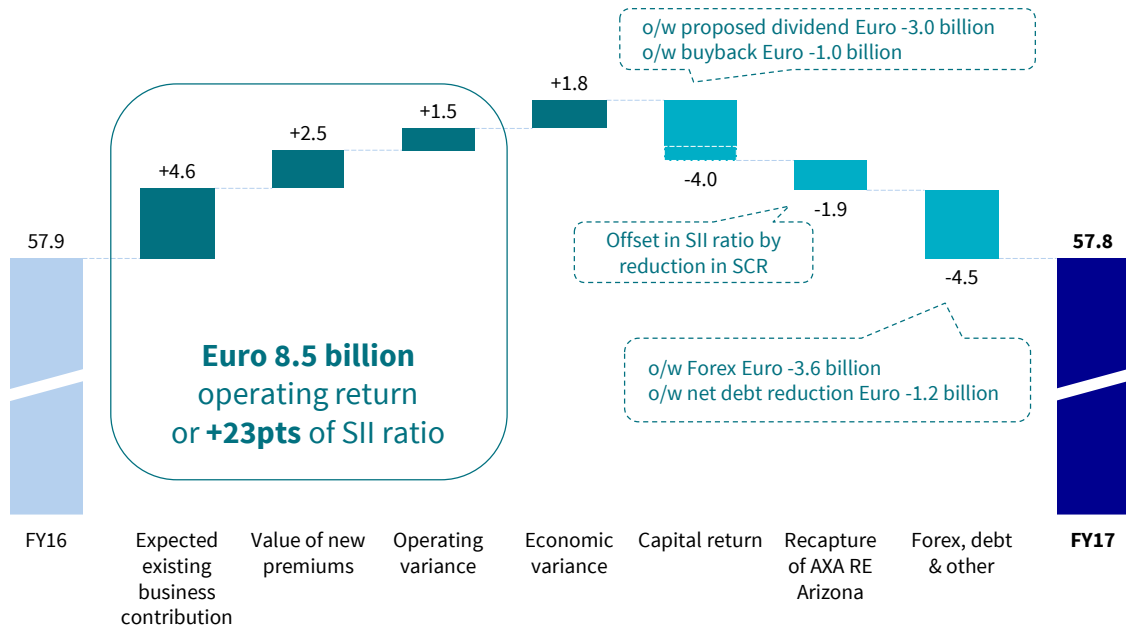
## Solvency II ratio roll-forward



# Strong capital generation...

## AFR roll-forward

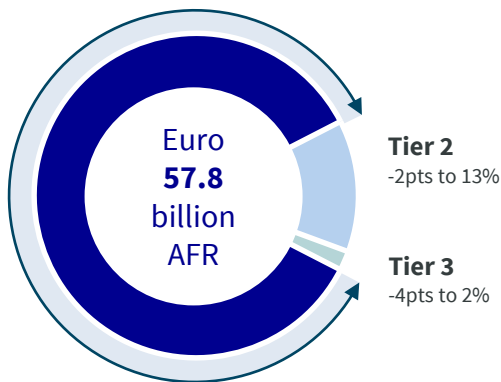
In Euro billion



## ...and improved quality of capital

**85% Tier 1**

**+7pts** vs. FY16

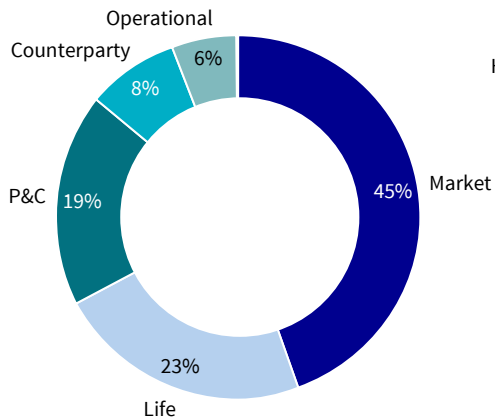


- ✓ **Strong increase in unrestricted Tier 1** (Euro +4.4 billion) from robust operating return
- ✓ **Decrease in Tier 2** (Euro -1.2 billion) following net subordinated debt reduction
- ✓ **Lower share of Tier 3** (Euro -2.6 billion) lower DTA, mostly linked to the anticipation of the recapture of Variable Annuity business at AXA RE Arizona

