

Half Year Financial Report /

June 30, 2013



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I Activity Report /

Half Year 2013



Cautionary statements concerning forward-looking statements

This report includes certain terms that are used by AXA in analyzing its business operations and, therefore, may not be comparable with terms used by other companies; these terms are defined in the glossary provided at the end of this document.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans 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. Please refer to AXA's Registration Document for the year ended December 31, 2012, for a description of certain important factors, risks and uncertainties that may affect AXA's business. 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.

Financial Market conditions in the first half of 2013

For much of the first half of 2013, global stock markets pushed ahead to deliver strong positive returns. Underpinning markets was a sense of growing optimism over economic prospects of the United States as well as a widespread feeling that policymakers were managing to contain the sovereign debt crisis in Europe. Emerging markets fared less well than developed, with the slowdown in China acting as a brake on growth. In the early hours of 2013, an agreement was reached over the extension of tax cuts and a delay of the US government debt ceiling negotiations – the first part of the so-called US “fiscal cliff”. This was the key upward driver of world equity markets early in the year.

However, with several developed markets reaching multi-year highs in May, anxieties about the potential withdrawal of monetary stimulus in the US led to a sell-off later on in the month and into June, eroding some of the earlier year gains.

In the US, the Federal Reserve’s Quantitative Easing program, robust corporate results and a recovering economy, propelled equity markets upwards for much of the period, with equity markets hitting a series of record highs.

The European political backdrop was periodically negative for the markets. Italy was left without the formation of a government after its election and Cyprus was forced to negotiate a bailout with the European Union, the International Monetary Fund and the European Central Bank (ECB) as its banking system was close to collapse. Economic news remained very weak; however, investors seemed to look past the -0.2% contraction in Q1 GDP, encouraged by at least a more stable environment, as well as support in the form of an ECB interest rate cut.

Japanese equities outperformed all other major markets over the period, boosted by a steady stream of action by Prime Minister Shinzo Abe, with a program aimed at tackling deflation being well received. The announcement of a US\$116 billion spending program is hoped to raise Japan’s GDP by around 2%. After seeing steep rises and record highs, the Japanese equity suffered a steep sell-off toward the end of the period. This came as the Yen regained some of its earlier strength and exporters’ shares faced profit-taking.

Emerging markets were affected by this environment. After showing signs of renewed vigor early in the year, China’s economic data disappointed during the second quarter. In particular, the manufacturing sector experienced a notable downturn in confidence. Meanwhile, growing signs of a credit crunch in China, causing interbank lending rates to spike, continued to be ignored by the People’s Bank of China.

Stock Markets

Equity markets performed well in the first half of this year. Earnings were recovering and ample liquidity encouraged repricing risk. The MSCI World Index increased by 10% with good performance in the United States and Japan which benefitted from both ultra-expansionary policies pursued by the central bank and the weak Yen.

The Dow Jones Industrial Average Index in New York increased by 14% in the first half of 2013 and the S&P 500 index by 13%. The FTSE 100 Index in London increased by 5% in the first half of 2013. The CAC 40 index in Paris increased by 3% and the Nikkei index in Tokyo appreciated by 32%.

The MSCI G7 Index increased by 12% and the MSCI Emerging Index decreased by 6%. The S&P 500 implied volatility Index decreased from 18.0% to 16.9% between December 31, 2012 and June 30, 2013.

Bond Markets

The US 10-year T-bond ended the half year at 2.52%, an increase of 74 bps compared to December 31, 2012. The 10-year German Bund yield increased by 41 bps to 1.73%. The France 10-year government bond yield increased by 35 bps to 2.35%. The 10-year Japanese government bond ended the first quarter of 2013 at 0.55%, a decrease of 22 bps compared to December 31, 2012. The 10-year Belgium government bond ended the half year at 2.64%, a 58 bps increase compared to December 31, 2012.



Regarding the evolution of 10-year government bonds on European peripheral countries: Italy ended the half year at 4.55% (an increase of 5 bps compared to December 31, 2012), Spain ended the half year at 4.77% (a decrease of 50 bps compared to December 31, 2012), Greece ended the half year at 10.5% (a decrease of 140 bps compared to December 31, 2012), Ireland ended the half year at 4.10% (a decrease of 100 bps compared to December 31, 2012), Portugal ended the half year at 6.45% (a decrease of 56 bps compared to December 31, 2012).

In Europe, the iTRAXX Main spreads increased by 2 bps compared to December 31, 2012 and ended half year at 119 bps while the iTRAXX Crossover decreased by 5 bps to 477 bps. In the United States, the CDX Main spread Index decreased by 7 bps to 87 bps.

Exchange rates

In this context, the Euro appreciated against main currencies except the Dollar.

On an average rate basis, the US Dollar decreased by 1% against the Euro (the US Dollar remained fairly stable at \$1.30 over the first half of 2012 and 2013). The Yen decreased by 8% against the Euro (from Yen 104.2 over the six months to March 31, 2012 used for half year 2012 accounts to Yen 113.03 over the six months to March 31, 2013 used for half year 2013 accounts). The Pound Sterling decreased by 3.7% (from £0.82 over the first half of 2012 to £0.85 over the first half of 2013) and the Swiss Franc decreased by 2% against the Euro (from CHF 1.20 over the first half of 2012 to CHF 1.23 over the first half of 2013).

Operating highlights

Significant acquisitions

AXA AND HSBC LONG-TERM PARTNERSHIP IN PROPERTY & CASUALTY IN ASIA AND LATIN AMERICA

On March 7, 2012, **AXA** and **HSBC** announced they had entered into an agreement whereby AXA would acquire HSBC's P&C businesses in Hong Kong, Singapore and Mexico. In addition, AXA would benefit from a 10-year exclusive P&C bancassurance agreement with HSBC in these countries as well as in China, India and Indonesia.

On November 5, 2012, AXA announced it has completed the acquisition of HSBC's P&C businesses in Hong Kong and Singapore, and that it has consequently launched its exclusive P&C bancassurance cooperation with HSBC in these countries.

On April 1, 2013, AXA finalised the acquisition of HSBC's P&C operations in Mexico and launched subsequently the exclusive P&C bancassurance cooperation in this country. The P&C bancassurance cooperation in China, India and Indonesia will be launched in due course.

AXA TO BUY 50% OF TIAN PING

On April 24, 2013, AXA announced it had entered into an agreement with **Tian Ping Auto Insurance Company Limited** ("Tian Ping") shareholders to acquire 50% of the company. Tian Ping is mainly focusing on motor insurance and has Property & Casualty licenses covering most Chinese provinces as well as a direct distribution license covering these provinces.

Under the terms of the agreement and subject to regulatory approval, AXA will buy 33% of the company from Tian Ping's current shareholders for RMB 1.9 billion (or Euro 237 million¹) and subscribe to a dedicated capital increase for RMB 2.0 billion (or Euro 248 million¹) to support future growth. AXA and Tian Ping's current shareholders will jointly control Tian Ping. AXA's existing Chinese P&C operations are expected to be integrated within the new joint venture.

In addition, AXA expects to invest Euro Ca. 0.3 billion over the first 3 years of operations to help further develop the company.

AXA should become the largest foreign Property & Casualty insurer in China and consolidate its position as largest international P&C insurer in Asia (excluding Japan).

This transaction is subject to customary closing conditions, including the receipt of regulatory approval.

Significant disposals

AXA ENTERS INTO EXCLUSIVITY IN CONNECTION WITH THE POTENTIAL SALE OF A MAJORITY STAKE IN AXA PRIVATE EQUITY

On March 22, 2013, AXA announced that its asset management subsidiary, **AXA Investment Managers** ("AXA IM") had received an irrevocable offer from an investor group for its entire stake in **AXA Investment Managers Private Equity SA** ("AXA Private Equity").

¹ EUR 1 = RMB 8.072 as of April 22, 2013

The transaction would enable AXA to monetize its interest in AXA Private Equity, a business successfully developed by the Group since 1996, and would provide a strong foundation for the next growth phase of one of Europe's leading private equity firms.

Upon the completion of the proposed transaction, AXA Private Equity's voting share capital would be held as follows:

- AXA Private Equity's management and employees: 40.00%
- External investors: 33.14%
- AXA Group: 26.86%

The transaction would value AXA Private Equity at Euro 510 million for 100%. The sale of AXA IM's entire stake would result in AXA IM receiving a total consideration up to Euro 488 million. The consideration would be divided into an upfront payment of approximately Euro 348 million and a deferred consideration up to Euro 140 million, to be paid in instalments subject to achieving certain targets and meeting certain conditions.

The proposed transaction is subject to customary conditions, including obtaining required regulatory approvals and should be finalized before the end of Q3 2013.

AXA FINANCIAL SIGNS CLOSED MONY PORTFOLIO TRANSACTION WITH PROTECTIVE FOR USD 1.06 BILLION

On April 10, 2013, AXA announced it had entered into definitive agreements with **Protective Life Corporation** ("Protective") to sell **MONY Life Insurance Company** ("MONY") and to reinsure an in-force book of life insurance policies written by MONY's subsidiary MONY Life Insurance Company of America ("MLOA") primarily prior to 2004.

Under the terms of the agreements and assuming a closing date of October 1, 2013, the total cash consideration will be USD 1.06 billion (or Euro 0.82 billion¹). This consideration corresponds to implied 2012 multiples of 12x IFRS underlying earnings and 1.7x IFRS TNAV².

In 2004, AXA Financial acquired The MONY Group Inc. and its subsidiaries, including MONY, MLOA, U.S. Financial Life Insurance Company and Advest³ for USD 1.5 billion. Subsequent to the acquisition, most new business was written out of other AXA Financial subsidiaries and MONY/MLOA were effectively placed in run-off, with the exception of some new business at MLOA, which is excluded from the transaction.

AXA is therefore disposing of a run-off mortality book primarily underwritten before 2004, with USD 10.5 billion (or Euro 8.0 billion) of statutory liabilities as of end of 2012.

Other

SUBORDINATED DEBT

On January 17, 2013, AXA announced the issuance of USD 850 million undated subordinated debt (5.50% annual coupon, fixed for life) and on January 18, 2013 the issuance of €1 billion subordinated debt due 2043 (5.125% annual coupon, fixed until the first call date in July 2023 and floating thereafter with a step up of 100 basis points), to anticipate the refinancing of part of subordinated debt instruments maturing on January 1, 2014. Both transactions have been structured to comply with the expected eligibility criteria for a Tier 2 capital treatment under Solvency II.

¹ EUR 1 = USD 1.29, as of April 5, 2013.

² IFRS Tangible Net Asset Value = IFRS shareholders' equity + off balance sheet net unrealized capital gains and losses – net intangible assets.

³ In 2005, AXA sold MONY's brokerage subsidiary Advest to Merrill Lynch for USD 0.4 billion.

AXA RATING

On April 30, 2013, Moody's Investors Services reaffirmed the Aa3 insurance financial strength ratings of AXA's main operating subsidiaries, maintaining a negative outlook.

On May 3, 2013, Fitch reaffirmed all AXA entities' Insurer Financial Strength ratings at 'AA-', maintaining a negative outlook.

On May 22, 2013, S&P reaffirmed long-term ratings on AXA Group core subsidiaries at 'A+' with a stable outlook.

Related-party transactions

During the first half of the fiscal year 2013, there were (1) no modifications to the related-party transactions described in Note 28 "Related-Party transactions" of the audited consolidated financial statements for the fiscal year ended December 31, 2012 included in the full year 2012 Registration Document (pages 312 and 313) filed with the Autorité des marchés financiers and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com), which significantly influenced the financial position or the results of the Company during the first six months of the fiscal year 2013, and (2) no new transaction concluded between AXA SA and related parties that significantly influenced the financial position or the results of the Company during the first six months of 2013.

Risk factors

The principal risks and uncertainties faced by the Group are described in detail in Section 3.1 "Regulation" and Section 3.2 "Risk factors" included in the full year 2012 Registration Document (respectively on pages 140 to 142 and pages 143 to 155) filed with the Autorité des marchés financiers and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com).

The description contained in these Sections of the 2012 Registration Document remains valid in all material respects at the date of this Report regarding the appreciation of the major risks and uncertainties affecting the Group at June 30, 2013 and which management expects may affect the Group during the remainder of 2013.

Events subsequent to June 30, 2013

There have been no subsequent events to June 30, 2013.

Revenues & Earnings summary

Consolidated gross revenues

(in Euro million)

	HY 2013	HY 2012	FY 2012	HY 2013 / HY 2012 (a)
Life & Savings	29,603	28,607	55,016	5.1%
o/w. Gross written premiums	28,909	27,889	53,572	-
o/w. Fees and revenues from investment contracts with no participating feature	133	164	334	-
Property & Casualty	16,497	16,173	28,315	2.2%
International Insurance	1,909	1,825	2,987	2.7%
Asset Management	1,741	1,575	3,343	11.8%
Banking (b)	293	226	466	29.9%
Holdings and other companies (c)	0	0	0	n.a.
TOTAL	50,044	48,405	90,126	4.4%

Revenues are disclosed net of intercompany eliminations.

(a) Changes are on a comparable basis.

(b) Excluding (i) net realized capital gains or losses and (ii) change in fair value of assets under fair value and of options and derivatives, net banking revenues and total consolidated revenues would respectively amount to €291 million and €50,042 million for half year 2013 and €460 million and €90,120 million for full year 2012.

(c) Includes notably CDOs and real estate companies.

Consolidated gross revenues for half year 2013 reached €50,044 million, up 3.4% compared to half year 2012. The restatements to a comparable basis were mainly driven by the exclusion of the appreciation of Euro against most of major currencies (€-600 million or -1.2 points) and by the impact of the acquisition of ERGO DAUM in South Korea in 2012 (€+30 million or +0.1 point).

On a comparable basis, gross consolidated revenues were up 4.4%.

LIFE & SAVINGS ANNUAL PREMIUM EQUIVALENT

(in Euro million)

	HY 2013	HY 2012	FY 2012	HY 2013/HY 2012 (a)
TOTAL	3,310	3,064	6,170	9.3%
France	690	641	1,378	5.4%
United States	655	599	1,244	10.7%
United Kingdom	365	283	535	33.4%
Japan	240	269	598	-3.4%
Germany	218	258	454	-15.6%
Switzerland	310	256	374	23.6%
Belgium	94	119	175	-20.9%
Central & Eastern Europe	55	78	136	-28.8%
Mediterranean and Latin American Region	227	190	402	19.4%
Hong Kong	215	180	408	21.4%
South-East Asia, India and China	237	190	463	27.4%
Mature markets	2,773	2,590	5,109	8.3%
High growth markets	537	474	1,061	14.8%

(a) Changes are on a comparable basis.

Total Life & Savings New Business APE amounted to €3,310 million, up 8% on a reported basis or up 9% on a comparable basis. This was mainly driven by the United Kingdom, the United States, Switzerland, South-East Asia, India and China, partly offset by Belgium, Germany and Central & Eastern Europe.

High growth markets APE increased by 15% as strong growth in South-East Asia, India and China (+27% or €+52 million) and Hong Kong (+21% or €+38 million) was partly offset by Central & Eastern Europe (-29% or €-22 million), negatively impacted by regulatory developments in Poland and the focus on higher margin products in Czech Republic.

The United Kingdom APE increased by €94 million (+33%) to €365 million reflecting higher sales of Unit-Linked products (+44% or €+68 million) as a consequence of large Corporate pension Investment schemes underwritten at the beginning of the year, as well as higher Mutual Fund sales through the Elevate wrap platform (+24% or €+25 million).

The United States APE increased by €64 million (+11%) to €655 million reflecting higher sales of Unit-Linked products as a consequence of both higher (i) non GMxB investment only product sales (+21% or €+24 million) in the wholesale channel, and (ii) fixed and floating rate GMxB product sales (+23% or €+35 million).

Switzerland APE increased by €61 million (+24%) to €310 million driven by strong G/A Protection & Health sales (+28% or €+66 million), in particular in Group Life business reflecting an exceptional growth in full coverage insurance contracts.

South-East Asia, India and China APE increased by €52 million (+27%) to €237 million mainly driven by (i) China (+28 million) reflecting higher sales of G/A Protection & Health products mainly through the newly launched joint-venture ICBC-AXA Life and (ii) Thailand (€+19 million) driven by sales initiatives through the bancassurance channel.

Hong Kong APE increased by €38 million (+21%) to €215 million mainly driven by higher sales of Unit-Linked products (+57% or €+31 million) reflecting the establishment of a wider active broker network, while G/A Protection & Health sales were stable demonstrating a shift in mix towards Pure Protection and Health products.

Mediterranean and Latin American Region APE increased by €37 million (+19%) to €227 million mainly due to mature markets (€+34 million) reflecting a better performance of Unit-Linked products, mainly at AXA MPS, in line with the strategy to focus on improving the business mix.

France APE increased by €36 million (+5%) mainly driven by (i) an increase in Unit-Linked sales (+50% or €+45 million) driven by Group Retirement and Individual Savings, (ii) higher sales of G/A Protection & Health products with the launch of new products and commercial campaigns, partly offset by (iii) lower G/A Savings sales (-5% or €-13 million) in line with the decline of the French traditional savings market.

Belgium APE decreased by €25 million (-21%) to €94 million driven by (i) a decrease in G/A Savings (-55% or €-49 million) mainly due to lower "Crest Classic" sales in the context of focusing on improving business mix, partly offset by the launch of a new bundled product and (ii) lower sales in G/A Protection & Health (-66% or €-18 million) after the production of a large contract in June 2012. This was partly offset by the higher focus on Unit-Linked business with the launch of new products generating €42 million of APE.

Germany APE decreased by €40 million (-16%) to €218 million driven by (i) G/A Protection & Health (-14% or €-17 million) due to the non-repeat of high Health sales in the first half of 2012 in anticipation of a change in regulation capping brokers' commissions, (ii) G/A Savings (-24% or €-14 million) due to a decrease in single premium short term investment products and (iii) Unit-Linked (-9% or €-3 million) mainly due to the curtailment of "Twinstar" Variable Annuity product.

Central & Eastern Europe APE decreased by €22 million (-29%) to €55 million. The decrease was driven by lower Unit-Linked sales (-49% or €-27 million) mainly as a result of the change in regulation of Pension fund business in Poland and the focus on higher margin products in Czech Republic where the decrease in Unit-Linked sales was partly offset by an increase in G/A Pure Protection business (+98% or €+4 million).

Japan APE decreased by €9 million (-3%) to €240 million driven by (i) lower Variable Annuity sales (-54% or €-37 million) following product redesign in a more competitive environment, partly offset by (ii) higher G/A Protection & Health sales (+14% or €+26 million) following the successful launch of a new disability product.

PROPERTY & CASUALTY REVENUES

	HY 2013	HY 2012	FY 2012	HY 2013 / HY 2012 (a)
TOTAL	16,497	16,173	28,315	2.2%
Mature markets	13,073	13,259	22,257	-0.1%
Direct	1,152	1,085	2,215	6.6%
High growth markets	2,272	1,829	3,843	14.8%

(a) Changes are on a comparable basis.

Property & Casualty gross revenues were up 2% on both reported and comparable basis to €16,497 million. Personal lines increased by 1% mainly driven by the Mediterranean and Latin American Region, Direct, Switzerland and Asia. Commercial lines increased by 4%, primarily in the Mediterranean and Latin American Region high growth markets, the United Kingdom & Ireland, France and Asia. Overall average tariff increases amounted to 3%.

Personal lines (58% of P&C gross revenues) were up by 1% on a comparable basis, mainly stemming from Motor (+2%) as a result of higher volumes in high growth markets and Direct, and tariff increases across the board, partly offset by lower volumes in mature markets in a difficult economic environment.

Motor revenues grew by €99 million or +2% mainly driven by:

- Mediterranean and Latin American Region (+4%), primarily driven by Turkey (+32%) with strong tariff increases on third party liability products, partly offset by Spain (-6%) due to a competitive market in a depressed economic environment;
- Direct (+6%) mainly driven by resumed growth in the UK reflecting higher new business and improved retention, as well as in France, Italy and Japan partly offset by Spain;
- Switzerland (+2%) driven by higher volumes and a higher average premium;
- Asia (+4%) due to a strong increase in car sales in Malaysia;
- partly offset by Germany (-2%) reflecting lower volumes following significant tariff increases and Belgium (-3%) driven by portfolio pruning and selective underwriting.

Non-Motor revenues decreased by €10 million or -0% mainly driven by:

- the United Kingdom & Ireland (-10%) mainly in Household, driven by portfolio pruning through tariff increases and exiting of partnerships;
- partly offset by Germany (+4%) and France (+1%) mainly attributable to tariff increases in Household, and higher volumes in both Direct business (+10%) and high growth markets (+11%).

Commercial lines (42% of P&C gross revenues) increased by 4% on a comparable basis mainly driven by tariff increases across the board as well as volume increases in high growth markets.

Motor revenues increased by €48 million or +3%, mainly driven by:

- the Mediterranean and Latin American Region (+9%) notably in Turkey (+50%) and the Gulf Region (+106%) reflecting positive portfolio developments, partly offset by negative volumes in Mexico (-10%) due to a more competitive environment;
- the United Kingdom & Ireland (+7%) driven by tariff increases and increased retention in fleet.

Non-Motor revenues increased by €210 million or +4% reflecting growth in:

- the United Kingdom (+9%) due to Health portfolio development in the United Kingdom and abroad as well as tariff increases and better retention in Property;
- Asia (+15%) primarily driven by tariff increases and a new Health large account in Hong Kong;
- France (+3%) mainly following tariff increases in Construction and Property, partly offset by lower volumes;

- the Mediterranean and Latin American Region (+11%) mainly driven by positive portfolio developments in Health in the Gulf Region and in Mexico, as well as in Property in Turkey.

INTERNATIONAL INSURANCE REVENUES

International Insurance revenues were up 5% or 3% on a comparable basis to €1,909 million mainly driven by (i) **AXA Assistance** up 9% to €487 million driven by higher volumes and (ii) **AXA Corporate Solutions** up 1% to €1,337 million mainly as a result of positive portfolio developments in Motor and Property and tariff increases in Marine and Motor, partly offset by a decrease in Aviation and Construction.

ASSET MANAGEMENT REVENUES AND ASSETS UNDER MANAGEMENT

Asset Management revenues increased by 11% or 12% on a comparable basis to €1,741 million mainly driven by higher management fees at both AllianceBernstein and AXA Investment Managers as a result of higher average Assets Under Management (AUM), as well as higher distribution fees at AllianceBernstein and higher real estate transaction fees at AXA Investment Managers.

AllianceBernstein revenues were up 10% to €1,047 million primarily due to higher Retail distribution fees (€+43 million) as well as higher management fees (€+36 million) resulting from higher average AUM (+6%).

AUM increased by 1% or €+5 billion from year-end 2012 to €354 billion driven by (i) €+5 billion favorable foreign exchange rate impact and (ii) €+2 billion net inflows, partly offset by (iii) €-2 billion from market depreciation.

AXA Investment Managers revenues were up 15% to €694 million. Excluding distribution fees (retroceded to distributors), and on a comparable basis, revenues increased by €96 million (+18%) mainly driven by (i) higher management fees (+13%) as a result of higher average AUM (+7%) combined with +0.9bp higher management fees bps and (ii) higher real estate transaction fees.

AUM increased by 3% or €+15 billion from year-end 2012 to €568 billion as a result of (i) €+14 billion market appreciation and (ii) €+10 billion net inflows, partly offset by (iii) €-8 billion unfavorable foreign exchange rate impact and (iv) €-2 billion change in scope.

NET BANKING REVENUES

Net banking revenues increased by 30% on both a reported and a comparable basis to €293 million driven by (i) **France** (+90%) due to higher net banking product reflecting a softer promotional campaign compared to 2012 and (ii) **AXA Bank Belgium** (+25%) mainly driven by higher interest margin.

Consolidated underlying earnings, adjusted earnings and net income

The amendment to IAS 19 – Employee Benefits, published on June 16, 2011, became effective since January 1, 2013, and the comparative information in respect of 2012, has been restated (referred as “restated” in the tables of this document) to reflect the retrospective application of the revised standard.

	HY 2013	HY 2012 published	HY 2012 restated (a)	FY 2012 published	FY 2012 restated (a)
(in Euro million)					
Gross written premiums	47,168	45,749	45,749	84,592	84,592
Fees and revenues from investment contracts without participating feature	133	164	164	334	334
Revenues from insurance activities	47,301	45,913	45,913	84,926	84,926
Net revenues from banking activities	283	204	204	426	426
Revenues from other activities	2,451	2,268	2,268	4,741	4,741
TOTAL REVENUES	50,036	48,385	48,385	90,093	90,093
Change in unearned premium reserves net of unearned revenues and fees (c)	(3,816)	(3,970)	(3,970)	(441)	(441)
Net investment result excluding financing expenses (b) (c) (d)	13,330	14,234	14,235	28,770	28,771
Technical charges relating to insurance activities (b) (c)	(45,154)	(45,593)	(45,593)	(91,734)	(91,734)
Net result of reinsurance ceded	(938)	(572)	(572)	(1,323)	(1,323)
Bank operating expenses	(44)	(47)	(47)	(96)	(96)
Insurance acquisition expenses	(4,738)	(4,258)	(4,275)	(9,472)	(9,506)
Amortization of value of purchased life business in force	(50)	(37)	(37)	(179)	(179)
Administrative expenses (c)	(4,491)	(4,528)	(4,569)	(9,033)	(9,131)
Valuation allowances on tangible assets	-	(0)	(0)	28	28
Change in value of goodwill	(0)	(0)	(0)	(0)	(0)
Other	(136)	(143)	(143)	(293)	(293)
Other operating income and expenses	(55,551)	(55,179)	(55,237)	(112,102)	(112,234)
OPERATING EARNINGS BEFORE TAX	3,999	3,471	3,414	6,321	6,189
Net income from investments in affiliates and associates	53	44	44	136	136
Financing expenses	(333)	(275)	(275)	(587)	(587)
UNDERLYING EARNINGS BEFORE TAX	3,719	3,240	3,183	5,870	5,738
Income tax expenses (d)	(990)	(817)	(801)	(1,409)	(1,373)
Minority interests	(150)	(118)	(118)	(210)	(210)
UNDERLYING EARNINGS	2,579	2,305	2,263	4,251	4,155
Net realized capital gains or losses attributable to shareholders	375	123	123	297	297
ADJUSTED EARNINGS	2,954	2,427	2,386	4,548	4,452
Profit or loss on financial assets (under fair value option) & derivatives	(228)	291	291	45	45
Exceptional operations (including discontinued operations)	(86)	(8)	(8)	(94)	(94)
Goodwill and other related intangible impacts	(54)	(56)	(56)	(103)	(103)
Integration and restructuring costs	(118)	(69)	(69)	(244)	(244)
NET INCOME	2,467	2,586	2,544	4,152	4,057

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) For the periods ended June 30, 2013 and December 31, 2012, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €+8,070 million and €+14,186 million by the offsetting amounts respectively.

(c) For the period ended June 30, 2012, €100 million have been reclassified from change in unearned premium reserve net of unearned revenues and fees to technical charges relating to insurance activities to ensure consistency of the information.

(d) HY 2012 published was adjusted to reflect intercompany elimination of €26 million between net investment result and income tax expenses.

GROUP UNDERLYING EARNINGS

(in Euro million)

	HY 2013	HY 2012 published	HY 2012 restated (a)	FY 2012 published	FY 2012 restated (a)
Life & Savings	1,534	1,411	1,396	2,635	2,603
Property & Casualty	1,128	1,044	1,036	1,895	1,877
International Insurance	103	118	118	167	167
Asset Management	194	159	159	382	379
Banking	61	5	5	5	4
Holdings and other companies (b)	(441)	(433)	(451)	(833)	(875)
UNDERLYING EARNINGS	2,579	2,305	2,263	4,251	4,155

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Includes notably CDOs and real estate companies.

Group underlying earnings amounted to €2,579 million up 14% versus half year 2012. On a constant exchange rate basis, underlying earnings increased by 16% driven by **Life & Savings**, **Property & Casualty** and **Asset Management**, partly offset by a decrease in **International Insurance**.

Life & Savings underlying earnings amounted to €1,534 million. On a constant exchange rate basis Life & Savings underlying earnings were up €173 million (+12%) mainly attributable to the United States (€+93 million), Japan (€+36 million), South-East Asia, India and China (€+21 million), Hong Kong (€+15 million), Germany (€+14 million) and the Mediterranean and Latin American Region (€+13 million), partly offset by France (€-23 million) mainly resulting from:

- **Higher investment margin** (€+106 million or +9%), mainly as a result of (i) Switzerland (€+42 million) reflecting a policyholder bonus reserve release in Individual Life, (ii) Japan (€+40 million) mainly due to higher dividends from equity funds in a rising Japanese stock market, (iii) the United States (€+27 million) and France (€+14 million) as the decrease in investment income reflecting lower reinvestment yields on fixed income assets was more than offset by lower allocation to policyholders, partly offset by (iv) the Mediterranean and Latin American Region (€-14 million) mainly driven by lower average assets.
- **Higher fees & revenues** (€+239 million or +7%) mainly driven by:
 - **Unit-linked management fees** were up €100 million, mainly driven by the United States (€+59 million) due to higher Separate Account balances and France (€+22 million) due to a higher average assets base.
 - **Loadings on premiums and mutual funds** were up €132 million driven by (i) the United States (€+74 million) reflecting Unearned Revenue Reserve assumption updates, (ii) the Mediterranean and Latin American Region (€+32 million) due to strong Unit-Linked sales and increased surrenders, (iii) Japan (€+28 million) mainly driven by new business and inforce growth in Protection & Health, partly offset by France (€-56 million) mainly due to the non-repeat of 1H 2012 Unearned Revenue Reserve adjustment (fully offset by DAC amortization).
 - **Other fees** were up €7 million.
- **Net technical margin** was up €405 million mainly driven by the United States (€+497 million), primarily due to (i) higher GMxB margin resulting from the non-repeat of 1H 2012 GMxB reserve strengthening for policyholder behavior assumption changes, as well as lower volatility and basis losses, partly offset by (ii) an adverse mortality experience in the Life business. This was partly compensated by France (€-58 million) driven by lower positive prior year reserve developments.
- **Expenses** increased by €479 million (or +16%) as a result of:
 - €459 million higher **acquisition expenses**, primarily driven by (i) the United States (€-510 million) mainly as a result of higher DAC amortization notably following the improved GMxB margin, (ii) Central & Eastern Europe (€-24 million) due to higher DAC amortization, partly offset by (iii) France (€+66 million) mainly due to the non-repeat of a 1H 2012 DAC adjustment.

- €20 million higher **administrative expenses** mainly reflecting various efficiency programs net of inflation as well as negative one-offs, mainly on tax contributions in France.
- **Higher tax expenses and minority interests**, €-97 million, driven by higher pre-tax underlying earnings as well as lower favorable tax one-offs (€+31 million in Japan and €+10 million in Hong Kong in 1H 2013 vs. €+78 million in 1H 2012).

Property & Casualty underlying earnings amounted to €1,128 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €99 million (+10%) mainly driven by:

- Higher net technical result (including expenses) up €120 million (or +24%) driven by:
 - **Current year loss ratio** improving by 1.0 point driven by tariff increases and lower claims frequency, partly offset by higher large claims, and higher Nat Cat charge (+0.2 point) mainly as a result of floods in Bavaria and Saxony (€73 million charge at Group level);
 - **Lower positive prior year reserve developments** by 0.3 point;
 - **Lower expense ratio** improving by 0.1 point to 26.2%, with (i) 0.2 point reduction in the administrative expense ratio benefiting from various efficiency programs, partly offset by (ii) 0.1 point increase in the acquisition ratio as productivity gains were more than offset by an unfavorable product and business mix effect;
 - As a result, **the combined ratio** improved by 0.8 point to 95.7%.
- **Investment result** decreased by €23 million to €1,005 million, mainly driven by lower revenues on fixed income assets in France, Switzerland and the UK & Ireland.
- **Lower income tax expense and minority interests**, €+11 million, mainly driven by favorable tax one-offs in the Mediterranean and Latin American Region (€+14 million) and a favorable country mix, partly offset by higher pre-tax underlying earnings.

International Insurance underlying earnings amounted to €103 million. On a constant exchange rate basis, underlying earnings decreased by €14 million (or -12%) mainly due to (i) AXA Corporate Solutions, down €8 million, following a decrease in the investment result and (ii) AXA Global P&C, down €2 million, due to the non-repeat of 1H 2012 premium boni on Motor cover.

Asset Management underlying earnings amounted to €194 million. On a constant exchange rate basis, underlying earnings increased by €38 million (+24%) mainly driven by (i) AXA IM (€+34 million) reflecting higher revenues from both higher average AUM and improved margins, partly offset by higher variable compensations, and (ii) AllianceBernstein (€+3 million) as a result of higher revenues net of variable compensations and lower general administrative expenses, partly offset by the non repeat of a 1H 2012 positive tax one-off.

Banking underlying earnings amounted to €61 million. On a constant exchange rate basis, underlying earnings increased by €55 million driven by (i) Belgium, up €36 million, as a result of higher interest margin and (ii) France, up €16 million, following the rise in operating revenues, in a context of lower cost of risk and administrative expenses.

Holdings and other companies underlying earnings amounted to €-441 million. On a constant exchange rate basis, holdings underlying earnings increased by €12 million (+3%) mainly driven by (i) Germany holdings (€+11 million) reflecting lower pension costs, (ii) Mediterranean and Latin American holdings (€+5 million) due to lower financial charges, partly offset by (iii) AXA SA (€-2 million) mainly due to the new French tax of 3% on dividends paid by the company (€-46 million), partly offset by an increase in dividends from non-consolidated subsidiaries and a gain related to the hedging program on Performance Units at Group level.

GROUP UNDERLYING EARNINGS TO NET INCOME

Group net capital gains attributable to shareholders amounted to €375 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders were up €256 million mainly due to:

- €+187 million higher **realized capital gains**, to €555 million in the first half of 2013, mainly driven by higher realized gains on real estate (€+83 million), fixed income assets (€+76 million) and equities

(€+12 million), notably driven by the sale of a 2.4% equity stake in BNP Paribas generating a €151 million gain;

- €+25 million lower **impairments** to €-160 million in the first half of 2013, mainly driven by more favorable equity market conditions (€+18 million);
- €+41 million higher **intrinsic value** related to equity hedging derivatives.

As a result, **adjusted earnings** amounted to €2,954 million. On a constant exchange rate basis, adjusted earnings increased by €618 million (+26%).

Net income amounted to €2,467 million. On a constant exchange rate basis, net income decreased by €32 million (-1%) mainly as a result of:

- higher adjusted earnings: up €618 million, more than offset by an unfavorable change in fair value of financial assets and derivatives in 1H 2013 compared to a favorable change in 1H 2012 that was driven by a general decrease in interest rates: down €-520 million to €-228 million which can be analyzed as follows:
 - €+15 million from the change in fair value of assets under fair value option,
 - €-143 million from the change in fair value of hedging derivatives not eligible for hedge accounting under IAS 39, mainly attributable to interest rates increase,
 - €-100 million following foreign exchange rate movements, mainly from JPY and AUD depreciation, notably driven by an unfavorable change in fair value of economic hedge derivatives not eligible for hedge accounting under IAS 39;
- lower impact from exceptional operations: down €78 million to €-86 million, mainly due to the estimated net loss associated with the “closed MONY portfolio transaction” (€-32 million).

