Half Year Financial Report

June 30, 2018

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

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

In addition, this report refers to certain non-GAAP financial measures, or alternative performance measures, used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS. A reconciliation from non-GAAP financial measures Underlying Earnings and Adjusted Earnings to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 22 to 24 of this report. Adjusted Return on Equity is reconciled to the financial statements in the table set forth on page 30 of this report. The above mentioned and other non-GAAP financial measures used in this report are defined in the Glossary on pages 70 to 77 of this report.

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

GOVERNANCE AND REPORTING CHANGES

In order to reflect the reorganization in the governance of the Group which took place in 2017 and in line with Full Year 2017 Activity Report, the financial reporting has been aligned and retroactively restated in this report under the six following segments:

- France (insurance and banking activities, and holdings);
- Europe, consisting of:
  - Switzerland (insurance activities),
  - Germany (insurance activities excluding AXA Art, banking activities and holdings),
  - Belgium (insurance activities and holding),
  - United Kingdom & Ireland (insurance activities and holdings),
  - Spain (insurance activities),
  - Italy (insurance activities and holding);
- Asia, consisting of:
  - Japan (insurance activities),
  - Hong Kong (insurance activities),
  - Asia - Direct, consisting of:
    - AXA Global Direct Japan,
    - AXA Global Direct South Korea,
  - Asia High Potentials, consisting of:
    - Thailand (insurance activities),
    - Indonesia (insurance activities),
    - China (insurance activities),
    - The Philippines (insurance activities),
  - Asia Holding;
- United States (insurance activities, AB and holdings);
- International, consisting of:
  - 14 countries [1] within Europe, Middle East, Africa & Latin America, mainly including Turkey, Mexico, Morocco, Czech Republic & Slovak Republic and Luxembourg (insurance activities and holdings),
  - Singapore (insurance activities),
  - Malaysia (insurance activities),

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

    - India (insurance activities),
    - AXA Bank Belgium;
- Transversal & Central Holdings, consisting of:
    - AXA Investment Managers,
    - AXA Corporate Solutions Assurance,
    - AXA Assistance,
    - AXA Art,
    - AXA Liabilities Managers,
    - AXA Global Re,
    - AXA Life Europe,
    - AXA SA and other Central Holdings.

Market Environment

FINANCIAL MARKET CONDITIONS IN THE FIRST HALF OF 2018

In the first semester of 2018, financial markets reacted to several important political decisions.

In Europe, a transition arrangement on Brexit was approved whereby the United Kingdom would remain part of the European Union (EU) until the end of 2020. However, anxiety around Brexit stayed, and following the EU summit, leaders suggested there may be a 'no deal' exit in case issues such as Irish border controls were not resolved. Economic data in Europe gave rise to concerns about the potential slowing pace of the economic recovery. Progress of populist and anti-establishment parties in Europe continued with the appointment of Giuseppe Conte as Prime Minister in Italy and set up of the government coalition bringing together The League and the Five Star Movement. This led to a sharp widening of Italian sovereign spreads versus the German bund.

In the United States, inflation increased from 2.1% at the end of 2017 to 2.9% at the end of June 2018, leading the Fed to raise interest rates further. Meanwhile, fears around an intensifying trade war with China and other foreign countries led to higher market volatility.

In Asia, Japanese equities were soft in the first quarter, with the Nikkei 225 hitting a six-month low in March, followed by a recovery in the second quarter in local currency. Elsewhere in Asia, equities surged to all-time highs in January and fell thereafter. Chinese stocks fell-off in February on the back of trade tensions with the US.

In this context, overall stock markets ended up close to their December 2017 levels with the MSCI All countries index up 0.2% in the first half of 2018 in spite of higher volatility.

The Euro weakened slightly against major currencies in the first half of 2018 as compared to the end of 2017. However, on average, the Euro was materially stronger against major currencies during the first half of 2018 *versus* the first half of 2017.

The US Federal Reserve raised its benchmark interest rates by 25 bps in both March and June, and the European Central Bank announced its quantitative easing programme would be over by the end of the year. This had mixed effects on government bond yields over the period: increases in the United States, the United Kingdom and Switzerland and decreases in Germany, France and Japan.

Stock Markets

The MSCI World Index increased by 0.2% in the first half of 2018.

The Dow Jones Industrial Average index decreased by 1.8% while the S&P 500 index increased by 1.6% in the first half of 2018. Equity markets in Japan and Europe posted losses in the half of 2018: the Nikkei index in Tokyo decreased by 2.0% and the FTSE 100 index in London decreased by 0.7% in the first semester 2018. The EUROSTOXX 50 index in the Eurozone decreased by 3.1%.

The MSCI G7 index increased by 0.6% and the MSCI Emerging index decreased by 3.9%.

The S&P 500 implied volatility index (VIX) increased from 11.0% on December 31, 2017, to 16.1% on June 30, 2018.

The S&P 500 realized volatility index increased from 5.6% on December 31, 2017, to 15.2% on June 30, 2018.

Bond Markets

Government bond yields increased since December 31, 2017, in some mature economies: the 10-year US T-bond yield increased by 46 bps to 2.86%, the UK 10-year government bond yield increased by 9 bps to 1.28%, the 10-year Belgium government bond increased by 8 bps to 0.73% and the 10-year Swiss government bond yield increased by 8 bps to -0.07%, while the 10-year German Bund yield decreased by 12 bps to 0.30%, the French 10-year government bond yield decreased by 11 bps to 0.67%, and the 10-year Japan government bond yield decreased by 2 bps to 0.03%.

In the Eurozone peripheral countries, the 10-year government bond yields decreased in most countries: -24 bps to 1.33% in Spain, -16 bps to 3.96% in Greece and -14 bps to 1.79% in Portugal, while it increased by 69 bps to 2.69% in Italy and by 13 bps to 0.81% in Ireland.

In Europe, the iTRAXX Main spreads increased by 29 bps to 74 bps compared to December 31, 2017, and the iTRAXX Crossover increased by 90 bps to 322 bps. In the United States, the CDX Main spread Index increased by 19 bps to 68 bps.

The Euro interest rates implied volatility index (based on 10x10 Euro swaptions) increased from 43.4% as of December 31, 2017, to 43.9% as of June 30, 2018.

Exchange Rates

	End of Period Exchange rate		**Average Exchange rate**	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**June 30, 2017**
	(for €1)	**(for €1)**	**(for €1)**	**(for €1)**
US Dollar	1.17	1.20	1.21	1.08
Japanese Yen	129	135	132	122
British Sterling Pound	0.88	0.89	0.88	0.86
Swiss Franc	1.16	1.17	1.17	1.08

Operating Highlights

Governance

RE-APPOINTMENT OF MESSRS. DENIS DUVERNE AND THOMAS BUBERL AS CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

On April 25, 2018, AXA's Shareholders' Meeting renewed Messrs. Denis Duverne and Thomas Buberl's directorships as members of AXA's Board of Directors.

The Board of Directors held at the end of the Shareholders' Meeting confirmed the renewal of Messrs. Denis Duverne and Thomas Buberl as Chairman of the Board of Directors and Chief Executive Officer respectively, for the duration of their directorship as member of the Board.

Significant Acquisitions

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

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

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

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

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

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

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

[(1)] EUR 1 = USD 1.2233 as of January 19, 2018 (source: Bloomberg).
[(2)] EUR 1 = USD 1.2317 as of March 2, 2018 (source: Bloomberg).
[(3)] Completion of the transaction is subject to customary closing conditions, including the receipt of required regulatory approvals.

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

This acquisition is aligned with AXA's Ambition 2020 preferred segments favoring product lines with high frequency customer contacts, quality service and superior technical expertise. XL Group provides both a premier specialty platform complementing and diversifying AXA's existing commercial lines insurance portfolio, and reinsurance capabilities that will grant AXA an access to enhanced diversification and alternative capital. The combination of AXA's and XL Group's existing positions will propel the Group to the #1 global position in P&C Commercial lines with combined 2016 revenues of ca. €30 billion [(1)] and total P&C revenues of ca. €48 billion [(2)].

The opportunity to acquire XL Group has led AXA to announce its intention to fully exit from its existing US operations. Together with the IPO of AXA's US operations [(3)] and intended subsequent sell-downs, this transaction would gear AXA further towards technical margins less sensitive to financial markets.

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

Upon completion of the transaction, the combined operations of XL Group, AXA Corporate Solutions (AXA's large commercial P&C and specialty business) and AXA Art will be led by Greg Hendrick, currently the President and Chief Operating Officer of XL Group, who will be appointed CEO of the combined entity and join AXA Group's Management Committee, reporting to Thomas Buberl. Greg Hendrick will work closely with Doina Palici-Chehab, AXA Corporate Solutions' Executive Chairwoman, and Rob Brown, AXA Corporate Solutions' CEO, to build an integrated organization and leadership team for this new company. Following the closing, Mike McGavick, XL Group's current CEO, will become Vice Chairman of the combined P&C Commercial lines operations and special adviser to Thomas Buberl, AXA Group CEO, to advise on integration-related and other strategic matters.

The transaction was approved by XL Group's shareholders on June 6, 2018, and remains subject to customary closing conditions, including the receipt of required regulatory approvals, and is expected to take place during the second half of 2018. As noted below under "AXA successfully completed the IPO of AXA Equitable Holdings, Inc. and secured the financing of the acquisition of XL Group", the external financing of the XL Group acquisition has been completed.

[(1)] Includes P&C Commercial lines and P&C Commercial Health for comparability purposes with peers.
[(2)] Includes P&C Health for comparability purposes with peers.
[(3)] NYSE listing of AXA Equitable Holdings, Inc., consisting of the AXA US Life & Savings business and the AXA Group's interest in AllianceBernstein LP and AllianceBernstein Holding LP ("AB"). AXA America Corporate Solutions Inc. was not part of the IPO.