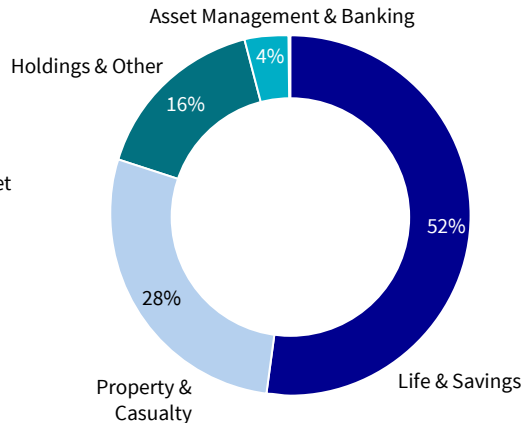
# Solvency II required capital

## Split by Risk, Geography & Business

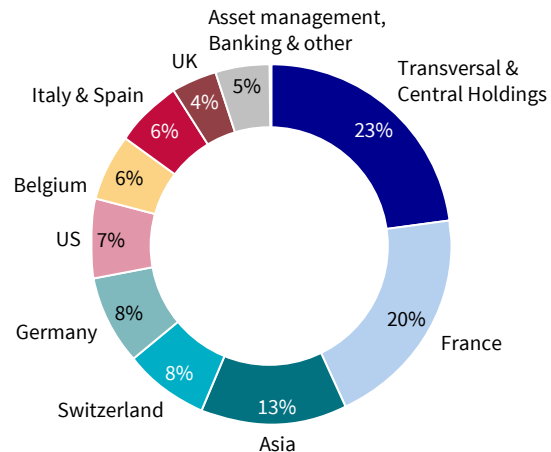
Required capital by risk  
FY17



Required capital by business  
FY17

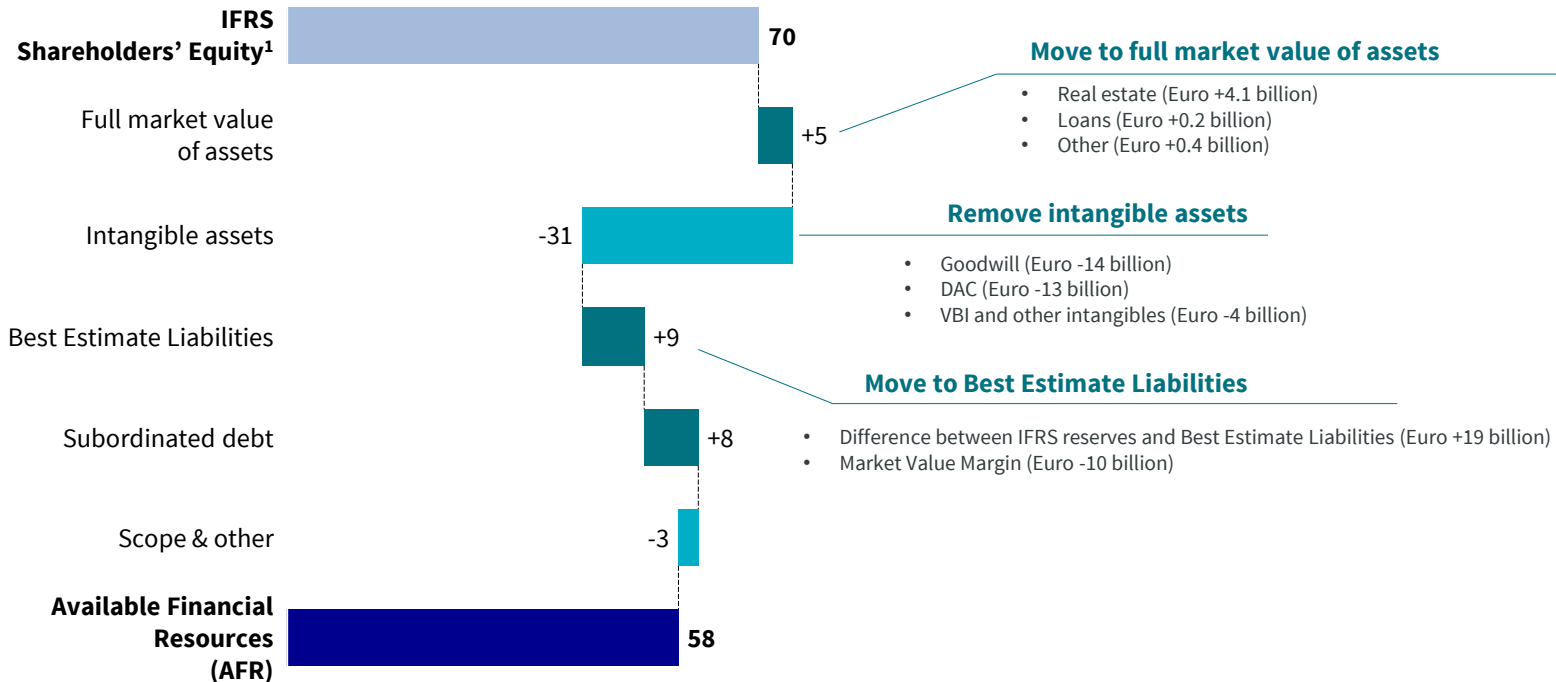


Required capital by geography  
FY17



# Shareholders' equity to Solvency II AFR

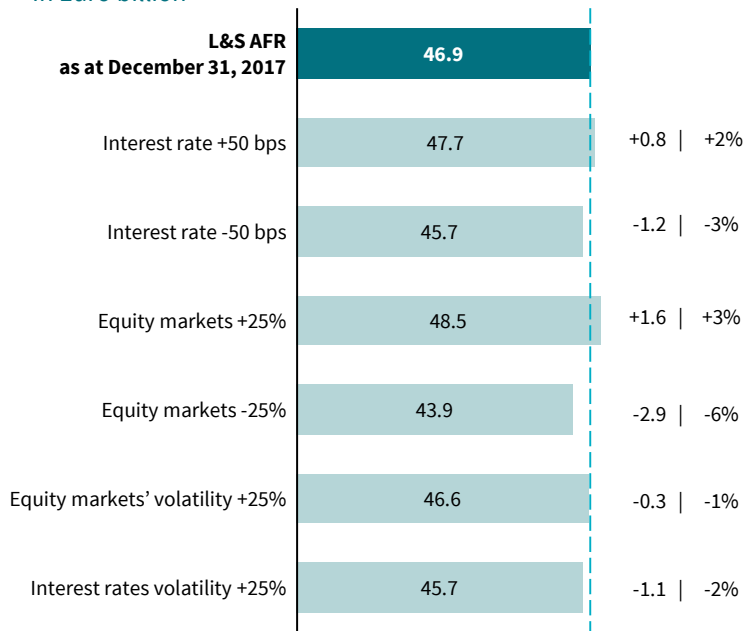
In Euro billion