Consolidated Shareholders' Equity

As of June 30, 2013, consolidated shareholders' equity totaled €51.5 billion. The movements in shareholders' equity since December 31, 2012 are presented in the table below:

	FY 2012 published	IAS 19 Restatement	FY 2012 restated	(in Euro million) HY 2013
Shareholders' Equity	53,664	(58)	53,606	51,468

	Shareholders' Equity
At December 31, 2012	53,606
Share Capital	7
Capital in excess of nominal value	28
Equity-share based compensation	23
Treasury shares sold or bought in open market	165
Deeply subordinated debt (including interests charges)	108
Fair value recorded in shareholders' equity	(2,519)
Impact of currency fluctuations	(1,003)
Payment of N-1 dividend	(1,720)
Other	(20)
Net income for the period	2,467
Actuarial gains and losses on pension benefits	324
At June 30, 2013	51,468

Shareholder Value

Earnings per share ("EPS")

	HY 2013		HY 2012 published		HY 2012 restated (a)		FY 2012 published		FY 2012 restated (a)		Var. HY 2013 versus HY 2012 restated (a)	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	2,380.6	2,388.1	2,340.3	2,343.3	2,340.3	2,343.3	2,342.5	2,348.9	2,342.5	2,348.9		
Net income (Euro per Ordinary Share)	0.98	0.97	1.04	1.04	1.02	1.02	1.65	1.64	1.61	1.60	-4%	-5%
Adjusted earnings (Euro per Ordinary Share)	1.18	1.18	0.97	0.97	0.96	0.96	1.82	1.81	1.78	1.77	23%	23%
Underlying earnings (Euro per Ordinary Share)	1.02	1.02	0.92	0.92	0.90	0.90	1.69	1.69	1.65	1.64	14%	13%

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Return On Equity (“ROE”)

(in Euro million)

	Period ended , June 30, 2013	Period ended , June 30, 2012 published	Period ended , June 30, 2012 restated (a)	Change in % points
ROE	9.5%	11.1%	10.9%	-1.4 pts
Net income group share	2,467	2,586	2,544	
Average shareholders' equity	51,714	46,620	46,561	
Adjusted ROE	16.5%	13.8%	13.5%	2.9 pts
Adjusted earnings (b)	2,810	2,280	2,238	
Average shareholders' equity (c)	34,114	33,104	33,045	
Underlying ROE	14.3%	13.0%	12.8%	1.5 pts
Underlying earnings (b)	2,435	2,157	2,115	
Average shareholders' equity (c)	34,114	33,104	33,045	

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Including adjustment to reflect net financial charges related to undated debt (recorded through shareholders' equity).

(c) Excluding fair value of invested assets and derivatives and excluding undated debt (both recorded through shareholders' equity).

Life & Savings Segment

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and net income attributable to AXA's Life & Savings segment for the periods indicated:

	HY 2013	HY 2012 published	HY 2012 restated (a)	FY 2012 published	FY 2012 restated (a)
<i>(in Euro million)</i>					
Gross revenues (b)	29,643	28,642	28,642	55,084	55,084
<i>APE (Group share)</i>	<i>3,310</i>	<i>3,075</i>	<i>3,064</i>	<i>6,170</i>	<i>6,170</i>
Investment margin	1,327	1,234	1,234	2,697	2,697
Fees & revenues	3,753	3,623	3,626	7,323	7,327
Net technical margin	418	16	16	357	357
Expenses	(3,427)	(3,001)	(3,027)	(6,857)	(6,910)
Amortization of VBI	(49)	(37)	(37)	(179)	(179)
Other	44	25	25	86	86
Underlying earnings before tax	2,067	1,860	1,836	3,427	3,377
Income tax expenses / benefits	(484)	(418)	(410)	(713)	(696)
Minority interests	(50)	(31)	(31)	(78)	(78)
Underlying earnings Group share	1,534	1,411	1,395	2,635	2,603
Net capital gains or losses attributable to shareholders net of income tax	286	145	145	214	214
Adjusted earnings Group share	1,820	1,556	1,541	2,849	2,817
Profit or loss on financial assets (under FV option) & derivatives	(200)	300	300	152	152
Exceptional operations (including discontinued operations)	(24)	(26)	(26)	(54)	(54)
Goodwill and other related intangibles impacts	(15)	(19)	(19)	(34)	(34)
Integration and restructuring costs	(79)	(14)	(14)	(40)	(40)
Net income Group share	1,501	1,797	1,781	2,873	2,841

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Before intercompany eliminations.

Consolidated Gross Revenues

	HY 2013	HY 2012	FY 2012
<i>(in Euro million)</i>			
France	7,211	6,754	13,751
United States	5,567	5,567	11,229
United Kingdom	285	317	648
Japan	2,605	3,180	6,725
Germany	3,232	3,290	6,655
Switzerland	5,206	4,838	6,551
Belgium	1,151	1,225	2,088
Central & Eastern Europe (a)	195	222	472
Mediterranean and Latin American Region (b)	3,001	2,258	4,836
Hong Kong	983	796	1,723
South-East Asia, India and China (c)	133	140	295
Other (d)	74	55	112
TOTAL	29,643	28,642	55,084
Intercompany transactions	(40)	(35)	(68)
Contribution to consolidated gross revenues	29,603	28,607	55,016
o/w. high growth markets	1,511	1,350	2,887
o/w. mature markets	28,092	27,257	52,129

(a) Includes Poland, Hungary, Czech Republic and Slovakia.

(b) Mediterranean and Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.

(c) South-East Asia, India and China revenues include Singapore and non bancassurance subsidiaries in Indonesia.

(d) Other corresponds to Luxembourg, AXA Life Invest, Architas and Family Protect.

*Underlying earnings**(in Euro million)*

	HY 2013	HY 2012 published	HY 2012 restated (a)	FY 2012 published	FY 2012 restated (a)
France	353	375	376	706	707
United States	311	237	222	522	492
United Kingdom	(9)	(13)	(13)	(17)	(17)
Japan	292	281	281	374	374
Germany	79	66	66	120	120
Switzerland	150	157	155	317	314
Belgium	81	77	77	150	150
Central & Eastern Europe (b)	15	17	17	1	1
Mediterranean and Latin American Region (c)	90	76	76	162	162
Hong Kong	132	119	119	252	252
South-East Asia, India and China (d)	54	35	35	86	86
Other (e)	(13)	(14)	(14)	(38)	(38)
UNDERLYING EARNINGS	1,534	1,411	1,396	2,635	2,603
o/w. high growth markets	209	178	178	352	352
o/w. mature markets	1,325	1,234	1,218	2,283	2,251

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Includes Poland, Hungary, Czech Republic and Slovakia.

(c) Mediterranean and Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.

(d) South-East Asia, India and China earnings include Indonesia, Thailand, Philippines, China, India and Singapore.

(e) Other correspond to Luxembourg, AXA Life Invest, Architas and Family Protect.

Life & Savings operations – France

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	7,211	6,754	13,751
<i>APE (Group share)</i>	<i>690</i>	<i>641</i>	<i>1,378</i>
Investment margin	568	554	1,210
Fees & revenues	790	828	1,559
Net technical margin	215	273	514
Expenses	(1,124)	(1,169)	(2,297)
Amortization of VBI	-	-	-
Other	4	3	7
Underlying earnings before tax	454	490	993
Income tax expenses / benefits	(101)	(113)	(284)
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	353	376	707
Net capital gains or losses attributable to shareholders net of income tax	214	49	124
Adjusted earnings Group share	567	425	830
Profit or loss on financial assets (under FV option) & derivatives	12	77	185
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(10)	-	-
Integration and restructuring costs	-	-	-
Net income Group share	569	502	1,015

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues increased by €457 million (+7%) to €7,211 million¹:

- *Unit-Linked* revenues (17% of gross revenues) rose by €406 million (+48%), mainly driven by €+137 million in Individual Savings following Unit-Linked oriented commercial efforts and €+269 million in Group Retirement boosted by several large contracts. Unit-Linked share in Individual Savings premiums increased by 4 points to 28%, 11 points above market average at 17%²;
- *G/A Protection & Health* revenues (45% of gross revenues) increased by €204 million (+7%) driven by a €+195 million increase in Group Protection & Health as a result of tariff increases upon renewals and net new business inflows and €+19 million increase in Individual Protection reflecting positive portfolio developments;
- *G/A Savings* revenues (37% of gross revenues) decreased by €153 million (-5%) driven by Individual Savings (€-83 million) following the focus on Unit-Linked oriented offers, and Group Retirement (€-70 million) due to fewer G/A large contracts.

APE increased by €49 million (+8%) to €690 million. On a comparable basis, APE increased by €36 million (+5%):

- *Unit-Linked* sales (20% of APE) rose by €45 million (+50%) mainly driven by €+20 million in Individual Savings reflecting Unit-Linked oriented commercial efforts and €+25 million in Group Retirement boosted by several large contracts;
- *G/A Protection & Health* sales (44% of APE) increased by €4 million (+1%) driven by €8 million increase in Individual Health and Protection as a result of the success of new products in Health (Modulango) and in Pure Protection (Long Term Care and Funerals). Group Protection & Health sales

¹ €7,202 million after intercompany eliminations.

² Source FFSA June 2013.

decreased by €5 million, following a slowdown on the French market (€-20 million) while international business (Employee Benefits and Mortgage insurance) grew strongly (€+15 million).

- *G/A Savings* sales (37% of APE) decreased by €13 million (-5%) driven by Individual Savings (€-7million) following the focus on Unit-Linked oriented offers, and Group Retirement (€-6 million) due to fewer G/A large contracts.

Investment margin increased by €14 million (+3%) to €568 million as lower investment income (€-141 million) notably due to lower reinvestment yields and lower inflation rate on fixed income assets, was more than offset by lower amounts allocated to policyholders.

Fees & revenues decreased by €38 million (-5%) to €790 million due to the non recurrence of a €-69 million URR reserve adjustment in 2012 (fully offset in DAC), partly offset by higher fees on both Unit-Linked business, in line with higher average asset base, and Protection business, in line with revenues growth.

Net technical margin fell by €58 million (-21%) to €215 million mainly driven by Group Protection and Retirement business due to lower positive prior year reserve development.

Expenses decreased by €45 million (-4%) to €-1,124 million:

- Acquisition expenses fell by €66 million (-9%) to €-693 million, mainly due to the non recurrence of a €+69 million DAC adjustment in 2012 (fully offset in URR);
- Administrative expenses rose by €20 million (+5%) to €-430 million as continuing efforts to contain expenses were more than offset by higher tax contributions.

As a result, **the underlying cost income ratio** increased by 0.8 point to 71.4%.

Income tax expenses decreased by €13 million (-11%) to €-101 million mainly due to lower pre-tax underlying earnings.

Underlying earnings decreased by €23 million (-6%) to €353 million.

Adjusted earnings increased by €142 million (+33%) to €567 million driven by higher net realized capital gains (€+174 million) mainly on equities and real estate, including a €+151 million realized gains relating to the sale of a 2.4% equity stake in BNP Paribas, partly offset by higher impairment charges and a decrease in the impact of equity hedging derivatives (€-9 million), as well as lower underlying earnings (€-23 million).

Net income increased by €68 million (+13%) to €569 million driven by higher adjusted earnings (€+142 million), partly offset by an unfavorable change in the fair value of mutual funds and of economic hedge derivatives not eligible for hedge accounting (€-69 million) mainly driven by higher interest rates.

Life & Savings operations - United States

	(in Euro million)		
	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	5,567	5,567	11,229
<i>APE (Group share)</i>	<i>655</i>	<i>599</i>	<i>1,244</i>
Investment margin	258	233	541
Fees & revenues	1,120	995	1,993
Net technical margin	(82)	(580)	(632)
Expenses	(845)	(338)	(1,296)
Amortization of VBI	(11)	7	(3)
Other	-	-	-
Underlying earnings before tax	441	317	602
Income tax expenses / benefits	(130)	(95)	(110)
Minority interests	-	-	-
Underlying earnings Group share	311	222	492
Net capital gains or losses attributable to shareholders net of income tax	(24)	(26)	(37)
Adjusted earnings Group share	288	196	455
Profit or loss on financial assets (under FV option) & derivatives	(218)	97	(103)
Exceptional operations (including discontinued operations)	(32)	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(1)
Integration and restructuring costs	(59)	(8)	(20)
Net income Group share	(23)	285	331
<i>Average exchange rate : 1.00 € = \$</i>	<i>1.3129</i>	<i>1.2969</i>	<i>1.2969</i>

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues are level with prior year at €5,567 million¹. On a comparable basis, gross revenues increased by €68 million (+1%):

- *Variable Annuity* revenues (63% of gross revenues) increased by 2% reflecting strong sales results for non GMxB investment only products, floating roll up rate GMxB and Employer Sponsored products, partially offset by lower renewal premiums (additional contributions were received for certain old GMxB fixed rate contracts prompted by the suspension of additional contributions in 1Q 2012);
- *Life* revenues (24% of gross revenues) decreased by 2% driven primarily by lower sales of non Unit-Linked life products, in particular the Indexed Universal Life product;
- *Asset Management Fees* (7% of gross revenues) increased by 5%, reflecting improvement in market conditions in 1H 2013;
- *Mutual Funds* revenues (1% of gross revenues) increased by 20%, reflecting higher advisory fees received and increases in sales volume.

APE increased by €56 million (+9%) to €655 million. On a comparable basis, APE increased by €64 million (+11%):

- *Variable Annuity* APE increased by 16% to €347 million reflecting higher sales of non GMxB investment only, floating rate GMxB and Employer Sponsored products, partially offset by lower sales of fixed rate GMxB products. Non-GMxB investment only and floating rate GMxB products launched since 2010 represented a combined 60% of 1H 2013 Variable Annuity APE;

¹ €5,566 million after intercompany eliminations.

- *Life* decreased by 19% to €95 million driven primarily by lower sales of non Unit-Linked life products, in particular on Indexed Universal Life product due to increased competition;
- Mutual Funds increased by 22% to €211 million, reflecting increased advisory account sales.

Investment margin increased by €24 million (10%) to €258 million. On a constant exchange rate basis, investment margin increased by €27 million (+12%) as the decrease in investment income reflecting lower yields on fixed income assets, was more than offset by lower crediting rates .

Fees & revenues increased by €126 million (+13%) to €1,120 million. On a constant exchange rate basis, fees & revenues increased by €140 million (+14%) primarily due to higher fees earned on higher average separate account balances and assumption updates of Unearned Revenue Reserve.

Net technical margin rose by €498 million to €-82 million. On a constant exchange rate basis, net technical margin increased by €497 million primarily due to higher GMxB margin resulting from the non-repeat of 1H 2012 GMxB reserve strengthening for policyholder behavior assumption changes, as well as lower volatility and basis losses. This was partially offset by an adverse mortality experience in the Life business.

Expenses increased by €507 million to €-845 million. On a constant exchange rate basis, expenses increased by €517 million:

- Expenses, net of capitalization (including commissions and DAC capitalization) increased by €27 million (-4%) to €635 million mainly due to higher commissions net of capitalization from increased asset balances and higher mutual funds sales, partly offset by productivity actions (reduction of FTE, changes to variable compensation program, real estate optimization including staff relocation);
- DAC amortization increased by €490 million to €-210 million mainly following higher GMxB margin.

Amortization of VBI increased by €18 million to €-11 million. On a constant exchange rate basis, amortization of VBI increased by €18 million due the non-repeat of 1H 2012 revisions reflecting higher expected margins on MONY in-force contracts.

As a result, the **underlying cost income ratio** increased by 14.9 points to 66%.

Income tax expense increased by €35 million (+36%) to €-130 million. On a constant exchange rate basis, income tax expense increased by €36 million reflecting higher pre-tax underlying earnings.

Underlying earnings increased by €89 million (40%) to €311 million. On a constant exchange rate basis, underlying earnings increased by €93 million (42%).

Adjusted earnings increased by €92 million (+47%) to €288 million. On a constant exchange rate basis, adjusted earnings increased by €95 million (+48%) mainly reflecting the increase in underlying earnings.

Net income decreased by €308 million (-108%) to €-23 million. On a constant exchange rate basis, net income decreased by €308 million (-108%). This was primarily driven by (i) higher adjusted earnings, more than offset by (ii) an unfavorable change in fair value of economic hedge derivatives not eligible for hedge accounting (compared to a favorable change in fair value in 1H 2012), mainly attributable to higher interest rates, (iii) an estimated net loss associated with the "closed MONY portfolio transaction" (€-32 million) and (iv) higher restructuring costs (€-52 million) driven by a real estate lease write-off, generating relocation savings.

Life & Savings operations - United Kingdom

	(in Euro million)		
	HY 2013	HY 2012	FY 2012
Gross revenues	285	317	648
<i>APE (Group share)</i>	<i>365</i>	<i>283</i>	<i>535</i>
Investment margin	2	2	3
Fees & revenues	147	168	334
Net technical margin	(0)	1	4
Expenses	(168)	(220)	(411)
Amortization of VBI	-	-	-
Other	-	-	-
Underlying earnings before tax	(19)	(49)	(71)
Income tax expenses / benefits	10	36	54
Minority interests	0	0	0
Underlying earnings Group share	(9)	(13)	(17)
Net capital gains or losses attributable to shareholders net of income tax	-	-	-
Adjusted earnings Group share	(9)	(13)	(17)
Profit or loss on financial assets (under FV option) & derivatives	(1)	1	2
Exceptional operations (including discontinued operations)	-	(0)	(2)
Goodwill and other related intangibles impacts	-	(4)	(4)
Integration and restructuring costs	(18)	(3)	(11)
Net income Group share	(28)	(19)	(33)
<i>Average exchange rate : 1.00 € = £</i>	<i>0.8508</i>	<i>0.8226</i>	<i>0.8138</i>

For consistency, 2013 figures have been compared to the same scope for 2012, i.e. excluding Bluefin Corporate Consulting which was sold in April 2012. This is referred to as “comparable scope basis” in the commentary below.

Half Year 2012 underlying earnings amounted to €-13 million, corresponding approximately to €-2 million for sold business, and €-11 million for retained business.

Gross revenues decreased by €31 million (-10%) to €285 million¹. On a constant exchange rate and comparable scope basis, gross revenues increased by €2 million (+1%). This was driven by growth in funds under management on the Elevate platform, an increase in Variable Annuity premiums and increased revenues through the growth of the Architas business. This was partly offset by lower revenues from bancassurance with this channel now closed to new business.

APE increased by €82 million (+29%) to €365 million. On a constant exchange rate and comparable scope basis, APE was up €94 million (+33%) over prior year. New sales through the Elevate platform continued to increase, with IFA sales up by €39 million (+52%) as the platform continues to establish itself as one of the leaders in the UK platform market. The other significant growth was on the Corporate Pension Investment business (€+83 million) reflecting two significant new schemes in 2013. This was partially offset by sales decrease in the individual pensions (€-14 million) and in bancassurance (€-14 million) following the closure of this channel to new business.

Investment margin increased by €1 million (60%) to €2 million. On a constant exchange rate and comparable scope basis, the investment margin increased by €1 million.

¹ €285 million after intercompany eliminations.

Fees & revenues decreased by €21 million (-13%) to €147 million. On a constant exchange rate and comparable scope basis, fees & revenues increased by €8 million due to the growth of the business, partly offset by a decrease in bancassurance revenues.

Net technical margin decreased by €1 million (-106%) to €0 million. On a constant exchange rate and comparable scope basis, net technical margin decreased by €1 million.

Expenses decreased by €52 million (-24%) to €-168 million. On a constant exchange rate basis and comparable scope basis, expenses decreased by €20 million due to a €11 million reduction in bancassurance general expenses and further expense savings across the rest of the business.

As a consequence, the **underlying cost income ratio** improved significantly by 15.9 points to 113%. On a constant exchange rate and comparable scope basis, the underlying cost income ratio reduced by 19.1 points.

Income tax benefits decreased by €26 million (-72%) to €10 million. On a constant exchange rate and comparable scope basis, income tax benefits decreased by €25 million due to the reduction in one-off tax benefits (€-18 million) and the impact of the lower pre-tax loss.

Underlying earnings increased by €4 million to €-9 million. On a constant exchange rate and comparable scope basis, underlying earnings increased by €2 million.

Adjusted earnings increased by €4 million to €-9 million. On a constant exchange rate and comparable scope basis, adjusted earnings increased by €2 million due to the underlying earnings movement.

Net income decreased by €9 million to €-28 million. On a constant exchange rate, net income decreased by €10 million as a result of higher restructuring costs.

Life & Savings operations – Japan

	(in Euro million)		
	HY 2013	HY 2012	FY 2012
Gross revenues	2,605	3,180	6,725
<i>APE (Group share)</i>	<i>240</i>	<i>269</i>	<i>598</i>
Investment margin	37	(0)	0
Fees & revenues	738	765	1,606
Net technical margin	28	44	(31)
Expenses	(390)	(447)	(994)
Amortization of VBI	(14)	(17)	(89)
Other	-	-	-
Underlying earnings before tax	399	345	492
Income tax expenses / benefits	(105)	(61)	(115)
Minority interests	(3)	(3)	(4)
Underlying earnings Group share	292	281	374
Net capital gains or losses attributable to shareholders net of income tax	33	67	13
Adjusted earnings Group share	324	348	387
Profit or loss on financial assets (under FV option) & derivatives	13	41	28
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	337	389	414
<i>Average exchange rate : 1.00 € = Yen</i>	<i>113.0264</i>	<i>104.1900</i>	<i>102.3473</i>

Gross revenues decreased by €574 million (-18%) to €2,605 million¹. On a comparable basis, revenues decreased by €354 million (-11%):

- *Protection* revenues (44% of gross revenues) increased by €52 million (+4%) mainly due to increased new business sales of Whole Life products (€+62 million) and better retention of Term and Term Riders products (€+47 million), partly offset by lower revenues from Increasing Term products (€-39 million) and Group Life products (€-7 million) which were not actively promoted;
- *Investment & Savings* revenues (22% of gross revenues) decreased by €409 million (-39%) mainly due to lower sales of Variable Annuity products following product redesign and increased competition in the bancassurance channel;
- *Health* revenues (33% of gross revenues) increased by €3 million (+0%) as new business from Medical Whole Life and Nursing products, boosted by the successful launch of “Disability Income” offset lower retention of Medical Term products.

APE decreased by €30 million (-11%) to €240 million. On a comparable basis, APE decreased by €9 million (-3%):

- *Protection* sales (54% of APE) increased by €9 million (+7%) mainly supported by stronger sales of Whole Life products before the discontinuation of Single Premium Whole Life in March 2013;
- *Investment and Savings* sales (12% of APE) decreased by €37 million (-54%) due to decreased Variable Annuity sales in bancassurance channel following product redesigned and increased competition;
- *Health* sales (34% of APE) increased by €19 million (+28%) driven by the successful launch of Disability Income (€+9 million) and strong sales of the new Medical Whole Life product (€+10 million) launched mid-2012.

¹ €2,605 million after intercompany eliminations.

Investment margin increased by €37 million to €37 million. On a constant exchange rate basis, investment margin increased by €40 million mainly due to higher dividend income from equity funds in a rising Japanese stock market.

Fees & revenues decreased by €27 million (-3%) to €738 million. On a constant exchange rate basis, fees & revenues increased by €36 million mainly due to higher Unit-Linked management fees driven by increased Variable Annuity inforce and higher loadings coming from a better business mix and increased retention.

Net technical margin decreased by €16 million (-36%) to €28 million. On a constant exchange rate basis, net technical margin decreased by €14 million mainly due to a lower surrender margin thanks to an overall better retention.

Expenses decreased by €57 million (-13%) to €-390 million. On a constant exchange rate basis, expenses decreased by €24 million (-5%) mainly due to ongoing expense control management and positive one-off effects.

Amortization of VBI decreased by €3 million (-17%) to €-14 million. On a constant exchange rate basis, VBI amortization decreased by €2 million (-10%).

As a result, the **underlying cost income ratio** improved by 7.0 points to 50.3%.

Income tax expenses increased by €43 million to €-105 million. On a constant exchange rate basis, income tax expenses increased by €52 million due to the non-repeat of a 2012 positive tax one-off (€-49 million) and higher pre-tax underlying earnings (€-29 million), partly offset by a 2013 positive tax one-off (€+31 million).

Underlying earnings increased by €11 million (+4%) to €292 million or increased by €36 million (+13%) on a constant exchange rate basis.

Adjusted earnings decreased by €24 million (-7%) to €324 million or increased by €4 million (+1%) on a constant exchange rate basis, due to higher underlying earnings partly offset by lower net realized capital gains on fixed income assets.

Net income decreased by €52 million to €337 million. On a constant exchange rate basis, net income decreased by €23 million, due to higher adjusted earnings (€+4 million) more than offset by a negative impact from Yen depreciation (€-41 million) mainly against the US dollar, lower favorable change in fair value of credit derivatives (€-23 million), partly offset by a more favorable change in fair value of funds (€+36 million) mainly invested in equity.

Life & Savings operations – Germany

(in Euro million)

	HY 2013	HY 2012	FY 2012
Gross revenues	3,232	3,290	6,655
<i>APE (Group share)</i>	<i>218</i>	<i>258</i>	<i>454</i>
Investment margin	51	57	111
Fees & revenues	149	157	340
Net technical margin	29	4	6
Expenses	(100)	(102)	(267)
Amortization of VBI	(7)	(11)	(23)
Other	-	-	-
Underlying earnings before tax	122	105	167
Income tax expenses / benefits	(42)	(39)	(46)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	79	66	120
Net capital gains or losses attributable to shareholders net of income tax	17	(8)	5
Adjusted earnings Group share	96	57	125
Profit or loss on financial assets (under FV option) & derivatives	11	24	(5)
Exceptional operations (including discontinued operations)	2	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	(1)
Net income Group share	109	81	119

Gross revenues decreased by €58 million (-2%) to €3,232 million¹.

- *Life* revenues (59% of gross revenues) decreased by €108 million (-5%) to €1,908 million mainly due to lower single premiums from G/A short term investment products as well as lower regular premiums from G/A Protection products;
- *Health* revenues (41% of gross revenues) increased by €50 million (+4%) to €1,323 million due to premium adjustments due to medical inflation.

APE decreased by €40 million (-16%) to €218 million.

- *Life* decreased by €23 million (-20%) to €114 million, mainly due to decreasing single premiums from G/A short term investment products and conventional annuities, as well as the curtailment of “Twinstar” Variable Annuity product production;
- *Health* decreased by €17 million (-14%) to €104 million, due to the non recurrence of strong sales in the previous year driven by brokers’ anticipation of a change in regulation capping their commissions effective April 2012.

Investment margin decreased by €6 million (-10%) to €51 million due to a decrease in investment income, mainly on fixed income assets, as a result of lower reinvestment yields.

Fees & revenues decreased by €8 million (-5%) to €149 million mainly due to lower loadings on Health business following new business sales decrease.

Net technical margin rose by €25 million to €29 million mainly due to (i) an increase in the hedge margin on GMxB products (up €14 million to €-19 million) and (ii) a higher mortality margin in Health business.

¹ €3,221 million after intercompany eliminations.

Expenses decreased by €3 million (-3%) to €-100 million, mainly due to savings derived from productivity programs, partly offset by inflation.

Amortization of VBI decreased by €4 million (-34%) to €-7 million.

As a result, the **underlying cost income ratio** decreased by 5.2 points to 46.8%.

Income tax expenses increased by €3 million (+8%) to €-42 million, mainly due to higher pre-tax underlying earnings.

Underlying earnings increased by €14 million (+21%) to €79 million.

Adjusted earnings increased by €39 million (+68%) to €96 million due to higher underlying earnings and higher realized capital gains on fixed income assets.

Net income increased by €28 million (+34%) to €109 million as the increase in adjusted earnings was partly offset by a less favorable change in the fair value of fixed income mutual funds and of economic hedge derivatives not eligible for hedge accounting, mostly attributable to higher interest rates.

Life & Savings operations – Switzerland

	(in Euro million)		
	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	5,206	4,838	6,551
<i>APE (Group share)</i>	<i>310</i>	<i>256</i>	<i>374</i>
Investment margin	103	63	193
Fees & revenues	147	144	283
Net technical margin	73	111	195
Expenses	(125)	(112)	(257)
Amortization of VBI	(1)	1	(18)
Other	-	-	-
Underlying earnings before tax	196	206	396
Income tax expenses / benefits	(46)	(51)	(83)
Minority interests	-	-	-
Underlying earnings Group share	150	155	314
Net capital gains or losses attributable to shareholders net of income tax	21	3	23
Adjusted earnings Group share	170	158	336
Profit or loss on financial assets (under FV option) & derivatives	(13)	15	(4)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(3)	(3)	(7)
Integration and restructuring costs	-	-	-
Net income Group share	154	170	326
<i>Average exchange rate : 1.00 € = Swiss Franc</i>	<i>1.2295</i>	<i>1.2046</i>	<i>1.2046</i>

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues increased by €367 million (+8%) to €5,206 million¹. On a comparable basis, gross revenues increased by €475 million (+10%) driven by both Group Life and Individual Life business:

- *Group Life* revenues increased by €444 million (+10%) to €4,748 million driven by premiums from full protection scheme contracts (€+467 million) as a result of the strong business from both new and existing clients;
- *Individual Life* revenues increased by €31 million (+7%) to €458 million mainly due to higher single premiums (€+27 million) resulting from the continuing success of Protect Star product.

APE increased by €54 million (+21%) to €310 million. On a comparable basis, APE increased by 61 million (+24%):

- *Group Life* increased by €66 million (+33%) driven by a strong growth in full protection scheme contracts (€+62 million);
- *Individual Life* decreased by €5 million (-9%) driven by lower Variable Annuity business demand.

Investment margin increased by €40 million (+63%) to €103 million. On a constant exchange rate basis, investment margin increased by €42 million (+67%) as a result of a policyholder bonus reserve release on Individual Life (€+29 million), while lower investment income (€-25 million) mainly resulting from lower reinvestment yields on fixed income assets, was more than offset by lower policyholder participation (€+38 million).

Fees & revenues increased by €3 million (+2%) to €147 million. On a constant exchange rate basis, fees & revenues increased by €6 million (+4%) mainly resulting from higher Group Life revenues.

¹ €5,202 million after intercompany eliminations.

Net technical margin decreased by €38 million (-35%) to €73 million. On a constant exchange rate basis, net technical margin decreased by €37 million (-33%), mainly due to a deteriorated disability claims experience and a less favorable mortality margin.

Expenses increased by €12 million (+11%) to €-125 million. On a constant exchange rate basis, expenses increased by €15 million (+13%) mainly driven by higher administrative expenses. Administrative expenses increased by €19 million (+26%) mainly driven by higher regulatory project costs and expenses related to new product launches.

Amortization of VBI increased by €2 million to €-1 million. On a constant exchange rate basis, amortization of VBI increased by €2 million impacted by non-recurring 2012 positive assumption updates, partly offset by model refinements in Group Life (€+14 million).

As a result, **the underlying cost income ratio** increased by 3.9 points to 39.1%.

Income tax expenses decreased by €5 million (-9%) to €-46 million. On a constant exchange rate basis, income tax expenses decreased by €4 million (-7%) mainly driven by lower pre-tax underlying earnings.

Underlying earnings decreased by €5 million (-3%) to €150 million. On a constant exchange rate basis, underlying earnings decreased by €2 million (-1%).

Adjusted earnings increased by €12 million (+8%) to €170 million. On a constant exchange rate basis, adjusted earnings increased by €16 million (+10%) driven by higher realized capital gains mainly on hedge funds and fixed income assets.

Net income decreased by €16 million (-9%) to €154 million. On a constant exchange rate basis, net income decreased by €12 million (-7%), mainly due to a negative change in the fair value of economic hedge derivatives not eligible for hedge accounting, partially offset by higher adjusted earnings.

Life & Savings operations – Belgium

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	1,151	1,225	2,088
<i>APE (Group share)</i>	<i>94</i>	<i>119</i>	<i>175</i>
Investment margin	162	155	306
Fees & revenues	61	69	143
Net technical margin	12	15	42
Expenses	(122)	(130)	(265)
Amortization of VBI	(2)	(4)	(12)
Other	-	-	-
Underlying earnings before tax	110	105	213
Income tax expenses / benefits	(29)	(28)	(63)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	81	77	150
Net capital gains or losses attributable to shareholders net of income tax	8	44	52
Adjusted earnings Group share	89	121	201
Profit or loss on financial assets (under FV option) & derivatives	(19)	59	87
Exceptional operations (including discontinued operations)	-	(8)	(13)
Goodwill and other related intangibles impacts	-	-	(0)
Integration and restructuring costs	(1)	(2)	(3)
Net income Group share	69	170	272

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

For consistency, 2013 figures have been compared to the same scope for 2012, i.e. excluding “Vie Populaire” product portfolio which was sold in September 2012. This is referred to as “comparable scope basis” in the commentary below.

Gross revenues decreased by €74 million (-6%) to €1,151 million¹. On a comparable scope basis, gross revenues were €57 million (-5%) lower than prior year:

- *G/A Protection & Health* revenues (36% of gross revenues) decreased by €8 million (-2%) mainly due to run-off products in Individual Protection business (€-7 million);
- *Unit-Linked* revenues (34% of gross revenues) increased by €349 million mainly driven by the launch of OxyLife hybrid product (€+204 million) and the launch of two structured funds (€+97 million);
- *G/A Savings* revenues (31% of gross revenues) decreased by €398 million (-53%) mainly due to lower guaranteed rate on the run-off Crest product line (€-598 million), partly offset by the launch of OxyLife hybrid product (€+186 million).

APE decreased by €25 million (-21%) to €94 million. On a comparable scope basis, APE was €23 million (-20%) lower than prior year:

- *G/A Protection & Health* (10% of APE) decreased by €16 million (-63%) mainly due to the non-repeat of a 2012 large Corporate contract;
- *Unit-Linked* (48% of APE) increased by €42 million mainly driven by the launch of OxyLife hybrid product (€+28 million) and structured funds (€+10 million);
- *G/A Savings* (42% of APE) decreased by €49 million (-55%) mainly due to the curtailment of Crest product line (€-75 million), partly offset by the launch of OxyLife hybrid product (€+22 million).

¹ €1,151 million after intercompany eliminations.

Investment margin increased by €7 million (+4%) to €162 million. On a comparable scope basis, investment margin increased by €7 million (+4%).

Fees & revenues decreased by €8 million (-12%) to €61 million. On a comparable scope basis, fees & revenues decreased by €4 million (-6%) mainly driven by a decrease in loadings on premiums as a result of lower gross revenues and a change in business mix.

Net technical margin decreased by €3 million (-21%) to €12 million. On a comparable scope basis, net technical margin remained stable.

Expenses decreased by €7 million (-6%) to €-122 million. On a comparable scope basis, expenses remained stable as lower commissions and expense savings reflecting continued cost management were offset by inflation.

Amortization of VBI decreased by €2 million to €-2 million. On a comparable scope basis, VBI decreased by €2 million.

As a result, the **underlying cost income ratio** improved by 2.8 points to 53.1%. On comparable scope basis, the underlying cost income ratio improved by 1.5 points.

Income tax expenses increased by €-1 million (+4%) to €-29 million. On a comparable scope basis, income tax expenses increased by €-1 million due to the increase of pre-tax underlying earnings.

Underlying earnings increased by €3 million (+5%) to €81 million. On a comparable scope basis, underlying earnings increased by €3 million.

Adjusted earnings decreased by €32 million (-27%) to €89 million. On a comparable scope basis, adjusted earnings decreased by €32 million mainly due to lower realized capital gains (€-33 million) principally on fixed income assets and equities.