Significant Disposals

AXA TO SELL ITS OPERATIONS IN AZERBAIJAN

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

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

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

Partnerships and Innovation

UBER AND AXA JOINED FORCES TO SET A NEW STANDARD FOR PROTECTION OF INDEPENDENT DRIVERS AND COURIERS

Uber and AXA shared the belief that everyone, including independent workers, should have the option of benefitting from optimum protection for themselves and their families.

On May 23, 2018, going beyond their successful 2017 partnership, Uber and AXA announced the expansion of benefits to all Uber's independent partner drivers and couriers within Europe. Since June 1, 2018, Uber provides Partner Protection - a range of protections including accident, injury, illness, and paternity benefits for drivers and couriers when they are on and off the Uber app in European markets. Uber's Partner Protection is funded by Uber at no cost to all eligible drivers and courier partners.

Uber and AXA also announced the signing of a memorandum of understanding to build a joint affinity marketplace for independent workers. The aim was to empower partner drivers and couriers to be able to maintain their independent lifestyle in full security. Through a digital platform, Uber and AXA expect to propose a full set of personalized offers tailored to the different profiles and needs of each partner driver or courier, notably including injury protection, income protection, family protection, health covers, retirement, savings. This innovative platform would provide a simple seamless customer experience.

ING AND AXA ANNOUNCED A DIGITAL PARTNERSHIP TO BUILD A GLOBAL INSURANCE PLATFORM

On June 13, 2018, ING and AXA announced a long term and exclusive, multi-country bancassurance partnership to provide insurance products and related services through a central digital insurance platform. Under the partnership, ING will provide its leading digital banking experience and AXA its expertise in innovative modular insurance products and services, offering Property & Casualty, Health and Protection insurance solutions to ING customers in six countries - France, Germany, Italy, Czech Republic, Austria [(1)], and Australia [(1)].

ING and AXA teams will together develop personalized insurance products and relevant services, accessible via the ING mobile application, that meet the forward-looking needs of ING customers towards living, mobility and wellness.

[(1)] *With the support of local insurance partners.*

For ING, this is a continued step towards delivering the Think Forward strategy and empowering around 13 million ING customers stay a step ahead in life. For AXA, the partnership is another step in its "Payer-to-Partner" strategy, in growing in its preferred segments and towards its vision to empower people to live a better life.

Capital / Debt operations / Other

AXA RATINGS

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

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

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

AXA ANNOUNCED THE SUCCESSFUL PLACEMENT OF €2 BILLION DATED SUBORDINATED NOTES DUE 2049

On March 22, 2018, AXA announced the successful placement of €2 billion of Reg S subordinated notes due 2049 to institutional investors. The net proceeds of the issue of the Notes will be used for the financing of part of AXA's acquisition of XL Group Ltd.

The initial coupon has been set at 3.25% per annum. It will be fixed until the first call date in May 2029 and floating thereafter with a margin including a 100 basis points step-up.

Settlement of the notes took place on March 26, 2018.

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

AXA TO TRANSFORM ITS SWISS GROUP LIFE BUSINESS, CREATING ADDITIONAL VALUE FOR ITS CUSTOMERS AND SHAREHOLDERS

On April 10, 2018, AXA Switzerland ("AXA"), the largest insurer of SMEs in the Swiss market, announced that it had entered into an agreement with its main occupational benefits foundations [(1)] ("Foundations") to convert their business model from a full-value insurance [(2)] model to a semi-autonomous model [(3)], by the end of 2018 ("Model Transformation"). Beginning 2019, under the semi-autonomous model, death and disability provisions and administration services will continue to be covered by AXA, while the responsibility of asset allocation and investment returns to policyholders will be with the Foundations. AXA Group, as a globally renowned asset manager, will continue to offer investment management services to the Foundations.

Ongoing low interest rates in recent years and strong regulatory requirements in Switzerland have resulted in full-value insurance becoming increasingly lower value for money for corporate clients and their employees. Swiss life insurers who offer full-value insurance must maintain capital coverage for their entire pension obligations, including the minimum interest guarantees. This framework necessitates a very cautious

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[(1)] Collective group pension schemes, which are managed by an independent board.
[(2)] Contract covering the whole offer: guaranteed savings and annuity benefits, death and disability benefits, and administration services.
[(3)] Contract covering death and disability benefits, and administration services.

investment strategy, leading to lower investment return opportunities for its clients' employees, as compared to the semi-autonomous model.

AXA has been successfully offering new semi-autonomous solutions for some time, and which already represented around 60% of its new occupational benefits insurance business before the transformation. With the transformation, AXA will become the largest provider of semi-autonomous solutions for SMEs in Switzerland. AXA will be focused on restoring growth to occupational benefits insurance and remaining a strong partner of Swiss SMEs into the future.

Financial impacts are the following:

- AXA will transfer most of its in-force General Account Reserves (amounting to CHF 31 billion [(1)] or €27 billion [(2)]) backing the pre-retirement savings benefits [(3)] in its Group Life portfolio to the Foundations. This transfer includes CHF 3.5 billion (or €3 billion [(5)]) of excess reserves to enable a sustainable risk carrying capacity of the Foundations (Coverage Ratio [(4)] of 111% as of FY17);
- In line with the move to a semi-autonomous model, the savings portion of the premiums will no longer appear in IFRS Gross Revenues of AXA;
- The Model Transformation is expected to result in a temporary reduction in AXA Group underlying earnings of ca. €20 million from 2019, and will lead to a one-time negative impact in Net income of CHF 406 million (or €347 million [(5)]) in the first half of 2018 linked to the transfer of the portfolio [(6)] to the Foundations;
- The reduction of guarantees on AXA's balance sheet is expected to lead to a release of local risk capital requirement of ca. CHF 2.5 billion (or ca. €2.2 billion [(1)]) in 2019 and to an enhanced cash remittance to AXA Group over the next three years, subject to regulatory approvals.

AXA and the responsible trustees informed the relevant Swiss supervisory authorities, i.e. the Swiss Financial Market Supervisory Authority (FINMA) and the Berufliche Vorsorge (BVG) and Foundation Supervision of the Canton of Zurich (BVS), on the Model Transformation. FINMA examined adherence of the transaction with insurance supervision requirements. Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, notably by the BVS.

AXA S.A. RECEIVED USD 3.2 BILLION FROM THE COMPLETION OF ITS US PRE-IPO REORGANIZATION TRANSACTIONS

On April 25, 2018, AXA announced that AXA Equitable Holdings, Inc. had successfully completed its pre-IPO reorganization transactions, including the repayment of all internal loans provided by AXA Group and the purchase of AllianceBernstein units previously owned by AXA S.A. and its affiliates.

Consequently, AXA S.A. received USD 3.2 billion which will contribute to the financing of the XL Group acquisition, announced on March 5, 2018.

[(1)] Based on FY17; Market value of asset.
[(2)] EUR 1 = CHF 1.1594 as of June 30, 2018 (source: Bloomberg).
[(3)] In-force General Account Reserves of AXA Switzerland relating to existing annuitants will remain with AXA.
[(4)] Coverage Ratio for Foundations = Market Value of Assets / Mandatory Reserves.
[(5)] EUR 1 = CHF 1.1594 as of June 30, 2018 (source: Bloomberg).
[(6)] The assets and liabilities transferred to the Foundations were classified as "held for sale" in AXA Group's 1H18 consolidated financial statements.

AXA S.A. ANNOUNCED THE LAUNCH OF THE INITIAL PUBLIC OFFERING OF AXA EQUITABLE HOLDINGS, INC.

On April 26, 2018, AXA S.A. ("AXA") announced the launch of the initial public offering ("IPO") of its wholly-owned subsidiary, AXA Equitable Holdings, Inc. ("AEH") and the commencement of the roadshow for the offering.

AXA, as the selling stockholder, was offering 137,250,000 shares [(1)] of common stock of AEH, and had granted the underwriters a 30-day option to purchase up to an additional 20,587,500 shares of common stock. The IPO price was expected to be between USD 24 and USD 27 per share.

The shares were being offered by a group of underwriters led by Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, Barclays Capital Inc. and Citigroup Global Markets Inc.

The shares were expected to trade on the New York Stock Exchange under the ticker symbol "EQH".

A registration statement relating to the proposed IPO had been filed by AEH with the U.S. Securities and Exchange Commission but had not yet become effective.

AXA SUCCESSFULLY COMPLETED THE IPO OF AXA EQUITABLE HOLDINGS, INC. AND SECURED THE FINANCING OF THE ACQUISITION OF XL GROUP

On May 14, 2018, AXA S.A. ("AXA") announced it had successfully completed the initial public offering ("IPO") on the New York Stock Exchange of its US subsidiary, AXA Equitable Holdings, Inc. ("AEH").

Overall proceeds amounted to USD 4.0 billion, with the sale of 24.5% of AEH's outstanding shares at USD 20 per share and the issuance of USD 750 million of bonds mandatorily exchangeable for AEH shares, combined with the exercise of the over-allotment options granted to underwriters, resulting in the purchase by the underwriters of an additional 20.6 million AEH shares (3.7% of AEH's outstanding shares) and USD 112.5 million mandatory exchangeable bonds [(2)].

The financing of the acquisition of XL Group Ltd (€12.4 billion) is fully in line with the announcement on March 5, 2018: ca. €3.5 billion from cash available at hand, €2.6 billion [(3)] related to the pre-IPO reorganization transactions, €3.3 billion [(3)] overall proceeds [(4)] from the IPO, and the €2 billion dated subordinated debt (out of the total planned €3 billion). Given additional existing resources, AXA considers the financing of XL Group is now secured, as it is not dependent on the issuance of any additional debt.