# L&S AFR and NBV | Key sensitivities

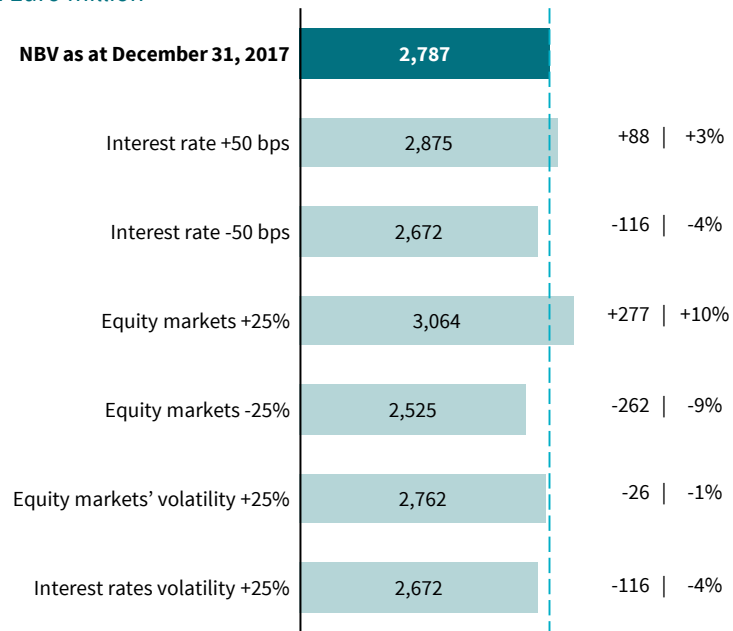
## L&S AFR sensitivities

In Euro billion



## New Business Value (NBV) sensitivities

In Euro million



# L&S Internal Rate of Return (IRR) by country

In Euro million	FY16 restated <sup>1</sup>		FY17	
	APE	NB IRR	APE	NB IRR
France	1,824	21.1%	1,849	22.0%
Europe	1,124	21.7%	1,034	20.0%
Asia	1,661	18.6%	1,510	15.1%
United States	1,732	15.7%	1,799	15.2%
International	246	6.4%	278	6.2%