Net income decreased by €101 million to €69 million. On comparable scope basis, net income decreased by €110 million mainly driven by lower adjusted earnings (€-32 million), the non repeat of 2012 favorable change in the fair value of mutual funds and others assets (€-45 million) and by an unfavorable change in fair value of interest rate hedging swaps not eligible for hedge accounting (€-33 million) as a result of the rise in interest rates.

Life & Savings operations – Central & Eastern Europe

	(in Euro million)		
	HY 2013	HY 2012	FY 2012
Gross revenues	195	222	472
<i>APE (Group share)</i>	<i>55</i>	<i>78</i>	<i>136</i>
Investment margin	5	14	28
Fees & revenues	85	56	131
Net technical margin	21	18	44
Expenses	(92)	(68)	(189)
Amortization of VBI	(1)	(1)	(7)
Other	-	-	-
Underlying earnings before tax	17	19	8
Income tax expenses / benefits	(2)	(2)	(8)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	15	17	1
Net capital gains or losses attributable to shareholders net of income tax	(0)	2	5
Adjusted earnings Group share	15	19	5
Profit or loss on financial assets (under FV option) & derivatives	(0)	0	0
Exceptional operations (including discontinued operations)	11	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(12)
Integration and restructuring costs	(0)	-	(1)
Net income Group share	25	18	(8)

Gross revenues decreased by €27 million (-12%) to €195 million¹. On a comparable basis, gross revenues decreased by €26 million (-12%), mainly driven by the change in accounting (transfer to off-balance sheet) of the “Transformed Funds” in Czech Republic due to regulatory changes effective from January 1st 2013 (€-83 million), partly offset by higher Unit-Linked revenues in the Czech Republic (€+42 million) and from Protection in Poland (€+7 million).

APE decreased by €23 million (-29%) to €55 million. On a comparable basis, APE decreased by €22 million (-29%) driven by Pension Fund activities in quasi run-off following the regulatory changes in Poland and Hungary in the prior years (-45% to €12 million) and Life business (-22% to €43 million) driven by lower Unit-Linked products sales (-56% to €13 million), partly offset by higher Protection sales (+58% to €10 million).

Underlying earnings decreased by €2 million (-11%) to €15 million. On a constant exchange rate basis, Underlying earnings decreased by €2 million mainly due to the lower contribution from Pension Fund business in Czech Republic following regulatory changes (€-4 million to €2 million), partly offset by higher contributions from the Polish and the Slovakian operations.

Adjusted earnings decreased by €4 million (-20%) to €15 million. On a constant exchange rate basis, Adjusted earnings decreased by €4 million driven by lower underlying earnings and lower realized capital gains (€-2 million).

Net income increased by €7 million (+39%) to €25 million. On a constant exchange rate basis, net income increased by €7 million driven by an exceptional result from the change in regulation in the Czech Pension Funds (€11 million), partly offset by lower adjusted earnings.

¹ €195 million after intercompany eliminations.

Life & Savings operations – Mediterranean and Latin American Region

	(in Euro million)		
	HY 2013	HY 2012	FY 2012
Gross revenues	3,001	2,258	4,836
<i>APE (Group share)</i>	227	190	402
Investment margin	131	144	288
Fees & revenues	210	178	372
Net technical margin	83	73	141
Expenses	(245)	(235)	(507)
Amortization of VBI	(6)	(7)	(14)
Other	-	-	-
Underlying earnings before tax	173	153	280
Income tax expenses / benefits	(37)	(50)	(53)
Minority interests	(46)	(27)	(65)
Underlying earnings Group share	90	76	162
Net capital gains or losses attributable to shareholders net of income tax	11	3	9
Adjusted earnings Group share	100	79	171
Profit or loss on financial assets (under FV option) & derivatives	(1)	(11)	(26)
Exceptional operations (including discontinued operations)	(2)	(0)	(3)
Goodwill and other related intangibles impacts	(1)	(10)	(10)
Integration and restructuring costs	(1)	(1)	(3)
Net income Group share	96	57	129

Gross revenues increased by €743 million (+33%) or €738 million (+33%) on a comparable basis to €3,001 million¹:

- *Mature markets* were up €735 million (+36%) mainly driven by higher sales in Unit-Linked savings products (€+720 million), stemming from the success of “Protected Unit” product at AXA MPS;
- *High growth markets* increased by €3 million (+2%) mainly driven by higher Individual Protection and Pension new business in Turkey (€+12 million) as well as growth in G/A Savings in Morocco (€+7 million), partly offset by lower retention in Protection in Mexico (€-16 million).

APE increased by €38 million (+20%) or €37 million (+19%) on a comparable basis to €227 million:

- *Mature markets* were up €34 million (+21%) to €197 million, principally reflecting a better performance on Unit-Linked products (€+34 million), mainly at AXA MPS;
- *High growth markets* increased by €+2 million (+9%) to €30 million, mainly driven by Turkey (€+5 million) due to a good performance in Pension business, partly compensated by Mexico (€-3 million) which is actively de-emphasizing Protection with Savings products with low profitability.

Investment margin decreased by €14 million (-9%) to €131 million. On a constant exchange rate basis, investment margin decreased by €14 million (-10%) mainly due to AXA MPS (€-10 million) driven by lower average assets as a consequence of a high level of surrenders.

Fees & revenues increased by €33 million (+19%) to €210 million. On a constant exchange rate basis, fees & revenues increased by €32 million (+18%) largely driven by AXA MPS (€+39 million) from higher unearned revenues reserves amortization (partly offset in deferred acquisition costs) mainly reflecting higher surrenders combined with strong sales of “Protected Unit” unit-linked product.

¹ €2,996 million after intercompany eliminations.

Net technical margin rose by €10 million (+14%) to €83 million. On a constant exchange rate basis, net technical margin increased by €10 million (+14%) with a strong contribution from mature markets (€+11 million) driven by a higher mortality margin (€+8 million) due to better claims experience in protection business as well as by an improved GMxB margin (€+3 million) notably from higher surrenders.

Expenses increased by €11 million (+4%) to €-245 million. On a constant exchange rate basis, expenses increased by €9 million (+4%):

- *Mature markets* were up €16 million, mainly driven by AXA MPS, reflecting higher deferred acquisition costs amortization in line with increased surrenders;
- *High growth markets* decreased by €7 million primarily due to Mexico (€-9 million) mainly from 2012 non recurring commission adjustments partly offset by higher marketing costs to promote pension business in Turkey.

Amortization of VBI decreased by €1 million (-8%) to €-6 million. On a constant exchange rate basis, amortization of VBI decreased by €1 million (-9%).

As a result, **underlying cost income ratio** decreased by 2.1 points to 59.2%.

Income tax expenses decreased by €13 million (-25%) to €-37 million. On a constant exchange rate basis, income tax expenses decreased by €13 million (-26%), despite higher pre-tax underlying earnings, due to higher tax benefits from technical reserves evolution at AXA MPS.

Underlying earnings increased by €13 million (+18%) to €90 million. On a constant exchange rate basis, underlying earnings increased by €13 million (+17%).

Adjusted earnings increased by €22 million (+27%) to €100 million. On a constant exchange rate basis, adjusted earnings increased by €21 million (+27%) driven by higher underlying earnings and higher realized capital gains.

Net income increased by €39 million (+70%) to €96 million. On a constant exchange rate basis, net income increased by €39 million (+70%) mainly driven by higher adjusted earnings and a favorable change in the fair value of interest rates hedging derivatives not eligible for hedge accounting, mainly at AXA MPS, as well as the non repeat of 2012 accelerated amortization of a distribution agreement in Greece.

Life & Savings operations – Hong Kong

	(in Euro million)		
	HY 2013	HY 2012	FY 2012
Gross revenues	983	796	1,723
<i>APE (Group share)</i>	<i>215</i>	<i>180</i>	<i>408</i>
Investment margin	6	2	9
Fees & revenues	241	214	444
Net technical margin	21	28	42
Expenses	(132)	(107)	(229)
Amortization of VBI	(7)	(5)	(13)
Other	-	(4)	(1)
Underlying earnings before tax	130	128	251
Income tax expenses / benefits	2	(9)	1
Minority interests	-	-	-
Underlying earnings Group share	132	119	252
Net capital gains or losses attributable to shareholders net of income tax	6	11	21
Adjusted earnings Group share	138	130	273
Profit or loss on financial assets (under FV option) & derivatives	16	(5)	(10)
Exceptional operations (including discontinued operations)	(0)	(13)	(29)
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	154	113	235
<i>Average exchange rate : 1.00 € = Hong Kong Dollar</i>	<i>10.1862</i>	<i>10.0651</i>	<i>9.9938</i>

Gross revenues increased by €187 million (+23%) to €983 million¹. On a comparable basis, gross revenues increased by €198 million (+25%) due to higher revenues from Unit-Linked products (€+99 million) driven by higher new business sales reflecting a wider broker network and some large contracts in 2013, higher revenues from G/A Protection & Health products (€+73 million) mainly driven by in-force growth, and G/A Savings (€+25 million) with higher sales of retirement products.

APE increased by €36 million (+20%) to €215 million. On a comparable basis, APE increased by €38 million (+21%) mainly due to higher sales of Unit-Linked products (€+31 million) reflecting a wider broker network and some large contracts in 2013, while G/A Protection & Health sales were stable with a change in mix towards Pure Protection and Health.

Investment margin increased by €4 million to €6 million. On a constant exchange rate basis, investment margin increased by €4 million driven by higher investment income from investing in longer-term fixed income securities.

Fees & revenues increased by €27 million (+13%) to €241 million. On a constant exchange rate basis, fees & revenues increased by €30 million (+14%) mainly driven by an increase in loadings on premiums stemming from new business and in-force growth.

Net technical margin fell by €7 million (-24%) to €21 million. On a constant exchange rate basis, net technical margin decreased by €6 million (-23%) mainly driven by lower surrender margin following improved retention.

¹ €983 million after intercompany eliminations.

Expenses increased by €24 million (+22%) to €-132 million. On a constant exchange rate basis, expenses increased by €26 million (+24%) mainly due to higher investments in business infrastructure and higher acquisition expenses driven by new business and in-force growth.

Amortization of VBI increased by €2 million (+39%) to €-7 million. On a constant exchange rate basis, amortization of VBI increased by €2 million (+41%).

As a consequence, the **underlying cost income** ratio increased by 5.5 points to 51.6%.

Income tax expenses decreased from €9 million charge in 1H 2012 to a €2 million benefit in 1H 2013. On a constant exchange rate basis, income tax expenses decreased by €12 million, mainly due to a tax benefit (€10 million) driven by a change in the tax base for a block of insurance business in the context of the merger of two insurance entities.

Underlying earnings increased by €14 million (+11%) to €132 million. On a constant exchange rate basis, underlying earnings increased by €15 million (+13%).

Adjusted earnings increased by €8 million (+7%) to €138 million. On a constant exchange rate basis, adjusted earnings increased by €10 million (+8%) driven by higher underlying earnings (€+15 million), partly offset by lower net realized capital gains, mainly on equities.

Net income increased by €41 million (+37%) to €154 million. On a constant exchange rate basis, net income increased by €43 million (+38%) driven by a favorable change in the fair value of interest rate derivatives (€+23 million), the non-repeat of 2012 losses related to the closure of two distribution networks (€+12 million), and higher adjusted earnings (€+10 million).

Life & Savings operations – South-East Asia, India and China

	HY 2013	HY 2012	FY 2012
<i>(in Euro million)</i>			
Gross revenues	133	140	295
APE (Group share)	237	190	463
Underlying earnings Group share	54	35	86
Net capital gains or losses attributable to shareholders net of income tax	0	(0)	(1)
Adjusted earnings Group share	54	35	85
Profit or loss on financial assets (under FV option) & derivatives	0	(1)	(1)
Exceptional operations (including discontinued operations)	(2)	(4)	(7)
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	(0)	-	-
Net income Group share	52	30	77

Note: For consistency, 2013 figures have been compared to the same scope for 2012, i.e. adjusted for (i) Group share change in China from 51% to 27.5% as of July 2012, and (ii) alignment of reporting period with group calendar year in Indonesia, China and Thailand since full year 2012.

Gross Revenues^{1,2} decreased by €6 million (-5%) to €133 million. On a comparable basis, gross revenues increased by €2 million (+1%) mainly driven by higher revenues from G/A Protection & Health mainly in Singapore with the launch of new products, partly offset by the slowdown in Unit-Linked business in both Indonesia and Singapore.

APE² increased by €47 million (+24%) to €237 million. On a comparable basis, APE increased by €52 million (+27%) mainly driven by sales growth in G/A Protection & Health business in particular in China with continued momentum (€+28 million) reflecting ICBC-AXA Life joint venture which commenced in July 2012, and Thailand (€+19 million) driven by sales initiatives through both the agency and bancassurance channels.

Underlying earnings² increased by €19 million (+54%) to €54 million. On a constant exchange rate and scope basis, underlying earnings increased by €14 million (+32%) mainly due to business growth in Indonesia (€+8 million), China (€+1 million) and Philippines (€+1 million).

Adjusted earnings² increased by €19 million (+56%) to €54 million. On a constant exchange rate and scope basis, adjusted earnings increased by €14 million (+33%), driven by underlying earnings growth.

Net income² increased by €22 million (+74%) to €52 million. On a constant exchange rate and scope basis, net income increased by €16 million (+42%), mainly reflecting growth in adjusted earnings.

¹ Gross revenues of €133 million is after intercompany eliminations and include Singapore and non-bancassurance subsidiaries in Indonesia.

² South-East Asia, India & China Life & Savings scope: (i) for gross revenues: Singapore and non-bancassurance subsidiaries in Indonesia, on a 100% share basis; (ii) for APE, NBV, underlying earnings, adjusted earnings and net income: China, India, Indonesia, Thailand, Philippines and Singapore, on a group share basis. Malaysia operations are not consolidated.

Life & Savings Operations - Other

The following tables present the operating results for the other Life & Savings operations of AXA:

Consolidated Gross Revenues

(in Euro million)

	HY 2013	HY 2012	FY 2012
Luxembourg	61	41	82
AXA Life Invest	11	13	27
Family protect	3	1	3
Other	(0)	(0)	(0)
TOTAL	74	55	112
Intercompany transactions	(10)	(12)	(24)
Contribution to consolidated gross revenues	64	44	87

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2013	HY 2012	FY 2012
Luxembourg	3	3	6
AXA Life Invest	(7)	(7)	(19)
Family Protect	(8)	(9)	(22)
Other	(1)	(1)	(2)
UNDERLYING EARNINGS	(13)	(14)	(38)
Net realized capital gains or losses attributable to shareholders	0	0	1
ADJUSTED EARNINGS	(13)	(13)	(37)
Profit or loss on financial assets (under Fair Value option) & derivatives	0	0	0
Exceptional operations (including discontinued operations)	(1)	-	-
Goodwill and related intangible impacts	-	-	-
Integration and restructuring costs	-	-	-
NET INCOME	(14)	(13)	(37)

FAMILY PROTECT

Underlying earnings as well as **adjusted earnings** and **net income** reached €-8 million in 1H 2013, reflecting continued investments and direct marketing expenditure to ensure the progressive ramp-up of the activity.

AXA LIFE INVEST

Underlying earnings as well as **adjusted earnings** were stable at €-7 million following lower revenues offset by lower expenses.

Net income decreased by €1 million to €-8 million due to exceptional compensation.

Property & Casualty Segment

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and net income attributable to AXA's Property & Casualty segment for the periods indicated.

(in Euro million)

	HY 2013	HY 2012 published	HY 2012 restated (a)	FY 2012 published	FY 2012 restated (a)
Gross revenues (b)	16,693	16,391	16,391	28,559	28,559
Current accident year loss ratio (net)	71.3%	72.2%	72.2%	72.0%	72.0%
All accident year loss ratio (net)	69.5%	70.1%	70.1%	70.8%	70.8%
Net technical result before expenses	4,329	4,174	4,172	8,292	8,288
Expense ratio	26.2%	26.3%	26.4%	26.8%	26.9%
Net investment result	1,005	1,033	1,033	2,007	2,006
Underlying earnings before tax	1,609	1,533	1,523	2,680	2,657
Income tax expenses / benefits	(467)	(488)	(486)	(838)	(834)
Net income from investments in affiliates and associates	7	16	16	43	43
Minority interests	(22)	(17)	(17)	11	11
Underlying earnings Group share	1,128	1,044	1,036	1,895	1,877
Net capital gains or losses attributable to shareholders net of income tax	102	45	44	171	171
Adjusted earnings Group share	1,229	1,089	1,081	2,066	2,049
Profit or loss on financial assets (under FV option) & derivatives	(35)	(3)	(3)	89	89
Exceptional operations (including discontinued operations)	(1)	8	8	8	8
Goodwill and other related intangibles impacts	(39)	(37)	(37)	(70)	(70)
Integration and restructuring costs	(24)	(41)	(41)	(119)	(119)
Net income Group share	1,130	1,017	1,008	1,975	1,957

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Before intercompany eliminations.

Consolidated Gross Revenues

(in Euro million)

	HY 2013	HY 2012	FY 2012
France	3,188	3,186	5,730
United Kingdom & Ireland	2,109	2,194	4,150
Germany	2,386	2,402	3,824
Switzerland	2,425	2,460	2,744
Belgium	1,118	1,146	2,087
Central & Eastern Europe - Luxembourg (a)	97	99	173
Mediterranean and Latin American Region (b)	3,775	3,555	7,107
Direct (c)	1,152	1,085	2,215
Asia	444	266	529
TOTAL	16,693	16,391	28,559
Intercompany transactions	(196)	(219)	(244)
Contribution to consolidated gross revenues	16,497	16,173	28,315
o/w. high growth markets	2,272	1,829	3,843
o/w. Direct	1,152	1,085	2,215
o/w. mature markets	13,073	13,259	22,257

(a) Central & Eastern Europe includes Ukraine and Reso (Russia).

(b) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.

(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.

(in Euro million)



Combined Ratio	HY 2013	HY 2012 published	HY 2012 restated (a)	FY 2012 published	FY 2012 restated (a)
Total	95.7%	96.4%	96.5%	97.6%	97.7%
France	92.9%	94.8%	94.7%	95.1%	95.1%
United Kingdom & Ireland	98.2%	99.9%	99.9%	100.7%	100.7%
Germany	97.4%	97.4%	97.4%	99.7%	99.7%
Switzerland	90.5%	89.8%	90.7%	88.7%	89.6%
Belgium	89.2%	93.1%	93.1%	93.6%	93.7%
Central & Eastern Europe - Luxembourg (b)	102.0%	100.2%	100.2%	99.6%	99.6%
Mediterranean and Latin American Region (c)	98.7%	97.1%	97.1%	100.5%	100.5%
Direct (d)	99.3%	101.8%	101.8%	100.6%	100.6%
Asia	93.2%	95.3%	95.3%	96.0%	96.0%
Mature	95.0%	95.7%	95.8%	96.3%	96.4%
Direct	99.3%	101.8%	101.8%	100.6%	100.6%
High growth	97.6%	97.5%	97.5%	104.2%	104.2%

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Excluding RESO - RESO combined ratio amounted to 104.9% as of June 30, 2013.

(c) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.

(d) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.

Underlying earnings

(in Euro million)

	HY 2013	HY 2012 published	HY 2012 restated (a)	FY 2012 published	FY 2012 restated (a)
France	294	247	248	486	487
United Kingdom & Ireland	114	94	94	154	154
Germany	142	143	143	251	251
Switzerland	185	198	189	420	402
Belgium	143	114	114	222	221
Central & Eastern Europe - Luxembourg (b)	5	20	20	52	52
Mediterranean and Latin American Region (c)	173	198	198	232	232
Direct (d)	41	19	19	54	55
Asia	31	11	11	23	23
UNDERLYING EARNINGS	1,128	1,044	1,036	1,895	1,877
o/w. high growth markets	118	109	109	77	77
o/w. Direct	41	19	19	54	55
o/w. mature markets	969	916	908	1,763	1,746

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Central & Eastern Europe includes Ukraine and Reso (Russia).

(c) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region, and Mexico.

(d) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, the United Kingdom, South Korea and Japan.

Property & Casualty Operations – France

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	3,188	3,186	5,730
Current accident year loss ratio (net)	72.0%	72.9%	73.4%
All accident year loss ratio (net)	69.2%	70.6%	70.9%
Net technical result before expenses	866	825	1,667
Expense ratio	23.7%	24.1%	24.2%
Net investment result	261	270	513
Underlying earnings before tax	462	418	793
Income tax expenses / benefits	(168)	(170)	(306)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	294	248	487
Net capital gains or losses attributable to shareholders net of income tax	(0)	16	58
Adjusted earnings Group share	293	264	545
Profit or loss on financial assets (under FV option) & derivatives	(2)	(7)	39
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(3)	-	-
Integration and restructuring costs	-	-	-
Net income Group share	288	257	584

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues increased by €+2 million to €3,188 million¹. On a comparable basis, excluding the internal transfer to AXA Assistance of some service guarantees, gross revenues increased by 1% (or €+45 million):

- *Personal lines* (56% of gross revenues) were up 0.3% to €1,762 million mainly driven by tariff increases in all segments and positive net new contracts in Motor, despite negative net new contracts in Household;
- *Commercial lines* (44% of the gross revenues) were up by 3% to €1,382 million mainly driven by tariff increases, partly offset by lower volumes in a context of selective underwriting.

Net technical result rose by €41 million (+5%) to €866 million:

- *Current accident year loss ratio* decreased by 0.9 point to 72.0%, mainly driven by tariff increases and lower frequency notably in Personal Motor and Household, especially related to climatic events;
- *All accident year loss ratio* decreased by 1.4 points to 69.2%, reflecting the improvement of current accident year loss ratio, as well as €14 million higher positive prior year reserve developments, notably in Liability.

Expense ratio decreased by 0.4 point to 23.7% mainly driven by a contained cost base as well as a higher non recurring positive impact from tax contributions (€+24 million in 1H 2013 vs. €+16 million in 1H 2012).

Enlarged expense ratio was down 0.8 point to 30.2%, driven by an improved expense ratio as well as lower claims handling costs.

As a consequence, the **combined ratio** was down 1.8 points to 92.9%.

¹ €3,143 million after intercompany eliminations.

Net investment result decreased by €9 million (-3%) to €261 million mainly due to lower yields on fixed income assets (€-8 million) as a result of lower reinvestment yields as well as a lower inflation rate.

Income tax expenses decreased by €2 million (-1%) to €-168 million reflecting higher pre-tax underlying earnings, partly offset by the non repeat of 1H 2012 negative tax one-off (€+11 million).

As a result, **underlying earnings** increased by €46 million (+18%) to €294 million.

Adjusted earnings increased by €29 million (+11%) to €293 million as a consequence of higher underlying earnings and lower impairments (€+29 million) mainly on equities, reflecting the improved market conditions, partly offset by lower realized capital gains (€-27 million) on equities and by a decrease in the impact of equity hedging derivatives (€-19 million).

Net income increased by €31 million (+12%) to €288 million in line with the increase in adjusted earnings.

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	2,109	2,194	4,150
Current accident year loss ratio (net)	69.1%	71.2%	69.4%
All accident year loss ratio (net)	68.4%	71.1%	70.5%
Net technical result before expenses	621	581	1,209
Expense ratio	29.8%	28.9%	30.2%
Net investment result	106	121	233
Underlying earnings before tax	142	123	203
Income tax expenses / benefits	(28)	(28)	(49)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	114	94	154
Net capital gains or losses attributable to shareholders net of income tax	0	21	41
Adjusted earnings Group share	114	116	195
Profit or loss on financial assets (under FV option) & derivatives	4	(17)	(26)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(2)
Integration and restructuring costs	-	(5)	(13)
Net income Group share	118	93	154
Average exchange rate : 1.00 € = £	0.8508	0.8226	0.8138

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues decreased by €85m (-4%) to €2,109 million¹. On a comparable basis, gross revenues increased by €12 million (+1%):

- **Personal lines** (48% of gross revenues) were down 8% at €979 million. **Motor** was down 3% to €265 million due to adverse performance in Ireland as a result of decreases average premium. **Non-Motor** was down 10% to €714 million. Property was down 22% to €234 million principally due to unfavorable volume negatively impacted by tariff increases and exiting partnerships in the UK. Health was up 4% at €326 million following further growth in both the UK and International businesses. Other Personal lines were down 14% to €153 million following the continued exit from unprofitable schemes.
- **Commercial lines** (52% of gross revenues) were up 9% to €1,100 million. **Motor** was up 7% to €202 million mainly due to renewal tariff increases and higher retention within the UK. **Non-Motor** was up 9% to €898 million. Property was up 11% to €301 million reflecting improved retention, tariff increases and new e-partner deals. Health was up 7% to €461 million mainly due to continued growth in the UK and International Large Corporate business.

Net technical result increased by €40 million (+7%) to €621 million. On a constant exchange rate basis, net technical result increased by €58 million (+10%).

- **Current year loss ratio** decreased by 2.1 points to 69.1% mainly driven by a lower Nat Cat charge (-1.0 point), lower frequency especially in Property and continued price increases across all lines of business.
- **All accident year loss ratio** decreased by 2.7 points to 68.4% reflecting 2.1 points improvement of the current year loss ratio and higher positive prior year reserve developments.

Expense ratio increased by 1.0 point to 29.8%. The administrative expense ratio was up 0.5 point to 8.6%, largely due to IT investments in Healthcare and the impact of the purchase of "Health on Line" partly offset by expense efficiencies across the UK & Ireland embedded through restructuring programs. The acquisition

¹ €2,039 million after intercompany eliminations.

expense ratio was up 0.5 point to 21.2% mainly driven by 0.4 point increase in non-commission ratio due to the purchase of "Health on Line", growth in Health International business, partly offset by restructuring programs across the UK and Ireland.

Enlarged expense ratio was up 0.5 point to 32.5% as the increase in the expense ratio was partly offset by a 0.4 point improvement in the claims handling costs ratio due to a favorable business mix and lower claims frequency.

As a result the **combined ratio** was down 1.7 points to 98.2%.

Net investment result decreased by €15 million (-13%) to €106 million. On a constant exchange rate basis, net investment result decreased by €13 million (-10%) due to lower yields on fixed income assets and lower income from mutual funds.

Income tax expenses were in line with the prior year at €-28 million. On a constant exchange rate basis, income tax expenses remained stable (+1%) reflecting higher pre-tax underlying earnings, partly offset by the non-repeat of 1H 2012 one off tax charges (€+5 million).

Underlying earnings increased by €19 million (+20%) to €114 million. On a constant exchange rate basis, underlying earnings increased by €22 million (+23%).

Adjusted earnings decreased by €2 million (-1%) to €114 million. On a constant exchange rate basis, adjusted earnings increased by €1 million (+1%) reflecting the increase in underlying earnings, and lower impairment charges (€+9 million), partly offset by a reduction in realized capital gains (€-28 million) mainly on fixed income assets.

Net income increased by €25 million (+27%) to €118 million. On a constant exchange rate basis, net income increased by €27 million (+29%) due to the increase in adjusted earnings, an improvement in the change in fair value of interest rate derivatives mainly following the increase in interest rates (€+20 million), a reduction in restructuring costs (€+5 million) and a favorable foreign exchange rate impact (€+1 million).

Property & Casualty Operations – Germany

(in Euro million)

	HY 2013	HY 2012	FY 2012
Gross revenues	2,386	2,402	3,824
Current accident year loss ratio (net)	70.0%	70.5%	71.3%
All accident year loss ratio (net)	68.6%	67.8%	69.4%
Net technical result before expenses	592	606	1,163
Expense ratio	28.8%	29.6%	30.4%
Net investment result	159	162	332
Underlying earnings before tax	207	211	341
Income tax expenses / benefits	(65)	(68)	(91)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	0
Underlying earnings Group share	142	143	251
Net capital gains or losses attributable to shareholders net of income tax	38	(0)	5
Adjusted earnings Group share	180	142	255
Profit or loss on financial assets (under FV option) & derivatives	(24)	24	53
Exceptional operations (including discontinued operations)	3	-	-
Goodwill and other related intangibles impacts	(2)	(2)	(4)
Integration and restructuring costs	-	-	(12)
Net income Group share	158	164	292

Gross revenues decreased by € 16 million (-1%) to €2,386 million¹:

- *Personal Lines* (57% of gross revenues) were stable at €1,355 million as tariff increases were offset by loss of contracts, mainly in Motor;
- *Commercial Lines* (36% of gross revenues) decreased by 1% to €858 million mainly in Commercial Motor and Liability, partly compensated by an increase in Property;
- *Other Lines* (6% of gross revenues) decreased by 3% to €150 million mainly driven by lower assumed business in Legal Protection.

Net technical result decreased by €14 million to €592 million:

- *Current accident year loss ratio* decreased by 0.5 point to 70.0% due to improved attritional claims experience (-5.8 points) resulting from tariff increases and lower frequency, despite the floods in Bavaria and Saxony (€50 million), as well as hailstorm events;
- *All accident year loss ratio* increased by 0.8 point to 68.6% mainly due to lower positive prior year reserve developments.

Expense ratio decreased by 0.8 point to 28.8% due to both lower general expenses as a result of productivity programs and lower commissions reflecting a favorable change in business mix.

Enlarged expense ratio was down 0.6 point to 32.1%.

As a result, the **combined ratio** was stable at 97.4%.

Net investment result decreased by €3 million (-2%) to €159 million.

Income tax expenses decreased by €3 million (-5%) to €-65 million due to a higher share of tax-free investment income.

¹ €2,363 million after intercompany eliminations.

Underlying earnings remained stable at €142 million.

Adjusted earnings increased by €38 million (+27%) to €180 million driven by higher realized capital gains mainly on equities.

Net income decreased by €6 million (-4%) to €158 million, as increased adjusted earnings were more than offset by a negative change in the fair value of fixed income funds, mainly attributable to the rise in interest rates.

Property & Casualty Operations – Switzerland

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	2,425	2,460	2,744
Current accident year loss ratio (net)	72.8%	72.3%	69.3%
All accident year loss ratio (net)	65.8%	65.6%	63.4%
Net technical result before expenses	461	472	1,006
Expense ratio	24.7%	25.0%	26.2%
Net investment result	106	113	218
Underlying earnings before tax	234	241	505
Income tax expenses / benefits	(48)	(50)	(99)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(2)	(2)	(3)
Underlying earnings Group share	185	189	402
Net capital gains or losses attributable to shareholders net of income tax	13	1	17
Adjusted earnings Group share	198	191	419
Profit or loss on financial assets (under FV option) & derivatives	(10)	10	(13)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(13)	(14)	(28)
Integration and restructuring costs	-	-	-
Net income Group share	175	186	378
Average exchange rate : 1.00 € = Swiss Franc	1.2295	1.2046	1.2069

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues decreased by €35 million (-1%) to €2,425 million¹. On a comparable basis, gross revenues increased by €17 million (+1%):

- *Personal lines* (53% of the gross revenues) were up 2% to €1,288 million as a consequence of volume growth in all major business lines;
- *Commercial lines* (47% of the gross revenues) were down 1% to €1,144 million mainly resulting from selective underwriting.

Net technical result decreased by €12 million (-2%) to €461 million. On a constant exchange rate basis, net technical result decreased by €2 million (0%):

- *Current accident year loss ratio* increased by 0.5 point to 72.8% mainly driven by higher natural events charges (+1.5 points) caused by several hail storm events, partly compensated by an improved attritional claims experience, especially in Personal Property;
- *All accident year loss ratio* increased by 0.2 point to 65.8% as the slightly higher current accident year loss ratio was partly compensated by more favorable prior year reserve developments.

Expense ratio decreased by 0.4 point to 24.7% driven by lower administrative expense ratio following continuing cost management discipline.

Enlarged expense ratio was down by 0.7 point to 28.4%.

As a result, the **combined ratio** was down by 0.2 point to 90.5%.

¹ €2,418 million after intercompany eliminations.

Net investment result decreased by €7 million (-6%) to €106 million. On a constant exchange rate basis, net investment result decreased by €5 million (-4%) mainly attributable to a lower reinvestment yield on fixed income assets.

Income tax expenses decreased by €2 million (-3%) to €-48 million. On a constant exchange rate basis, income tax expenses decreased by €1 million (-1%) driven by lower pre-tax underlying earnings.

Underlying earnings decreased by €5 million (-3%) to €185 million. On a constant exchange rate basis, underlying earnings decreased by €1 million (-1%).

Adjusted earnings increased by €7 million (+4%) to €198 million. On a constant exchange rate basis, adjusted earnings increased by €12 million (+6%) mainly driven by higher realized capital gains on fixed income assets.

Net income decreased by €11 million (-6%) to €175 million. On a constant exchange rate basis, net income decreased by €8 million (-4%) as the increase in adjusted earnings was more than offset by an unfavorable change in the fair value of fixed income funds, mainly attributable to the rise in interest rates.

Property & Casualty Operations – Belgium

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	1,118	1,146	2,087
Current accident year loss ratio (net)	65.7%	70.3%	68.8%
All accident year loss ratio (net)	58.5%	63.6%	63.4%
Net technical result before expenses	424	381	768
Expense ratio	30.7%	29.5%	30.3%
Net investment result	103	97	196
Underlying earnings before tax	213	169	329
Income tax expenses / benefits	(70)	(55)	(107)
Net income from investments in affiliates and associates	-	-	-
Minority interests	-	(0)	(0)
Underlying earnings Group share	143	114	221
Net capital gains or losses attributable to shareholders net of income tax	29	(1)	11
Adjusted earnings Group share	172	114	232
Profit or loss on financial assets (under FV option) & derivatives	(18)	(19)	8
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(2)
Integration and restructuring costs	(3)	(5)	(23)
Net income Group share	150	88	214

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues decreased by €28 million (-2%) to €1,118 million¹ :

- *Personal lines* (48% of the gross revenues) were down 1% to €538 million following negative net new contracts partly offset by tariff increases in both Motor and Household;
- *Commercial lines* (50% of the gross revenues) were down 4% to €565 million due to decreases in Motor (€-9 million) mainly following pruning actions, Workers' Compensation (€-7 million) due to the economic environment, Health (€-6 million) due to portfolio losses and Marine (€-6 million) due to a transfer of a large contract to AXA Corporate Solutions.

Net technical result increased by €43 million (+11%) to €424 million:

- *Current accident year loss ratio* decreased by 4.6 points to 65.7% mainly driven by an improved attritional claims experience (-3.4 points) resulting from tariff increases and lower frequency, as well as lower large claims (-1.7 points);
- *All accident year loss ratio* decreased by 5.1 points to 58.5% due to an improved current accident year loss ratio and higher positive prior year reserve developments, mainly on annuities.

Expense ratio rose by 1.2 points to 30.7% due to lower revenues, higher non commission expenses and an increase in commission rates driven by a change in business mix.

Enlarged expense ratio was up 1.6 points to 38.4%.

As a result, the **combined ratio** was down 3.9 points to 89.2%.

Net investment result increased by €6 million (+6%) to €103 million due to higher dividends following higher asset allocation in equities partially offset by lower reinvestment yields in fixed income assets.

Income tax expenses increased by €15 million (+27%) to €-70 million due to higher pre-tax underlying earnings.

¹ €1,098 million after intercompany eliminations.

Underlying earnings increased by €29 million (+26%) to €143 million.

Adjusted earnings increased by €59 million (+52%) to €172 million mainly driven by higher underlying earnings and higher realized capital gains on fixed income assets.

Net income increased by €63 million (+71%) to €150 million mainly driven by higher adjusted earnings and a favorable change in the fair value of inflation derivatives, partly offset by an unfavorable change in the fair value of mutual funds, mainly attributable to higher interest rates and widening credit spreads.