The details of the overall proceeds from the AEH share transactions are the following:

- Sale of AEH shares:
  - AXA sold 137.25 million AEH shares at USD 20 per share,
  - Represents 24.5% of total issued and outstanding AEH shares,
  - Amounts to USD 2.75 billion or €2.23 billion [(3)] of proceeds;
- Issuance of bonds mandatorily exchangeable into AEH shares:
  - Issuance of USD 0.75 billion, or €0.61 billion [(3)], mandatory exchangeable bonds,

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[(1)] Out of 561,000,000 total common shares.
[(2)] The mandatory exchangeable bonds (including the exercise of the over-allotment option) will be exchanged at maturity into a minimum of 6.5% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price is greater than or equal to USD 23.50 per share, and a maximum of 7.7% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price does not exceed the IPO price.
[(3)] EUR 1 = USD 1.23 as of March 2, 2018 (source: Bloomberg), as announced at the time of the acquisition of XL Group Ltd on March 5, 2018.
[(4)] Overall proceeds include all AEH share transactions: the sale of AEH shares, the issuance of bonds mandatorily exchangeable into AEH shares, and the exercise of the over-allotment options by the underwriters. Before fees and expenses of the offerings.

- The bonds will mature on May 15, 2021, unless exchanged earlier at the option of AXA [1] [2],
- Mostly treated as shareholders' equity, with negligible impact on debt and debt gearing;

- Exercise in full of the 30-day over-allotment options granted by AXA to the underwriters:
  - Underwriters exercised their options to purchase 20,587,500 shares of AEH at USD 20 per share and to purchase USD 112.5 million of mandatory exchangeable bonds, both effective as of May 11, 2018,
  - USD 0.52 billion or €0.43 billion [3] of additional IPO proceeds;
- Overall proceeds [4] of USD 4.02 billion or €3.26 billion [3].

Financial guidance reiterated:

- FY18E debt gearing at ca. 32% (or lower if remaining debt issuance is below the level originally planned); and below 28% by FY20E;
- FY18E Solvency II ratio between 190% and 200%;
- Earnings dilution from the US IPO in FY18 expected to be neutralized by the integration of XL Group [5].

The impact of the IPO on our Group consolidated shareholders' equity was €-2.1 billion, which is the difference between the net proceeds to AXA Group and the consolidated book value of the divested AEH stake. Following the IPO, AXA Group's ownership in AEH was reduced to 71.9% as of June 30, 2018. AEH remains fully consolidated in the AXA Group's financial statements. The IPO resulted in a minority interest in shareholders' equity of €+4.7 billion.

Any further potential divestment of our equity participation in AEH would be subject to financial markets volatility and other market-related risks, which may also impact the consolidated value of our remaining stake in AEH and adversely impact our consolidated results of operations and AXA share price.

For additional information on the accounting-related impacts of the AEH IPO, see Note 4.1 of Part II Consolidated financial statements of this report.

AXA AND XL GROUP ANNOUNCED FUTURE BRANDING

On July 11, 2018, following the announcement of the acquisition of XL Group Ltd by AXA SA on March 5, 2018, the two companies presented a new step in the planning process for combining XL Group operations, AXA Corporate Solutions and AXA Art into the new division of the AXA Group dedicated to large P&C commercial lines and specialty risks following closing of the acquisition.

This new division will be named AXA XL and will operate under the master brand AXA. Its offerings will be identified along three main lines:

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[1] Or upon the occurrence of certain events.
[2] The mandatory exchangeable bonds (including the exercise of the over-allotment option) will be exchanged at maturity into a minimum of 6.5% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price is greater than or equal to USD 23.50 per share, and a maximum of 7.7% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price does not exceed the IPO price.
[3] EUR 1 = USD 1.23 as of March 2, 2018 (source: Bloomberg), as announced at the time of the acquisition of XL Group Ltd on March 5, 2018.
[4] Overall proceeds include all AEH share transactions: the sale of AEH shares, the issuance of bonds mandatorily exchangeable into AEH shares, and the exercise of the over-allotment options by the underwriters. Before fees and expenses of the offerings.
[5] Assuming an expected closing end of 3Q18.

- XL Insurance - which will comprise XL Group's insurance business and AXA Corporate Solutions, and will include XL Art & Lifestyle, the combination of XL Group's Fine Art and Specie business and AXA Art offerings;
- XL Reinsurance - that will incorporate XL Group's reinsurance business;
- XL Risk Consulting - that will incorporate AXA Matrix and XL Group's Property Risk Engineering GAPS.

In addition, XL Group's primary Lloyd's syndicate will continue to be known as XL Catlin Syndicate 2003.

Under the AXA brand, the new offerings will present an exciting new proposition to clients and brokers around the world.

This new branding and naming follows the announcement on June 6, 2018, that XL Group's shareholders approved the agreement under which AXA is to acquire 100% of XL Group. The closing of the acquisition is expected to take place completed during the second half of 2018, subject to customary closing conditions, including the receipt of required regulatory approvals, which remain pending. Until the acquisition closes, XL Group and AXA remain two separate companies.

Risk Factors

The principal risks and uncertainties faced by the Group are described in detail in Section 4.1 "Risk Factors" and Section 6.3 "General Information" of the 2017 Registration Document (respectively on pages 142 to 154 and pages 349 to 359), with the exception of the paragraph "US Department of Labor Fiduciary Duty rule" (on page 353 of the 2017 Registration Document) which is hereby explicitly excluded from the scope of incorporation to this report, as the fiduciary rule issued by the US Department of Labor on April 6, 2016, was vacated by a decision of a US federal appeals court on March 15, 2018, which subsequently became final on June 21, 2018. The 2017 Registration Document was filed with the *Autorité des marchés financiers* and is available on its website (www.amf-france.org) as well as on AXA's website (www.axa.com).

The descriptions contained in these sections of the 2017 Registration Document, with the above mentioned exception, remain valid in all material respects at the date of the publication of this report regarding the appreciation of the major risks and uncertainties affecting the Group on June 30, 2018, or which Management expects could affect the Group during the remainder of 2018.

Related-Party Transactions

During the first semester 2018, 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, 2017, included in the full year 2017 Registration Document (pages 323 and 324) 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 2018, 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 2018.

Events subsequent to June 30, 2018

AXA ENTERS INTO EXCLUSIVITY FOR THE POTENTIAL DISPOSAL OF ITS EUROPEAN VARIABLE ANNUITIES CARRIER, WITH EXPECTED TOTAL CASH PROCEEDS OF €1.2 BILLION

On August 1, 2018, AXA announced that it has received an irrevocable offer from Cinven for the potential sale of AXA Life Europe ("ALE"), a specialized platform which designed, manufactured and distributed AXA's Variable Annuity products across Europe.

The total cash proceeds generated for AXA Group would be €1,165 million, which includes €925 million (representing an implied 1.0x BV multiple [(1)]) from the potential sale of ALE shares to be fully paid in cash at closing, and a capital distribution from ALE to AXA S.A. of €240 million, prior to the transaction, in June 2018.

The corresponding assets and liabilities of ca. €5 billion (mostly insurance liabilities from the German Variable Annuities book and financial assets backing these contacts) will be reclassified to held for sale in the balance sheet.

Based in Dublin with over 60 employees, ALE delivers strong financial risk management capabilities and manages a portfolio of ca. 248,000 insurance contracts with ca. €5 billion reserves [(2)]. It distributed products across Europe through the networks of AXA entities (namely Germany, France, UK, Spain, Italy, and Portugal [(3)]) and third-party distribution channels, and has a reinsurance arrangement with AXA Japan. ALE has been closed to new business since 2017. The German insurance contracts account for more than 70% of ALE's portfolio [(4)], and the policy administration services for these contracts will continue to be provided by AXA Germany.

This transaction is expected to result in a positive impact on AXA Group Solvency II ratio of ca. 2 points. The Underlying Earnings (UE) generated from the business under consideration were €19 million in FY17.

The proposed transaction is subject to customary conditions, including completing the information and consultation of the relevant works councils as well as obtaining required regulatory approvals, and is expected to be finalized by the end of 2018 or early 2019.

[(1)] Excluding Other Comprehensive Income.
[(2)] IFRS Reserves as of FY17.
[(3)] AXA Portugal was sold to Ageas in 2016.
[(4)] In terms of reserves.

ACTIVITY INDICATORS

(in Euro million, except percentages)

	June 30, 2018	June 30, 2017 restated (b)	June 30, 2018 / June 30, 2017 restated (b) & (c)	December 31, 2017
Gross revenues (a)	**53,600**	**54,283**	**3.1%**	**98,549**
France	13,004	12,004	7.5%	24,475
Europe	21,747	21,784	3.0%	35,992
Asia	4,339	4,598	3.4%	8,985
United States	7,923	9,081	(2.5%)	16,911
International	3,419	3,732	2.9%	7,034
Transversal & Central Holdings	3,168	3,085	2.5%	5,152
APE (d)	**3,387**	**3,330**	**8.1%**	**6,470**
France	1,041	891	18.7%	1,849
Europe	640	560	6.0%	1,034
Asia	763	797	4.1%	1,510
United States	821	953	3.7%	1,799
International	123	129	0.2%	278
Transversal & Central Holdings	-	-	0.0%	-
NBV Margin (e)	**41.0%**	**42.9%**	**(1.7 pts)**	**43.1%**

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

Consolidated gross revenues amounted to €53,600 million as at June 30, 2018, down 1% on a reported basis and up 3% on a comparable basis, compared to June 30, 2017.

The comparable basis mainly consisted in the adjustment of the foreign exchange rate movements (€+2.3 billion or +4.3 points) mainly due to the appreciation of average Euro exchange rate against USD, CHF and HKD.