<b>Total</b>	<b>6,600</b>	<b>17.8%</b>	<b>6,470</b>	<b>16.3%</b>

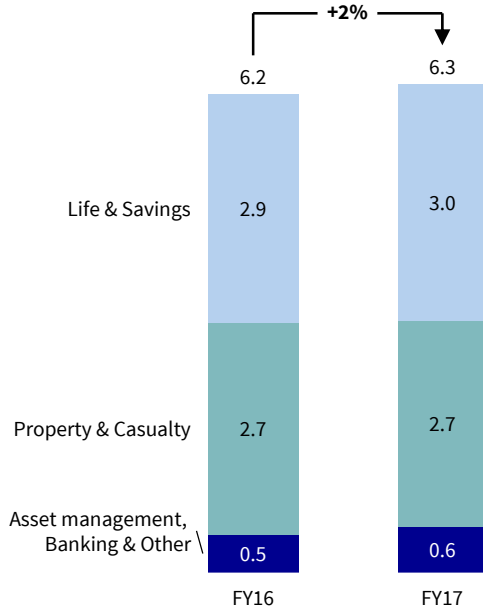
1. FY16 has been restated to reflect the new reporting which is aligned with the new operating model and organization announced on November 13, 2017. Descriptions of the scope of the geographies (France, Europe, Asia, United States, International) and Transversal and Central Holdings are set forth on page 10 of AXA FY17 Press Release.