Property & Casualty Operations – Central & Eastern Europe and Luxembourg

Consolidated Gross Revenues

(in Euro million)

	HY 2013	HY 2012	FY 2012
Luxembourg	63	63	99
Ukraine	34	35	74
Reso (Russia)	-	-	-
TOTAL	97	99	173
Intercompany transactions	-	-	-
Contribution to consolidated gross revenues	97	99	173

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2013	HY 2012	FY 2012
Luxembourg	2	3	8
Ukraine	1	1	1
Reso (Russia) (a)	1	16	43
UNDERLYING EARNINGS	5	20	52
Net realized capital gains or losses attributable to shareholders	8	(4)	(4)
ADJUSTED EARNINGS	12	16	49
Profit or loss on financial assets (under Fair Value option) & derivatives	1	5	10
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and related intangibles impacts	(1)	(2)	(2)
Integration and restructuring costs	-	-	-
NET INCOME	13	19	57

(a) Reso accounted for using the equity method. AXA's share of profit is recognized in income statement.

UKRAINE

Gross revenues decreased by €1 million (-4%) to €34 million. On a comparable basis, gross revenues decreased by €1 million (-2%) driven by lower premiums in bancassurance channel, partly offset by positive developments in the proprietary network.

Underlying earnings, adjusted earnings and net income were stable at €1 million on a constant exchange rate basis.

RESO (RUSSIA)

Underlying earnings decreased by €15 million to €1 million on a constant exchange rate basis, mainly driven by higher one-off expenses (€-13 million) and a deterioration in claims experience. As a result, the combined ratio was up 7.9 points to 104.9%.

Adjusted earnings decreased by €3 million to €9 million on a constant exchange rate basis, driven by lower underlying earnings, partly offset by higher realized capital gains (€+9 million) and lower impairments (€+6 million).



Net income decreased by €6 million to €9 million on a constant exchange rate basis, mainly due to lower adjusted earnings.

Property & Casualty Operations – Mediterranean and Latin American Region

(in Euro million)

	HY 2013	HY 2012	FY 2012
Gross revenues	3,775	3,555	7,107
Current accident year loss ratio (net)	72.1%	72.3%	73.0%
All accident year loss ratio (net)	73.6%	71.6%	74.8%
Net technical result before expenses	950	980	1,775
Expense ratio	25.1%	25.5%	25.7%
Net investment result	202	206	384
Underlying earnings before tax	250	305	348
Income tax expenses / benefits	(63)	(96)	(138)
Net income from investments in affiliates and associates	1	-	0
Minority interests	(15)	(11)	22
Underlying earnings Group share	173	198	232
Net capital gains or losses attributable to shareholders net of income tax	15	13	40
Adjusted earnings Group share	188	210	272
Profit or loss on financial assets (under FV option) & derivatives	13	4	19
Exceptional operations (including discontinued operations)	(4)	8	8
Goodwill and other related intangibles impacts	(10)	(15)	(24)
Integration and restructuring costs	(10)	(16)	(42)
Net income Group share	176	192	233

Gross revenues increased by €221 million (+6%) to €3,775 million¹. On a comparable basis, gross revenues increased by €204 million (+6%) driven by the acceleration of high growth markets (+16% or €+252 million), partly offset by mature markets (-2% or €-48 million) principally in Spain, continuing to suffer from a difficult economic environment.

- *Personal lines* (57% of the gross revenues) were up 3% to €2,152 million driven by Motor lines (+4% or €+58 million) reflecting growth in Turkey (€+81 million) from both tariff increases and positive volume effect, partly offset by a decrease in Spain (€-25 million) as positive net new contracts were more than offset by pricing and mix effects;
- *Commercial lines* (42% of the gross revenues) were up 10% to €1,613 million driven by Non-Motor lines (+11% or €+107 million) in high growth markets (€+108 million) with positive volume effect and tariff increases in Health in both the Gulf region (€+49 million) and Mexico (€+14 million) and new business in property in both Turkey (€+23 million) and Mexico (€+16 million). Motor lines were up 9% (or €+43 million) in Turkey (€+46 million) mainly from tariff increases and in the Gulf region (€+25 million) from a new large account, partly offset by high level of cancellations in both Mexico (€-26 million) and Spain (€-5 million);
- *Other lines* (1% of the gross revenues) were up 4% to €33 million.

Net technical result decreased by €30 million (-3%) to €950 million. On a constant exchange rate basis, net technical result decreased by €36 million (-4%) due to Spain (€-105 million) and Morocco (€-22 million), partly offset by good results in Turkey (€+49 million) and Italy (€+47 million).

- *Current accident year loss ratio* decreased by 0.2 point to 72.1% including a 0.4 point Nat Cat charge. Mature markets increased by 0.5 point while high growth markets decreased by 1.3 points. Excluding

¹ €3,748 million after intercompany eliminations.

the Nat Cat charge, improvement in high growth markets was mainly driven by tariff increases in Motor and Commercial Property in Turkey and in commercial health in Mexico. Deterioration in mature markets was mainly driven by an increase in average claim Motor costs in Spain, partly offset by Italy benefitting from lower frequency in personal Motor and Personal Property.

- *All accident year loss ratio* increased by 2.1 points to 73.6% with less favorable prior year reserve developments (€-79 million), mainly in Spain (€-52 million) due to an increase of average claim costs in both Motor and Household as well as in high growth markets (€-47 million), partly offset by more favorable prior year reserve developments in Motor in Italy (€+23 million).

Expense ratio decreased by 0.5 point to 25.1% mainly driven by improved administrative expense ratio in high growth markets (-1.1 points) thanks to positive volume effect. Mature markets improved by 0.1 point reflecting benefits from productivity plans, partly offset by a negative volume effect.

Enlarged expense ratio improved by 0.6 point to 28.0%.

As a result, the **combined ratio** was up 1.5 points to 98.7%.

Net investment result decreased by €4 million (-2%) to €202 million. On a constant exchange rate basis, net investment result decreased by €4 million (-2%) mainly driven by a lower asset base in mature markets.

Income tax expenses decreased by €33 million (-34%) to €-63 million. On a constant exchange rate basis, income tax expenses decreased by €33 million (-35%) due to lower pre-tax underlying earnings and a decrease in the effective tax rate reflecting positive tax one-offs (€+14 million).

Underlying earnings decreased 25 million (-12%) to €173 million. On a constant exchange rate basis, underlying earnings decreased by €25 million (-13%).

Adjusted earnings decreased by €23 million (-11%) to €188 million. On a constant exchange rate basis, adjusted earnings decreased by €23 million (-11%) mainly driven by lower underlying earnings.

Net income decreased by €16 million (-8%) to €176 million. On a constant exchange rate basis, net income decreased by €17 million (-9%) mainly reflecting lower adjusted earnings combined with lower restructuring costs in mature markets.

Property & Casualty Operations – Direct business

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	1,152	1,085	2,215
Current accident year loss ratio (net)	77.4%	78.3%	78.9%
All accident year loss ratio (net)	76.8%	79.9%	79.0%
Net technical result before expenses	252	216	459
Expense ratio	22.5%	21.9%	21.6%
Net investment result	51	50	98
Underlying earnings before tax	58	31	85
Income tax expenses / benefits	(17)	(12)	(30)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	41	19	55
Net capital gains or losses attributable to shareholders net of income tax	(1)	(2)	0
Adjusted earnings Group share	41	17	55
Profit or loss on financial assets (under FV option) & derivatives	1	(1)	(1)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(2)	(4)
Integration and restructuring costs	(1)	-	(4)
Net income Group share	39	14	46

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Direct business includes operations in France (25% of total Direct gross revenues), the UK (20%), South Korea (19%), Japan (15%), Spain (8%), Italy (6%), Belgium (4%), Poland (3%) and Portugal (1%).

Gross revenues increased by €67 million (+6%) to €1,152 million¹. On a comparable basis, gross revenues increased by €72 million (+7%):

- *Personal Motor* (87% of gross revenues) was up €58 million (+6%) to €1,002 million mainly driven by higher new business and resilient retention in all markets but Spain (-11% or €-11 million), notably in France (+15% or €+27 million), Italy (+31% or €+15 million), Japan (+7% or €+13 million) and in the UK (+5% or €+10 million);
- *Personal Non-Motor* (13% of gross revenues) was up €14 million (+10%) to €148 million mainly supported by both higher volume and tariff increases in France and growth in South Korea.

Net technical result increased by €36 million (+17%) to €252 million. On a constant exchange rate basis net technical result increased by €47 million (+22%):

- *Current accident year loss ratio* decreased by 1.1 points to 77.4% as a result of continued underwriting improvement, lower frequency in Motor together with a lower Nat Cat charge (-0.3 point) mainly driven by favorable weather conditions in the UK;
- *All accident year loss ratio* decreased by 3.2 points to 76.8% as a result of the decrease in current accident year loss ratio and favorable prior year reserve developments.

Expense ratio increased by 0.5 point to 22.5%. Acquisition ratio increased by 0.2 point reflecting a lower average premium in the UK, and lower volumes in Spain. Administrative ratio increased by 0.3 point mainly due to the investment in South Korea to integrate the ERGO Datum Direct portfolio.

Enlarged expense ratio was up by 0.3 point to 28.0%.

¹ €1,152 million after intercompany eliminations.

As a result, the **combined ratio** was down by 2.5 points to 99.3%.

Net investment result increased by €1 million (+2%) to €51 million. On a constant exchange rate basis, net investment result increased by €2 million (+4%) due to a higher asset base.

Income tax expenses increased by €6 million to €-17 million. On a constant exchange rate basis, income tax expenses increased by €6 million reflecting higher pre-tax underlying earnings and an unfavorable country mix.

Underlying earnings increased by €22 million to €41 million. On a constant exchange rate basis, underlying earnings increased by €24 million.

Adjusted earnings increased by €24 million to €41 million. On a constant exchange rate basis, adjusted earnings increased by €25 million due to higher underlying earnings.

Net income increased by €25 million to €39 million. On a constant exchange rate basis, net income increased by €26 million due to higher adjusted earnings.

Property & Casualty Operations - Asia

(in Euro million)

	HY 2013	HY 2012	FY 2012
Gross revenues	444	266	529
Current accident year loss ratio (net)	68.3%	68.3%	69.0%
All accident year loss ratio (net)	65.7%	66.7%	67.6%
Net technical result before expenses	135	78	171
Expense ratio	27.5%	28.6%	28.4%
Net investment result	9	6	14
Underlying earnings before tax	36	17	36
Income tax expenses / benefits	(6)	(3)	(6)
Net income from investments in affiliates and associates	5	-	-
Minority interests	(3)	(3)	(6)
Underlying earnings Group share	31	11	23
Net capital gains or losses attributable to shareholders net of income tax	(1)	0	3
Adjusted earnings Group share	30	11	27
Profit or loss on financial assets (under FV option) & derivatives	0	(0)	(0)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(6)	-	(3)
Integration and restructuring costs	(10)	(14)	(25)
Net income Group share	14	(4)	(1)

Note: Asia Property & Casualty scope (i) for gross revenues and combined ratio: Hong Kong, Malaysia and Singapore, on a 100% share basis; (ii) for underlying earnings, adjusted earnings and net income: India, Hong Kong, Malaysia, Singapore and Thailand, on a group share basis. China and Indonesia operations are not consolidated.

Gross revenues increased by €178 million (+67%) to €444 million¹. On a constant exchange rate and scope basis² gross revenues increased by €41 million (+10%):

- *Personal lines* (46% of the gross revenues) were up €14 million (+7%) driven by Non Motor (€+10 million) with growth of Health business in Hong Kong notably through the HSBC bancassurance channel and by Motor (€+5 million) as a result of positive net new contracts mainly reflecting the increase in private car sales in Malaysia;
- *Commercial lines* (54% of the gross revenues) were up €28 million (+13%) mainly driven by (i) Health (€+16 million) from a large new client account and price increases in Hong Kong as well as volume growth in Singapore, (ii) Workers Compensation (€+4 million) due to price increases in Hong Kong and volume increase in Singapore, and (iii) Property (€+3 million) mainly driven by SME property business in Malaysia.

Net technical result increased by €56 million (+72%) to €135 million. On a constant exchange rate and scope basis², net technical result increased by €8 million (+6%).

- *Current accident year loss ratio* remained stable at 68.3%. On a constant scope basis, current accident year loss ratio increased by 0.6 point mainly due to (i) an increase in Personal Motor (+1.4 points to 72.4%) as Singapore suffered from a negative price effect and Malaysia from higher severity, while (ii) Commercial Lines loss ratio remained stable at 72.1% as Workers Compensation

¹ €438 million after intercompany eliminations for Hong Kong, Singapore and Malaysia.

² Restated for HSBC acquired portfolio in Hong Kong and Singapore starting November 2012.

deteriorated (+2.3 points to 77.5%) notably in Hong Kong, suffering from both higher frequency and severity and was offset by an improvement in Property (-1.4 points to 64.1%) driven by favorable claims experience in Malaysia.

- *All accident year loss ratio* decreased by 1.1 points to 65.7%. On a constant scope basis, all accident year loss ratio increased by 0.1 point due to the deterioration of current year loss ratio by +0.6 point, partly offset by higher positive favorable prior year reserve developments of -0.5 point mainly in Singapore.

Expense ratio decreased by 1.1 points to 27.5%. On a constant scope basis, the expense ratio decreased by 1.4 points mainly driven by lower acquisition expenses (-1.3 points) reflecting the lower commission paid to HSBC bank and a shift of business towards products with a lower commission rate.

Enlarged expense ratio decreased by 1.3 points to 30.4% on a constant scope basis.

As a result, the **combined ratio** was down 2.1 points to 93.2%. On a constant scope basis, combined ratio was down 1.2 points.

Net investment result increased by €3 million to €9 million. On a constant exchange rate and scope basis, net investment result decreased by €1 million mainly from lower investment income in Hong Kong.

Income tax expenses increased by €3 million to €-6 million. On a constant exchange rate and scope basis, income tax expenses increased by €1 million due to higher pre-tax underlying earnings.

Underlying earnings increased by €20 million to €31 million¹. On a constant exchange rate and scope basis, underlying earnings increased by €11 million.

Adjusted earnings increased by €19 million to €30 million¹. On a constant exchange rate and scope basis, adjusted earnings increased by €10 million driven by higher underlying earnings.

Net income increased by €18 million to €14 million¹. On a constant exchange rate basis, net income increased by €9 million driven by the increase in adjusted earnings and lower integration costs, partly offset by an amortization of the distribution agreement from the HSBC portfolio acquisition.

¹ Thailand (Group share: 99.3%) and India (Group share : 26%) were consolidated for the first time in 2013.

International Insurance Segment

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and net income for the International Insurance Segment for the periods indicated:

Consolidated Gross Revenues

(in Euro million)

	HY 2013	HY 2012	FY 2012
AXA Corporate Solutions Assurance	1,341	1,339	2,072
AXA Global Life and AXA Global P&C	57	53	60
AXA Assistance	555	474	984
Other (a)	28	38	31
TOTAL	1,980	1,904	3,148
Intercompany transactions	(71)	(79)	(161)
Contribution to consolidated gross revenues	1,909	1,825	2,987

(a) Including AXA Liabilities Managers and AXA Corporate Solutions Life Reinsurance Company.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
AXA Corporate Solutions Assurance	72	81	145
AXA Global Life and AXA Global P&C	8	11	22
AXA Assistance	9	11	20
Other (b)	14	15	(20)
UNDERLYING EARNINGS	103	118	167
Net realized capital gains or losses attributable to shareholders	16	5	(7)
ADJUSTED EARNINGS	119	122	160
Profit or loss on financial assets (under Fair Value option) & derivatives	(11)	15	23
Exceptional operations (including discontinued operations)	(24)	-	(1)
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(1)	(2)	(4)
NET INCOME	83	135	178

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Including AXA Liabilities Managers and AXA Corporate Solutions Life Reinsurance Company.

AXA Corporate Solutions Assurance

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
Gross revenues	1,341	1,339	2,072
Current accident year loss ratio (net)	82.4%	82.3%	83.6%
All accident year loss ratio (net)	81.8%	82.4%	82.2%
Net technical result before expenses	210	200	363
Expense ratio	15.3%	15.1%	15.6%
Net investment result	90	101	195
Underlying earnings before tax	124	129	240
Income tax expenses / benefits	(50)	(47)	(93)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	72	81	145
Net capital gains or losses attributable to shareholders net of income tax	6	2	(3)
Adjusted earnings Group share	78	83	142
Profit or loss on financial assets (under FV option) & derivatives	(9)	14	24
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	69	97	166

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Gross revenues increased by €1 million to €1,341 million¹. On a comparable basis, gross revenues increased by €15 million (+1%) notably in Motor (+12%), Marine (+6%) and Property (+4%), driven by portfolio developments and tariff increases. This growth was partly offset by a decrease in Aviation (-21%) mainly due to tariff decrease following the favorable claims developments in recent years and in Construction (-19%), mainly due to the non-renewal of a large captive contract.

Net technical result increased by €10 million (+5%) to €210 million. On a constant exchange rate basis, net technical result increased by €11 million (+5%).

- *Current accident year loss ratio* increased by 0.1 point to 82.4% driven by an increase in the frequency of large losses in Construction, partly offset by lower large claims in Property;
- *All accident year loss ratio* improved by 0.6 point to 81.8% driven by higher positive prior year reserve developments in Marine and Aviation, partly offset by negative developments, mainly in Liability.

Expense ratio increased by 0.2 point to 15.3%. The acquisition expense ratio was up 0.6 point reflecting a shift in the portfolio from captive business whilst the administrative expense ratio was down 0.4 point reflecting efficiency programs, notably on IT.

Enlarged expense ratio increased by 1.2 points to 19.5%.

As a result, **the combined ratio** improved by 0.4 point to 97.1%.

On both current and constant exchange rate basis, **net investment result** decreased by €10 million (-10%) to €90 million mainly due to lower income from fixed income assets and mutual funds.

¹ €1,337 million after intercompany eliminations.

Income tax expenses increased by €3 million (+6%) to €-50 million. On a constant exchange rate basis, income tax expenses increased by €3 million (+7%) mainly due to higher taxes on prior year reserve developments and an unfavorable country mix.

As a result, **underlying earnings** decreased by €8 million (-10%) to €72 million.

Adjusted earnings decreased by €5 million (-6%) to €78 million. On a constant exchange rate basis, adjusted earnings decreased by €4 million (-5%) due to lower underlying earnings, partly offset by higher realized capital gains mainly on real estate assets.

Net income decreased by €27 million (-28%) to €69 million, on both reported and constant exchange rate basis, due to an unfavorable change in the fair value of mutual funds mainly due to higher interest rates and credit spread widening, as well as a negative foreign exchange rate impact.

AXA Global Life and AXA Global P&C¹

Underlying earnings decreased by €3 million to €8 million as a result of lower technical results in AXA Motor cover as well as a lower result in AXA Global Life and higher expenses.

Adjusted earnings decreased by €3 million to €8 million as a result of lower underlying earnings.

Net income decreased by €6 million to €7 million mainly due to lower adjusted earnings and a less favorable change in the fair value of financial assets and derivatives (€-2 million).

AXA Assistance

Gross revenues increased by €81 million (+17%) to €555 million². On a comparable basis, primarily excluding the internal transfer from AXA France of some service guarantees, gross revenues increased by €32 million (+7%) to € 514 million mainly driven by strong developments in Travel and Motor activities, notably reflecting higher revenues from some large contracts in Spain and the US, combined with growth of the in-force base in France, despite lower revenues in the UK.

Underlying earnings decreased by €2 million (-17%) to €9 million mainly driven by the non-repeat of a favorable impact in unexpired risk reserve release (€-4 million), partly offset by positive developments in France, new business growth in Spain and the US, and improvements on Auto and Travel businesses in Brazil, mitigated by higher development costs in high growth markets.

Adjusted earnings decreased by €1 million to €9 million mainly driven by lower underlying earnings.

Net income decreased by €23 million to €-17 million primarily reflecting a €24 million exceptional capital loss following the anticipated disposal of a French based company.

Other international activities

Underlying earnings decreased by €2 million to €14 million. On a constant exchange rate basis, underlying earnings decreased by €1 million.

Adjusted earnings increased by €6 million to €24 million. On a constant exchange rate basis, adjusted earnings increased by €6 million mainly as a result of higher net realized capital gains due to Real Estate restructuring and on fixed maturities.

Net income increased by €4 million to €24 million. On a constant exchange rate basis, net income increased by €5 million driven by higher adjusted earnings.

¹ Gathers both central teams from Life & Savings and Property & Casualty global business lines in addition to Group reinsurance operations.

² €487 million after intercompany eliminations.

Asset Management Segment

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and net income for the Asset Management Segment for the periods indicated:

Consolidated Gross Revenues

(in Euro million)

	HY 2013	HY 2012	FY 2012
AllianceBernstein	1,087	1,004	2,097
AXA Investment Managers	828	730	1,577
TOTAL	1,915	1,734	3,674
Intercompany transactions	(174)	(159)	(332)
Contribution to consolidated gross revenues	1,741	1,575	3,343

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
AllianceBernstein	76	74	159
AXA Investment Managers	118	85	220
UNDERLYING EARNINGS	194	159	379
Net realized capital gains or losses attributable to shareholders	(1)	(1)	(4)
ADJUSTED EARNINGS	194	159	375
Profit or loss on financial assets (under Fair Value option) & derivatives	8	3	13
Exceptional operations (including discontinued operations)	0	(0)	0
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(6)	(10)	(76)
NET INCOME	196	152	311

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

AllianceBernstein

(in Euro million)

	HY 2013	HY 2012	FY 2012
Gross revenues	1,087	1,004	2,097
Net investment result	(1)	0	2
Total revenues	1,086	1,004	2,100
General expenses	(880)	(826)	(1,737)
Underlying earnings before tax	205	178	363
Income tax expenses / benefits	(58)	(40)	(76)
Minority interests	(71)	(64)	(128)
Underlying earnings Group share	76	74	159
Net capital gains or losses attributable to shareholders net of income tax	0	0	0
Adjusted earnings Group share	76	74	159
Profit or loss on financial assets (under FV option) & derivatives	2	2	4
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Integration and restructuring costs	(2)	(9)	(74)
Net income Group share	77	67	88
Average exchange rate : 1.00 € = \$	1.3129	1.297	1.288

Assets under Management ("AUM") increased by €5 billion from year-end 2012 to €354 billion at June 30, 2013 as a result of €5 billion favorable foreign exchange rate impact and net inflows of €2 billion (€6 billion net inflows from Institutional clients partly offset by €-2 billion net outflows from Private Clients and €-2 billion net outflows from Retail clients), partly offset by €-2 billion market depreciation.

Gross revenues increased by €83 million (+8%) to €1,087 million¹. On a comparable basis, gross revenues increased by €95 million (+10%) primarily due to higher investment management fees resulting from a 6% increase in average AUM, higher Institutional Research Services fees up 7%, and distribution fees up 30% due to higher Retail average AUM.

Net investment result decreased by €1 million to €-1 million. On a constant exchange rate basis, net investment result decreased by €1 million.

General expenses increased by €54 million (+7%) to €-880 million. On a constant exchange rate basis, general expenses increased by €65 million (+8%) due to higher compensation expenses resulting from increased revenues partly offset by lower general administrative expenses, primarily office and related expenses as well as professional fees.

As a result, the **underlying cost income ratio** improved by 2.1 points to 77.3%.

Income tax expenses increased by €18 million (+46%) to €-58 million. On a constant exchange rate basis, income tax expenses increased by €19 million (+48%) primarily due to higher pre-tax underlying earnings and the non repeat of 2012 positive tax one-offs (€-8 million).

Underlying and adjusted earnings increased by €2 million (+3%) to €76 million. On a constant exchange rate basis, underlying and adjusted earnings increased by €3 million (+5%).

¹ €1,047 million after intercompany eliminations.

AXA ownership of AllianceBernstein at June 30, 2013 was 64.2%, down 1.3% from December 31, 2012 due to the granting of units in 2013 for 2012 deferred compensation, partly offset by repurchases of AllianceBernstein units during 2013 to fund deferred compensation plans.

Net income increased by €11 million (+15%) to €77 million. On a constant exchange rate basis, net income increased by €11 million (+17%) due to the increase in adjusted earnings and lower restructuring costs.

AXA Investment Managers ("AXA IM")

	HY 2013	HY 2012 restated (a)	(in Euro million) FY 2012 restated (a)
Gross revenues	828	730	1,577
Net investment result	(9)	(11)	(17)
Total revenues	819	718	1,560
General expenses	(631)	(579)	(1,219)
Underlying earnings before tax	188	139	341
Income tax expenses / benefits	(65)	(50)	(111)
Minority interests	(6)	(4)	(11)
Underlying earnings Group share	118	85	220
Net capital gains or losses attributable to shareholders net of income tax	(1)	(1)	(4)
Adjusted earnings Group share	117	85	216
Profit or loss on financial assets (under FV option) & derivatives	6	1	9
Exceptional operations (including discontinued operations)	0	(0)	0
Goodwill and other related intangibles impacts	0	0	0
Integration and restructuring costs	(4)	(0)	(2)
Net income Group share	120	85	223

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Assets under Management ("AUM") increased by €15 billion from year-end 2012 to €568 billion at the end of June 2013 as a result of €14 billion favorable market impact and €10 billion net inflows, partly offset by €-8 billion unfavorable foreign exchange impact, mainly due to GBP weakening vs. the Euro, and €-2 billion negative scope impact, mainly related to the partial sale of the UK Life & Savings operations. Net inflows amounted to €10 billion over the first half of 2013, mainly driven by inflows on (i) Retail (€+4 billion) and (ii) Institutional (€+4 billion), notably from AXA Fixed Income, Asian Joint Ventures, AXA Framlington, AXA Private Equity and AXA Real Estate, as well as on (iii) Main Fund (€+3 billion).

Gross revenues increased by €98 million (+13%) to €828 million¹. On a constant exchange rate basis and excluding distribution fees (retroceded to distributors), net revenues increased by €96 million (+18%) to €631 million, mainly driven by (i) higher management fees (€+62 million or +13%), driven by +7% higher average AUM and +1.0 higher management fee bps, owing to an improved client and product mix, (ii) higher AXA Real Estate transaction fees (€+18 million) and (iii) higher performance fees (€+13 million) mainly from AXA Structured Finance.

Net investment result improved by €2 million (+20%) to €-9 million. On a constant exchange rate basis, net investment result increased by €3 million (+23%) mainly driven by lower debt financing expense.

General expenses increased by €51 million (+9%) to €-631 million. On a constant exchange rate basis and excluding distribution fees, general expenses increased by €48 million (+12%) to €-434 million mainly due to variable compensation increases, as well as higher expenses at AXA Private Equity.

As a result, the **underlying cost income** ratio improved by 3.9 points to 69.8%.

Income tax expenses increased by €15 million (+30%) to €-65 million. On a constant exchange rate basis, income tax expenses increased by €16 million (+32%) due to higher pre-tax earnings.

Underlying earnings increased by €32 million (+38%) to €118 million. On a constant exchange rate basis, underlying earnings increased by €34 million (+40%).

¹ €694 million after intercompany eliminations.

Adjusted earnings increased by €32 million (+38%) to €117 million. On a constant exchange rate basis, adjusted earnings increased by €34 million (+40%), in line with the improvement in underlying earnings.

Net income increased by €34 million (+40%) to €120 million. On a constant exchange rate basis, net income increased by €36 million (+42%) in line with the improvement in adjusted earnings.

Banking

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and the net income attributable to AXA's banking activities for the periods indicated:

Consolidated Gross Revenues

(in Euro million)

	HY 2013	HY 2012	FY 2012
AXA Banks (a)	287	233	468
Belgium (b)	189	167	312
France	66	36	94
Hungary	19	15	35
Germany	11	12	23
Other (c)	3	2	4
Other	2	2	6
TOTAL	290	236	474
Intercompany transactions	4	(9)	(8)
Contribution to consolidated gross revenues	293	226	466

(a) Of which AXA Bank Europe and its branches: €211 million.

(b) Includes commercial activities in Belgium and shared services of AXA Bank Europe (treasury and support functions).

(c) Includes Slovakia and Czech Republic.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
AXA Banks (b)	62	7	8
Belgium (c)	63	27	31
France	0	(16)	(15)
Hungary	-	-	-
Germany	2	2	3
Other (d)	(3)	(6)	(12)
Other	(2)	(2)	(3)
UNDERLYING EARNINGS	61	5	4
Net realized capital gains or losses attributable to shareholders	0	(11)	(5)
ADJUSTED EARNINGS	61	(6)	(1)
Profit or loss on financial assets (under Fair Value option) & derivatives	(13)	10	(3)
Exceptional operations (including discontinued operations)	(27)	(11)	(30)
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(1)	(2)	(4)
NET INCOME	20	(9)	(38)

(a) Restated means comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Of which AXA Bank Europe and its branches: €60 million.

(c) Includes commercial activities in Belgium for €24 million and shared services of AXA Bank Europe (treasury and support functions) for €38 million.

(d) Includes Slovakia and Czech Republic.

Belgium

Net banking revenues increased by €22 million (+13%) to €189 million. **Operating net banking revenues**¹ increased by €40 million (+27%) to €211 million mainly due to higher interest margin (€+39 million).

Underlying earnings increased by €36 million (+132%) to €63 million due to higher operating net banking revenues (€+40 million), lower distribution commissions (€+4 million) and tight expense management (€+2 million), partly offset by an increase in provision for loan losses (€-7 million) due to growing loan portfolio and deterioration of the economic environment.

Adjusted earnings increased by €48 million to €63 million mainly due to the increase in underlying earnings and the absence of impairments on fixed income assets (€+12 million).

Net income increased by €12 million (+33%) to €47 million. Positive evolution of adjusted earnings (€+48 million) and the change in fair value of interest rate derivatives (€+14 million), was partly offset by a negative change in fair value of own debt due to decreasing liquidity spread (€-24 million), lower foreign exchange result (€-17 million) and the non repeat of the deconsolidation of Switzerland (€8 million reflecting the transfer of the client portfolio to Bank zweiplus in 2012).

France

Net banking revenues increased by €+29 million (+81%) to €66 million. **Operating net banking revenues**¹ increased by €+21 million (+51%) mainly due to lower interests paid to customers on savings accounts following the non repeat of the promotional campaign during the first half of 2012, as well as higher interest income on retail loans (primarily mortgages) as a consequence of increasing new credit production.

Underlying earnings and **adjusted earnings** increased by €+16 million to €+0 million, following the rise in operating net banking revenues, in a context of lower cost of risk and administrative expenses.

Net income increased by €21 million to €+2 million as a result of the increase in underlying earnings and the favorable impact from interest-rate hedging instruments.

Hungary

Net income increased by €2 million to €-17 million due to an increased commercial margin mainly following the repricing of the mortgage book (€+5 million), decreased administrative expenses resulting from implemented cost-cutting program (€+2 million), higher fee income (€+1 million), compensated by an increased provision for loan losses (€-4 million) due to the deteriorating outstanding credit portfolio and the depreciation of Hungarian currency.

¹ Before intercompany eliminations and before realized capital gains/losses or changes in fair value of « fair-value-P&L » assets and of hedging instruments.

Germany

Net banking revenues decreased by €2 million (-14%) to €11 million¹ mainly due to reduced commissions and less interest received from loan business, partly compensated by lower interest paid.

Underlying earnings increased by €1 million (+44%) to €2 million resulting from lower administrative expenses and credit loss allowances, partly offset by lower revenues.

Adjusted earnings and **net income** remained stable at €2 million.

Czech Republic and Slovakia

On May 21, 2013, AXA signed a partnership agreement with UniCredit Bank (UCB) in Czech Republic and Slovakia. Based on this partnership, AXA's 120,000 banking clients in Czech Republic and Slovakia were invited to open an account with UCB, while UCB will distribute AXA's insurance products through its network in both countries.

As a result, AXA will cease banking operations in these two countries in the course of the second half of 2013.

Net income decreased by €6 million to €-12 million mostly driven by one-off expenses related to the closure of banking activities (€9 million).

¹ €15 million after intercompany eliminations.

Holdings and other companies

The Holdings and other companies consist of AXA's non-operating companies, including mainly AXA parent company, AXA France Assurance, AXA Financial, AXA United Kingdom Holdings, AXA Germany Holdings, AXA Belgian Holding, CDOs and real estate companies.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2013	HY 2012 restated (a)	FY 2012 restated (a)
AXA	(283)	(279)	(591)
Other French holding companies	(28)	(33)	(39)
Foreign holding companies	(130)	(140)	(245)
Other	1	1	1
UNDERLYING EARNINGS	(441)	(451)	(875)
Net realized capital gains or losses attributable to shareholders	(28)	(60)	(72)
ADJUSTED EARNINGS	(469)	(511)	(947)
Profit or loss on financial assets (under Fair Value option) & derivatives	23	(34)	(228)
Exceptional operations (including discontinued operations)	(10)	21	(17)
Goodwill and related intangibles impacts	0	0	0
Integration and restructuring costs	(7)	(0)	(1)
NET INCOME	(464)	(523)	(1,192)

(a) Restated means comparative information related to previous periods was retrospectively restated for the IAS19 amendment.

AXA¹

Underlying earnings decreased by €5 million to €-283 million mainly due to the new French tax of 3% on dividend paid by the Company for €-46 million partly offset by €+17 million increase in dividends from non-consolidated subsidiaries and €+19 million gain related to the hedging program on Performance Units at Group holding level.

Adjusted earnings increased by €51 million to €-288 million mainly driven by the end of the premium amortization on equity call options in 2012 (€-48 million in 1H 2012).

Net income increased by €81 million to €-224 million. Excluding profits linked to the sale of the Group's Canadian operations in respect of the deferred contingent consideration (€+8 million in 1H 2013 vs. €+68 million in 1H 2012), Net income increased by €141 million mainly driven by:

- €+51 million from adjusted earnings evolution;
- €+128 million from a change in mark to market of interest rate and foreign exchange derivatives which are not eligible to hedge accounting;
- and €-66 million from the non repeat of 1H 2012 time value of equity options.

¹ All the figures are after tax.

Other French holding companies

AXA FRANCE ASSURANCE

Underlying earnings, adjusted earnings and net income increased by €1 million to €-23 million mainly due to lower tax expenses (€+2 million) resulting from lower inter-company dividends received.

OTHER FRENCH HOLDINGS

Underlying earnings increased by €4 million to €-5 million mainly due to lower financial expenses.

Adjusted earnings increased by €4 million to €-5 million driven by underlying earnings evolution.

Net income decreased by €11 million to €-26 million linked to the restructuring of the participation in Bharti AXA General Insurance (€-21 million vs. €-4 million), partly offset by adjusted earnings evolution.

Foreign Holding Companies

AXA FINANCIAL INC.

Underlying earnings decreased by €1 million (-1%) to €-78 million. On a constant exchange rate basis, underlying earnings decreased by €2 million (-3%) mainly reflecting the impact of higher share-based compensation expenses.

Adjusted earnings decreased by €1 million (-1%) to €-78 million. On a constant exchange rate basis, adjusted earnings decreased by €2 million (-3%), in line with underlying earnings evolution.

Net income increased by €1 million (+1%) to €-100 million. On a constant exchange rate basis, net income remained stable reflecting adjusted earnings evolution offset by a more favorable change in the fair value of cross currency swaps.

AXA UK HOLDINGS

Underlying earnings increased by €1 million (+12%) to €-11 million. On a constant exchange rate basis, underlying earnings increased by €1 million.