Since Full Year 2017, AXA has introduced Health as a separate line of business for activity and underlying earnings indicators. Unless otherwise specified, Life & Savings and Property & Casualty lines of business therefore exclude the Health business.

Gross revenues

Gross revenues were down 1% on a reported basis and up 3% on a comparable basis to €53,600 million. The growth in *France*, *Europe*, *Asia* and *Transversal & Central Holdings*, was partly offset by a slowdown in *the United States*.

France gross revenues were up 8% (€+908 million) to €13,004 million on a comparable basis with growth in (i) *Life & Savings* (€+599 million or +10%) mainly driven by *Individual Savings* due to strong sales of both capital light products sold through the bancassurance channel and discretionary mandates through proprietary channel, (ii) *Health* (€+241 million or +12%) mainly driven by higher volumes in *Group business* in both international and domestic markets, and (iii) *Other* (€+56 million) driven by *AXA Banque France* mainly due to a favorable change in the fair value of an internal interest rate swap with AXA Bank Belgium (neutral at Group level) used to hedge loans granted by AXA Banque France, and (iv) *Property & Casualty* (€+13 million or 0%) driven by growth in *Commercial lines* partly offset by lower volumes in *Personal lines*.

Europe gross revenues were up 3% (or €+649 million) to €21,747 million on a comparable basis:

- *Switzerland* (€-4 million or 0%) to €7,194 million mainly from (i) *Life & Savings* due to the decrease of single premiums, partly offset by (ii) *Property & Casualty* with *Commercial lines* due to higher volumes and tariff increases in *Workers' Compensation*;
- *Germany* (€+60 million or +1%) to €5,934 million mainly from (i) *Property & Casualty* driven by *Personal lines* due to new business in *Motor* and tariff increases in *Non-Motor*, and (ii) *Health* due to tariff increases, partly offset by (iii) *Life & Savings* from the decrease in *G/A Savings* and *Protection with Savings*;
- *Belgium* (€+29 million or +2%) to €1,754 million from (i) *Life & Savings* mainly driven by *Protection* notably from Group business as a result of favorable timing effects, and (ii) *Health* due to new large contracts in *Group business*;
- *The United Kingdom & Ireland* (€+43 million or +2%) to €2,762 million from (i) *Health* mainly driven by volume growth and tariff increases, and (ii) *Property & Casualty* mainly driven by *Commercial lines* in *Motor* due to both higher new business and tariff increases and in *Property* due to new business, partly offset by *Personal Property* mainly reflecting lower volumes following tariff increases;
- *Spain* (€+22 million or +2%) to €1,284 million mainly from (i) *Property & Casualty* driven by both *Commercial lines* and *Personal Motor* from higher volumes and tariff increases, and (ii) *Health* mainly in *Personal lines*;
- *Italy* (€+499 million or +21%) to €2,820 million mainly from (i) *Life & Savings* due to the strong recovery in sales from Banca Monte dei Paschi di Siena combined with a higher commercial focus on *Unit-Linked* and *Protection* products, and (ii) *Property & Casualty* driven by higher new business both in *Personal* and *Commercial lines*.

Asia gross revenues were up 3% (or €+154 million) to €4,339 million on a comparable basis, mainly from:

- *Japan* (€+62 million or +3%) to €2,309 million from *Life & Savings* driven by the success of *Follow-up Life Protection* product launched in 1Q18, partly offset by continued lower business growth from the G/A capital light *Single Premium Whole Life* product;
- *Hong Kong* (€+118 million or +8%) to €1,475 million from (i) *Life & Savings* from *Protection* driven by in-force growth and *G/A Savings* due to both new business sales and in-force growth, and (ii) *Health* mainly driven by higher volumes combined with tariff increases in both *Individual* and *Group businesses*;
- *Asia - Direct* (€-20 million or -4%) to €478 million mainly in *South Korea* (€-15 million or -5%) from *Motor* following the decision to re-price unprofitable business.

The United States gross revenues were down 3% (or €-229 million) to €7,923 million on a comparable basis:

- *The United States Life & Savings* (€-371 million or -5%) to €6,602 million mainly in *Unit-Linked* primarily due to the non-repeat of 1H17 strong sales of non-GMxB Variable Annuities in anticipation of the implementation of the US Department of Labor rule;
- *AB* (€+142 million or +11%) to €1,321 million due to both higher average AUM and higher average management fee bps, higher performance fees, and higher distribution fees mainly due to higher average AUM in retail mutual funds.

International gross revenues were up 3% (or €+103 million) to €3,419 million on a comparable basis, mainly from:

- *Mexico* (€+100 million or +12%) to €841 million mainly driven by *Health* due to higher revenues stemming from volume and tariff increases and *Property & Casualty* with higher new business in *Motor*;
- *The Gulf Region* (€-23 million or -4%) to €444 million mainly driven by a reduction of the size of a large *Commercial Motor* fleet;
- *Colombia* (€+23 million or +7%) to €337 million mainly driven by new business in *Personal Accident, Workers' Compensation* and *Personal Motor*;
- *Poland* (€+27 million or +10%) to €311 million mainly due to new business in *Motor* and *Commercial lines Non-Motor*;
- *Turkey* (€+38 million or +11%) to €303 million mainly driven by an increase in *Motor* Third Party Liability from the insurance pool introduced by the government in September 2017;
- *AXA Bank Belgium* (€-62 million or -32%) to €132 million mainly due to an unfavorable change in the fair value of an internal interest rate swap (neutral at Group level) used to hedge loans granted by AXA Banque France, lower realized capital gains and lower commercial margin.

Transversal & Central Holdings gross revenues were up 2% (or €+77 million) to €3,168 million on a comparable basis, mainly from:

- *AXA Assistance* (€+43 million or +7%) to €680 million mainly driven by *Property & Casualty* from higher volumes in *Non-Motor* mainly in Home and Travel, as well as in *Motor*;
- *AXA Investment Managers* (€+33 million or +5%) to €631 million driven by higher performance fees including realized carried interest, management fees and transaction fees.

New business Annual Premium Equivalent [1]

New business APE was up 2% on a reported basis and up 8% on a comparable basis to €3,387 million. All markets recorded growth.

France (€1,041 million, 31% of total) up €164 million (+19%) on a comparable basis mainly driven by *Group Health* (€+134 million) and *Individual Savings* (€+47 million), partly offset by *Group Savings* (€-22 million).

Europe (€640 million, 19% of total) up €37 million (+6%) on a comparable basis mainly from (i) *Switzerland* (€+32 million) due to higher sales in *Group Life* semi-autonomous and autonomous businesses, and (ii) *Italy* (€+29 million) in all lines of product driven by the strong recovery in sales from Banca Monte dei Paschi di Siena combined with a commercial focus on *Unit-Linked* products, partly offset by (iii) *Germany* (€-23 million) mainly due to lower new business in *Health*.

Asia (€763 million, 23% of total) up €33 million (+4%) on a comparable basis mainly from (i) *Japan* (€+69 million) driven by *Protection* mainly due to the success of *Follow-up Life* product launched in 1Q18, (ii) *Hong Kong* (€+8 million) stemming from higher sales in *G/A Savings* mainly due to the successful launch of a new product in 1Q18 and *Health*, partly offset by lower sales in *Protection*, and (iii) *The Philippines* (€+7 million) driven by the strong performance in both bancassurance and agency channels, partly offset by (iv) *China* (€-51 million) due to lower sales of traditional *G/A Savings* products.

The United States (€821 million, 24% of total) up €33 million (+4%) on a comparable basis mainly from *Mutual Funds & Other* (€+37 million) reflecting higher advisory sales from favorable market conditions and *Protection* following higher sales in employee benefits products, partly offset by *Unit-Linked* primarily due to the non-repeat of 1H17 strong sales of non-GMxB Variable Annuities in anticipation of the implementation of the US Department of Labor rule, partly mitigated by growth in Group Retirement.

International (€123 million, 4% of total) remained stable on a comparable basis mainly from *India* (€+9 million) notably in *Protection*, partly offset by *Singapore* (€-4 million) mainly driven by lower *G/A Savings* sales, as well as *Poland* (€-2 million) and *Turkey* (€-2 million) both mainly due to lower *Unit-Linked* sales.

New Business Value Margin [2]

New Business Value Margin stood at 41.0%, decreasing by 1.9 points. On a comparable basis, New Business Value Margin decreased by 1.7 points mainly driven by higher sales in *Group Health* in *France* and increased volume in *G/A Savings* and redesigning of *Protection* product in *Hong Kong*, partly offset by a favorable business mix in *China*.