# Operating free cash flows by segment

## Operating free cash flows

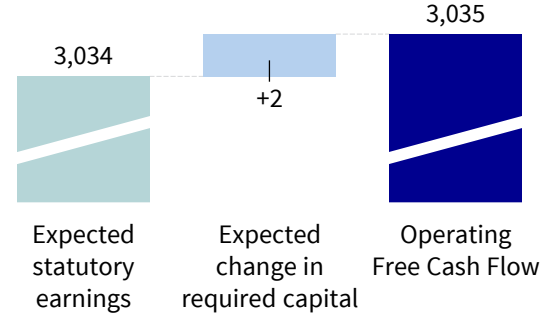
In Euro billion



Changes are on a reported basis

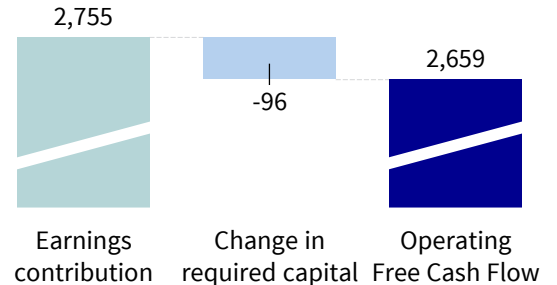
## FY17 Life & Savings FCF

In Euro million



## FY17 Property & Casualty FCF

In Euro million

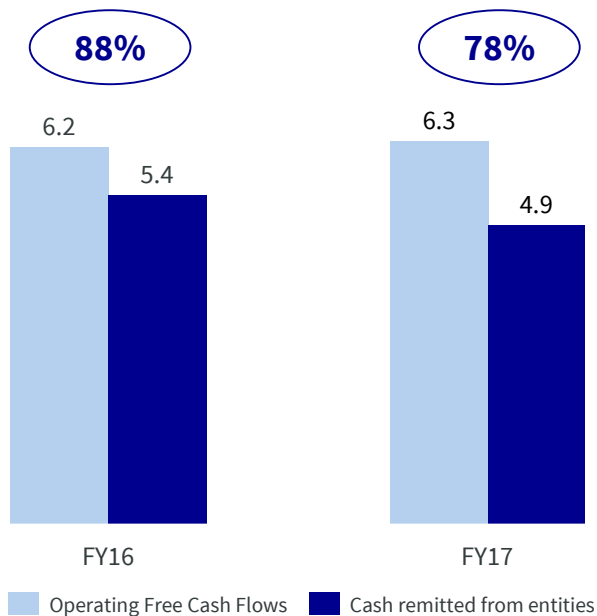


## Group operating free cash flows by geography

In Euro million	<b>FY16</b>	<b>FY17</b>
France	1,687	1,404
Europe	2,387	2,744
Asia	477	379
United States	805	975
International	314	317
Other	504	473
<b>Total</b>	<b>6,174</b>	<b>6,292</b>

# Strong cash flow generation and remittance

In Euro billion



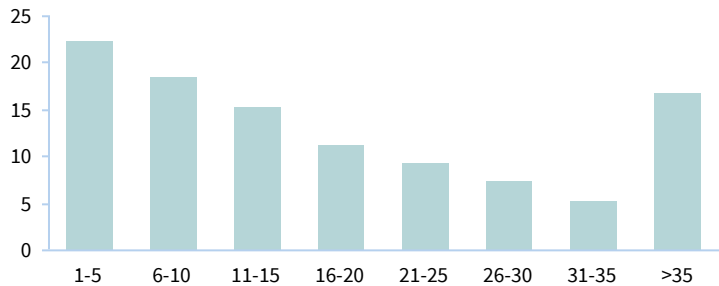
Remittance ratio  
in line with our guidance of 75% - 85%

- Includes USD 0.9 billion cash movement from AXA Group to AXA US, as part of the pre-IPO transactions and in line with our communication on November 14, 2017
- Note that USD 0.3 billion is a capital contribution and USD 0.6 billion is expected to fund the purchase by AXA Group of AXA Corporate Solutions US
- ✓ This means that the net capital injection from AXA Group to AXA US is expected to be ca. **USD 0.3 billion**, and consequently lower than the USD 1 billion debt-to-equity conversion communicated on May 10, 2017

# L&S free cash flow emergence from inforce and new business

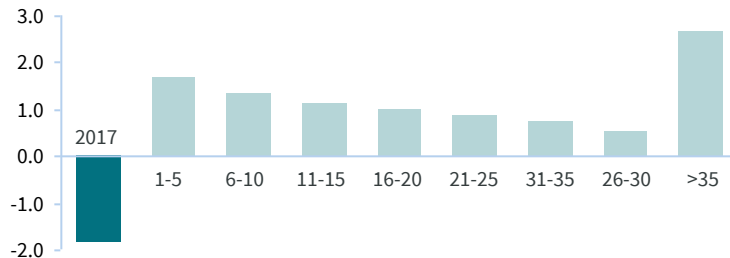
## Expected undiscounted cash flows from 2017 inforce<sup>1</sup> business

In Euro billion



## Expected undiscounted cash flows from 2017 new business

In Euro billion



- Euro 22 billion undiscounted free cash flows expected to be released from 2017 inforce<sup>1</sup> over 5 years
- Above cash flows are expected to be improved by inforce management initiatives of the company in particular:
  - Actions to improve value of the existing book
  - Actions to release more capital from the existing book