Adjusted earnings increased by €1 million (+11%) to €-11 million. On a constant exchange rate basis, adjusted earnings increased by €1 million in line with the improvement in underlying earnings.

Net Income decreased by €18 million to €-20 million. On a constant exchange rate basis, net income decreased by €19 million as the improvement in adjusted earnings (€+1 million) was more than offset by the adverse movements in the fair value attributable to foreign exchange (€-14 million) due to adverse changes in exchange rates as well as higher restructuring costs (€-6 million) relating to central service teams.

GERMAN HOLDING COMPANIES

Underlying earnings increased by €11 million (+59%) to €-8 million mainly due to lower pension costs and general expenses.

Adjusted earnings decreased by €8 million (-32%) to €-32 million mainly driven by higher impairment charges, notably on real estate funds, partly compensated by higher underlying earnings.

Net income decreased by €9 million (-31%) to €-39 million mainly due to lower adjusted earnings and an unfavorable change in the fair value of fixed income funds and derivatives.

BELGIAN HOLDING COMPANY

Underlying earnings were stable at €-6 million.

Adjusted earnings increased by €1 million to €-6 million, mainly due to higher realized capital gains.

Net income was stable at €-5 million mainly driven by adjusted earnings evolution.

MEDITERRANEAN AND LATIN AMERICAN REGION HOLDINGS

Underlying and adjusted earnings increased by €5 million (+16%) to €-25 million. On a constant exchange rate basis, underlying and adjusted earnings increased by €5 million (+16%) reflecting lower financial charges.

Net income increased by €10 million (+31%) to €-22 million. On a constant exchange rate basis, net income increased by €10 million (+31%) driven by the increase in adjusted earning and a favorable change in fair value of financing hedges.

Outlook

Despite early signs of global recovery in the first half of 2013, the short-term economic outlook remains challenging. In this context, the AXA Group carries on focusing its efforts towards the execution of its Ambition AXA plan whilst preparing for the world of tomorrow, by accelerating digital investments whilst maintaining our efficiency discipline, which will allow to better access and serve our clients.

In the second half of 2013, the Life & Savings momentum will continue to be driven by the change in business mix towards selling more profitable Unit-Linked and Protection & Health products. In Property & Casualty, underwriting discipline and efficiency efforts should contribute to sustain profitability, whilst the pricing environment should continue to be supportive overall despite experiencing a slowdown in price increases in certain markets. The Asset Management business should continue to benefit from a good momentum driven by a favorable investment performance whilst remaining sensitive to the evolution of financial markets.

Glossary

The split between high growth market and mature market is detailed below:

The notion of High Growth market includes the following countries: Central & Eastern countries (Poland, Czech Republic, Slovakia, Hungary, Ukraine, Russia), Hong Kong, South-East Asia (Singapore, Indonesia, Thailand, Philippines, Malaysia) India, China, and the Mediterranean and Latin American Region (Morocco, Turkey, Gulf, Mexico), excluding Direct operations.

The notion of Mature Market includes the following countries: the United States, the United Kingdom, Benelux, Germany, Switzerland, Japan, Italy, Spain, Portugal, Greece and France.

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

On a comparable basis means that the data for the current period were restated using the prevailing foreign currency exchange rates for the same period of prior year (**constant exchange rate** basis). It also means that data in one of the two periods being compared were restated for the results of acquisitions, disposals and business transfers (**constant structural** basis) and for changes in accounting principles (**constant methodological** basis).

ADJUSTED EARNINGS

Adjusted earnings represent the net income (Group share) before the impact of:

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

Derivatives related to invested assets:

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

UNDERLYING EARNINGS

Underlying earnings correspond to adjusted earnings excluding net capital gains or losses attributable to shareholders.

Net capital gains or losses attributable to shareholders include the following elements net of tax:

- Realized gains and losses and change in impairment valuation allowance (on assets not designated under fair value option or trading assets),
- Cost at inception, intrinsic value and pay-off of derivatives involved in the economic hedging of realized gains and impairments of equity securities and real estate backing general account and shareholders’ funds,
- Related impact on policyholder participation (Life & Savings business),

- DAC and VBI amortization or other reactivity to those elements if any (Life & Savings business) and net of hedging if any.

EARNINGS PER SHARE

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

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

RETURN ON EQUITY ("ROE")

The calculation is prepared with the following principles:

- For net income ROE: Calculation is based on consolidated financial statements, i.e. shareholders' equity including undated subordinated debt ("Super Subordinated Debts" TSS / "Undated Subordinated Debts" TSDI) and Other Comprehensive Income "OCI", and net income not reflecting any interest charges on TSS / TSDI.
- For adjusted and underlying ROE:
 - o All undated subordinated debts (TSS / TSDI) are treated as financing debt, thus excluded from shareholders' equity
 - o Interest charges on TSS / TSDI are deducted from earnings
 - o OCI is excluded from the average shareholders' equity.

LIFE & SAVINGS MARGIN ANALYSIS

Life & Savings margin analysis is presented on an underlying basis.

Even though the presentation of Margin Analysis is not the same as the Statement of Income (underlying basis), it is based on the same GAAP measures as used to prepare the Statement of Income in accordance with IFRS. As a result, the operating income under the Margin Analysis is equal to that reported in AXA's Statement of Income for the segment.

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

- o For insurance contracts and investment contracts with Discretionary Participation Features (DPF):
 - (i) Gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees and Revenues" and "Net Technical Margin".
 - (ii) Policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, i.e. primarily "Investment Margin" and "Net Technical Margin".
 - (iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees and Revenues".
 - (iv) Change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.
- o For investment contracts without DPF:
 - (i) Deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross consolidated revenues on a separate line, and in Margin analysis in the lines "Fees & Revenues" and "Net Technical margin".

- (ii) Change in UFR (Unearned Fees Reserve - capitalization net of amortization) is presented in the line “Change in unearned premiums net of unearned revenues & fees” in the underlying Statement of Income, whereas it is located in the line “Fees & Revenues” in the Margin analysis.

Underlying Investment margin includes the following items:

- (i) Net investment income
- (ii) Interests and bonuses credited to policyholders and unallocated policyholder bonuses (and the change in specific reserves purely linked to invested assets returns) related to the net investment income.

Underlying Fees & Revenues include:

- (i) Revenues derived from mutual fund sales (which are part of consolidated revenues),
- (ii) Loadings charged to policyholders on premiums / deposits and fees on funds under management for separate account (unit-linked) business,
- (iii) Loadings on (or contractual charges included in) premiums / deposits received on all general account product lines,
- (iv) Deferral income such as capitalization net of amortization of URR (Unearned Revenue Reserve) and UFR (Unearned Fee Reserve),
- (v) Other fee revenues, e.g., fees received on financial planning or sales of third party products.

Underlying Net Technical margin includes the following components:

- (i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefits and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits. This margin does not include the claims handling costs and change in claims handling cost reserves,
- (ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination,
- (iii) GMxB (Variable Annuity guarantees) active financial risk management is the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedge. It also includes the unhedged business result,
- (iv) Policyholder bonuses if the policyholder participates in the risk margin,
- (v) Ceded reinsurance result,
- (vi) Other changes in insurance reserves are all the reserves strengthening or release coming from changes in valuation assumptions, additional reserves for mortality risk and other technical impacts such as premium deficiency net of derivative if any.

Underlying Expenses are:

- (i) Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales),
- (ii) Capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,
- (iii) Amortization of acquisition expenses on current year and prior year new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,
- (iv) Administrative expenses,
- (v) Claims handling costs,
- (vi) Policyholder bonuses if the policyholder participates in the expenses of the company.

Underlying VBI amortization includes VBI (Value of Purchased Life Business In-force) amortization related to underlying margins, as well as amortization of other intangibles related to the in-force business

Life & Savings underlying cost income ratio: Underlying expenses plus underlying VBI amortization divided by "underlying" operating margin, where "Underlying" operating margin is the sum of (i) Underlying Investment margin; (ii) Underlying Fees and revenues, and (iii) Underlying Net technical Margin (all items defined above).

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

Underlying net investment result includes the net investment income less the recurring interests credited to insurance annuity reserves

Underlying net technical result is the sum of the following components:

- (i) Earned premiums, gross of reinsurance,
- (ii) Claims charges, gross of reinsurance,
- (iii) Change in claims reserves, including claims handling costs reserves, gross of reinsurance, excluding the recurring interests credited to insurance annuity reserves,
- (iv) Claims handling costs,
- (v) Net result of ceded reinsurance.

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

- (i) current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year, excluding the recurring interests credited to the insurance annuity reserves, to
- (ii) Earned revenues, gross of reinsurance.

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

- (i) all accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years excluding the recurring interests credited to the insurance annuity reserves, to
- (ii) Earned revenues, gross of reinsurance.

Underlying expense ratio is the ratio of:

- (i) Underlying expenses (excluding claims handling costs), to
- (ii) Earned revenues, gross of reinsurance.

Underlying expenses include two components: expenses (including commissions) related to acquisition of contracts (with the related **acquisition ratio**) and all other expenses (with the related **administrative expense ratio**). Underlying expenses exclude customer intangible amortization and integration costs related to material newly acquired companies.

The **enlarged expense ratio** is the sum of the expense ratio and claims handling cost ratio.

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

ASSET MANAGEMENT

Net New Money: Inflows of client money less outflows of client money. Net New Money measures the impact of sales efforts, product attractiveness (mainly dependent on performance and innovation), and the general market trend in investment allocation.

Underlying Cost Income Ratio: (general expenses net of distribution revenues) / (gross revenues excluding distribution revenues).

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

BANKING

Net New Money is a banking volume indicator. It represents the net cash flows of customers' balances in the bank, with cash inflows (collected money) and cash outflows (exiting money). It includes market effect and capitalized interests over the period.

Net operating revenues are disclosed before intercompany eliminations and before realized capital gains/losses or changes in fair value of « fair-value-P&L » assets and of hedging instruments.

II Consolidated financial statements / Half Year 2013

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II.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(in Euro million)		
Notes		June 30, 2013 (a)	December 31, 2012 Restated (a) (b)	January 1, 2012 Restated (a) (b)
	Goodwill	15,417	15,754	15,855
	Value of purchased business in force (c)	2,458	2,685	3,074
	Deferred acquisition costs and equivalent	20,038	19,047	18,624
	Other intangible assets	3,271	3,349	3,382
	Intangible assets	41,184	40,835	40,935
	Investments in real estate properties	17,518	17,192	16,061
	Financial investments	426,987	441,469	418,765
	Assets backing contracts where the financial risk is borne by policyholders (d)	154,681	147,162	134,230
5	Investments from insurance activities	599,187	605,823	569,056
5	Investments from banking and other activities	38,589	35,199	35,264
	Investments in associates - Equity method	1,388	1,312	1,139
	Reinsurers' share in insurance and investment contracts liabilities	10,239	10,558	10,698
	Tangible assets	1,296	1,457	1,410
	Deferred policyholders' participation assets	96	4	1,247
	Deferred tax assets	2,660	3,060	3,355
	Other assets	4,051	4,522	6,012
	Receivables arising from direct insurance and inward reinsurance operations	16,252	14,968	13,346
	Receivables arising from outward reinsurance operations	1,002	746	671
	Receivables - current tax	1,700	1,855	2,347
	Other receivables	16,164	15,318	16,325
	Receivables	35,118	32,887	32,689
4	Assets held for sale including discontinued operations (e)	7,054	181	360
	Cash and cash equivalents	24,816	30,546	31,072
	TOTAL ASSETS	761,627	761,862	727,226

All invested assets are shown net of related derivative instruments impact.

(a) AXA Japan closed its 2011 and 2012 full year accounts at September 30 and its 2013 half year accounts at March 31. Given significant movement in foreign exchange rates between September 30, 2011 and December 31, 2011, September 30, 2012 and December 31, 2012 and between March 31, 2013 and June 30, 2013, balance sheet items have been translated using respectively December 31, and June 30, exchange rates.

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(c) Amounts are gross of tax.

(d) Includes assets backing contracts where the financial risk is borne by policyholders with Guaranteed Minimum features.

(e) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

		(in Euro million)		
Notes		June 30, 2013 (a)	December 31, 2012 Restated (a) (b)	January 1, 2012 Restated (a) (b)
	Share capital and capital in excess of nominal value	25,753	25,549	25,188
	Reserves and translation reserve	23,247	24,001	21,189
	Net consolidated income - Group share	2,467	4,057	n/a
	Shareholders' equity – Group share	51,468	53,606	46,377
	Minority interests	2,353	2,355	2,367
6	TOTAL SHAREHOLDERS' EQUITY	53,820	55,961	48,745
	Subordinated debt	8,197	7,317	7,108
	Financing debt instruments issued	1,629	2,514	2,506
	Financing debt owed to credit institutions	786	831	807
7	Financing debt	10,613	10,662	10,421
	Liabilities arising from insurance contracts	356,075	362,378	358,146
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders (c)	120,588	113,921	104,642
	Total liabilities arising from insurance contracts	476,663	476,299	462,788
	Liabilities arising from investment contracts with discretionary participating features	35,793	36,350	37,858
	Liabilities arising from investment contracts with no discretionary participating features	183	251	380
	Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	4,039	4,080	3,621
	Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	30,643	29,983	26,336
	Total liabilities arising from investment contracts	70,658	70,664	68,195
	Unearned revenue and unearned fee reserves	3,006	2,897	2,975
	Liabilities arising from policyholders' participation	25,423	31,357	17,944
	Derivative instruments relating to insurance and investment contracts	(1,207)	(2,053)	(2,056)
	LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS	574,542	579,165	549,847
	Liabilities arising from banking activities (d)	36,428	33,494	34,023
	Provisions for risks and charges	11,256	11,952	10,891
	Deferred tax liabilities	4,157	5,175	3,793
	Minority interests of controlled investment funds and puttable instruments held by minority interest holders	6,244	3,775	3,896
	Other debt instruments issued, notes and bank overdrafts (d)	4,495	4,510	6,272
	Payables arising from direct insurance and inward reinsurance operations	7,630	8,955	7,212
	Payables arising from outward reinsurance operations	5,904	5,352	5,179
	Payables – current tax	1,030	1,170	1,194
	Collateral debts relating to investments under a lending agreement or equivalent	23,488	24,397	27,509
	Other payables	15,862	17,296	18,056
	Payables	64,653	65,454	69,317
4	Liabilities held for sale including discontinued operations (e)	6,157	-	189
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	761,627	761,862	727,226

(a) AXA Japan closed its 2011 and 2012 full year accounts at September 30 and its 2013 half year accounts at March 31. Given significant movement in foreign exchange rates between September 30, 2011 and December 31, 2011, September 30, 2012 and December 31, 2012 and between March 31, 2013 and June 30, 2013, balance sheet items have been translated using respectively December 31, and June 30, exchange rates.

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(c) Includes liabilities arising from contracts where the financial risk is borne by policyholders with Guaranteed Minimum features.

(d) Amounts are shown net of related derivative instruments impact.

(e) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

II .2 CONSOLIDATED STATEMENT OF INCOME

(in Euro million, except EPS in Euro)

Notes	June 30, 2013	June 30, 2012 Restated (a)
	47,168	45,749
Gross written premiums	133	164
Fees and charges relating to investment contracts with no participating features	47,301	45,913
Revenues from insurance activities	291	224
Net revenues from banking activities	2,451	2,268
Revenues from other activities	50,044	48,405
Revenues (b)	(3,819)	(3,962)
Change in unearned premiums net of unearned revenues and fees	5,951	8,023
Net investment income (c)	1,405	770
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity (d)	6,500	6,550
Net realized gains and losses and change in fair value of investments at fair value through profit and loss (e)	8,070	6,224
of which change in fair value of assets with financial risk borne by policyholders (f)	(390)	(390)
Change in investments impairment (g)	13,466	14,953
Net investment result excluding financing expenses	(45,267)	(45,696)
Technical charges relating to insurance activities (f)	(938)	(572)
Net result from outward reinsurance	(67)	(64)
Bank operating expenses	(4,628)	(4,310)
Acquisition costs	(59)	(47)
Amortization of the value of purchased business in force	(4,770)	(4,671)
Administrative expenses	(0)	(0)
Change in tangible assets impairment	(46)	(67)
Change in goodwill impairment and other intangible assets impairment	(109)	(175)
Other income and expenses	(55,884)	(55,602)
Other operating income and expenses	3,806	3,795
Income from operating activities before tax	62	42
Income arising from investments in associates - Equity method	(348)	(289)
Financing debts expenses (h)	3,520	3,548
Net income from operating activities before tax	(899)	(903)
Income tax	2,621	2,645
Net operating income	2,621	2,645
Net consolidated income after tax		
Split between :		
Net consolidated income - Group share	2,467	2,544
Net consolidated income - Minority interests	154	101
8 Earnings per share	0.98	1.02
8 Fully diluted earnings per share	0.97	1.02

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Gross of reinsurance.

(c) Net of investment management costs and including gains/losses from derivatives hedging variable annuities.

(d) Includes impairment releases on investments sold.

(e) Includes realized and unrealized forex gains and losses relating to investments at cost and at fair value through shareholders' equity.

(f) Change in fair value of assets with financial risk borne by policyholders is offset by a balancing entry in technical charges relating to insurance activities.

(g) Excludes impairment releases on investments sold.

(h) Includes net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives).

II .3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in Euro million)

	June 30, 2013 (a)	June 30, 2012 Restated (a) (b)
Reserves relating to changes in fair value through shareholders' equity	(2,526)	1,810
Translation reserves	(1,000)	646
Items that may be reclassified subsequently to Profit or Loss	(3,526)	2,456
Employee benefits actuarial gains and losses	325	(891)
Items that will not be reclassified subsequently to Profit or Loss	325	(891)
Net gains and losses recognized directly through shareholders' equity	(3,201)	1,565
Net consolidated income	2,621	2,645
<i>Split between:</i>		
Net consolidated income - Group share	2,467	2,544
Net consolidated income - Minority interests	154	101
TOTAL COMPREHENSIVE INCOME (CI)	(580)	4,210
<i>Split between:</i>		
Total comprehensive income - Group share	(731)	4,052
Total comprehensive income - Minority interests	151	158

(a) AXA Japan closed its 2011 and 2012 full year accounts at September 30 and its 2013 half year accounts at March 31. Given significant movement in foreign exchange rates between September 30, 2011 and December 31, 2011, September 30, 2012 and December 31, 2012 and between March 31, 2013 and June 30, 2013, balance sheet items have been translated using respectively December 31, and June 30, exchange rates.

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

Amounts are presented net of tax, policyholders' participation and other shadow accounting related movements.

II.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in Euro million, except for number of shares and nominal value)

	Attributable to shareholders											Minority interests
	Share Capital					Other reserves					Shareholders' Equity Group share	
	Number of shares (in thousands)	Nominal value (in Euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Other (b)	Translation reserves	Undistributed profits and other reserves		
Shareholders 'equity opening January 1, 2013 Restated (a)	2,388,611	2.29	5,470	20,749	(364)	10,887	134	5,735	(2,889)	13,885	53,606	2,355
Capital	3,254	2.29	7	-	-	-	-	-	-	-	7	-
Capital in excess of nominal value	-	-	-	28	-	-	-	-	-	-	28	-
Equity - share based compensation	-	-	-	23	-	-	-	-	-	-	23	-
Treasury shares	-	-	-	-	165	-	-	-	-	-	165	-
Others reserves - transaction on treasury shares	-	-	-	-	-	-	-	(19)	-	-	(19)	-
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-	-	-	252	-	-	252	-
Financial expenses - Undated subordinated debt	-	-	-	-	-	-	-	(144)	-	-	(144)	-
Others (including impact on change in scope) (c)	-	-	-	-	-	(0)	-	-	(0)	(1)	(1)	(153)
Dividends paid	-	-	-	-	-	-	-	-	-	(1,720)	(1,720)	-
Impact of transactions with shareholders	3,254	2.29	7	51	165	(0)	-	90	(0)	(1,721)	(1,408)	(153)
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-	(2,573)	53	-	-	-	(2,519)	(6)
Translation reserves	-	-	-	-	-	-	-	(155)	(848)	-	(1,003)	3
Employee benefits actuarial gains and losses	-	-	-	-	-	-	-	-	-	324	324	0
Net consolidated income	-	-	-	-	-	-	-	-	-	2,467	2,467	154
Total Comprehensive Income (CI)	-	-	-	-	-	(2,573)	53	(155)	(848)	2,791	(731)	151
Shareholders' equity closing June 30, 2013	2,391,865	2.29	5,477	20,800	(199)	8,314	187	5,670	(3,736)	14,955	51,468	2,353

NB : amounts are presented net of impacts of shadow accounting and its effects on policyholders' participation, deferred acquisition costs, and value of business in force.

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Mainly undated subordinated debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds) (see Note 6.1.1.c).

(c) Including changes in ownership interest in consolidated subsidiaries without losing control.



(in Euro million, except for number of shares and nominal value)

	Attributable to shareholders (a)											Minority interests
	Share Capital					Other reserves					Shareholders' Equity Group share	
	Number of shares (in thousands)	Nominal value (in Euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Other (b)	Translation reserves	Undistributed profits and other reserves		
Shareholders' equity opening January 1, 2012 Restated	2,357,198	2.29	5,398	20,471	(385)	4,838	50	6,059	(2,298)	12,244	46,377	2,367
Capital	103	2.29	0	-	-	-	-	-	-	-	0	-
Capital in excess of nominal value	-	-	-	1	-	-	-	-	-	-	1	-
Equity - share based compensation	-	-	-	16	-	-	-	-	-	-	16	-
Treasury shares	-	-	-	-	17	-	-	-	-	-	17	-
Others reserves - transaction on treasury shares	-	-	-	-	-	-	-	(16)	-	-	(16)	-
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses - Undated subordinated debt	-	-	-	-	-	-	-	(148)	-	-	(148)	-
Others (including impact on change in scope) (c)	-	-	-	-	-	(0)	-	-	0	(66)	(66)	(47)
Dividends paid	-	-	-	-	-	-	-	-	-	(1,626)	(1,626)	-
Impact of transactions with shareholders	103	2.29	0	17	17	(0)	-	(164)	0	(1,692)	(1,822)	(47)
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-	1,725	62	-	-	-	1,788	23
Translation reserves	-	-	-	-	-	-	-	135	474	-	609	37
Employee benefits actuarial gains and losses	-	-	-	-	-	-	-	-	-	(889)	(889)	(2)
Net consolidated income	-	-	-	-	-	-	-	-	-	2,544	2,544	101
Total Comprehensive Income (CI)	-	-	-	-	-	1,725	62	135	474	1,655	4,052	158
Shareholders' equity closing June 30, 2012	2,357,301	2.29	5,398	20,488	(368)	6,563	112	6,031	(1,824)	12,207	48,607	2,479

NB: amounts are presented net of impacts of shadow accounting and its effects on policyholders' participation, deferred acquisition costs, and value of business in force.

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS19.

(b) Mainly undated subordinated debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds) (see Note 6.1.2.c).

(c) Including changes in ownership interest in consolidated subsidiaries without losing control.

II.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in Euro million)

	June 30, 2013 (a)	June 30, 2012 Restated (a) (b)
Operating income including discontinued operation before tax	3,520	3,548
Net amortization expense (c)	357	305
Change in goodwill impairment and other intangible assets impairment (d)	-	12
Net change in deferred acquisition costs and equivalent	(782)	(1,219)
Net increase / (write back) in impairment on investments, tangible and other intangible assets	416	427
Change in fair value of investments at fair value through profit or loss	(10,037)	(8,265)
Net change in liabilities arising from insurance and investment contracts (e)	11,886	14,193
Net increase / (write back) in other provisions (f)	(4)	(59)
Income arising from investments in associates – Equity method	(62)	(42)
Adjustment of non cash balances included in the operating income before tax	1,774	5,353
Net realized investment gains and losses	2,054	859
Financing debt expenses	348	287
Adjustment for reclassification to investing or financing activities	2,401	1,146
Dividends recorded in profit or loss during the period	(1,692)	(1,595)
Investment income & expense recorded in profit or loss during the period (g)	(4,825)	(6,959)
Adjustment of transactions from accrued to cash basis	(6,516)	(8,553)
Net cash impact of deposit accounting	858	130
Dividends and interim dividends collected	1,922	1,797
Investment income (g)	6,730	8,961
Investment expense (excluding interests on financing and undated subordinated debts, margin calls and others)	(1,478)	(1,279)
Net operating cash from banking activities	160	(772)
Change in operating receivables and payables	(2,111)	(2,550)
Net cash provided by other assets and liabilities (h)	(2,055)	(804)
Tax expenses paid	(765)	(563)
Other operating cash impact and non cash adjustment	291	(1,542)
Net cash impact of transactions with cash impact not included in the operating income before tax	3,552	3,379
NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	4,731	4,873
Purchase of subsidiaries and affiliated companies, net of cash acquired	(18)	(13)
Disposal of subsidiaries and affiliated companies, net of cash ceded	5	178
Net cash related to changes in scope of consolidation	(13)	165
Sales of debt instruments (h)	30,649	34,363
Sales of equity instruments and non controlled investment funds (h) (i)	10,693	9,077
Sales of investment properties held directly or not (h)	630	182
Sales and/or repayment of loans and other assets (h) (j)	8,255	13,445
Net cash related to sales and repayments of investments (h) (i) (j)	50,228	57,067
Purchases of debt instruments (h)	(32,014)	(36,603)
Purchases of equity instruments and non controlled investment funds (h) (i)	(12,028)	(9,806)
Purchases of investment properties held direct or not (h)	(1,236)	(545)
Purchases and/or issues of loans and other assets (h) (j)	(12,416)	(14,357)
Net cash related to purchases and issuance of investments (h) (i) (j)	(57,694)	(61,311)
Sales of tangible and intangible assets	4	3
Purchases of tangible and intangible assets	(200)	(230)
Net cash related to sales and purchases of tangible and intangible assets	(196)	(226)
Increase in collateral payable / Decrease in collateral receivable	22,171	29,894
Decrease in collateral payable / Increase in collateral receivable	(22,693)	(29,881)
Net cash impact of assets lending / borrowing collateral receivables and payables	(522)	13
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	(8,197)	(4,292)
Issuance of equity instruments	678	266
Repayments of equity instruments	(382)	(88)
Transactions on treasury shares	153	(8)
Dividends payout	(1,873)	(1,688)
Interests on undated subordinated debts paid	(101)	(115)
Acquisition / sale of interests in subsidiaries without change in control	(21)	(76)
Net cash related to transactions with shareholders	(1,546)	(1,708)
Cash provided by financial debts issuance	881	0
Cash used for financial debts repayments	(1,676)	(24)
Interests on financing debt paid (k)	(334)	(238)

Net cash related to Group financing	(1,130)	(262)
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	(2,676)	(1,970)
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	0	(0)
CASH AND CASH EQUIVALENT AS OF JANUARY 1 (I)	30,101	30,033
Net cash provided by operating activities	4,731	4,873
Net cash provided by investing activities	(8,197)	(4,292)
Net cash provided by financing activities	(2,676)	(1,970)
Impact of change in consolidation method and of reclassifications as held for sale	(261)	(322)
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	(331)	358
CASH AND CASH EQUIVALENT AS OF JUNE 30 (I)	23,367	28,680

(a) AXA Japan closed its 2011 and 2012 full year accounts at September 30 and its 2013 half year accounts at March 31. Given significant movement in foreign exchange rates between September 30, 2011 and December 31, 2011, September 30, 2012 and December 31, 2012 and between March 31, 2013 and June 30, 2013, balance sheet items have been translated using respectively December 31, and June 30, exchange rates.

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(c) Includes premiums/discounts capitalization and relating amortization, amortization of investment and in the contest of owner occupied properties (held directly).

(d) Includes impairment and amortization of intangible assets booked in the context of business combinations.

(e) Includes impact of reinsurance and change in liabilities arising from contracts where the financial risk is borne by policyholders.

(f) Mainly includes change in provisions for risks & charges, for bad debts/doubtful receivables and change in impairment of assets held for sale.

(g) Includes gains/losses from derivatives hedging variable annuities.

(h) Includes related derivatives.

(i) Includes equity instruments held directly or by consolidated investment funds as well as non consolidated investment funds.

(j) Includes sales/purchases of assets backing insurance & investment contracts where the financial risk is borne by policyholders.

(k) Includes net cash impact of interest margin relating to hedging derivatives on financing debt.

(l) Net of bank overdrafts.

(in Euro million)	June 30, 2013	June 30, 2012
Cash and cash equivalent	24,816	30,417
Bank overdrafts (a)	(1,449)	(1,737)
Cash and cash equivalent as of June 30 (b)	23,367	28,680

(a) Included in "Other debt instruments issued and bank overdrafts".

(b) The "Cash and cash equivalents" balances do not include cash balances of consolidated investment funds from the Satellite Investment Portfolio (see Note 1.7.2). The "Cash and cash equivalents" item excludes cash backing contracts where the financial risk is borne by policyholders (unit-linked contracts).

Note 1 Accounting principles

1.1. GENERAL INFORMATION

AXA SA, a French “Société Anonyme” (the “Company” and together with its consolidated subsidiaries, “AXA” or the “Group”), is the holding (parent) company for an international financial services group focused on financial protection. AXA operates principally in Europe, North America and Asia. The list of the main entities included in the scope of the AXA’s consolidated financial statements is provided in Note 2 of the notes to the consolidated interim financial statements.

AXA is listed on Euronext Paris Compartiment A.

These consolidated interim financial statements including all notes were finalized by the Board of Directors on August 1, 2013.

1.2. GENERAL ACCOUNTING PRINCIPLES

1.2.1. Basis for preparation

AXA’s consolidated interim financial statements are prepared as of June 30. However, certain entities within AXA have a different reporting year end, in particular AXA Life Japan, whose interim period ended at March 31.

The consolidated interim financial statements are prepared in compliance with IFRS standards according to IAS 34 – Interim Financial Reporting and interpretations of the IFRS Interpretations Committee that are endorsed by the European Union before the balance sheet date with a compulsory date of January 1, 2013. The Group does not use the “carve out” option allowing not to apply all hedge accounting principles required by IAS 39.

Amendments to standards published and adopted on January 1, 2013

The amendment to IAS 19 – Employee Benefits, published on June 16, 2011, eliminates the corridor method that allows the deferral of recognition of gains and losses. However, this method was not applied by the Group since all actuarial gains and losses were recognized through shareholders’ equity. The amendment also replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). In addition, the amendment no longer allows the deferral of past service costs which are immediately to be recognized in Profit or Loss when incurred.

The amendment clarifies that the distinction between short-term and long-term benefits is based on whether payment is expected to be within the next 12 months, rather than when payment can be demanded. As a result, the Group reclassified some benefit obligations (mainly unused “vacation accruals”) in the category of other long-term employee benefits.

The retrospective application of the amendments to IAS19 led to a reduction of retained earnings in shareholders’ equity of €39 million as of January 1, 2012 as well as a reduction in net consolidated income after tax of €43 million as of June 30, 2012.

Consolidated statement of financial position						
In Euro million	January 1, 2012			December 31, 2012		
	Published amounts	Effect of the change	Restated amounts	Published amounts	Effect of the change	Restated amounts
Deferred tax assets	3,332	22	3,355	3,047	13	3,060
Liabilities arising from policyholders' participation	(17,938)	(6)	(17,944)	(31,350)	(7)	(31,357)
Provisions for risks and charges	(10,760)	(131)	(10,891)	(11,789)	(163)	(11,952)
Deferred tax liabilities	(3,794)	1	(3,793)	(5,196)	21	(5,175)
Other payables	(18,130)	74	(18,056)	(17,373)	77	(17,296)
NET EFFECT		(39)			(58)	

Consolidated statement of income						
In Euro million	June 30, 2012			December 31, 2012		
	Published amounts	Effect of the change	Restated amounts	Published amounts	Effect of the change	Restated amounts
Acquisition costs	(4,293)	(17)	(4,310)	(9,539)	(34)	(9,574)
Administrative expenses	(4,630)	(41)	(4,671)	(9,440)	(98)	(9,538)
Income tax	(919)	16	(903)	(1,135)	36	(1,098)
NET EFFECT		(43)			(96)	

Additionally, the application of the following amendments to standards as of January 1, 2013 had no material impact on the Group's consolidated interim financial statements:

IFRS 13 – Fair Value Measurement, published on May 12, 2011, defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

The amendment to IAS 1 – Presentation of Financial Statements, published on June 16, 2011, requires entities to group together items presented within Other Comprehensive Income based on whether they are potentially reclassifiable to profit or loss in a subsequent period. The amendment also preserves the requirement that items in Other Comprehensive Income and profit or loss should be presented as either a single statement or two consecutive statements.

The amendments to IFRS 7 – Financial Instruments Disclosure, published on December 16, 2011 amend disclosure requirements of information about rights of offset and related arrangements.

Annual Improvements 2009 – 2011 Cycle, published on May 17, 2012, includes amendments to IFRS that are not part of a major project. They are presented in a single document rather than as a series of small changes.

Standards, amendments and interpretations published but not yet being effective

IFRS 9 - Financial Instruments, published on November 12, 2009, amended on October 28, 2010 and December 16, 2011 and applicable to the Group from January 1, 2015 with earlier application permitted, represents the completion of the first part of a three-part project to replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. A financial asset is measured at amortized cost if both a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an entity can use the option to designate a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. For equity instruments that are not held for trading, an entity can also make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of the instruments (including realized gains and losses), dividends being recognized in profit or loss. Additionally, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in Other Comprehensive Income, unless the recognition of the effects of changes in the liability's credit risk in Other Comprehensive Income would create or enlarge an accounting mismatch in profit or loss. Moreover, the IASB issued an Exposure Draft on November 28, 2012 that proposes limited amendments to IFRS9, in particular the introduction of a third category of classification for financial instruments that would correspond to financial instruments held to collect contractual cash flows and for sale. These debt instruments would be measured at fair value with changes recognized in fair value through Other Comprehensive Income and realized gains or losses would be recycled through profit or loss upon sale. The adoption date of IFRS 9 including its different phases (the second and third phases respectively relate to the impairment methodology and the hedge accounting for which exposure drafts were published in 2012 and 2013), its method of implementation and its impact are currently being examined within the Group.

A package of five new and revised standards were published on May 12, 2011 addressing the accounting for consolidation, involvement in joint arrangements and disclosure of involvements with other entities. Each of the five standards have an effective date for annual periods beginning on or after January 1, 2013, with earlier application being permitted so long as each of the other standards in the package is also applied early. However, in December 2012, the European Union endorsed these five standards but decided to postpone to 2014 the 2013 mandatory application date required by IASB, still with early application permitted. As a result, the Group has chosen January 1, 2014, as application date. The potential impact on the Group's consolidated financial statements with regard to the package of five new and revised standards is currently being analysed.

- IFRS 10 – Consolidated Financial Statements replaces the consolidation guidance in IAS 27 – Consolidation and Separate Financial Statements and SIC-12 – Special Purpose Entities, by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee. Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns.
- IFRS 11 – Joint Arrangements introduces new accounting requirements for joint arrangements and replaces IAS 31 – Interests in Joint Ventures. IFRS 11 eliminates the option to apply the proportional consolidation method when accounting for jointly controlled entities and focuses on the rights and obligations of the arrangement, rather than the legal form. The application of the equity method instead of the proportional consolidation is not expected to have a material impact on the Group's consolidated financial statements.
- IFRS 12 – Disclosures of Interests in Other Entities requires enhanced disclosures for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- Amended IAS 27 – Separate Financial Statements sets out the unchanged requirements relating to separate financial statements. The other portions of IAS 27 are replaced by IFRS 10.