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

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

UNDERLYING EARNINGS, ADJUSTED EARNINGS AND NET INCOME GROUP SHARE

(in Euro million, except percentages)	June 30, 2018	France	Europe	Asia	United States	International	Transversal & Central Holdings
Investment margin	2,341	825	920	19	256	189	132
Fees & revenues	4,101	966	573	991	1,394	171	7
Net technical margin	6,306	1,488	3,138	407	(123)	726	669
Expenses	(8,430)	(2,149)	(2,962)	(812)	(1,029)	(880)	(598)
Amortization of value of purchased life business inforce	(34)	-	(21)	(11)	(0)	(1)	-
Underlying earnings before tax from insurance activities	**4,284**	**1,130**	**1,648**	**594**	**497**	**205**	**210**
Underlying earnings before tax from other activities	**36**	**0**	**40**	**(2)**	**252**	**26**	**(281)**
Income tax expenses / benefits	(938)	(325)	(380)	(112)	(136)	(43)	57
Income from affiliates and associates	139	14	1	67	-	47	10
Minority interests	(223)	(2)	(39)	(4)	(149)	(25)	(5)
Underlying earnings Group share	**3,298**	**816**	**1,271**	**544**	**465**	**210**	**(7)**
Net capital gains or losses attributable to shareholders net of income tax	330	76	231	(8)	3	(1)	29
Adjusted earnings Group share	**3,628**	**892**	**1,502**	**536**	**467**	**209**	**22**
Profit or loss on financial assets (under fair value option) and derivatives	(346)	(68)	(65)	(22)	(59)	14	(146)
Exceptional operations (including discontinued operations)	(361)	48	(340)	(6)	(19)	(20)	(25)
Goodwill and other related intangible impacts	(36)	-	(19)	(8)	(0)	(8)	(0)
Integration and restructuring costs	(89)	(9)	(24)	(13)	(27)	(5)	(12)
NET INCOME GROUP SHARE	**2,796**	**863**	**1,054**	**487**	**363**	**190**	**(162)**
Property & Casualty Combined Ratio	95.0%	93.7%	93.9%	96.5%	-	100.1%	96.2%
Health Combined Ratio	94.9%	98.7%	96.2%	77.7%	150.1%	99.3%	102.1%
Protection Combined Ratio	96.2%	94.7%	97.6%	86.0%	108.3%	100.2%	-

(in Euro million, except percentages)	June 30, 2017 restated (a)	France	Europe	Asia	United States	International	Transversal & Central Holdings
Investment margin	2,439	819	973	17	297	204	129
Fees & revenues	3,995	929	565	1,005	1,307	183	6
Net technical margin	5,978	1,447	3,058	376	(254)	727	625
Expenses	(8,322)	(2,146)	(2,959)	(766)	(964)	(904)	(583)
Amortization of value of purchased life business inforce	(27)	-	(14)	(11)	(0)	(2)	-
Underlying earnings before tax from insurance activities	**4,063**	**1,048**	**1,624**	**621**	**385**	**208**	**177**
Underlying earnings before tax from other activities	**(9)**	**(8)**	**14**	**0**	**213**	**43**	**(271)**
Income tax expenses / benefits	(858)	(298)	(414)	(131)	65	(47)	(33)
Income from affiliates and associates	144	9	3	90	-	34	9
Minority interests	(170)	(2)	(42)	(4)	(99)	(19)	(4)
Underlying earnings Group share	**3,171**	**749**	**1,185**	**576**	**565**	**218**	**(121)**
Net capital gains or losses attributable to shareholders net of income tax	307	129	167	4	(13)	2	18
Adjusted earnings Group share	**3,478**	**878**	**1,351**	**580**	**552**	**220**	**(103)**
Profit or loss on financial assets (under fair value option) and derivatives	(154)	(10)	(63)	(12)	70	(15)	(125)
Exceptional operations (including discontinued operations)	39	(0)	(4)	(0)	-	(10)	53
Goodwill and other related intangible impacts	(44)	-	(22)	(8)	(0)	(13)	(1)
Integration and restructuring costs	(51)	(10)	(6)	(0)	(9)	(10)	(16)
NET INCOME GROUP SHARE	**3,268**	**858**	**1,257**	**560**	**613**	**172**	**(191)**
Property & Casualty Combined Ratio	95.7%	94.3%	94.4%	97.5%	-	100.4%	98.2%
Health Combined Ratio	95.1%	98.0%	97.4%	78.6%	144.2%	102.3%	91.1%
Protection Combined Ratio	96.8%	93.6%	97.6%	85.4%	114.8%	98.3%	-

(a) Restated: as per the new governance.

(in Euro million, except percentages)	December 31, 2017	France	Europe	Asia	United States	International	Transversal & Central Holdings
Investment margin	4,647	1,640	1,813	35	543	375	241
Fees & revenues	8,123	2,001	1,158	1,948	2,583	420	14
Net technical margin	11,904	2,909	6,175	768	(424)	1,396	1,080
Expenses	(16,873)	(4,531)	(5,940)	(1,550)	(1,864)	(1,859)	(1,128)
Amortization of value of purchased life business inforce	(42)	-	(25)	(13)	(1)	(3)	-
Underlying earnings before tax from insurance activities	**7,758**	**2,018**	**3,180**	**1,187**	**836**	**330**	**207**
Underlying earnings before tax from other activities	**(2)**	**(7)**	**24**	**(0)**	**556**	**49**	**(623)**
Income tax expenses / benefits	(1,665)	(598)	(807)	(257)	(7)	(91)	95
Income from affiliates and associates	297	20	7	166	-	86	18
Minority interests	(387)	(5)	(78)	(7)	(250)	(37)	(10)
Underlying earnings Group share	**6,002**	**1,429**	**2,326**	**1,089**	**1,135**	**337**	**(313)**
Net capital gains or losses attributable to shareholders net of income tax	455	237	237	23	(60)	(7)	26
Adjusted earnings Group share	**6,457**	**1,666**	**2,563**	**1,111**	**1,075**	**330**	**(288)**
Profit or loss on financial assets (under fair value option) and derivatives	(134)	31	(2)	(59)	96	11	(211)
Exceptional operations (including discontinued operations)	124	(252)	(57)	(0)	268	(22)	187
Goodwill and other related intangible impacts	(90)	-	(44)	(16)	(2)	(27)	(1)
Integration and restructuring costs	(148)	(25)	(25)	(9)	(21)	(16)	(53)
NET INCOME GROUP SHARE	**6,209**	**1,420**	**2,435**	**1,028**	**1,415**	**276**	**(365)**
Property & Casualty Combined Ratio	96.3%	94.6%	94.6%	97.6%	-	101.4%	101.1%
Health Combined Ratio	94.7%	98.7%	96.1%	78.3%	146.9%	101.6%	87.1%
Protection Combined Ratio	96.9%	95.6%	97.0%	86.7%	112.7%	98.4%	-

ALTERNATIVE PERFORMANCE MEASURES

Adjusted earnings, Underlying earnings and Adjusted Return on Equity are Alternative Performance Measures as defined in ESMA's guidelines issued in 2015. A reconciliation from non-GAAP financial measures Underlying Earnings and Adjusted Earnings to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided in the above tables. Adjusted Return on Equity is reconciled to the financial statements in the table set forth on page 30 of this report.

Adjusted Earnings

Adjusted Earnings represent the net income (Group share) as disclosed in Part 2 - "Consolidated Financial Statements" of this Report, before the impact of the following items net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

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

Underlying Earnings

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

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

Adjusted Return on Equity

The **Adjusted Return on Equity ("Adjusted RoE")** is calculated as adjusted earnings net of financial charges related to both undated subordinated debt and mandatory exchangeable bonds (recorded through shareholders' equity as disclosed in Part 2.4 - "Consolidated Statement of Changes in Equity" and financial debt as disclosed in Note 8 "Financing Debt" of this Report) divided by the weighted average shareholders' equity. The weighted average shareholders' equity:

- is based on opening shareholders' equity adjusted for weighted average impact of capital flows (including dividends);
- without reserves relating to the change in the fair value of financial investments available for sale as disclosed in Part 2.4 - "Consolidated Statement of Changes in Equity" of this Report;
- without undated subordinated debt and mandatory exchangeable bonds as disclosed in Part 2 - "Note 7 Shareholders' Equity and Minority Interests" of this Report and mandatory exchangeable bonds as disclosed in Note 8 "Financing Debt" of this Report.

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

COMMENTARIES ON GROUP EARNINGS

Underlying earnings

Underlying earnings amounted to €3,298 million, up €128 million (+4%) *versus* 1H17 on a reported basis. On a constant exchange rate basis, underlying earnings increased by €290 million (+9%) supported by all geographies.

On a constant exchange rate basis, **underlying earnings before tax from insurance activities** increased by €400 million (+10%) to €4,284 million:

- **Lower investment margin** (€-27 million or -1%) primarily in *Europe* (€-37 million) from *Switzerland* (€-32 million) mainly due to lower income from fixed income assets, partly offset by *International* (€+9 million) mainly in *Turkey* (€+8 million) stemming from both higher interest rates and average asset base;
- **Higher fees & revenues** (€+385 million or +10%) primarily from higher Unit-Linked management fees (€+187 million). The overall fees & revenues growth was mainly driven by (i) *the United States Life & Savings* (€+251 million) mainly from higher Unit-Linked management fees reflecting higher average balances from favorable equity markets combined with unlocking and reactivity impacts of model and assumption changes (fully offset by Deferred Acquisition Costs), (ii) *Asia* (€+82 million) mainly in *Hong Kong* (€+51 million) following positive equity market performance notably in 2H17 and *Japan* (€+29 million) mainly due to in-force growth and new business, and (iii) *France* (€+38 million) due to higher Unit-Linked management fees reflecting a higher asset base;
- **Higher net technical margin** (€+493 million or +8%) driven by (i) *Europe* (€+155 million) from *Property & Casualty* (€+78 million) driven by an improved all year loss ratio (-0.5 point) due to a more favorable prior year reserve development mainly in *Germany*, *the United Kingdom & Ireland*, *Belgium* and *Spain*, combined with an improved claims experience, partly offset by a higher natural event charge (+1.4 points), *Health* (€+32 million) in *the United Kingdom & Ireland* (€+33 million) mainly due to claims management measures, and *Life & Savings* (€+45 million) in *Switzerland* (€+45 million) mainly due to a favorable development of both the disability and mortality margins from lower policyholder bonus allocation, (ii) *the United States Life & Savings* (€+116 million) mainly due to higher GMxB margin and the non-repeat of 1H17 unfavorable mortality model updates, partly offset by a less favorable mortality experience, (iii) *Asia* (€+69 million) mainly in *Hong Kong* (€+30 million) and *Japan* (€+20 million) both mainly due to a higher surrender margin, (iv) *International* (€+56 million) mainly in *Mexico* (€+22 million) and *the Gulf Region* (€+17 million) reflecting management actions to improve the net technical margin, (v) *Transversal & Central Holdings* (€+50 million) mainly driven by a favorable prior year reserve development at *AXA Global Re* (€+57 million) partly offset by *AXA Corporate Solutions Assurance* (€-22 million), and (vi) *France* (€+46 million) primarily from *Property & Casualty* (€+31 million) despite a higher natural event charge (+1.5 points);
- **Higher expenses** (€-442 million or +5%) primarily in (i) *the United States* (€-186 million) mainly from higher Deferred Acquisition Cost amortization due to both unlocking and reactivity impacts of model and assumption changes (partly offset in Fees & Revenues), (ii) *Asia* (€-123 million) primarily in *Hong Kong* (€-72 million) mainly due to higher Deferred Acquisition Cost amortization and *Japan* (€-39 million) mainly due to volume growth combined with a negative timing difference of non-payroll expenses, and (iii) *Europe* (€-61 million) primarily in *the United Kingdom & Ireland* (€-30 million) from investments in transformation programs, *Switzerland* (€-15 million) driven by volume growth in *Property & Casualty*, as well as costs related to the transformation of the in-force *Group Life* business model to a semi-autonomous model, regulatory projects and to the launch of the *Health* business, and