1. Including 2017 new business, to be released from January 1, 2018 onwards



# B5

Corporate Responsibility

# Main SRI rating

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



**2016: Sector Leader**  
1<sup>st</sup> on 37 insurance companies  
Included in Euronext Vigeo indexes



**"A+"** in the 2017 UN PRI Reporting  
(Responsible Investment Strategy)



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



Score: **AAA**



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

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



FTSE4Good

Included in the  
**FTSE4GOOD**  
index since 2008

# ESG integration into investments

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

CO<sub>2</sub>

### "ESG + CARBON" INTEGRATION

- Long-term ESG integration process: gradual and systematic integration of tangible ESG factors in AXA's investment mandates
- In 2015 we had pledged to reach €3 billion in green investments by 2020, in 2017 we committed to reach a more ambitious target of €12 billion.
- Coal divestment: from €500 million in 2015 to €2.4 billion announced in 2017. Coal mining and coal-based power generation.
- Tar sands divestment: €700 million.
- "Article 173" : #1 award in the "Best Investor Climate-Related Disclosures" contest in 2017. In 2018, new report aligned with TCFD's recommendations (to be disclosed in March 2018).
- FSB TCFD Vice-Chair, Chairmanship of the EU Commission's High Level Expert Group on Sustainable Finance



### SECTOR GUIDELINES & EXCLUSIONS

- ESG Footprint Committee: ad-hoc exclusions and/or engagement for worst ESG performers
- Current sector exclusions:
  - Controversial weapons
  - Coal-based energy production & coal extraction
  - Tar sands and associated pipelines
  - Palm oil production
  - Food commodity derivatives
  - Tobacco: 1st global insurer to divest from Tobacco industry (€1.8 billion, bonds + equity) and ending insurance covers for tobacco manufacturers.

Exclusions are applied to both investment and insurance business



### IMPACT INVESTING

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



# Pro-forma reporting scope

# B6



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

Revenues	FY16	FY17
Life & Savings	52,041	49,907
(+) Health	8,241	8,848
(=) Life & Savings incl. Health (former scope)	60,282	58,754
Property & Casualty	31,887	31,763
(+) Health	3,718	3,555
(=) P&C incl. Health (former scope)	35,604	35,318
AB	2,530	2,700
AXA IM	1,180	1,276
Asset Management (former scope)	3,710	3,976
Banking (former scope)	596	501
<b>TOTAL</b>	<b>100,193</b>	<b>98,549</b>

Underlying earnings	FY16	FY17
Life & Savings	3,078	3,288
(+) Health	429	433
(=) Life & Savings incl. Health (former scope)	3,507	3,721
Property & Casualty	2,427	2,384
(+) Health	87	119
(=) P&C incl. Health (former scope)	2,514	2,503
AB	191	283
AXA IM	225	257
Asset Management (former scope)	416	540
Banking (former scope)	78	58
AXA SA	-773	-726
Other holdings	-54	-94
Holdings earnings (former scope)	-827	-820
<b>TOTAL</b>	<b>5,688</b>	<b>6,002</b>

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

P&C profitability	FY16	FY17
P&C current year combined ratio	97.7%	97.6%
Impact of Health	0.1%	0.0%
<u>P&amp;C current year combined ratio incl. Health (former scope)</u>	<u>97.7%</u>	<u>97.5%</u>
P&C AY CoR	96.4%	96.3%
Impact of Health	0.2%	0.1%
<u>P&amp;C all-year combined ratio incl. Health (former scope)</u>	<u>96.5%</u>	<u>96.4%</u>

Asset management	FY16	FY17
Net flows at AXA IM	56	8
Net flows at AB	-12	12
<u>Net flows Asset Management (former scope)</u>	<u>45</u>	<u>19</u>
Average AUM at AXA IM	595	630
Average AUM at AB	464	469
<u>Average AUM Asset Management (former scope)</u>	<u>1,059</u>	<u>1,098</u>