- Amended IAS 28 – Investments in Associates and Joint Ventures includes amendments for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

The amendments to IAS 32 – Financial Instruments: Presentation published on December 16, 2011, provide clarifications of the application of the offsetting rules. The amendments to IAS 32 clarify that in order to result in an offset of a financial asset and a financial liability, a right to set-off must be available today rather than be contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy. Additional clarifications are presented regarding the settlement process. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. An analysis of the amendments is currently in progress.

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27), published on October 31, 2012, provides an exemption from consolidation of subsidiaries under IFRS 10 – Consolidated Financial Statements for entities which meet the definition of an “investment entity”. Under the amendments, investment entities would measure their investment in subsidiaries at fair value through profit or loss. However, at a higher level, the parent company of an investment entity shall consolidate all entities that it controls, including those controlled through an investment entity, unless the parent itself is an investment entity. For these reasons, the amendments, that are effective for annual periods beginning on or after January 1, 2014, with early application permitted, are not expected to have a material impact on the Group's consolidated financial statements.

The amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets, published on May 29, 2013, address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014, with earlier application permitted if IFRS 13 has already been applied. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRIC 21 – Levies, published May 20, 2013, is an interpretation on the accounting for levies imposed by governments. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is effective for annual periods beginning on or after January 1, 2014 and is not expected to have a material impact on the Group's consolidated financial statements.

Narrow-scope amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting, published on June 27, 2013 provides relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments are effective for annual periods beginning on or after January 1, 2014 (with earlier application permitted) and are not expected to have a material impact on the Group's consolidated financial statements.

Preparation of financial statements

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. It requires a degree of judgment in the application of Group accounting principles described below. The main balance sheet captions concerned are goodwill (in particular impairment tests described in paragraph 1.6.1), intangible assets acquired in a business combination, the value of acquired business in force, deferred acquisition costs and equivalent, certain assets accounted at fair value, deferred tax assets, liabilities relating to the insurance business, pension benefit obligations and balances related to share-based compensation. The principles set out below specify the measurement methods used for these items. These methods, along with key assumptions where required, are discussed in greater depth in the notes relating to the asset and liability items concerned where meaningful and useful.

As recommended by IAS 1, assets and liabilities are generally classified globally on the balance sheet in increasing order of liquidity, which is more relevant for financial institutions than a classification between current and non-current items. As for most insurance companies, expenses are classified by destination in the income statement.

All amounts in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and in the notes are expressed in Euro million, and rounded up to the nearest whole unit, unless otherwise stated.

1.2.2. First time adoption of IFRS

The AXA Group's transition date was January 1, 2004. The Group prepared its opening IFRS balance sheet at that date. The Group's IFRS adoption date was January 1, 2005.

The major options elected in accordance with IFRS 1 were the following:

Purchase Accounting, goodwill and other intangibles related to past business combinations performed prior to January 1, 2004

AXA chose not to restate past business combinations based on the option available in IFRS 1. As a result, past business combinations prior to January 1, 2004 are accounted for on a previous GAAP basis in the IFRS financial statements, except:

- goodwill has been denominated in the functional currency of the acquired entity under IFRS since January 1, 2004 (transition to IFRS); and
- any item recognized under previous GAAP that did not qualify for recognition as an asset or liability under IFRS was reclassified into goodwill.

As a result, the goodwill gross value corresponds to the gross value of these goodwill net of cumulated amortization recognized in French GAAP as of December 31, 2003.

Currency Translation Differences

AXA elected the option to reset to zero all past cumulative currency translation differences for all foreign operations as of January 1, 2004.

Pension accounting

All cumulative past actuarial gains and losses on all employee benefit plans were recognized in retained earnings as of January 1, 2004.

Unless otherwise stated, the AXA's accounting policies have been consistently applied to all the periods presented in its financial statements, including policies relating to the classification and measurement of insurance contracts, investment contracts and other financial investments and liabilities including derivatives.

1.3. CONSOLIDATION

1.3.1. Scope and basis of consolidation

Companies in which AXA exercises control are known as subsidiaries. Under the current definition of IAS 27, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control according to the IAS 27/SIC 12 current model is transferred to AXA. Control is presumed to exist when AXA directly or indirectly holds more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are also considered when assessing whether AXA controls another entity.

Entities that are controlled in substance, even without any ownership interest, are also consolidated, as well as entities that are controlled in substance because of a specific statute or an agreement, even without any ownership interest. In particular this relates to special purpose entities, such as securitization vehicles.

Companies over which AXA exercises a joint controlling influence alongside one or more third parties are consolidated proportionately.

Companies in which AXA exercises significant influence are accounted for under the equity method. Significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights or, for example, when significant influence is exercised through an agreement with other shareholders. AXA's share of equity associates' post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in reserves is stated under "Other reserves".

Investment funds and real estate companies are either fully consolidated or proportionately consolidated or accounted for under the equity method, depending on which conditions of IAS 27/SIC 12 listed above they satisfy. For fully consolidated investment funds, minority interests are recognized at fair value and shown as liabilities in the balance sheet if the companies' instruments can be redeemed at any time by the holder at fair value. Investment funds accounted by equity method are shown under the balance sheet caption "Financial investments".

1.3.2. Business combinations and subsequent changes in the Group ownership interest

In accordance with the option made available by IFRS 1 – First-time adoption of IFRS, business combinations prior to 2004 were not restated with respect to French accounting principles in force at the time.

As the Group decided to early adopt Revised IFRS 3 – Business Combinations and amendments to IAS 27 – Consolidated and Separate Financial Statements from January 1, 2009, the principles described below are those that apply from that date.

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries and contingent liabilities

Upon first consolidation, all assets, liabilities and contingent liabilities (unless they are not present obligations) of the acquired company are estimated at their fair value. However, in compliance with an exemption permitted by IFRS 4, liabilities related to life insurance contracts or investment contracts with discretionary participating features are maintained at the carrying value prior to the acquisition date to the extent that this measurement basis is consistent with AXA's accounting principles. The fair value of acquired business in force relating to life insurance contracts and investment contracts with discretionary participating features is recognized as an asset corresponding to the present value of estimated future profits emerging on acquired business in force at the date of acquisition (also referred to as value of acquired business in force or VBI and reflecting the difference between the fair value and the carrying value of the liabilities). The present value of future profits takes into consideration the cost of capital and is estimated using actuarial assumptions based on projections made at purchase date but also using a discount rate that includes a risk premium.

Investment contracts with no discretionary participating features do not benefit from the exemption permitted by IFRS 4 in phase I of the IASB's insurance project such as described above, i.e. the fair value of acquired liabilities is booked through the recognition of an asset corresponding to the value of acquired business in force. Liabilities relating to investment contracts with no discretionary participating features are measured directly at fair value. In accordance with IAS 39, the fair value of these contracts cannot be less than surrender value when they contain a demand feature.

Other identifiable intangible assets such as the value of customer relationships should be recognized. The value of customer relationships intangible represents the value of future cash flows expected from renewals and the cross-selling of new products to customers known and identified at the time of the acquisition. These projections include assumptions regarding claims, expenses and financial revenues, or they can be estimated on the basis of the New Business Value. In line with accounting practices in force before the adoption of IFRS, which may continue to be applied under IFRS 4, future premiums relating to acquired business may be recognized in the "Value of acquired business in force" item.

To the extent that these other intangible assets can be estimated separately, they can also be measured by looking at the purchased marketing resources that will allow to generate these future cash flows.

The nature of the intangible assets recognized is consistent with the valuation methods used when purchasing the acquired entity.

In the context of a business combination, only restructuring costs that can be measured reliably and which correspond to an existing liability of the acquired company prior to the acquisition date are included in restructuring provisions recognized in the acquired company's balance sheet at acquisition date.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group.

Purchase consideration includes any contingent element (adjustment in the acquisition price conditional upon on one or more events). In the estimate of the contingent element, attention is paid to use assumptions that are consistent with the assumptions used for the valuation of intangible assets such as VBI. For business combinations that occurred before January 1, 2009, any contingent element was included in the cost of the combination to the extent the adjustment was probable and could be measured reliably. If the future events do not occur or the estimate needs to be revised, the cost of the business combination continues to be adjusted accordingly, taking account of the impact in terms of additional goodwill and/or adjustments of the valuation of acquired assets and liabilities. For business combinations on or after January 1, 2009, any change to the estimate of the contingent element between the acquisition date and the amount actually subsequently paid is recognized in the income statement.

Direct transaction costs related to a business combination are charged in the income statement when incurred.

In step acquisitions, any previously minority interest held by the Group is measured at fair value and the resulting adjustment is recognized through the net income. Similarly, when an additional purchase changes the control from significant influence or joint control to control, any investment pre-existing in a former associate/joint venture is re-measured to its fair value with the gain or loss through net income (consequently also resulting in a new goodwill).

According to a decision taken for each acquisition, any minority interest may be measured at fair value or at its proportionate interest in the acquiree's identifiable net assets.

If the transaction is denominated in a foreign currency, the exchange rate used is that in force on the date of the transaction or on the starting date of the transaction (if it occurs over a period).

Goodwill

Goodwill is measured as the excess of (a) the aggregate of the consideration transferred, the amount of any minority interest in the acquiree and in a business combination achieved in stages, the acquisition-date fair value of the Group's previously held equity interest in the acquiree over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising from the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

If the cost of acquisition is less than the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, the difference is directly recorded in the consolidated statement of income.

Adjustments can be made to goodwill within twelve months of the acquisition date, if new information becomes available to complete the initial accounting. In this case, comparative information is presented as if the initial accounting had been completed from the acquisition date.

If, after the period of twelve months, a deferred tax asset, initially considered as not recoverable, finally meets the recognition criteria, the corresponding tax benefit is recorded in the consolidated statement of income without a corresponding adjustment in goodwill.

Goodwill is allocated across operating segments (Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking) to cash generating units corresponding (i) to the companies acquired or portfolios of business acquired according to their expected profitability, and (ii) to the entities already within the AXA Group that will benefit from the synergies of the combination with the activities acquired. This allocation of goodwill is used both for segment reporting and for impairment testing.

Purchase and sale of minority interests in a controlled subsidiary

Purchase and sale transactions of minority interests in a controlled subsidiary that do not change the conclusion of control are recorded through shareholders' equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

Put over minority interests

When control over a subsidiary is acquired, a put option may be granted to minority shareholders. However, the recognition of the puttable instruments as a liability depends on the contractual obligations.

When the contract involves an unconditional commitment exercisable by the option holder, it is recognized as a liability. Since the balancing entry to this liability is not specified by current IFRS, the Group's method is (i) to reclassify minority interests from equity to liability, (ii) to re-measure this liability at the present value of the option price and (iii) to recognize the difference either as an increase in goodwill for puts existing before January 1, 2009 or as a decrease in equity (Group share) for a put granted after January 1, 2009, to the extent there is no immediate transfer of risks and rewards. Similarly, subsequent changes in the liability are recorded against goodwill for puts existing before January 1, 2009 and against equity (Group share) for puts granted after that date.

Intra-group transactions

Intra-group transactions, including internal dividends, payables/receivables and gains/losses on intra-group transactions are eliminated:

- in full for controlled subsidiaries, and
- to the extent of AXA's interest for entities consolidated by equity method or proportionate consolidation.

The effect on net income of transactions between consolidated entities is always eliminated. However, in case of a loss, an impairment test is performed, in order to assess whether an impairment has to be booked.

In the event of an internal sale of an asset that is not intended to be held on the long term by the Group, deferred tax is recognized as the current tax calculated on the realized gain or loss is eliminated. The income statement impact of the potential policyholders' participation resulting from this transaction is also eliminated, and a deferred policyholders' participation asset or liability is posted to the statement of financial position.

In addition, the transfer of consolidated shares, between two consolidated subsidiaries but held with different ownership percentages, should not impact the Group net income. The only exception would be any related tax and policyholders' participation recorded in connection to the transaction, which are maintained in the consolidated financial statements. These transfers also have an impact on Group shareholders' equity (with a balancing entry recorded in minority interests). This impact is identified in the "other" changes of the consolidated statement of shareholders' equity.

1.4. FOREIGN CURRENCY TRANSLATION OF FINANCIAL STATEMENTS AND TRANSACTIONS

The consolidated financial statements are presented in Euro million, the Euro being the Group's presentational currency. The results and financial position of all Group entities that have a functional currency (i.e. the currency of the primary economic environment in which the entity operates) different from the Group presentational currency are translated as follows:

- assets and liabilities of entities in a functional currency different from Euro are translated at the closing rate;
- revenues and expenses are translated at the average exchange rates over the period;
- all resulting foreign exchange differences are recognized as a separate component of equity (translation differences).

At the local entity level, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied as explained in paragraph 1.9.

As mentioned in paragraph 1.3.2, goodwill arising on the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

Foreign exchange differences arising from the translation of a net investment in a foreign subsidiary, borrowings and other currency instruments qualifying for hedge accounting of such investment are recorded in shareholders' equity under translation differences and are recycled in the income statement as part of the realized gain or loss on disposal of the hedge net investment.

Foreign exchange differences arising from monetary financial investments available for sale are recognized as income or expense for the period in respect of the portion corresponding to amortized cost. The residual translation differences relating to fair value changes are recorded in shareholders' equity.

Regarding the cumulative amount of the exchange differences related to disposed business, the Group applies the step-by-step consolidation method (IFRIC 16).

1.5. SEGMENT REPORTING

The segmental analysis provided in AXA's Annual Report and Financial Statements reflects operating business segments; it is based on five business lines: Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking. An additional "Holdings" segment includes all non-operational activities.

1.6. INTANGIBLE ASSETS

1.6.1. Goodwill and impairment of goodwill

Goodwill is considered to have an indefinite useful life and is therefore not amortized. Impairment tests are performed at least annually. Impairment of goodwill is not reversible.

AXA performs an impairment test of goodwill at least annually based on cash generating units, using a multi-criterion analysis with parameters such as the value of assets, future operating profits and market share, in order to determine any significant adverse changes. It also considers the interdependence of transactions within sub-groups. Within each cash generating unit, a comparison is made between net book value and the recoverable value (equal to the higher of fair value less costs to sell and value in use). Value in use consists of the net assets and expected future earnings from existing and new business, taking into account the cash generating units' future cash flows. The value of future expected earnings is estimated on the basis of the life insurance and investment contracts embedded value models or similar calculations for other activities. Fair values less costs to sell are based on various valuation multiples.

1.6.2. Value of purchased life insurance business in force (VBI)

The value of purchased insurance contracts and investment contracts with discretionary participating features recognized in a business combination (see paragraph 1.3.2) is amortized as profits emerge over the life of the contracts' portfolio. In conjunction with the liability adequacy test (see paragraph 1.13.2), VBI is subject to annual recoverability testing based on actual experience and expected changes in the main assumptions.

1.6.3. Deferred acquisition costs (DAC) relating to insurance contracts and investment contracts with discretionary participating features – Rights to future management fees, also known as Deferred origination costs (DOC) relating to investment contracts with no discretionary participating features

The direct costs of acquiring a portfolio of insurance contracts and investment contracts with discretionary participating features, primarily related to the selling, underwriting and initiating the insurance contracts in a portfolio, are deferred by recognizing an asset. In Property and Casualty, DAC are amortized over the terms of the policies, as premium is earned. For Life business, the asset is amortized based on the estimated gross profits emerging over the life of the contracts. This asset is tested for recoverability and any amount above future estimated gross profits is expensed. DAC are also tested through the liability adequacy test (see paragraph 1.13.2).

For investment contracts with no discretionary participating features, a similar asset is recognized, i.e. Rights to future management fees, also known as Deferred origination costs (DOC) but limited to costs directly attributable to the provision of investment management services. This asset is amortized by taking into account projections of fees collected over the life of the contracts. The amortization of DOC is reviewed at each closing date to reflect changes in assumptions and experience. This asset is also tested for recoverability.

DAC and DOC are reported gross of unearned revenues and fees reserves.

These unearned revenues and fees reserves are separately recognized as liabilities and are amortized over the contract term using the same amortization approach used for DAC and DOC.

1.6.4. Unearned revenues reserves

Revenues received at contract inception to cover future services are deferred and recognized in the income statement using the same amortization pattern as the one used for deferred acquisition costs.

1.6.5. Other intangible assets

Other intangible assets include software developed for internal use for which direct costs are capitalized and amortized on a straight-line basis over the assets' estimated useful lives.

They also include customer relationships intangibles as well as distribution agreements recognized as a result of business combinations. If these assets have a finite useful life, they are amortized on a straight line basis over their estimated life. In all cases, they are subject to impairment tests, at each closing for assets with a finite useful life and at least annually for other assets. In the event of a significant decline in value, an impairment is booked corresponding to the difference between the value on the balance sheet and the higher of value in use and fair value less costs to sell.

1.7. INVESTMENTS FROM INSURANCE, BANKING AND OTHER ACTIVITIES

Investments include investment in real estate properties and financial instruments including equity instruments, debt instruments and loans.

1.7.1. Investment in real estate properties

Investment in real estate properties (excluding investment in real estate properties totally or partially backing liabilities arising from contracts where the financial risk is borne by policyholders) is recognized at cost. The properties components are depreciated over their estimated useful lives, also considering their residual value if it may be reliably estimated.

In case of unrealized loss over 15%, an impairment is recognized for the difference between the net book value of the investment property and the fair value of the asset based on an independent valuation. Furthermore, at the level of each reporting entity, if the cumulated amount of unrealized losses under 15% (without offsetting with unrealized gains) represents more than 10% of the cumulated net cost of real estate assets, additional impairment are booked on a line-by-line approach until the 10% threshold is reached.

If, in subsequent periods, the appraisal value rises to at least 15% more than the net carrying value, previously recorded impairment is reversed to the extent of the difference between a) the net carrying value and b) the lower of the appraisal value and the depreciated cost (before impairment).

Investment in real estate properties that totally or partially back liabilities arising from contracts where the financial risk is borne by policyholders is recognized at fair value with changes in fair value through profit or loss.

1.7.2. Financial instruments classification

Depending on the intention and ability to hold the invested assets, financial instruments are classified in the following categories:

- assets held to maturity, accounted for at amortized cost;
- assets held for trading and assets designated as at fair value with change in fair value through profit or loss;
- available-for-sale assets accounted for at fair value with changes in fair value recognized through shareholders' equity;
- loans and receivables (including some debt instruments not quoted in an active market) accounted for at amortized cost.

At inception, the option to designate financial investments and liabilities at fair value with change in fair value recognized through income statement is mainly used by the Group in the following circumstances:

- financial investments when electing the fair value option allows the Group to solve accounting mismatch, and in particular:
 - assets backing liabilities arising from contracts where the financial risk is borne by policyholders,
 - assets included in hedging strategies set out by the Group for economical reasons but not eligible for hedge accounting as defined by IAS 39,
 - debt held by structured bond funds controlled and consolidated by the Group and made up of CDOs (Collateralized Debt Obligations);
- portfolios of managed financial investments whose profitability is valued on a fair value basis: mainly securities held by consolidated investment funds, managed according to the Group risk management policy ("Satellite Investment Portfolio", see definition below).

In practice, assets held through consolidated investment funds are classified:

- either as assets of the "Core Investment Portfolios" which include assets backing liabilities arising from insurance and investment contracts, managed according to AXA's ALM strategy; or
- as assets of the "Satellite Investment Portfolios", reflecting the strategic asset allocation based on a dynamic asset management aimed at maximizing returns.

Underlying financial instruments held in the "Core Investment Portfolios" are classified as available-for-sale unless involved in a qualifying hedge relationship or more broadly when electing the fair value option reduces accounting mismatch. As specified above, the financial instruments held in the "Satellite Investment Portfolios" are accounted for at fair value with changes in fair value recognized through income statement.

Assets designated as available-for-sale, trading assets, investments designated as at fair value through profit or loss and all derivatives are measured at fair value, i.e. the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The Group applies the IAS 39 fair value hierarchy.

Loans which are not designated under the fair value option are accounted at amortized cost using the effective interest rate method.

Impairment of financial instruments

AXA assesses at each balance sheet date whether a financial asset or a group of financial investments at (amortized) cost or designated as "available for sale" is impaired. A financial asset or group of financial investments is impaired when there is objective evidence of impairment as a result of one or more events and this event has an impact on the estimated future cash flows of the asset(s) that can be reliably estimated.

For debt instruments classified as “held to maturity” or “available for sale”, an impairment based respectively on future cash flows discounted using the initial effective interest rate or on fair value is recorded through the income statement if future cash flows may not be fully recoverable due to a credit event relating to the instrument issuer. A downgrade of an entity’s credit rating is not, of itself, evidence of impairment. If the credit risk is eliminated or improves, the impairment may be released. The amount of the reversal is also recognized in the income statement.

For equity instruments classified as available for sale, a significant or prolonged decline in the fair value below its carrying value is considered as indication for potential impairment, such as equity instruments showing unrealized losses over a 6 months period or more (prior to the closing date), or unrealized losses in excess of 20% of the net carrying value at the closing date. If such evidence exists for an available for sale financial asset, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment on that financial asset already booked in the income statement – is removed from shareholders’ equity and an impairment is recognized through the income statement. Equity instruments impairment recognized in the income statement cannot be reversed through the income statement until the asset is sold or derecognized.

Impairments of loans available for sale are based on the present value of expected future cash flows, discounted at the loan’s effective interest rate (down to the loan’s observable market price), or on the fair value of the collateral.

For financial investments accounted for at amortized cost, including loans and assets classified as “held to maturity” or assets designated as “Loans and receivables”, the impairment test is first performed at the asset level. A more global test is then performed on groups of assets with similar risk profile.

Methods for calculating the net book value of assets sold (average cost, first-in first-out, etc.) depend on local Assets and Liabilities Management (ALM) strategies as these strategies have been set up to take into account specific commitments to policyholders. These methods may differ within the Group provided that they are used consistently at each entity level.

1.7.3. Repurchase agreements and security lending

The Group is party to repurchase agreements and securities lending transactions under which financial assets are sold to a counterparty, subject to a simultaneous agreement to repurchase these financial assets at a certain later date, at an agreed price. While substantially all of the risks and rewards of the financial assets remain with the Group over the entire lifetime of the transaction, the Group does not derecognize the financial assets. The proceeds of the sale are reported separately. Interest expense from repurchase and security lending transactions is accrued over the duration of the agreements.

The Group is also party to reverse repurchase agreements under which financial assets are purchased from a counterparty, subject to a simultaneous agreement to return these financial assets at a certain later date, at an agreed price. If substantially all of the risks and rewards of the securities remain with the counterparty over the entire lifetime of the agreement of the transaction, the securities concerned are not recognized as financial assets of the Group. The amounts of cash disbursed are recorded under financial investments, except for transactions arising from banking activities, which are recorded as separate assets. Interest income on reverse repurchase agreements is accrued over the duration of the agreements.

1.8. ASSETS BACKING LIABILITIES ARISING FROM CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

Assets backing liabilities arising from insurance or investment contracts where the financial risk is borne by policyholders are presented in a separate aggregate of the balance sheet so that they are shown in a symmetrical manner to the corresponding liabilities. This presentation is considered more relevant for the users and consistent with the liquidity order recommended by IAS 1 for financial institutions, since the risks are borne by policyholders, whatever the type of assets backing liabilities (investment in real estate properties, debt instruments or equity instruments, etc.). Details of these assets are provided in the notes.

1.9. DERIVATIVE INSTRUMENTS

Derivatives are initially recognized at fair value at purchase date and are subsequently re-measured at their fair value. Unrealized gains and losses are recognized in the statement of income unless they relate to a qualifying hedge relationship as described below. The Group designates certain derivatives as either: (i) hedging of the fair value of recognized assets or liabilities or of a firm commitment (fair value hedge); or (ii) hedging of highly probable expected future transactions (cash flow hedge); or (iii) hedging of net investments in foreign operations.

The Group documents, at inception, the hedge relationship, as well as its risk management hedging objectives and strategy. The Group also documents the hedge effectiveness, both at inception and on an ongoing basis, indicating the actual or expected efficiency level of the derivatives used in hedging transactions in offsetting changes in the fair values or cash flows of hedged underlying items.

Fair value hedge

Changes in the fair value of derivatives designated and qualifying as fair value hedge are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability. Therefore, the gain or loss relating to any ineffective portion is directly recognized in the income statement.

Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized in shareholders' equity. The gain or loss relating to any ineffective portion is recognized in the income statement. Cumulative gain or loss in shareholders' equity is recycled in the income statement when the hedged underlying item impacts the profit or loss for the period (for example when the hedged future transaction is recognized). When a hedging instrument reaches its maturity date or is sold, or when a hedge no longer qualifies for hedge accounting, the cumulative gains or losses in shareholders' equity are held until the initially hedged future transaction ultimately impacts the income statement.

Net investment hedge

The accounting of net investments in foreign operations hedge is similar to the accounting of cash flow hedge. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in shareholders' equity; the gain or loss relating to the ineffective portion is recognized in the income statement. Cumulative gains and losses in shareholders' equity impact the income statement only on disposal of the foreign operations.

Derivatives not qualifying for hedge accounting

Changes in the fair value of all other derivative instruments that do not qualify for hedge accounting are recognized in the income statement.

The Group holds financial investments that include embedded derivatives. Such embedded derivatives are separately recorded and measured at fair value through profit or loss if the impact is deemed material.

For the statement of financial position presentation, derivatives are presented alongside with the underlying assets or liabilities for which they are used, regardless of whether these derivatives meet the criteria for hedge accounting.

1.10. ASSETS/LIABILITIES HELD FOR SALE AND ASSETS/LIABILITIES INCLUDING DISCONTINUED OPERATIONS

These comprise assets, particularly buildings or operations, intended to be sold or discontinued within twelve months. Subsidiaries held for sale remain within the scope of consolidation until the date on which the Group loses effective control. The assets and activities (assets and liabilities) concerned are measured at the lower of net carrying value and fair value net of selling costs. They are presented in separate asset and liability items on the balance sheet. The liabilities of subsidiaries (excluding shareholders' equity) held for sale are entered separately on the liability side of the consolidated balance sheet, with no netting against assets.

In the event of a discontinuation of operations representing either a business line, a main and distinct geographical region or a subsidiary acquired solely with a view to reselling, their after-tax contribution is stated on a separate line of the income statement. For comparison purposes, the same applies to the presentation of income statements relating to previous periods that are included in the financial statements. This separate line also includes the post-tax gain/loss recognized on the disposal of the discontinued operation at the date of loss of control.

Details on information presented in the statement of financial position and statement of income are provided in the notes to the consolidated financial statements.

1.11. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits while cash equivalents are short-term, liquid investments that are readily convertible to cash and which are subject to low volatility.

1.12. SHARE CAPITAL AND SHAREHOLDERS' EQUITY

1.12.1. Share capital

Ordinary shares are classified in shareholders' equity when there is no obligation to transfer cash or other assets to the holders.

Additional costs (net of tax) directly attributable to the issue of equity instruments are shown in shareholders' equity as a deduction to the proceeds.

1.12.2. Undated subordinated debt

Undated subordinated debt and any related interest charges are classified either in shareholders' equity (in the "other reserves" aggregate) or as liabilities depending on contract clauses without taking into consideration the prospect of redemption under economic constraints (e.g. step up clauses or shareholders' expectations).

1.12.3. Compound financial instruments

Any financial instrument issued by the Group with an equity component (for example an option granted to convert the debt instrument into an equity instrument of the Company) and a liability component (a contractual obligation to deliver cash) is classified separately on the liability side of the balance sheet with the equity component reported in Group shareholders' equity (in the "other reserves" aggregate). Gains and losses relating to redemptions or refinancing of the equity component are recognized as changes to shareholders' equity.

1.12.4. Treasury shares

Treasury shares and any directly related costs are recorded as a deduction to consolidated shareholders' equity. Where treasury shares are subsequently sold or reissued, any consideration received is included in consolidated shareholders' equity, net of any directly related costs and tax effects.

However, treasury shares held by controlled investment funds backing contracts where the financial risk is borne by policyholders are not deducted as all risks and income resulting from holding these shares are attributable to policyholders.

1.13. LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

1.13.1. Contracts classification

The Group issues contracts that transfer an insurance risk or a financial risk or both.

Insurance contracts, including assumed reinsurance contracts, are contracts that carry significant insurance risks. Such contracts may also transfer financial risk from the policyholders to the insurer. Investment contracts are contracts that carry financial risk with no significant insurance risk.

A number of insurance and investment contracts contain discretionary participating features. These features entitle the contract holder to receive additional benefits or bonuses on top of these standard benefits:

- they are likely to represent a significant portion of the overall contractual benefits;
- their amount or timing is contractually at the discretion of the Group; and
- they are contractually based on the performance of a group of contracts, the investment returns of a financial asset portfolio or the Company profits, a fund or another entity that issues the contract.

In some insurance or investment contracts, the financial risk is borne by policyholders. Such contracts are usually Unit-Linked contracts.

The Group classifies its insurance and investment contracts into six categories:

- liabilities arising from insurance contracts;
- liabilities arising from insurance contracts where the financial risk is borne by policyholders;
- liabilities arising from investment contracts with discretionary participating features;
- liabilities arising from investment contracts with no discretionary participating features;
- liabilities arising from investment contracts with discretionary participating features where the financial risk is borne by policyholders; these relate to Unit-Linked contracts or multi-funds contracts containing a non-Unit-Linked fund with discretionary participating features;
- liabilities arising from investment contracts with no discretionary participating features where the financial risk is borne by policyholders.

1.13.2. Insurance contracts and investment contracts with discretionary participating features

Except where IAS 39 applies, according to IFRS 4, recognition and derecognition are based on the AXA accounting policies existing prior to IFRS and are described below, except for the elimination of equalization provisions, selective changes as permitted by IFRS 4 (see below), and the extension of shadow accounting .

The main characteristics of the accounting principles applied prior to IFRS and retained after the conversion to IFRS are as follows:

- reserves must be sufficient;
- life reserves cannot be discounted using a discount rate higher than prudently estimated expected assets yield;
- acquisition costs are deferred to the extent recoverable and amortized based on the estimated gross profits emerging over the life of the contracts;
- property and casualty claims reserves represent estimated ultimate costs. Post claims reserves are generally not discounted, except in limited cases.

PRE-CLAIMS RESERVES

Unearned premiums reserves represent the pro rata portion of written premiums that relates to unexpired risks at the closing date.

For traditional life insurance contracts (that is, contracts with significant mortality or morbidity risk), the future policy benefits reserves are calculated on a prospective basis according to each country regulation provided methods used are consistent with the Group's policies and using assumptions on investment yields, morbidity/mortality and expenses.

Changes in reserves are booked if there are impacts caused by a change in the mortality table.

Future policy benefits reserves relating to investment contracts with discretionary participation features (previously called "savings contracts" in AXA's accounting principles) that carry low mortality and morbidity risk are generally calculated using a prospective approach based on discount rates usually set at inception (similar to the retrospective approach, i.e. "account balance" methodology).

The discount rates used by AXA are less or equal to the expected future investment yields (assessed on prudent basis).

Part of the policyholders participation reserve is included in future policy benefits reserves, according to contractual clauses.

Except when these guarantees are covered by a risk management program using derivative instruments (see next paragraph), guaranteed minimum benefits reserves relating to contracts where the financial risk is borne by policyholders (insurance contracts because they include such guarantees or investment contracts with discretionary participating features), are build over the life of the contract based on a prospective approach: the present value of future benefit obligations to be paid to policyholders in relation to these guarantees is estimated on the basis of reasonable scenarios. These scenarios are based on assumptions including investment returns, volatility, surrender and mortality rates. This present value of future benefit obligations is reserved as fees are collected over the life of the contracts.

Some guaranteed benefits such as Guaranteed Minimum Death or Income Benefits (GMDB or GMIB), or certain guarantees on return proposed by reinsurance treaties, are covered by a risk management program using derivative instruments. In order to minimize the accounting mismatch between liabilities and hedging derivatives, AXA has chosen to use the option allowed under IFRS 4.24 to re-measure its provisions: this revaluation is carried out at each accounts closing based on guarantee level projections and considers interest rates and other market assumptions. The liabilities revaluation impact in the current period is recognized through income, symmetrically with the impact of the change in value of hedging derivatives.

This change in accounting principles was adopted on the first time application of IFRS on January 1, 2004 for contracts portfolios covered by the risk management program at that date. Any additional contracts portfolios covered by the risk management program after this date are valued on the same terms as those that applied on the date the program was first applied.

POST CLAIMS RESERVES

Claims reserves (life and non life contracts)

The purpose of claims reserves is to cover the ultimate cost of settling an insurance claim. Claims reserves are generally not discounted, except in cases such as disability annuities.

Claims reserves include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs. Claims reserves are based on historical claim data, current trends, actual payment patterns for all insurance business lines as well as expected changes in inflation, regulatory environment or anything else that could impact amounts to be paid.

Shadow accounting and Deferred policyholders Participation Asset (DPA) or Liability (DPL)

In compliance with IFRS 4 option, shadow accounting is applied to insurance and investment contracts with discretionary participating features. Shadow accounting is applied to technical liabilities, acquisition costs and value of business in force to take into account unrealized gains or losses on insurance liabilities or assets in the same way as it is done for a realized gain or loss of invested assets. When unrealized gains or losses are recognized, a deferred participating liability (DPL) or asset (DPA) is recorded. The DPL or DPA corresponds to the discretionary participation available to the policyholders and is generally determined by applying on the basis of estimated participation of policyholders in unrealized gains and losses and any other valuation difference with the local contractual basis. Jurisdictions where participating business is significant are Switzerland (for example "legal quote" for group insurance policies), Germany and France where the minimum is set to 90%, 90% and 85% respectively, of a basis which may include not only financial income but also other components such as in Germany or Switzerland. Participating business is less prevalent in the United States or in Japan.

The estimated discretionary participating feature of such contracts is fully recognized in the liabilities. As a consequence, there is no component recognized as an equity component and AXA does not need to ensure the liability recognized for the whole contract is not less than the amount that would result from applying IAS 39 to the guaranteed element.

When a net unrealized loss (unrealized change in fair value, impairment, expense related, ...) is accounted, a deferred participating asset (DPA) may be recognized only to the extent that it is highly probable that it can be charged to policyholders, by entity, in the future. This could be the case if the DPA can be offset against future participation either directly through deduction of the DPL from future capital gains or the DPL netted against value of businesses in force or indirectly through deduction of future fees on premiums or margins.

Unrealized gains and losses on assets classified as trading or designated at fair value through profit and loss, along with any other entry impacting the income statement and generating a timing difference, are accounted in the income statement of the income with a corresponding shadow entry adjustment in the statement of income. The shadow accounting adjustments relating to unrealized gains and losses on assets available-for-sale (for which change in fair value is taken to shareholders' equity) are booked through shareholders' equity.

Recoverability tests and liability adequacy test (LAT)

Deferred participation

When net deferred participation asset is recognized, the Group uses liquidity analyses performed by the entities to assess the capacity to hold assets showing unrealized loss position, if any, generating such debits. The Group then performs projections to compare the value of assets backing policyholders' contracts with expected payments to be made to policyholders.

Liability Adequacy Test

In addition, at each balance sheet date, liability adequacy tests are performed in each consolidated entity in order to ensure the adequacy of the contract liabilities net of related DAC and VBI assets and deferred policyholders' participation asset. To perform these tests, entities group contracts together according to how they have been acquired, are serviced and have their profitability measured. Entities use current best estimates of all future contractual cash flows as well as claims handling and administration expenses, and take into account guarantees and investment yields relating to assets backing these contracts.