Germany (€-12 million) driven by higher Deferred Acquisition Cost amortization from unfavorable change in interest rate assumptions;

- **Higher VBI amortization** (€-9 million or +32%) primarily in *Europe* (€-8 million) mainly in *Switzerland* mainly due to the non-repeat of the positive impact from interest rate assumption updates in 1H17.

On a constant exchange rate basis, **underlying earnings before tax from other activities** increased by €79 million to €36 million:

- *Europe* (€+26 million) mainly driven by an exceptional distribution from an investment fund in *Germany Holdings*;
- *The United States* (€+69 million or +32%) primarily from *AB* mainly due to higher revenues and lower expenses from the non-repeat of 1H17 one-off charges linked to the reduction of real estate footprint (€+36 million) and efficiency initiatives;
- *International* (€-17 million or -40%) mainly due to the decrease in gross revenues, partly offset by lower expenses at *AXA Bank Belgium*;
- *Transversal & Central Holdings* (€-5 million or -2%), mainly from:
    - *AXA SA* (€-25 million or -6%) mainly driven by higher financial charges in the context of the acquisition of XL Group,
    - *AXA Investment Managers* (€+13 million or +7%) as a result of higher gross revenues, partly offset by higher general expenses mainly due to regulatory costs (mainly driven by MIFID 2 regulation).

On a constant exchange rate basis, **income tax expenses** increased by €120 million (+14%) to €-938 million driven by higher pre-tax underlying earnings across geographies combined with the non-repeat of positive tax settlements in 1H17 in *the United States Life & Savings* (€204 million), partly offset by the impact of the removal of the 3% tax on dividends paid to shareholders in 1H17 at *AXA SA*.

On a constant exchange rate basis, **income from affiliates & associates** increased by €5 million (+3%) to €139 million mainly driven by an improved net technical margin at *Reso*, partly offset by unfavorable assumption updates in *Thailand*.

On a constant exchange rate basis, **minority interests** increased by €74 million (+44%) to €-223 million mainly driven by the decrease in AXA Group average ownership over the period in (i) *the United States Life & Savings* from 100% on June 30, 2017, to 92.7% on June 30, 2018, and (ii) *AB* from 64.6% on June 30, 2017, to 60.0% on June 30, 2018, in the context of the IPO of AXA Equitable Holdings, Inc. completed in May 2018.

On a constant exchange rate basis, **the Property & Casualty combined ratio** improved by 0.8 point to 95.0% as the negative impact from a higher natural event charge (+1.1 points) notably in *France*, *Germany*, *Belgium* and *the United Kingdom & Ireland*, was more than offset by a better claims experience mainly in *France*, *Belgium* and *the United Kingdom & Ireland* as well as a more favorable prior year reserve development (-2.1 points compared to -0.8 point in 1H17).

On a constant exchange rate basis, **the Health combined ratio** improved by 0.3 point to 94.9% driven by an improved loss ratio mainly in *the United Kingdom & Ireland* due to claims management measures and tariff increases in corporate business, partly offset by a deteriorated expense ratio mainly from *France*.

On a constant exchange rate basis, **the Protection combined ratio** improved by 0.6 point to 96.2% mainly driven by an improved loss ratio mainly in *the United States Life & Savings* and in *Asia,* partly offset by higher acquisition expenses primarily in *Asia* and in *Europe*, in line with business growth.

Adjusted earnings to Net income

Net realized capital gains and losses attributable to shareholders amounted to €330 million. On a constant exchange rate basis, net realized capital gains and losses attributable to shareholders increased by €26 million due to:

- €+38 million **higher net realized capital gains** to €+447 million mainly driven by equity securities (€+203 million to €+318 million) and fixed income assets (€+29 million to €-6 million), partly offset by alternative investments (€-153 million to €+34 million) and real estate (€-42 million to €+101 million);
- €-12 million **higher impairments** to €-76 million mainly driven by equity securities (€-22 million) and alternative investments (€-8 million), partly offset by real estate (€+11 million) and fixed income assets (€+8 million);
- **stable unfavorable change in intrinsic value** at €-41 million related to equity hedging derivatives.

As a result, **adjusted earnings** amounted to €3,628 million, up €151 million (+4%). On a constant exchange rate basis, adjusted earnings increased by €317 million (+9%).

Net income amounted to €2,796 million, down €472 million (-14%). On a constant exchange rate basis, net income decreased by €356 million (-11%) mainly from:

- **higher adjusted earnings** (€+317 million);

  more than offset by:

- **higher impact from exceptional and discontinued operations** (€-440 million) to €-361 million mainly due to:
  - the one-time negative impact linked to the transformation of the in-force Group Life business model to a semi-autonomous model in *Switzerland* (€-347 million),
  - negative impacts related to the IPO of AXA Equitable Holdings, Inc. (€-97 million),

  partly offset by:
  - the one-off benefit from the upcoming reimbursement of the tax paid on dividends received from European subsidiaries held for more than 95% following the decision from the European Court of Justice (€+71 million) at *AXA SA*;
- **a more unfavorable change in the fair value of financial assets and derivatives** net of foreign exchange impacts, down €194 million to €-346 million driven by:
  - the change in the fair value of assets accounted for under fair value option driven by mutual funds, down €237 million to €-110 million,
  - the change in the fair value of interest rates and credit derivatives not eligible for hedge accounting under IAS 39, down €150 million to €-245 million driven by hedging costs,

  partly offset by:
  - the favorable change in the fair value of foreign exchange derivatives not eligible for hedge accounting under IAS 39 net of foreign exchange rate movements on assets and liabilities denominated in foreign currencies, up €193 million to €+9 million;
- **higher integration and restructuring costs** (€-43 million) to €-89 million mainly in the United States in the context of the IPO of AXA Equitable Holdings, Inc. completed in May 2018 and in Spain.

SHAREHOLDERS' EQUITY GROUP SHARE

As of June 30, 2018, Shareholders' Equity Group share totaled €66.0 billion. The movements in Shareholders' Equity Group share since December 31, 2017, are presented in the table below:

(in Euro million)	**Shareholders' Equity Group share**
At December 31, 2017	**69,611**
Share Capital	(4)
Capital in excess of nominal value	(50)
Equity-share based compensation	16
Treasury shares sold or bought in open market	29
Change in equity component of compound financial instruments	-
Deeply subordinated debt (including accumulated interests charges)	(110)
Fair value recorded in shareholders' equity	(2,413)
Impact of currency fluctuations	908
Payment of N-1 dividend	(2,998)
Other	(2,480)
Net income for the period	2,796
Actuarial gains and losses on pension benefits	641
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	13
At June 30, 2018	**65,959**

SHAREHOLDER VALUE

Earnings per share ("EPS")

(in Euro except ordinary shares in million)	June 30, 2018		June 30, 2017		June 30, 2018 / June 30, 2017	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,383**	**2,388**	**2,411**	**2,419**		
Net income (Euro per Ordinary Share)	1.13	1.12	1.31	1.30	(13.9%)	(13.8%)
Adjusted earnings (Euro per Ordinary Share)	1.47	1.47	1.39	1.39	5.8%	5.9%
Underlying earnings (Euro per Ordinary Share)	1.34	1.33	1.27	1.26	5.5%	5.6%

Return On Equity ("ROE")

(in Euro million)	June 30, 2018	June 30, 2017	June 30, 2018 / June 30, 2017
ROE	**8.3%**	**9.5%**	**(1.3 pt)**
Net income	2,796	3,268	
Average shareholders' equity	67,476	68,472	
Adjusted ROE	**15.6%**	**14.7%**	**0.9 pt**
Adjusted earnings (a)	3,513	3,361	
Average shareholders' equity (b)	45,142	45,782	
Underlying ROE	**14.1%**	**13.3%**	**0.8 pt**
Underlying earnings (a)	3,183	3,054	
Average shareholders' equity (b)	45,142	45,782	

(a) Including an adjustment to reflect net financial charges related to undated debt (recorded through shareholders' equity) and equity component of bonds Mandatorily Exchangeable into shares of AXA Equitable Holdings, Inc.
(b) Excluding fair value of invested assets and derivatives and undated debt (both recorded through shareholders' equity).

SEGMENT INFORMATION

France

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**13,004**	**12,004**	**24,475**
Life & Savings	6,745	6,129	13,151
Property & Casualty	4,002	3,967	7,307
Health	2,175	1,882	3,877
Other (c)	82	26	139
New business			
APE	1,041	891	1,849
NBV Margin	30.7%	34.2%	34.5%
Underlying earnings before tax	**1,130**	**1,040**	**2,011**
Life & Savings	588	510	1,007
Property & Casualty	485	477	908
Health	57	61	103
Other (c)	0	(8)	(7)
Income tax expenses / benefits	(325)	(298)	(598)
Minority interests	(2)	(2)	(5)
Income from affiliates and associates	14	9	20
Underlying earnings Group share	**816**	**749**	**1,429**
Net capital gains or losses attributable to shareholders net of income tax	76	129	237
Adjusted earnings Group share	**892**	**878**	**1,666**
Profit or loss on financial assets (under fair value option) and derivatives	(68)	(10)	31
Exceptional operations (including discontinued operations)	48	(0)	(252)
Goodwill and other related intangible impacts	-	-	-
Integration and restructuring costs	(9)	(10)	(25)
NET INCOME GROUP SHARE	**863**	**858**	**1,420**
Property & Casualty Combined Ratio	93.7%	94.3%	94.6%
Health Combined Ratio	98.7%	98.0%	98.7%
Protection Combined Ratio	94.7%	93.6%	95.6%

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

Gross revenues increased by €1,000 million (+8%) to €13,004 million. On a comparable basis, gross revenues increased by €908 million (+8%):

- **Life & Savings** (€+616 million or +10%) to €6,745 million. On a comparable basis, Life & Savings gross revenues increased by €599 million (+10%) mainly driven by *Individual Savings* (€+466 million or +12%) due to strong sales of both capital light products sold through the bancassurance channel and discretionary mandates through proprietary channel. Unit-Linked gross revenues contributed to 41.2% of total Individual Savings, compared to 31.1% on average for the market. *Protection* gross revenues increased by €101 million (+5%) mainly driven by higher sales in Group business;

- **Property & Casualty** (€+35 million or +1%) to €4,002 million. On a comparable basis, Property & Casualty gross revenues slightly increased by €13 million (0%) driven by growth in *Commercial lines* (€+34 million), partly offset by lower volumes in *Personal lines* (€-22 million);
- **Health** (€+293 million or +16%) to €2,175 million. On a comparable basis, Health gross revenues increased by €241 million (+12%) mainly driven by higher volumes in *Group business* (€+221 million) in both international and domestic markets as well as in *Individual business* (€+20 million);
- **Other** (€+56 million) to €82 million. On a comparable basis, Other gross revenues increased by €56 million at *AXA Banque France* mainly due to a favorable change in the fair value of an internal interest rate swap with AXA Bank Belgium (neutral at Group level) used to hedge loans granted by AXA Banque France.

APE increased by €151 million (+17%) to €1,041 million. On a comparable basis, APE increased by €164 million (+19%) mainly driven by *Group Health* (€+134 million) and *Individual Savings* (€+47 million), partly offset by *Group Savings* (€-22 million).

NBV Margin decreased by 3.5 points to 30.7%. On a comparable basis, NBV Margin decreased by 4.1 points mainly driven by higher sales in *Group Health*.

Underlying earnings before tax increased by €90 million (+9%) to €1,130 million:

- **Life & Savings** (€+79 million or +15%) to €588 million mainly driven by higher Unit-Linked management fees (€+27 million) reflecting a higher asset base, a higher investment margin (€+22 million) due to a lower policyholder participation rate, as well as lower expenses;
- **Property & Casualty** (€+8 million or +2%) to €485 million mainly driven by a higher net technical margin (€+31 million) despite a higher natural event charge (€+56 million), partly offset by a lower investment income (€-22 million);
- **Health** (€-4 million or -7%) to €57 million as the increase in net technical margin from higher volumes was more than offset by higher acquisition expenses;
- **Other** (€+8 million) to €0 million mainly from AXA France Holding (€+5 million) and AXA Banque France (€+3 million).

Income tax expenses increased by €27 million (+9%) to €-325 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €67 million (+9%) to €816 million.

Adjusted earnings increased by €14 million (+2%) to €892 million driven by higher underlying earnings, partly offset by lower net realized capital gains.

Net income increased by €5 million (+1%) to €863 million driven by higher adjusted earnings as well as the gain relating to the discontinuation of the partnership with BNP Paribas (Natio), partly offset by an unfavorable change in the fair value of both mutual funds and derivatives not eligible to hedge accounting.

Europe

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**21,747**	**21,784**	**35,992**
Life & Savings	9,167	9,120	15,215
Property & Casualty	9,729	9,856	15,633
Health	2,830	2,788	5,105
Other (c)	21	19	39
New business			
APE	640	560	1,034
NBV Margin	54.2%	60.0%	56.6%
Underlying earnings before tax	**1,688**	**1,637**	**3,204**
Life & Savings	557	585	1,127
Property & Casualty	973	959	1,827
Health	118	79	226
Other (c)	40	14	24
Income tax expenses / benefits	(380)	(414)	(807)
Minority interests	(39)	(42)	(78)
Income from affiliates and associates	1	3	7
Underlying earnings Group share	**1,271**	**1,185**	**2,326**
Net capital gains or losses attributable to shareholders net of income tax	231	167	237
Adjusted earnings Group share	**1,502**	**1,351**	**2,563**
Profit or loss on financial assets (under fair value option) and derivatives	(65)	(63)	(2)
Exceptional operations (including discontinued operations)	(340)	(4)	(57)
Goodwill and other related intangible impacts	(19)	(22)	(44)
Integration and restructuring costs	(24)	(6)	(25)
NET INCOME GROUP SHARE	**1,054**	**1,257**	**2,435**
Property & Casualty Combined Ratio	93.9%	94.4%	94.6%
Health Combined Ratio	96.2%	97.4%	96.1%
Protection Combined Ratio	97.6%	97.6%	97.0%

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

EUROPE - SWITZERLAND

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**7,194**	**7,821**	**9,797**
Life & Savings	4,533	4,945	6,727
Property & Casualty	2,656	2,876	3,070
Health	5	-	0
New business			
APE	250	182	259
NBV Margin	54.6%	66.6%	66.4%
Underlying earnings before tax	**487**	**527**	**1,014**
Life & Savings	195	210	419
Property & Casualty	299	322	606
Health	(7)	(5)	(11)
Income tax expenses / benefits	(85)	(111)	(202)
Minority interests	(2)	(2)	(4)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**399**	**414**	**809**
Net capital gains or losses attributable to shareholders net of income tax	46	35	55
Adjusted earnings Group share	**445**	**449**	**864**
Profit or loss on financial assets (under fair value option) and derivatives	23	(53)	(43)
Exceptional operations (including discontinued operations)	(340)	-	-
Goodwill and other related intangible impacts	(13)	(15)	(28)
Integration and restructuring costs	-	-	-
NET INCOME GROUP SHARE	**116**	**381**	**792**
Property & Casualty Combined Ratio	85.1%	85.1%	85.8%
Health Combined Ratio	n/a	-	n/a
Protection Combined Ratio	97.5%	97.7%	97.2%
Average exchange rate : € 1.00 = Swiss Franc	*1.17*	*1.08*	*1.11*

(a) Net of intercompany eliminations.

Gross revenues decreased by €627 million (-8%) to €7,194 million. On a comparable basis, gross revenues decreased by €4 million (0%):

- **Life & Savings** (€-412 million or -8%) to €4,533 million. On a comparable basis, Life & Savings gross revenues decreased by €19 million (0%) driven by *G/A Savings* (€-21 million) mainly due to the decrease of single premiums, while *Protection* remained stable;
- **Property & Casualty** (€-220 million or -8%) to €2,656 million. On a comparable basis, Property & Casualty gross revenues increased by €10 million (0%) mainly driven by *Commercial lines* due to higher volumes and tariff increases in *Workers' Compensation*;
- **Health** (€+5 million) to €5 million. On a comparable basis, Health gross revenues increased by €5 million due to the launch of the business in 2H17.

APE increased by €69 million (+38%) to €250 million. On a comparable basis, APE increased by €32 million (+13%) in *Protection* due to higher sales in *Group Life* semi-autonomous and autonomous businesses.

NBV Margin decreased by 12.1 points to 54.6%. On a comparable basis, NBV Margin increased by 2.0 points mainly due to a positive business mix within *Group Protection* towards semi-autonomous business.

Underlying earnings before tax decreased by €41 million (-8%) to €487 million. On a constant exchange rate basis, underlying earnings before tax increased by €2 million (0%):

- **Property & Casualty** (€-23 million or -7%) to €299 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €3 million (+1%) as the slightly higher current year combined ratio (+0.2 point) and the decrease in the investment income (€-2 million) were more than offset by a more favorable prior year reserve development (-0.2 point);
- **Life & Savings** (€-15 million or -7%) to €195 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €2 million (+1%) driven by a higher technical margin (€+45 million) mainly due to a favorable development of both the disability and mortality margins from lower policyholder bonus allocation, partly offset by a lower investment margin (€-30 million) mainly due to lower income from fixed income assets and a higher amortization of VBI (€-10 million) due to the non-repeat of the positive impact from interest rate assumption updates in 1H17;
- **Health** (€-2 million or -45%) to €-7 million. On a constant exchange rate basis, Health underlying earnings before tax decreased by €3 million due to further investments following the launch of the business in 2H17.

Income tax expenses decreased by €26 million (-23%) to €-85 million. On a constant exchange rate basis, income tax expenses decreased by €19 million (-17%) due to a decrease in the corporate tax rate from 21% to 20%.

Underlying earnings decreased by €15 million (-4%) to €399 million. On a constant exchange rate basis, underlying earnings increased by €20 million (+5%).

Adjusted earnings decreased by €4 million (-1%) to €445 million. On a constant exchange rate basis, adjusted earnings increased by €34 million (+8%) driven by higher underlying earnings and higher net realized capital gains.