- such tests are based on the intention and capacity of entities to hold financial assets according to various sets of scenarios, excluding the value of new business;
- they include projections of future investments sales according to estimated surrender patterns; and
- the extent to which resulting gains/losses may be allocated/charged to policyholders, i.e. profit sharing between policyholders and shareholders.

These tests therefore include the capacity to charge estimated future losses to policyholders on the basis of the assessment of the holding horizon and potential realization of losses among unrealized losses existing at closing date.

Contract specific risks (insurance risk, asset return risk, inflation risk, persistency, adverse selection, etc.) directly related to the contracts are also considered.

Depending on the type of business, the future investment cash flows and discounting may be based on a deterministic best estimate rate, with corresponding participation, or in the case of Guaranteed Minimum Benefits, stochastic scenarios. Testing is performed either by a comparison of the reserve booked net of related assets (DAC, VBI, etc.) directly with discounted cash flows, or by ensuring that the discounted profit net of participation from release of the technical provisions exceeds net related assets.

Any identified deficiency is charged to the income statement, initially by respectively writing off DPA, DAC or VBI, and subsequently by establishing a LAT provision for losses arising from the liability adequacy test for any amount in excess of DPA, DAC and VBI. For non-life insurance contracts, an unexpired risk provision is accounted for contracts on which the premiums are expected to be insufficient to cover expected future claims and claims expenses.

Embedded derivatives in insurance and investment contracts with discretionary participating features

Embedded derivatives that meet the definition of an insurance contract or correspond to options to surrender insurance contracts for a set amount (or based on a fixed amount and an interest rate) are not separately measured. All other embedded derivatives are bifurcated and booked at fair value when material (with change in fair value recognized through income statement) if they are not considered as closely related to the host insurance contract and/or do not meet the definition of an insurance contract.

1.13.3. Investment contracts with no discretionary participating features

In accordance with IAS 39, these contracts are accounted for using “deposit accounting”, which mainly results in not recognizing the cash flows corresponding to premiums, benefits and claims in the statement of income (see “Revenue recognition” paragraph below). These cash flows shall rather be recognized as deposits and withdrawals.

This category includes mainly Unit-Linked contracts that do not meet the definition of insurance or investment contracts with discretionary participating features. For these Unit-Linked contracts, the liabilities are valued at current unit value, i.e. on the basis of the fair value of the financial investments backing those contracts at the balance sheet date together with Rights to future management fees, also known as Deferred origination costs (DOC, described in paragraph 1.6.3).

UNEARNED FEES RESERVES

Fees received at inception of an investment contract with no discretionary participating features to cover future services are recognized as liabilities and accounted in the income statement based on the same amortization pattern as the one used for deferred origination costs.

1.14. REINSURANCE

Transactions relating to reinsurance assumed and ceded are accounted in the balance sheet and income statement in a similar way to direct business transactions provided that these contracts meet the insurance contracts classification requirements and in agreement with contractual clauses.

1.15. FINANCING DEBT

Financing debt issued to finance the solvency requirements of operational entities or to acquire a portfolio of contracts are isolated in a specific aggregate of the statement of financial position and are accounted for at amortized cost.

1.16. OTHER LIABILITIES

1.16.1. Income taxes

The half year income tax charge is based on the best estimate of the expected full year tax rate (if progressive tax rates, based on income levels) for each Group entity and for each tax category. Deferred tax assets and liabilities emerge from

temporary differences between the accounting and fiscal values of assets and liabilities, and when applicable from tax loss carry forwards. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset the temporary differences. The recoverability of deferred tax assets recognized in previous periods is reassessed at each closing.

In particular, a deferred tax liability is recognized for any taxable temporary difference relating to the value of shares in a consolidated company held, unless the Group controls at what date the temporary difference will reverse and it is probable that the temporary difference will not reverse in the foreseeable future. If a group company decides to sell its stake in another consolidated entity, the difference between the carrying value and the tax value of these shares for the company that holds them leads to the recognition of a deferred tax (including as part of a business combination when the Group as the buyer intends to sell or carry out internal restructuring of the shares following the acquisition). The same approach applies to dividend payments that have been voted or deemed likely, to the extent that a tax on dividends will be due.

Deferred taxes for taxable temporary differences relating to tax deductible goodwill are recognized to the extent they do not arise from the initial recognition of goodwill. These deferred taxes are only released if the goodwill is impaired or if the corresponding consolidated shares are sold.

The measurement of deferred tax liabilities and deferred tax assets reflects the expected tax impact, at the balance sheet date. That would follow the way the Group expects to recover or settle the carrying amount of its assets and liabilities. When income taxes are calculated at a different rate if dividends are paid, deferred taxes are measured at the tax rate applicable to undistributed profits. The income tax consequences of dividends are only accounted when a liability to pay the dividend is recognized.

1.16.2. Pensions and other post-retirement benefits

Pensions and other post-retirement benefits include the benefits payable to AXA Group employees after they retire (retirement compensation, additional pension benefit, health insurance). In order to meet those obligations, some regulatory framework have allowed or enforced the set up of dedicated funds (plan assets).

Defined contribution plans: payments are made by the employer to a third party (e.g. pension trusts). These payments free the employer of any further commitment, and the obligation to pay acquired benefits to the employees is transferred. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be recorded once contributions are made.

Defined benefit plans: an actuarial assessment of the commitments based on each plan's internal rules is performed. The present value of the future benefits paid by the employer, known as the DBO (Defined Benefit Obligation), is calculated annually on the basis of long-term projections of rate of salary increase, inflation rate, mortality, staff turnover, pension indexation and remaining service lifetime. The amount recorded in the balance sheet for employee benefits is the difference between the Defined Benefit Obligation and the market value at the balance sheet date of the corresponding invested plan assets after adjustment at fair value. If the net result is negative, a provision is recorded under the provision for risks and charges heading. If the net result is positive, a prepaid asset is recorded in the balance sheet but not more than its recoverable amount (asset ceiling). Actuarial gains and losses (now termed remeasurements under IAS19 revised) arising from experience adjustments and changes in actuarial assumptions are recognized in shareholders' equity (in Other Comprehensive Income) in full in the period in which they occur. Similarly, the actual return on assets and any change in asset ceiling, excluding the net interest income on assets, is recognized in shareholders' equity. The regular impact in the income statement mainly relates to the current service cost (annually accruing employee benefit) and the net interest on the amount recorded in the opening balance sheet (unwinding of discount applied to the liability/asset at start of the annual period, taking account contributions and benefits payments during the period). Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment to a plan. It is recognized totally and immediately in the income statement when incurred. Gains and losses on the settlement of a defined benefit plan also have an impact in the income statement when the settlement occurs.

1.16.3. Share-based compensation plans

The Group's share-based compensation plans are predominantly settled in equities.

All equity-settled share-based compensation plans granted after November 7, 2002 and not fully vested as of January 1, 2004 are accounted for at fair value at the date they were granted and the fair value is expensed over the vesting period.

Cash-settled share-based compensation plans are recognized at fair value, which is remeasured at each balance sheet date with any change in fair value recognized in the statement of income.

The AXA Shareplan issued under a specific French regulatory framework includes a traditional and a leveraged formula (with an application subject to specific local regulations within the Group).

The cost of the traditional formula of Shareplan is valued according to the specific guidance issued in France by the ANC (*Autorité des Normes Comptables*). The cost of the leveraged formula plan is valued by taking into account the five-year lock-up period for the employees (as in the traditional plan) but adding the value of the advantage granted to the employees by enabling them to benefit from an institutional derivatives-based pricing instead of a retail pricing.

1.17. PROVISIONS FOR RISKS, CHARGES AND CONTINGENT LIABILITIES

1.17.1. Restructuring costs

Restructuring provisions other than those that may be recognized on the balance sheet of an acquired company on the acquisition date are recorded when the Group has a present obligation evidenced by a binding sale agreement or a detailed formal plan whose main features are announced to those affected or to their representatives.

1.17.2. Other provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when the provision can be reliably estimated. Provisions are not recognized for future operating losses. The same applies to contingent liabilities, except if identified at the time of a business combination (see paragraph 1.3.2).

Provisions are measured at management's best estimate, at the balance sheet date, of the expenditure required to settle the obligation, discounted at the market risk-free rate of return for long term provisions.

1.18. REVENUE RECOGNITION

1.18.1. Gross written premiums

Gross written premiums correspond to the amount of **premiums written** by insurance and reinsurance companies on business inception in the year with respect to both insurance contracts and investment contracts with discretionary participating features, net of cancellations and gross of reinsurance ceded. For reinsurance, premiums are recorded on the basis of declarations made by the ceding company, and may include estimates of gross written premiums.

1.18.2. Fees and revenues from investment contracts with no discretionary participating features

Amounts collected as premiums from investment contracts with no discretionary participating features are reported as deposits net of any loadings and policy fees. Revenues from these contracts consist of loadings and policy fees relating to underwriting, investment management, administration and surrender of the contracts during the period. Front-end fees collected corresponding to fees for future services are recognized over the estimated life of the contract (see "Unearned fees reserves" paragraph 1.13.3).

1.18.3. Deposit accounting

Investment contracts with no discretionary participating features fall within the scope of IAS 39. Deposit accounting applies to these contracts, which involves the following:

- the Group directly recognizes the consideration received as a deposit financial liability rather than as revenues;
- claims paid are recognized as withdrawals with no posting in the income statement apart from potential fees.

1.18.4. Unbundling

The Group unbundles the deposit component of contracts when required by IFRS 4, i.e. when both the following conditions are met:

- the Group can measure separately the “deposit” component (including any embedded surrender option, i.e. without taking into account the “insurance” component);
- the Group accounting methods do not otherwise require to recognize all obligations and rights arising from the “deposit” component.

No such situation currently exists within the Group. In accordance with IFRS 4, the Group continues to use the accounting principles previously applied by AXA to insurance contracts and investment contracts with discretionary participating features. According to these principles, there are no situations in which all rights and obligations related to contracts are not recognized.

1.18.5. Change in unearned premiums reserves net of unearned revenues and fees

Changes in unearned premium reserves net of unearned revenues and fees include both the change in the unearned premiums reserve reported as a liability (see “*Unearned premiums reserves*” in paragraph 1.13.2) and the change in unearned revenues and fees. Unearned revenues and fees correspond to upfront charges for future services recognized over the estimated life of insurance and investment contracts with discretionary participating features (see “*Unearned revenues reserves*” in paragraph 1.13.2) and investment contracts with no discretionary participating features (see paragraph 1.13.3 “*Unearned fees reserves*”).

1.18.6. Net revenues from banking activities

Net revenues from banking activities include all revenues and expenses from banking operating activities, including interests expenses not related to financing, banking fees, capital gains and losses on sales of financial assets, change in fair value of assets under fair value option and related derivatives.

They exclude bank operating expenses and change in bad debt provisions, doubtful receivables or loans, which are recorded in the item “Bank operating expenses”.

1.18.7. Revenues from other activities

Revenues from other activities mainly include:

- commissions received and fees for services relating to asset management activities;
- insurance companies revenues from non insurance activities, notably commissions received on sales or distribution of financial products; and
- rental income received by real estate management companies.

1.18.8. Policyholders’ participation

The half year policyholders’ participation charge is based on the best estimate of the planned full year distribution rate for each portfolio of contracts at each Group entity level.

1.18.9. Net investment result excluding financing expenses

The net investment result includes:

- investment income from investments from non banking activities, net of depreciation expense on real estate investments (depreciation expense relating to owner occupied properties is included in the “administrative expenses” aggregate); this item includes interest received calculated using the effective interest method for debt instruments and dividends received on equity instruments;
- investment management expenses (excludes financing debt expenses);
- realized investment gains and losses net of releases of impairment following sales;
- the change in unrealized gains and losses on invested assets measured at fair value through profit or loss;
- the change in impairment of investments (excluding releases of impairment following sales).

In respect of banking activities, interest income and expenses are included in the “Net revenue from banking activities” item (see paragraph 1.18.6).

1.19. SUBSEQUENT EVENTS

Subsequent events relate to events that occur between the balance sheet date and the date when the financial statements are authorized for issue:

- such events lead to an adjustment of the consolidated financial statements if they provide evidence of conditions that existed at the balance sheet date;
- such events result in additional disclosures if indicative of conditions that arose after the balance sheet date, and if relevant and material.

Note 2 Scope of consolidation

2.1. CONSOLIDATED COMPANIES

2.1.1. Main fully consolidated companies

Parent and Holding Companies	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
AXA		Parent company		Parent company	
AXA Asia		100.00	100.00	100.00	100.00
AXA China		100.00	100.00	100.00	100.00
AXA France Assurance		100.00	100.00	100.00	100.00
Oudinot Participations		100.00	100.00	100.00	100.00
Société Beaujon		100.00	100.00	100.00	100.00
AXA Technology Services		99.99	99.99	99.99	99.99
United States					
AXA Financial, Inc.		100.00	100.00	100.00	100.00
AXA America Holding Inc.		100.00	100.00	100.00	100.00
United Kingdom					
Guardian Royal Exchange Plc		100.00	99.98	100.00	99.98
AXA UK Plc		100.00	99.98	100.00	99.98
AXA Equity & Law Plc		99.96	99.96	99.96	99.96
Asia/Pacific (excluding Japan)					
National Mutual International Pty Ltd		100.00	100.00	100.00	100.00
AXA Financial Services (Singapore)		100.00	100.00	100.00	100.00
AXA India Holding		100.00	100.00	100.00	100.00
Japan					
AXA Japan Holding		99.02	99.02	99.02	99.02
Germany					
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	100.00	100.00
AXA Konzern AG		100.00	100.00	100.00	100.00
Belgium					
AXA Holdings Belgium		100.00	100.00	100.00	100.00
Luxembourg					
AXA Luxembourg SA		100.00	100.00	100.00	100.00
Finance Solutions SARL		100.00	100.00	100.00	100.00
The Netherlands					
Vinci BV		100.00	100.00	100.00	100.00
Mediterranean and Latin American Region					
AXA Mediterranean Holding SA		100.00	100.00	100.00	100.00
AXA Italia S.p.A.		100.00	100.00	100.00	100.00
AXA Holding Maroc S.A.		100.00	100.00	100.00	100.00
AXA Turkey Holding A.S.		100.00	100.00	100.00	100.00

Life & Savings and Property & Casualty	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
AXA France IARD		99.92	99.92	99.92	99.92
AXA France Vie		99.77	99.77	99.77	99.77
AXA Protection Juridique		98.51	98.51	98.51	98.51
United States					
AXA Equitable Life Insurance Company		100.00	100.00	100.00	100.00
Mony Life Insurance Company (a)		100.00	100.00	100.00	100.00
AXA Re Arizona Company		100.00	100.00	100.00	100.00
United Kingdom					
AXA Insurance UK Plc		100.00	99.98	100.00	99.98
AXA PPP Healthcare Limited		100.00	99.98	100.00	99.98
AXA Isle of Man Limited		100.00	99.98	100.00	99.98
AXA Wealth Limited		100.00	99.98	100.00	99.98
Architas Multi-Manager Limited		100.00	99.98	100.00	99.98
AXA Portfolio Services Limited		100.00	99.98	100.00	99.98
Ireland					
AXA Insurance Limited		100.00	99.98	100.00	99.98
AXA Life Europe Limited		100.00	100.00	100.00	100.00
AXA Reinsurance Ireland Limited		100.00	100.00	100.00	100.00
Asia/Pacific (excluding Japan)					
AXA Life Insurance Singapore		100.00	100.00	100.00	100.00
AXA China Region Limited		100.00	100.00	100.00	100.00
AXA General Insurance Hong Kong Ltd.		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
PT AXA Life Indonesia		100.00	100.00	100.00	100.00
MLC Indonesia		100.00	100.00	100.00	100.00
AXA Affin General Insurance Berhad (b)	Minority interests buyout	42.48	42.48	42.41	42.41
AXA Insurance Public Company Limited (Thailand) (c)	Newly consolidated	99.31	99.31	-	-
Japan					
AXA Life Insurance		100.00	99.02	100.00	99.02
Germany					
AXA Versicherung AG		100.00	100.00	100.00	100.00
AXA Art		100.00	100.00	100.00	100.00
AXA Lebensversicherung AG		100.00	100.00	100.00	100.00
Pro Bav Pensionskasse		100.00	100.00	100.00	100.00
Deutsche Ärzteversicherung		100.00	100.00	100.00	100.00
AXA Krankenversicherung AG		100.00	100.00	100.00	100.00
DBV-Winterthur Lebensversicherung AG		100.00	99.74	100.00	99.74
Winsecura Pensionskasse AG		100.00	100.00	100.00	99.74
Rheinisch-Westfälische Sterbekasse Lebensversicherung AG	Disposal	-	-	100.00	100.00
DBV Deutsche Beamten-Versicherung AG		100.00	100.00	100.00	100.00
Belgium					
Ardenne Prévoyante		100.00	100.00	100.00	100.00
AXA Belgium SA		100.00	100.00	100.00	100.00
Servis SA		100.00	100.00	100.00	100.00
Les Assurés Réunis	Minority interests buyout	100.00	100.00	99.95	99.95
Luxembourg					
AXA Assurances Luxembourg		100.00	100.00	100.00	100.00
AXA Assurances Vie Luxembourg		100.00	100.00	100.00	100.00
Mediterranean and Latin American Region					
AXA Vida, S. A. de Seguros (Spain)		99.82	99.82	99.82	99.82
AXA Aurora Vida, S.A. de Seguros (Spain)		99.96	99.78	99.96	99.78
AXA Seguros Generales, S. A. (Spain)		99.90	99.90	99.90	99.90
AXA Interlife (Italy)		100.00	99.99	100.00	99.99
AXA Assicurazioni e Investimenti (Italy)		100.00	99.99	100.00	99.99
AXA MPS Vita (Italy)		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Danni (Italy)		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Financial (Italy)		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA Portugal Companhia de Seguros SA		99.73	99.49	99.73	99.49
AXA Portugal Companhia de Seguros de Vida SA		95.09	94.89	95.09	94.89
AXA Assurance Maroc		100.00	100.00	100.00	100.00
AXA Hayat ve Emeklilik A.S. (Turkey)		100.00	100.00	100.00	100.00
AXA Sigorta AS (Turkey)	Minority interests buyout	89.80	89.80	72.59	72.59
AXA Cooperative Insurance Company (Gulf)		50.00	34.00	50.00	34.00
AXA Insurance (Gulf) B.S.C.c.		50.00	50.00	50.00	50.00
AXA Insurance A.E. (Greece)		99.98	99.98	99.98	99.98
AXA Seguros S.A. de C.V. (Mexico)		99.97	99.97	99.97	99.97
AXA Middle East SAL (Lebanon) (c)	Newly consolidated	51.00	51.00	-	-
Switzerland					

AXA Life (previously Winterthur Life)	100.00	100.00	100.00	100.00
AXA-ARAG Legal Assistance	66.67	66.67	66.67	66.67
AXA Insurance (previously Winterthur Swiss Insurance P&C)	100.00	100.00	100.00	100.00
Central and Eastern Europe				
AXA Czech Republic Pension Funds	99.99	99.99	99.99	99.99
AXA Czech Republic Insurance	100.00	100.00	100.00	100.00
AXA Hungary	100.00	100.00	100.00	100.00
AXA Poland	100.00	100.00	100.00	100.00
AXA Poland Pension Funds	100.00	100.00	100.00	100.00
AXA Slovakia	100.00	100.00	100.00	100.00
AXA Ukraine	50.17	50.17	50.17	50.17
Direct (d)				
Avanssur (France and Poland)	100.00	100.00	100.00	100.00
Kyobo AXA General Insurance Co. Ltd. (South Korea)	99.52	99.52	99.52	99.52
AXA Non Life Insurance Co. Ltd. (Japan)	100.00	99.02	100.00	99.02
Touring Assurances SA (Belgium)	100.00	100.00	100.00	100.00
Hilo Direct SA de Seguros y Reaseguros (Spain)	100.00	100.00	100.00	100.00
Quixa S.p.A (Italy)	100.00	100.00	100.00	99.99
Seguro Directo Gere Companhia de Seguros SA (Portugal)	100.00	100.00	100.00	100.00

(a) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

(b) AXA Group exercises control in accordance with shareholders' agreements.

(c) Consolidation through Equity Method as a proxy due to low materiality.

(d) UK Direct activities are held by AXA Insurance UK Plc.

International Insurance (entities having worldwide activities)	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Corporate Solutions Assurance (sub-group)		98.75	98.75	98.75	98.75
AXA Global P&C		100.00	100.00	100.00	100.00
AXA Global Life		100.00	100.00	100.00	100.00
AXA Assistance (sub group)		100.00	100.00	100.00	100.00
Portman Insurance Ltd.		100.00	100.00	100.00	100.00
Colisée RE		100.00	100.00	100.00	100.00
AXA Corporate Solutions Life Reinsurance Company		100.00	100.00	100.00	100.00

Asset Management (entities having worldwide activities)	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Investment Managers (sub group)		95.87	95.82	95.87	95.82
AllianceBernstein (sub group) (a)		64.20	64.20	65.51	65.51

(a) The decrease in the Group share of interest is mainly due to the granting of holding units to the employees in relation with the share-based compensation programs

Banking	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
AXA Banque		100.00	99.89	100.00	99.89
AXA Banque Financement		65.00	64.93	65.00	64.93
Germany					
AXA Bank AG		100.00	100.00	100.00	100.00
Belgium					
AXA Bank Europe (sub group)		100.00	100.00	100.00	100.00

Other	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
CFP Management		100.00	100.00	100.00	100.00

Consolidated investments and investment funds

As of June 30, 2013, consolidated investment funds represented total invested assets of €109 billion (€104 billion at the end of 2012), corresponding to 298 investment funds mainly in France, Japan and Germany and in majority relating to the Life & Savings segment.

As of June 30, 2013, the 30 consolidated real estate companies corresponded to total invested assets of €6,481 million (€6,717 million at the end of 2012), mainly in Germany and France.

In most investment funds (particularly open-ended investment funds), minority interests do not meet the definition of shareholders' equity. They are therefore presented as liabilities under "Minority interests of consolidated investment funds and puttable instruments held by minority interest holders". As of June 30, 2013, minority interests in consolidated investment funds amounted to €6,244 million (€3,775 million as of December 31, 2012).

2.1.2. Proportionately consolidated companies

Life & Savings and Property & Casualty	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
Natio Assurances		50.00	49.96	50.00	49.96

2.1.3. Main investments in companies accounted for using the equity method

Companies accounted for using the equity method listed below exclude investment funds and real estate entities:

	Change in scope	June 30, 2013		December 31, 2012	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
	Neuflize Vie	39.98	39.98	39.98	39.98
Asia/Pacific					
	Philippines AXA Life Insurance Corporation	45.00	45.00	45.00	45.00
	Krungthai AXA Life Insurance Company Ltd (Thailand)	50.00	50.00	50.00	50.00
	ICBC-AXA Life Insurance Co. Ltd (China)	27.50	27.50	27.50	27.50
	PT AXA Mandiri Financial Services (Indonesia)	49.00	49.00	49.00	49.00
	Bharti AXA Life (India)	26.00	26.00	26.00	26.00
	Bharti AXA General Insurance Company Limited (India)	Newly consolidated	26.00	26.00	-
Russia					
	Reso Garantia (RGI Holdings B.V.)	39.34	39.34	39.34	39.34
Asset Management					
	AXA Investment Managers Asia Holdings Private Limited	49.00	46.95	49.00	46.95
	Kyobo AXA Investment Managers Company Limited	50.00	47.91	50.00	47.91

Investment funds and real estate entities accounted for using the equity method.

As of June 30, 2013, real estate companies accounted for using the equity method represented total assets of €274 million (€296 million at the end of 2012) and investment funds accounted for using the equity method represented total assets of €4,728 million (€4,900 million at the end of 2012), mainly in the United States, Germany, Belgium, Switzerland and the United Kingdom.

2.2. CONSOLIDATED ENTITIES RELATING TO SPECIFIC OPERATIONS

Arche Finance

In 2008, AXA France invested in Arche Finance, an investment vehicle dedicated to credit investment, which entered the scope of consolidation in June 2008 with a loan of €200 million. Held assets amounted to €1,200 million as of June 30, 2013.

Hordle

In 2009, AXA set up a Group financing and cash management company which benefited from a loan of £673 million.

Note 3 Consolidated statement of income by segment

Given the activities of AXA, the operating results are presented on the basis of five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking. An additional "Holding companies" segment includes all non-operational activities. The financial information relating to AXA's business segments and holding Company activities reported to the Board of Directors twice a year is consistent with the presentation provided in the consolidated financial statements.

The Group has set up an organization by Global business lines for both Life & Savings and Property & Casualty in order to improve the speed and effectiveness of the organization and further leverage its size.

The Life & Savings Global business line, as part of its role to define a common strategy has set the following priorities:

- accelerate diversification into Protection and Health;
- enhance profitability in Savings business;
- prioritize investments for growth;
- foster business efficiency.

The Property & Casualty Global business line is responsible for:

- defining common Property & Casualty strategy;
- accelerating efficiency gains;
- building common platforms;
- leveraging global technical expertise.

Life & Savings: AXA offers a broad range of Life & Savings products including individual and group savings retirement products, life and health products. They comprise traditional term and whole life insurance, immediate annuities and investment products (including endowments, savings-related products, such as variable life and variable annuity products). The Life & Savings segment aggregates nine geographic operating components: France, the United States, the United Kingdom, Japan, Germany, Switzerland, Belgium, the Mediterranean and Latin American Region and other countries.

Property & Casualty: This segment includes a broad range of products including mainly motor, household, property and general liability insurance for both personal and commercial customers (commercial customers being mainly small to medium-sized companies). In some countries, this segment includes health products. The Property & Casualty segment aggregates nine geographical operating components (France, Germany, the United Kingdom and Ireland, Switzerland, Belgium, the Mediterranean and Latin American Region, Central Eastern Europe, Asia and Other countries) and one operating component for the Direct business (previously included within countries and regions and now reported as a separate reporting unit).

International Insurance: This segment's operations include insurance products that notably relate to AXA Corporate Solutions Assurance. These products provide coverage to large national and international corporations. This segment also includes assistance activities, life reinsurance activities in run-off primarily AXA Corporate Solutions Life Reinsurance Company and the Group Property & Casualty run-off managed by AXA Liabilities Managers.

The **Asset Management** segment includes diversified asset management (including investment fund management) and related services offered by AXA Investment Managers and AllianceBernstein entities, which are provided to a variety of institutional investors and individuals, including AXA's insurance companies.

The **Banking** segment includes banking activities (mainly retail banking, mortgage loans, savings) conducted primarily in France, Belgium and Germany.

The **Holding companies** segment (that includes all non-operational activities), also includes some investment vehicles and Special-Purpose Entities (SPE).

The inter-segment eliminations include only operations between entities from different segments. They mainly relate to reinsurance treaties, assistance guarantees recharging, asset management fees and interests on loans within the Group.

In this document, "Insurance" covers the three insurance segments: Life & Savings, Property & Casualty and International Insurance. The term "Financial Services" includes both the Asset Management segment and the Banking segment.

3.1. CONSOLIDATED STATEMENT OF INCOME BY SEGMENT

(in Euro million)

	June 30, 2013							
	Life & savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies	Inter-segment eliminations	TOTAL
Gross written premiums	28,927	16,665	1,843	-	-	-	(267)	47,168
Fees and charges relating to investment contracts with no participating features	133	-	-	-	-	-	-	133
Revenues from insurance activities	29,060	16,665	1,843	-	-	-	(267)	47,301
Net revenues from banking activities	-	-	-	-	287	0	4	291
Revenues from other activities	583	28	137	1,915	2	-	(214)	2,451
Revenues	29,643	16,693	1,980	1,915	290	0	(477)	50,044
Change in unearned premiums net of unearned revenues and fees	(1,178)	(2,496)	(236)	-	-	-	90	(3,819)
Net investment income (a)	4,849	1,008	78	4	(0)	307	(295)	5,951
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	1,201	180	8	(4)	-	19	-	1,405
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss (b)	6,573	(109)	(7)	24	-	32	(13)	6,500
<i>of which change in fair value of assets with financial risk borne by policyholders</i>	<i>8,072</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(3)</i>	<i>8,070</i>
Change in investments impairment	(296)	(48)	(9)	(0)	-	(38)	-	(390)
Net investment result excluding financing expenses	12,328	1,031	71	24	(0)	320	(307)	13,466
Technical charges relating to insurance activities	(35,047)	(9,433)	(932)	-	-	-	146	(45,267)
Net result from outward reinsurance	(173)	(415)	(391)	-	-	-	41	(938)
Bank operating expenses	-	-	-	-	(68)	1	-	(67)
Acquisition costs	(1,984)	(2,451)	(222)	-	-	-	29	(4,628)
Amortization of the value of purchased business in force	(59)	-	-	-	-	-	-	(59)
Administrative expenses	(1,488)	(1,295)	(111)	(1,418)	(206)	(397)	145	(4,770)
Change in tangible assets impairment	(0)	-	-	-	-	-	-	(0)
Change in goodwill impairment and other intangible assets impairment	(6)	(40)	-	(0)	-	-	-	(46)
Other income and expenses	(74)	(10)	(0)	(102)	13	108	(43)	(109)
Other operating income and expenses	(38,832)	(13,644)	(1,656)	(1,520)	(261)	(288)	317	(55,884)
Income from operating activities before tax	1,961	1,585	158	418	28	33	(377)	3,806
Income arising from investments in associates – Equity method	46	15	0	0	-	0	-	62
Financing debt expenses	(63)	(3)	(1)	(17)	(8)	(663)	407	(348)
Net income from operating activities before tax	1,944	1,597	157	402	20	(630)	30	3,520
Income tax	(390)	(445)	(73)	(128)	1	166	(30)	(899)
Net operating income	1,554	1,152	84	273	21	(464)	-	2,621
Net consolidated income after tax	1,554	1,152	84	273	21	(464)	-	2,621
<i>Split between :</i>								
Net consolidated income - Group share	1,501	1,130	83	196	20	(464)	-	2,467
Net consolidated income - Minority interests	54	22	1	77	1	(0)	-	154

(a) Includes gains/losses from derivatives hedging variable annuities within Life & Savings and International Insurance segments.

(b) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.

(in Euro million)

	June 30, 2012 (a)							
	Life & savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies	Inter-segment eliminations	TOTAL
Gross written premiums	27,903	16,363	1,759	-	-	-	(276)	45,749
Fees and charges relating to investment contracts with no participating features	164	-	-	-	-	-	-	164
Revenues from insurance activities	28,067	16,363	1,759	-	-	-	(276)	45,913
Net revenues from banking activities	-	-	-	-	233	0	(10)	224
Revenues from other activities	575	28	146	1,734	2	-	(215)	2,268
Revenues	28,642	16,391	1,904	1,734	236	0	(501)	48,405
Change in unearned premiums net of unearned revenues and fees	(1,353)	(2,427)	(276)	-	-	-	94	(3,962)
Net investment income (b)	7,036	1,034	96	1	(1)	265	(408)	8,023
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	496	189	7	(2)	-	80	0	770
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss (c)	6,659	(19)	27	21	-	(139)	2	6,550
<i>of which change in fair value of assets with financial risk borne by policyholders</i>	<i>6,227</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(3)</i>	<i>6,224</i>
Change in investments impairment	(269)	(102)	(5)	(1)	-	(14)	-	(390)
Net investment result excluding financing expenses	13,922	1,103	125	19	(1)	192	(406)	14,953
Technical charges relating to insurance activities	(35,394)	(9,274)	(1,163)	-	-	-	135	(45,696)
Net result from outward reinsurance	(106)	(538)	5	-	-	-	66	(572)
Bank operating expenses	-	-	-	-	(64)	(0)	-	(64)
Acquisition costs	(1,724)	(2,407)	(189)	-	-	-	10	(4,310)
Amortization of the value of purchased business in force	(47)	-	-	-	-	-	-	(47)
Administrative expenses	(1,401)	(1,311)	(198)	(1,305)	(205)	(402)	152	(4,671)
Change in tangible assets impairment	-	-	(0)	-	-	-	-	(0)
Change in goodwill impairment and other intangible assets impairment	(20)	(47)	-	(0)	-	-	-	(67)
Other income and expenses	(79)	4	5	(128)	22	64	(64)	(175)
Other operating income and expenses	(38,771)	(13,573)	(1,539)	(1,433)	(247)	(339)	300	(55,602)
Income from operating activities before tax	2,441	1,493	215	319	(12)	(147)	(514)	3,795
Income arising from investments in associates – Equity method	26	15	0	(0)	-	2	-	42
Financing debts expenses	(77)	(3)	(1)	(22)	(9)	(658)	481	(289)
Net income from operating activities before tax	2,389	1,505	213	297	(21)	(803)	(33)	3,548
Income tax	(587)	(480)	(77)	(84)	13	279	33	(903)
Net operating income	1,802	1,025	137	213	(9)	(523)	-	2,645
Net consolidated income after tax	1,802	1,025	137	213	(9)	(523)	-	2,645
<i>Split between :</i>								
Net consolidated income - Group share	1,781	1,008	135	152	(9)	(523)	-	2,544
Net consolidated income - Minority interests	21	16	1	61	1	(0)	-	101

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(b) Includes gains/losses from derivatives hedging variable annuities within Life & Savings and International Insurance segments.

(c) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.

Note 4 Transactions announced in consolidated entities

4.1. MONY PORTFOLIO TRANSACTION

On April 10, 2013, AXA announced that it had entered into definitive agreement with Protective Life Corporation to sell MONY life Insurance Company ("MONY") and to reinsure an in-force book of life insurance policies written by MONY's subsidiary MONY Life Insurance Company of America ("MLOA") primarily prior to 2004.

Under the terms of the agreements and assuming a closing date of October 1, 2013, the total cash consideration will be \$1.06 billion that corresponds to €0.81 billion using the foreign exchange rate as of June 30, 2013.

This announced transaction led to recognize an estimated €-32 million exceptional loss in AXA interim consolidated financial statements as of June 30, 2013, resulting mainly from intangibles impairment, as well as associated costs with the announced transaction.

The assets and liabilities of the MONY operations that are subject to the sale transaction were classified as held for sale separately from other assets and liabilities in the consolidated statement of financial position as of June 30, 2013. They related to the following main classes of assets and liabilities (amounts are presented net of intercompany balances with other AXA entities):

	(in Euro million)
	June 30, 2013
Intangible assets	256
Investments	5,839
Other assets	621
TOTAL ASSETS HELD FOR SALE	6,716
Liabilities arising from insurance and investment contracts	6,240
Provisions for risks and charges	10
Other liabilities	(94)
TOTAL LIABILITIES HELD FOR SALE	6,157

As of June 30, 2013, comprehensive income amounted to €25 million.

4.2. HSBC PORTFOLIO

On March 7, 2012, AXA and HSBC announced they had entered into an agreement whereby AXA would acquire HSBC's P&C businesses in Hong Kong, Singapore and Mexico. In addition, AXA would benefit from a 10-year exclusive P&C bancassurance agreement with HSBC in these countries as well as in China, India and Indonesia.

On November 5, 2012, AXA announced it has completed the acquisition of HSBC's P&C businesses in Hong Kong and Singapore, and that it has consequently launched its exclusive P&C bancassurance cooperation with HSBC in these countries. This operation resulted in a goodwill of €169 million. The value of the distribution agreement was recognized as an intangible asset of €145 million and will be amortized over 10 years.

On April 1, 2013, AXA finalised the acquisition of HSBC's P&C operations in Mexico and launched subsequently the exclusive P&C bancassurance cooperation in this country. The value of the distribution agreement is recognized as an intangible asset of €44 million and will be amortized over 10 years.

The P&C bancassurance cooperation in China, India and Indonesia will be launched in due course.

4.3. AXA BANK SWITZERLAND

AXA Bank Switzerland closed its operations on February 29, 2012 following the transfer of its customer portfolio to Bank zweiplus on January 1, 2012. Related assets and liabilities (€189 million) were classified as held for sale as of January 1, 2012.

Note 5 Investments

Certain investment properties (see Note 1), available-for-sale investments, trading assets, instruments designated as at fair value through P&L and all derivatives are measured at fair value in the financial statements. In addition, this note also discloses the fair value of investment properties and financial assets held at cost. Principles applied in measuring fair value generally described in Note 1 are further detailed in Note 5.2 (investment in real estate properties) and 5.5 (financial assets recognized at fair value).

5.1. BREAKDOWN OF INVESTMENTS

Each investment item is presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) except derivatives related to macro-hedges shown separately.

(in Euro million)	June 30, 2013 (a)								
	Fair value	Insurance Carrying value	% (value balance sheet)	Fair value	Other activities Carrying value	% (value balance sheet)	Fair value	Total Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost	20,895	16,462	2.75%	3,176	2,080	5.39%	24,071	18,542	2.91%
Investment in real estate properties designated as at fair value through profit or loss (b)	1,056	1,056	0.18%	-	-	-	1,056	1,056	0.17%
Macro-hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	21,951	17,518	2.92%	3,176	2,080	5.39%	25,127	19,598	3.07%
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	324,190	324,190	54.10%	9,512	9,512	24.65%	333,702	333,702	52.32%
Debt instruments designated as at fair value through profit or loss (c)	33,329	33,329	5.56%	71	71	0.18%	33,400	33,400	5.24%
Debt instruments held for trading	314	314	0.05%	22	22	0.06%	335	335	0.05%
Debt instruments (at cost) that are not quoted in an active market (d)	6,828	6,950	1.16%	2,603	2,603	6.75%	9,432	9,554	1.50%
Debt instruments	364,661	364,783	60.88%	12,208	12,208	31.63%	376,869	376,991	59.11%
Equity instruments available for sale	13,209	13,209	2.20%	2,856	2,856	7.40%	16,064	16,064	2.52%
Equity instruments designated as at fair value through profit or loss (b)	6,755	6,755	1.13%	475	475	1.23%	7,230	7,230	1.13%
Equity instruments held for trading	96	96	0.02%	-	-	-	96	96	0.02%
Equity instruments	20,060	20,060	3.35%	3,330	3,330	8.63%	23,390	23,390	3.67%
Non consolidated investment funds available for sale	5,996	5,996	1.00%	265	265	0.69%	6,261	6,261	0.98%
Non consolidated investment funds designated as at fair value through profit or loss (b)	5,028	5,028	0.84%	328	328	0.85%	5,356	5,356	0.84%
Non consolidated investment funds held for trading	-	-	-	320	320	0.83%	320	320	0.05%
Non consolidated investment funds	11,024	11,024	1.84%	912	912	2.36%	11,936	11,936	1.87%
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	4,843	4,843	0.81%	1	1	0.00%	4,844	4,844	0.76%
Macro-hedge and other derivatives	1,278	1,278	0.21%	(1,452)	(1,452)	-3.76%	(174)	(174)	-0.03%
Financial investments	401,866	401,989	67.09%	14,999	14,999	38.87%	416,865	416,987	65.38%
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	0	0	0.00%	-	-	-	0	0	0.00%
Loans designated as at fair value through profit or loss (b)	0	0	0.00%	-	-	-	0	0	0.00%
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (e)	25,999	24,998	4.17%	22,981	21,504	55.72%	48,980	46,501	7.29%
Macro-hedge and other derivatives	-	-	-	7	7	0.02%	7	7	0.00%
Loans	25,999	24,998	4.17%	22,989	21,511	55.74%	48,988	46,509	7.29%
Assets backing contracts where the financial risk is borne by policyholders	154,681	154,681	25.82%	-	-	-	154,681	154,681	24.25%
INVESTMENTS	604,499	599,187	100.00%	41,163	38,589	100.00%	645,662	637,776	100.00%
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	449,817	444,505	74.18%						
Life & Savings	383,999	379,455	63.33%						
Property & Casualty	58,307	57,541	9.60%						
International Insurance	7,511	7,510	1.25%						

(a) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

(b) Assets measured at fair value under the fair value option.

(c) Includes assets measured at fair value notably under the fair value option.

(d) Eligible to the IAS 39 Loans and Receivables measurement category.

(e) Mainly relates to mortgage loans and policy loans.

(in Euro million)	Insurance			December 31, 2012 Other activities			Total		
	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost	20,348	15,968	2.64%	3,487	2,461	6.99%	23,835	18,429	2.87%
Investment in real estate properties designated as at fair value through profit or loss (a)	1,224	1,224	0.20%	-	-	-	1,224	1,224	0.19%
Macro-hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	21,572	17,192	2.84%	3,487	2,461	6.99%	25,059	19,653	3.07%
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	341,965	341,965	56.45%	8,372	8,372	23.78%	350,336	350,336	54.65%
Debt instruments designated as at fair value through profit or loss (b)	29,861	29,861	4.93%	63	63	0.18%	29,924	29,924	4.67%
Debt instruments held for trading	405	405	0.07%	21	21	0.06%	426	426	0.07%
Debt instruments (at cost) that are not quoted in an active market (c)	6,191	5,998	0.99%	1,817	1,817	5.16%	8,008	7,815	1.22%
Debt instruments	378,421	378,228	62.43%	10,273	10,273	29.19%	388,694	388,501	60.61%
Equity instruments available for sale	12,630	12,630	2.08%	2,413	2,413	6.85%	15,042	15,042	2.35%
Equity instruments designated as at fair value through profit or loss (a)	6,635	6,635	1.10%	411	411	1.17%	7,046	7,046	1.10%
Equity instruments held for trading	45	45	0.01%	-	-	-	45	45	0.01%
Equity instruments	19,309	19,309	3.19%	2,824	2,824	8.02%	22,133	22,133	3.45%
Non consolidated investment funds available for sale	6,381	6,381	1.05%	386	386	1.10%	6,767	6,767	1.06%
Non consolidated investment funds designated as at fair value through profit or loss (a)	5,326	5,326	0.88%	287	287	0.82%	5,613	5,613	0.88%
Non consolidated investment funds held for trading	-	-	-	339	339	0.96%	339	339	0.05%
Non consolidated investment funds	11,707	11,707	1.93%	1,013	1,013	2.88%	12,720	12,720	1.98%
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	4,777	4,777	0.79%	1	1	0.00%	4,778	4,778	0.75%
Macro-hedge and other derivatives	1,675	1,675	0.28%	(1,988)	(1,988)	-5.65%	(314)	(314)	-0.05%
Financial investments	415,889	415,697	68.62%	12,122	12,122	34.44%	428,012	427,819	66.74%
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	(0)	(0)	0.00%	-	-	-	(0)	(0)	0.00%
Loans designated as at fair value through profit or loss (a)	0	0	0.00%	0	0	0.00%	1	1	0.00%
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (d)	27,324	25,772	4.25%	22,333	20,613	58.56%	49,657	46,385	7.24%
Macro-hedge and other derivatives	-	-	-	3	3	0.01%	3	3	0.00%
Loans	27,324	25,772	4.25%	22,336	20,616	58.57%	49,660	46,388	7.24%
Assets backing contracts where the financial risk is borne by policyholders	147,162	147,162	24.29%	-	-	-	147,162	147,162	22.96%
INVESTMENTS	611,948	605,823	100.00%	37,945	35,199	100.00%	649,893	641,022	100.00%
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	464,786	458,661	75.71%						
Life & Savings	398,682	393,367	64.93%						
Property & Casualty	58,126	57,317	9.46%						
International Insurance	7,978	7,977	1.32%						

(a) Assets measured at fair value under the fair value option.

(b) Includes assets measured at fair value notably under the fair value option.

(c) Eligible to the IAS 39 Loans and Receivables measurement category.

(d) Mainly relates to mortgage loans and policy loans.

The exposure as of June 30, 2013 and December 31, 2012 to sovereign debt securities issued by governments and related in Greece, Ireland, Italy, Portugal and Spain, and classified as available for sale was as follows:

Issuer	June 30, 2013				December 31, 2012			
	Fair Value	Amortized Cost / Carrying value	Unrealized gains and losses (Gross value)	Unrealized gains and losses (Net value)	Fair Value	Amortized Cost / Carrying value	Unrealized gains and losses (Gross value)	Unrealized gains and losses (Net value)
(in Euro million)								
Greece	-	-	-	-	-	-	-	-
Ireland	3,040	2,871	169	69	2,786	2,686	100	39
Italy	17,715	17,440	275	11	16,214	15,881	332	63
Portugal	622	735	(113)	(9)	677	862	(185)	(18)
Spain	9,227	9,210	17	81	7,160	7,552	(392)	(60)
Total	30,605	30,255	349	151	26,837	26,981	(145)	24

Net amounts correspond to amounts after the related impacts of deferred tax and shadow accounting on policyholders' participation, deferred acquisition cost and value of purchased business in force and are presented at 100% share. Net amounts may evolve depending on the timing of realization of these potential gains and losses, and depending on the local regulatory environment.

5.2. INVESTMENT IN REAL ESTATE PROPERTIES

Investment in real estate properties include buildings owned directly and through real estate subsidiaries.

Breakdown of the carrying value and fair value of investments in real estate properties at amortized cost, excluding the impact of all derivatives:

(in Euro million)	June 30, 2013 (a)					December 31, 2012				
	Gross value	Amortization	Impairment	Carrying value	Fair value	Gross value	Amortization	impairment	Carrying value	Fair value
Investment in real estate properties at amortized cost										
Insurance	18,986	(1,925)	(599)	16,462	20,895	18,358	(1,850)	(541)	15,968	20,348
Other activities	2,713	(218)	(415)	2,080	3,176	3,019	(209)	(350)	2,461	3,487
All activities	21,699	(2,143)	(1,014)	18,542	24,071	21,377	(2,058)	(890)	18,429	23,835

(a) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

Fair value is generally based on valuations performed by qualified property appraisers. Valuations are based on a multi-criteria approach and their frequency and terms are often based on local regulations.

Change in impairment and amortization of investments in real estate properties at amortized cost (all activities):

(in Euro million)	Impairment - Investment in real estate properties		Amortization - Investment in real estate properties	
	June 30, 2013 (a)	December 31, 2012	June 30, 2013 (a)	December 31, 2012
Opening value	890	822	2,058	1,847
Increase for the period	111	91	131	266
Write back following sale or reimbursement	(1)	(23)	(27)	(29)
Write back following recovery in value	(6)	(28)	-	-
Others (b)	20	28	(19)	(25)
Closing value	1,014	890	2,143	2,058

(a) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

(b) Includes change in scope and the effect of changes in exchange rates.

5.3. UNREALIZED GAINS AND LOSSES ON FINANCIAL INVESTMENTS

Excluding the effect of derivatives, unrealized capital gains and losses on financial investments, when not already reflected in the income statement, are allocated as follows:

(in Euro million)	June 30, 2013 (a)					December 31, 2012				
	Amortized cost (b)	Fair value	Carrying value (c)	Unrealized gains	Unrealized losses	Amortized cost (b)	Fair value	Carrying value (c)	Unrealized gains	Unrealized losses
INSURANCE										
Debt instruments available for sale	301,022	325,118	325,118	26,830	2,734	308,760	342,815	342,815	36,295	2,240
Debt instruments (at cost) that are not quoted in an active market	6,961	6,839	6,961	111	233	6,010	6,203	6,010	232	39
Equity instruments available for sale	10,851	13,036	13,036	2,350	165	9,547	11,757	11,757	2,257	47
Non consolidated investment funds available for sale	5,214	6,042	6,042	938	109	5,513	6,368	6,368	940	84

(in Euro million)	June 30, 2013 (a)					December 31, 2012				
	Amortized cost (b)	Fair value	Carrying value (c)	Unrealized gains	Unrealized losses	Amortized cost (b)	Fair value	Carrying value (c)	Unrealized gains	Unrealized losses
OTHER ACTIVITIES										
Debt instruments available for sale	9,656	9,617	9,617	133	171	8,539	8,615	8,615	250	174
Debt instruments (at cost) that are not quoted in an active market	2,603	2,603	2,603	-	-	1,817	1,817	1,817	-	-
Equity instruments available for sale	3,005	3,223	3,223	259	41	3,108	3,483	3,483	380	5
Non consolidated investment funds available for sale	264	265	265	1	0	386	386	386	-	-

(in Euro million)

TOTAL	June 30, 2013 (a)					December 31, 2012				
	Amortized cost (b)	Fair value	Carrying value (c)	Unrealized gains	Unrealized losses	Amortized cost (b)	Fair value	Carrying value (c)	Unrealized gains	Unrealized losses
Debt instruments available for sale	310,677	334,735	334,735	26,963	2,905	317,299	351,430	351,430	36,545	2,414
Debt instruments (at cost) that are not quoted in an active market	9,565	9,443	9,565	111	233	7,827	8,020	7,827	232	39
Equity instruments available for sale	13,856	16,259	16,259	2,609	206	12,655	15,241	15,241	2,637	52
Non consolidated investment funds available for sale	5,478	6,307	6,307	939	109	5,899	6,754	6,754	940	84

(a) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

(b) Net of impairment - including premiums/discounts and related accumulated amortization.

(c) Net of impairment.

5.4. FINANCIAL ASSETS SUBJECT TO IMPAIRMENT

5.4.1. Breakdown of financial assets subject to impairment (excluding investment in real estate properties)

Each investment item is presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) except derivatives related to macro hedges shown separately.

	June 30, 2013 (a)					December 31, 2012				
	Cost before impairment and revaluation to fair value (b)	Impairment	Cost after impairment but before revaluation to fair value (c)	Revaluation to fair value	Carrying value	Cost before impairment and revaluation to fair value (b)	Impairment	Cost after impairment but before revaluation to fair value (c)	Revaluation to fair value	Carrying value
(in Euro million)										
Debt instruments available for sale	311,013	(1,254)	309,759	23,943	333,702	317,609	(1,340)	316,269	34,067	350,336
Debt instruments (at cost) that are not quoted in an active market (e)	9,557	-	9,557	(4)	9,554	7,806	-	7,806	9	7,815
Debt instruments	320,570	(1,254)	319,316	23,940	343,256	325,415	(1,340)	324,076	34,076	358,151
Equity instruments available for sale	16,308	(2,452)	13,857	2,208	16,064	15,144	(2,488)	12,656	2,386	15,042
Non consolidated investment funds available for sale	6,464	(986)	5,478	783	6,261	6,937	(1,038)	5,899	868	6,767
Loans held to maturity	-	-	-	-	-	-	-	-	-	-
Loans available for sale	4	(4)	0	-	0	0	(0)	0	0	0
Loans at cost (d) (e)	47,511	(621)	46,890	(388)	46,501	47,496	(601)	46,895	(510)	46,385
Loans	47,515	(626)	46,890	(388)	46,501	47,497	(601)	46,895	(510)	46,385
TOTAL	390,858	(5,318)	385,540	26,542	412,082	394,993	(5,467)	389,526	36,820	426,346

(a) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

(b) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.

(c) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.

(d) Including policy loans.

(e) Revaluation to fair value for instruments at cost related to the application of hedge accounting.

5.4.2. Change in impairment on invested assets (excluding investment in real estate properties)

(in Euro million)	January 1, 2013	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (b)	June 30, 2013 (a)
Impairment - Debt instruments	1,340	66	(91)	(4)	(57)	1,254
Impairment - Equity instruments	2,488	225	(230)	-	(32)	2,452
Impairment - Non consolidated investment funds	1,038	54	(64)	-	(42)	986
Impairment - Loans	601	76	(4)	(42)	(6)	626
TOTAL	5,467	422	(389)	(46)	(136)	5,318

(a) Assets and liabilities related to MONY Life Insurance Company portfolio for which the disposal process is not yet finalized were classified as held for sale as of June 30, 2013 (see Note 4.1).

(b) Mainly relates to changes in the scope of consolidation and impact of changes in exchange rates.

<i>(in Euro million)</i>	January 1, 2012	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (a)	December 31, 2012
Impairment - Debt instruments	2,474	127	(1,226)	(25)	(11)	1,340
Impairment - Equity instruments	2,883	411	(760)	-	(47)	2,488
Impairment - Non consolidated investment funds	1,141	81	(155)	-	(30)	1,038
Impairment - Loans	610	172	(6)	(121)	(54)	601
TOTAL	7,108	792	(2,147)	(145)	(141)	5,467

(a) Mainly relates to changes in the scope of consolidation and impact of changes in exchange rates.

5.5. FINANCIAL ASSETS RECOGNIZED AT FAIR VALUE

Among financial investments measured at fair value in the consolidated statement of financial position (excluding derivatives, investment funds consolidated by equity method and contracts where the financial risk is borne by policyholders), i.e. €410 billion as of June 30, 2013 (€423 billion as of December 31, 2012):

- €259 billion were determined directly by reference to an active market (€252 billion at the end of 2012), i.e. level 1 assets and
- €151 billion related to assets not quoted in an active market/no active market (€171 billion at the end of 2012), i.e. level 2 and level 3 assets, of which level 3 assets amounted to €10 billion (€10 billion at the end of 2012).

Fair values determined in whole directly by reference to an active market relate to prices which are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis, i.e. the market is still active. Such assets are categorized in the level 1 of the IAS 39 fair value hierarchy.

Fair values for level 2 and 3 assets include:

- values provided at the request of the Group by pricing services and which are not readily publicly available or values provided by external parties which are readily available but relate to assets for which the market is not always active; and
- assets measured on the basis of valuation techniques including a varying degree of assumptions supported by market transactions and observable data.

For all assets not quoted in an active market/no active market, the classification between level 2 and level 3 depends on the proportion of assumptions used supported by market transactions and observable data:

- assumed to be used by pricing services; or
- used by the Group in the limited cases of application of mark to model valuations.

As of June 30, 2013, some assets were reclassified out of level 2 into level 1. This was mainly related to some corporate bonds for which spreads tightened throughout the period.

For sovereign bonds, trends observed in 2012 were confirmed in the first semester 2013 with an acceleration of peripheral countries spread contraction and liquidity improvement. These market indicators will continue to be followed to assess the sustainability of those improvements. Therefore, the classification as at June 30, 2013 is maintained similar to the one as at December 31, 2012 levels.

Note 6 Shareholders' equity and minority interests

6.1. IMPACT OF TRANSACTIONS WITH SHAREHOLDERS

The Consolidated Statement of Changes in Equity is presented as a primary financial statement following the amendment to IAS 1 as described in Note 1.

6.1.1. Change in shareholders' equity Group share for the first half of 2013

a) Share capital and capital in excess of nominal value

During the first half of 2013, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- Increase in capital €+36 million;
- Share-based compensation for €+23 million.

b) Treasury shares

As of June 30, 2013, the Company and its subsidiaries owned approximately 4 million AXA shares, representing 0.2% of the share capital, a decrease of 12 million shares compared to December 31, 2012.

As of June 30, 2013, the carrying value of treasury shares and related derivatives was €197 million. This figure included €0.8 million relating to AXA shares held by consolidated mutual funds (61,455 shares) not backing contracts where the financial risk is borne by policyholders.

In addition, as of June 30, 2013, 1.6 million treasury shares backing contracts where the financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €32 million and their market value €21 million at the end of June 2013.

c) Undated subordinated debt and related financial expenses

As described in Note 1.12.2 of the accounting principles, undated subordinated debts issued by the Group do not qualify as liabilities under IFRS.

Undated subordinated debt instruments are classified in shareholders' equity at their historical value as regards credit spread and interest rates and their closing value as regards exchange rates. The corresponding exchange differences are cancelled out through the translation reserve.

During the first half of 2013, the change in other reserves was due to:

- €+634 million from the issuance of a new undated subordinated debt;
- €-381 million following the exercise of an early redemption call on an undated subordinated debt;
- €-144 million in interest expense related to the undated subordinated debt (net of tax);
- €-155 million in exchange rate differences.

As of June 30, 2013 and December 31, 2012, undated subordinated debt recognized in shareholders' equity broke down as follows:

(in Euro million)

	June 30, 2013		December 31, 2012	
	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt in Euro million	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt in Euro million
October 29, 2004 - 375 M € 6.0%	375	375	375	375
December 22, 2004 - 250 M € 6.0%	250	250	250	250
January 25, 2005 - 250 M € 6.0%	250	250	250	250
July 6, 2006 - 1000 M € 5.8%	1,000	994	1,000	994
July 6, 2006 - 500 M € 6.7%	500	578	500	607
July 6, 2006 - 350 M € 6.7%	350	408	350	429
October 26, 2006 - 600 M A\$ (of which 300M A\$ 7.5%)	600	420	600	469
November 7, 2006 - 150 M A\$ 7.5%	150	105	150	118
December 14, 2006 - 750 M US\$ 6.5%	750	571	750	566
December 14, 2006 - 750 M US\$ 6.4%	750	571	750	566
October 5, 2007 - 750 M € 6.2%	750	746	750	746
October 16, 2007 - 700 M € 6.8%	700	814	700	855
January 22, 2013 - 850 M US\$, 5.50%	850	644	-	-
Undated notes - variables rates in €	660	660	660	660
Undated notes - 3.3% in JPY	27,000	209	27,000	238
Undated notes (of which 500 M US\$ at 7.1% as of December 31, 2012) in US\$	375	287	875	663
Sub-Total Undated Subordinated Debt	-	7,238	-	7,786
Equity component of convertible debt (2017)	95	95	95	95
TOTAL	-	7,333	-	7,880

In addition to the nominal amounts shown above, shareholders' equity included net accumulated financial expenses of:

- €-2,269 million as of June 30, 2013;
- €-2,125 million as of December 31, 2012.

Undated subordinated debt often contains the following features:

- Early redemption clauses (calls) at the Group's option, giving AXA the ability to redeem the principal amount before settlement without penalty on certain dates, and
- Interest rate step-up clauses with effect from a given date.

d) Dividends paid

At the shareholders' meeting held on April 30, 2013, shareholders approved a dividend distribution of €1,720 million with respect to the 2012 financial year.

6.1.2. Change in shareholders' equity Group share for the first half of 2012

a) Share capital and capital in excess of nominal value

During the first half of 2012, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- Share-based payment for €+16 million.

b) Treasury shares

As of June 30, 2012, the Company and its subsidiaries owned approximately 16 million AXA shares, representing 0.7% of the share capital, a decrease of 1 million shares compared to December 31, 2011.

As of June 30, 2012, the carrying value of treasury shares and related derivatives was €368 million. This figure included €1.0 million relating to AXA shares held by consolidated mutual funds (81,965 shares) not backing contracts where financial risk is borne by policyholders.

As of June 30, 2012, 2.0 million treasury shares backing contracts where financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €43 million and their market value €21 million at the end of June 2012.

c) Undated subordinated debt and related financial expenses

During the first half of 2012, the change in other reserves was due to €-148 million in interest expense related to the undated subordinated debt (net of tax), and €+135 million in exchange rate differences.

d) Dividends paid

At the shareholders' meeting held on April 25, 2012, shareholders approved a dividend distribution of €1,626 million with respect to the 2011 financial year.

6.2. COMPREHENSIVE INCOME FOR THE PERIOD

The Statement of Comprehensive Income, presented as primary financial statements, includes net income for the period, the reserve relating to the change in fair value of available for sale financial instruments, the translation reserve, and actuarial gains and losses on employee benefit obligations.

6.2.1. Comprehensive income for the first half of 2013

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The decrease of gross unrealized gains and losses on assets available for sale totaled to €-10,282 million, of which €-10,222 million lower unrealized capital gains on debt securities which was mainly driven by interest rates increase.

The following table shows the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding reserve recognized in shareholders' equity:

	(in Euro million)	
	June 30, 2013	December 31, 2012
Gross unrealized gains and losses (a)	27,290	37,572
Less unrealized gains and losses attributable to:		
Shadow accounting on policyholders' participation	(14,162)	(20,116)
Shadow accounting on Deferred Acquisition Costs (b)	(596)	(801)
Shadow accounting on Value of purchased Business In force	(561)	(651)
Unallocated unrealized gains and losses before tax	11,970	16,004
Deferred tax	(3,666)	(4,831)
Unrealized gains and losses (net of tax) - Assets available for sale	8,304	11,173
Unrealized gains and losses (net of tax) - Equity accounted companies (c)	49	4
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% - TOTAL	8,353	11,177
Minority interests' share in unrealized gains and losses (d)	(68)	(78)
Translation reserves (e)	29	(211)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) (c)	8,314	10,887

(a) Unrealized gains on total available for sale invested assets including loans.

(b) Net of shadow accounting on unearned revenues and fees reserves.

(c) Including unrealized gains and losses on assets from discontinued operations.

(d) Including foreign exchange impact attributable to minority interests.

(e) Group share.

As of June 30, 2013, most of the unrealized gains on assets available for sale related to the Life & Savings segment, leading to significant movements in shadow policyholders' participation. In jurisdictions where participating business represents an important portion of contracts in force and where required minimum local policyholders' share in the entities' results (limited to investment or not) are significant, the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding net reserve recognized in shareholders' equity were as follows as of June 30, 2013:

	(in Euro million)		
	France Life & Savings	June 30, 2013 Germany Life & Savings	Switzerland Life & Savings
Gross unrealized gains and losses (a)	8,472	4,190	2,108
Less unrealized gains and losses attributable to:			
Shadow accounting on policyholders' participation	(6,065)	(3,659)	(1,731)
Shadow accounting on Deferred Acquisition Costs (b)	(113)	-	(10)
Shadow accounting on Value of purchased Business In force	-	-	(53)
Unallocated unrealized gains and losses before tax	2,294	530	314
Deferred tax	(704)	(170)	(66)
Unrealized gains and losses (net of tax) - Assets available for sale	1,590	361	248
Unrealized gains and losses (net of tax) - Equity accounted companies	19	-	-
UNREALIZED GAINS AND LOSSES (NET OF TAX) - 100% - TOTAL	1,609	361	248
Minority interests' share in unrealized gains and losses (c)	(4)	0	-
Translation reserves (d)	-	-	(165)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE)	1,605	361	83

(a) Unrealized gains and losses on total available for sale invested assets including loans.

(b) Net of shadow accounting on unearned revenues and fees reserves.

(c) Including foreign exchange impact attributable to minority interests.

(d) Group share.

The change in reserves related to changes in fair value of available for sale financial instruments included in shareholders' equity relating to changes in fair value of assets in June 30, 2013 and December 31, 2012 broke down as follows:

	(in Euro million)	
	June 30, 2013	December 31, 2012
Unrealized gains and losses (net of tax) 100%, opening	11,177	5,218
Transfer in the income statement on the period (a)	(513)	(469)
Investments bought in the current accounting period and changes in fair value	(2,095)	6,659
Foreign exchange impact	(238)	(231)
Change in scope and other changes	21	(1)
Unrealized gains and losses (net of tax) 100%, closing	8,351	11,177

(a) Transfer induced by disposal of financial assets, impairment write-back following reevaluation, or transfer of expenses following impairment charge during the period, and debt instruments discount premium impacts.

b) Translation reserve

The total impact of foreign exchange rate movement was €-1,000 million (of which €-1,003 million from group share and €+3 million from minority interest rates) as of June 30, 2013.

The group share translation reserves movement (€-1,003 million) was mainly driven by Japan (€-808 million), the United Kingdom (€-229 million) and Switzerland (€-172 million), partly offset by the Company (€+222 million) driven by change in fair value of derivatives and debts hedging net investments in foreign operations, and the United States (€+122 million).

c) Employee benefits actuarial gains and losses

The total impact of employee benefits actuarial gains for the first half year 2013 amounted to €+324 million net group share mostly due to the increase in discount rates.

6.2.2. Comprehensive income for the first half of 2012

As described in Note 1.2.1, comprehensive income for the first half of 2012 was retrospectively restated for the amendments to IAS 19.

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The increase of gross unrealized gains and losses on assets available for sale totaled €+7,651 million, of which €+7,601 million higher unrealized capital gains on debt securities was mainly driven by interest rates and corporate spreads decrease.

b) Translation reserve

The total impact of foreign exchange rate movement was €+646 million (of which €+609 million from group share and €+37 million from minority interest rates) as of June 30, 2012.

The group share translation reserves movement (€+609 million) was mainly driven by the United States (€+221 million), the United Kingdom (€+126 million), Switzerland (€+87 million), Mexico (€+67 million) and Hong Kong (€+54 million) partly offset by Japan (€-99 million) and the Company (€-89 million) driven by change in fair value of derivatives and debts hedging net investments in foreign operations.

c) Employee benefits actuarial gains and losses

The total impact of employee benefits actuarial gains and losses for the first half year 2012 amounted to €-889 million net group share mostly due to the drop in discount rates.

6.3. CHANGE IN MINORITY INTERESTS

Under IFRS, minority interests in most investment funds in which the Group invests consist of instruments that holders can redeem at will at fair value, and qualify as a liability rather than shareholders' equity items. The same is true for puttable instruments held by minority interest holders.

6.3.1. Change in minority interests for the first half of 2013

Minority interests decreased by €2 million to €2,353 million driven by:

- Movements in the comprehensive income for the period, mainly Net income attributable to minority interests for €154 million;
- Transaction with minority interests' holders, mainly Dividend payout to minorities for €-158 million.

6.3.2. Change in minority interests for the first half of 2012

Minority interests increased by €112 million to €2,479 million driven by:

- Movements in the comprehensive income for the period, mainly:
 - Net income attributable to minority interests for €+101 million;
 - Change in translation reserves for €+37 million;
 - Reserves relating to changes in fair value through shareholders' equity for €+23 million.
- Transaction with minority interests' holders, mainly:
 - Dividend payout to minorities for €-72 million.

Note 7 Financing debt

(in Euro million)

	Carrying value	
	June 30, 2013	December 31, 2012
AXA	7,582	6,682
Debt component of subordinated notes, 2.5% due 2014 (€)	2,082	2,043
Debt component of subordinated convertible notes, 3.75% due 2017 (€)	1,515	1,482
Subordinated notes, 5.25% due 2040 (€)	1,300	1,300
Subordinated notes, 5.125% due 2043 (€)	1,000	-
U.S. registered redeemable subordinated debt, 8.60% 2030 (US\$)	916	907
U.S. registered redeemable subordinated debt, 7.125% 2020 (€)	379	398
Derivatives relating to subordinated debts (a)	389	553
AXA Financial	154	153
Surplus notes, 7.70 %, due 2015	154	152
MONY Life 11.25% Surplus notes due 2024	-	1
AXA Bank Europe	328	347
Subordinated debt maturity below 10 years fixed rate	106	126
Undated Subordinated debt fixed rate	221	221
AXA-MPS Vita and Danni	108	108
Subordinated notes, euribor 6 months + 81bp	108	108
Other subordinated debt (under €100 million)	26	26
Subordinated debt	8,197	7,317
AXA	1,000	1,841
Euro Medium Term Notes, 6.0% due through 2013, and BMTN	-	841
Euro Medium Term Notes, due through 2015	1,000	1,000
AXA Financial	268	264
Senior notes, 7%, due 2028	268	264
AXA UK Holdings	178	188
GRE: Loan Notes, 6.625%, due 2023	178	188
Other financing debt instruments issued (under €100 million)	183	221
Other financing debt instruments issued (under €100 million)	211	220
Derivatives relating to other financing debt instruments issued (a)	(28)	1
Financing debt instruments issued	1,629	2,514
AXA	785	830
Other financing debt owed to credit institutions (under €100 million)	1	1
Financing debt owed to credit institutions	786	831
TOTAL FINANCING DEBT (b)	10,613	10,662

(a) Hedging instruments according to IAS 39 and economic hedge derivatives which are not qualified as hedge under IAS 39.

(b) Excluding accrued interest on derivatives.

Main movements on financing debt during the period were the following:

- The issuance of €1 billion subordinated debt due 2043 (5.125% annual coupon, fixed until the first call date in July 2023 and floating thereafter with a step up of 100 basis points), to anticipate the refinancing of part of subordinated debt instruments maturing on January 1, 2014.
- The repayment of €841 million Euro Medium Term Note maturing in 2013.

Note 8 Net income per ordinary share

The Group calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- The calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of outstanding ordinary shares during the period.
- The calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average stock price of the AXA share over the period.

		(in Euro million) (a)	
		June 30, 2013	June 30, 2012 Restated (b)
Net income Group share		2,467	2,544
Undated subordinated debt financial charge		(144)	(148)
Net income including impact of undated subordinated debt	A	2,323	2,396
Weighted average number of ordinary shares (net of treasury shares) - opening		2,372	2,340
Increase in capital (excluding stock options exercised) (c)		0	0
Stock options exercised (c)		2	0
Treasury shares (c)		6	0
Share purchase program (c)		-	-
Weighted average number of ordinary shares	B	2,381	2,340
BASIC NET INCOME PER ORDINARY SHARE	C = A / B	0.98	1.02
Potentially dilutive instruments :			
- Stock options		2	1
- Other		6	2
Fully diluted - weighted average number of shares (d)	D	2,388	2,343
FULLY DILUTED NET INCOME PER ORDINARY SHARE	E = A / D	0.97	1.02

(a) Except for number of shares (million of units) and earnings per share (Euro).

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the amendments to IAS 19.

(c) Weighted average.

(d) Taking into account the impact of potentially dilutive instruments.

As of June 30, 2013, net income per ordinary share stood at €0.98 on a basic calculation, and at €0.97 on a fully diluted basis.

As of June 30, 2012, net income per ordinary share stood at €1.02 on a basic calculation, as well as on a fully diluted basis.

Before the restatement required by the amendments to IAS 19, Half-Year 2012 net income per ordinary share stood at €1.04 on a basic calculation as well as on a fully diluted basis.

III Statutory auditors' review / report on the 2013 Half Year Financial Information

PricewaterhouseCoopers Audit

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Mazars

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STATUTORY AUDITORS' REVIEW REPORT ON THE 2013 HALF-YEAR FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

AXA S.A.

25 avenue Matignon
75008 Paris

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of AXA SA, for the six months ended June 30, 2013 ;
- the verification of the information contained in the half-year management report.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements

Neuilly sur Seine and Courbevoie, August 2, 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit

Mazars

Michel Laforce

Pierre Coll

Philippe Castagnac

Gilles Magnan



IV Statement / of the person responsible for the Half Year Financial Report

Statement of the person responsible for the Half Year Financial Report

I, the undersigned, hereby certify that, to the best of my knowledge, the consolidated summarized financial statements for the first half of the fiscal year 2013 have been drawn up in accordance with applicable accounting standards and give an accurate view of the assets and liabilities, the financial position and the profit or loss of the Company and of all businesses and firms included within the scope of the consolidated Group and that the half year activity report, to be found in the first part of this Report, accurately reflects the significant events which occurred during the first six months of the fiscal year as well as their impact on the financial statements, the main related-parties transactions and the principal risks and uncertainties for the remaining six months of the fiscal year.

Paris, August 5, 2013.

Henri de Castries
Chairman & Chief Executive Officer

Person responsible for financial information

Denis Duverne
Deputy Chief Executive Officer,
in charge of Finance, Strategy and Operations