Net income decreased by €265 million (-70%) to €116 million. On a constant exchange rate basis, net income decreased by €255 million (-67%) as higher adjusted earnings were more than offset by the one-time negative impact linked to the transformation of the in-force Group Life business model to a semi-autonomous model (€-347 million).

EUROPE - GERMANY

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**5,934**	**5,874**	**10,672**
Life & Savings	1,786	1,824	3,696
Property & Casualty	2,531	2,478	3,879
Health	1,596	1,553	3,059
Other (c)	21	19	39
New business			
APE	161	184	361
NBV Margin	59.0%	63.9%	58.2%
Underlying earnings before tax	**419**	**399**	**771**
Life & Savings	95	95	201
Property & Casualty	230	239	419
Health	54	47	115
Other (c)	39	19	36
Income tax expenses / benefits	(111)	(120)	(221)
Minority interests	(0)	(1)	(1)
Income from affiliates and associates	1	3	7
Underlying earnings Group share	**308**	**281**	**556**
Net capital gains or losses attributable to shareholders net of income tax	123	77	109
Adjusted earnings Group share	**431**	**358**	**665**
Profit or loss on financial assets (under fair value option) and derivatives	(29)	12	46
Exceptional operations (including discontinued operations)	-	-	(87)
Goodwill and other related intangible impacts	(2)	(2)	(4)
Integration and restructuring costs	(2)	(3)	2
NET INCOME GROUP SHARE	**398**	**366**	**621**
Property & Casualty Combined Ratio	95.2%	95.2%	96.0%
Health Combined Ratio	96.6%	97.0%	96.3%
Protection Combined Ratio	98.5%	97.8%	97.1%

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

Gross revenues increased by €60 million (+1%) to €5,934 million. On a comparable basis gross revenues increased by €60 million (+1%) driven by *Personal Motor* and preferred segments *Health*, *Pure Protection* and *Property & Casualty Commercial lines*:

- **Property & Casualty** (€+53 million or +2%) to €2,531 million. On a comparable basis, Property & Casualty gross revenues increased by €53 million (+2%) driven by *Personal lines* (€+37 million) mainly due to new business in *Motor* and tariff increases in *Non-Motor* as well as in *Commercial lines* (€+14 million) from new business in SME and Mid-Market segments;
- **Life & Savings** (€-38 million or -2%) to €1,786 million. On a comparable basis, Life & Savings gross revenues decreased by €38 million (-2%) mainly in *Protection with Savings* (€-28 million) and *G/A Savings* (€-23 million), as well as lower volumes from *Variable Annuities GMxB* products (€-13 million) in

line with the strategy. This was partly offset by a continued growth in *Pure Protection* (€+13 million) and *Unit-Linked Investment & Savings* (€+5 million);

- **Health** (€+43 million or +3%) to €1,596 million. On a comparable basis, Health gross revenues increased by €43 million (+3%) mainly due to tariff increases in full benefit insurance and continued growth in the civil service segment.

APE decreased by €23 million (-13%) to €161 million. On a comparable basis, APE decreased by €23 million (-13%) mainly due to lower new business in *Health*.

NBV Margin decreased by 4.9 points to 59.0% reflecting a lower share of new business in *Health*.

Underlying earnings before tax increased by €19 million (+5%) to €419 million mainly due to a growth in Health and Other:

- **Property & Casualty** (€-9 million or -4%) to €230 million due to a lower investment income (€-11 million) mainly from lower reinvestment yields on fixed income assets. The all year combined ratio remained stable at 95.2%, as the favorable prior year reserve development (-2.7 points) was offset by an increase in the current year combined ratio (+2.7 points) driven by higher Nat Cat impact (+2.9 points), partly offset by a lower expense ratio (-0.3 point) reflecting the impact of the cost savings program;
- **Life & Savings** (€+1 million or +1%) to €95 million;
- **Health** (€+8 million or +16%) to €54 million due to a decrease in the expense ratio (-0.4 point);
- **Other** (€+20 million) to €39 million driven by Holdings (€+20 million) mainly due to an exceptional distribution from an investment fund.

Income tax expenses decreased by €9 million (-7%) to €-111 million due to higher positive tax one-offs (€+13 million).

Income from affiliates and associates decreased by €2 million to €1 million.

Underlying earnings increased by €28 million (+10%) to €308 million.

Adjusted earnings increased by €73 million (+20%) to €431 million driven by higher underlying earnings and higher net realized capital gains mainly from equities.

Net income increased by €32 million (+9%) to €398 million driven by higher adjusted earnings, partly offset by an unfavorable change in the fair value of foreign exchange derivatives not eligible for hedge accounting.

EUROPE - BELGIUM

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**1,754**	**1,725**	**3,310**
Life & Savings	575	561	1,178
Property & Casualty	1,118	1,116	2,044
Health	61	48	87
New business			
APE	25	23	56
NBV Margin	76.5%	79.1%	75.4%
Underlying earnings before tax	**275**	**283**	**531**
Life & Savings	140	153	253
Property & Casualty	137	131	286
Health	(1)	(0)	(7)
Other (c)	(1)	(1)	(2)
Income tax expenses / benefits	(70)	(94)	(174)
Minority interests	(0)	(0)	(0)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**204**	**189**	**357**
Net capital gains or losses attributable to shareholders net of income tax	53	32	49
Adjusted earnings Group share	**258**	**221**	**406**
Profit or loss on financial assets (under fair value option) and derivatives	(44)	(8)	16
Exceptional operations (including discontinued operations)	-	-	34
Goodwill and other related intangible impacts	(1)	(1)	(4)
Integration and restructuring costs	(3)	9	23
NET INCOME GROUP SHARE	**209**	**220**	**475**
Property & Casualty Combined Ratio	94.4%	95.8%	93.6%
Health Combined Ratio	105.0%	102.6%	110.2%
Protection Combined Ratio	100.6%	99.0%	98.2%

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

Gross revenues increased by €29 million (+2%) to €1,754 million. On a comparable basis, gross revenues increased by €29 million (+2%):

- **Property & Casualty** (€+2 million or 0%) to €1,118 million. On a comparable basis, Property & Casualty gross revenues increased by €5 million (0%) from *Commercial lines* (€+10 million) in SME and Mid-Market segments mainly due to tariff increases, partly offset by *Personal lines* (€-4 million) as tariff increases were more than offset by lower volumes mostly in *Motor*;
- **Life & Savings** (€+13 million or +2%) to €575 million. On a comparable basis, Life & Savings gross revenues increased by €13 million (+2%) driven by *Protection* (€+13 million) notably from Group business as a result of favorable timing effects, as well as *G/A Savings* (€+3 million) driven by higher sales in pension products for SME and self-employed, partly offset by *Unit-Linked* (€-3 million) due to

lower single premiums, mainly on the *Oxylife Invest* hybrid product, in line with the strategy to stop the *Individual Savings* business;

- **Health** (€+14 million or +29%) to €61 million. On a comparable basis, Health gross revenues increased by €10 million (+20%) due to new large contracts in *Group business*.

APE increased by €2 million (+11%) to €25 million. On a comparable basis, APE decreased by €3 million (-15%) mainly due to *G/A Savings*.

NBV Margin decreased by 2.5 points to 76.5%. On a comparable basis, NBV Margin increased by 4.3 points mainly driven by a higher share of *Protection* in the product mix.

Underlying earnings before tax decreased by €9 million (-3%) to €275 million:

- **Life & Savings** (€-13 million or -9%) to €140 million driven by lower net technical margin (€-9 million) mainly due to an exceptional unfavorable prior year result (€-11 million);
- **Property & Casualty** (€+6 million or +5%) to €137 million mainly due to a more favorable prior year reserve development (-1.0 point) combined with a lower current year combined ratio (-0.4 point) due to lower large losses as well as a lower expense ratio resulting from the cost savings program, partly offset by unfavorable weather conditions. Investment income decreased by €8 million;
- **Health** (€-1 million) to €-1 million;
- **Other** (€0 million) to €-1 million driven by the Holding.

Income tax expenses decreased by €24 million (-26%) to €-70 million driven by the non-repeat of an exceptional dividend paid to the Group in 2017 (€-13 million) combined with a decrease in the corporate tax rate from 34% to 30% and lower pre-tax underlying earnings.

Underlying earnings increased by €15 million (+8%) to €204 million.

Adjusted earnings increased by €37 million (+17%) to €258 million driven by higher net realized capital gains as well as higher underlying earnings.

Net income decreased by €11 million (-5%) to €209 million as higher adjusted earnings were more than offset by the unfavorable change in the fair value of mutual funds.

EUROPE - UNITED KINGDOM & IRELAND

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**2,762**	**2,781**	**5,130**
Life & Savings	28	30	57
Property & Casualty	1,737	1,722	3,372
Health	998	1,029	1,700
Underlying earnings before tax	**194**	**151**	**340**
Life & Savings	2	4	12
Property & Casualty	127	119	228
Health	63	32	109
Other (c)	2	(4)	(10)
Income tax expenses / benefits	(27)	(16)	(58)
Minority interests	(0)	(0)	(0)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**167**	**134**	**282**
Net capital gains or losses attributable to shareholders net of income tax	8	23	13
Adjusted earnings Group share	**175**	**158**	**295**
Profit or loss on financial assets (under fair value option) and derivatives	(7)	(6)	(32)
Exceptional operations (including discontinued operations)	-	(3)	7
Goodwill and other related intangible impacts	(2)	(2)	(4)
Integration and restructuring costs	-	(2)	(22)
NET INCOME GROUP SHARE	**166**	**144**	**243**
Property & Casualty Combined Ratio	98.5%	98.8%	99.1%
Health Combined Ratio	94.5%	97.5%	94.9%

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

Gross revenues decreased by €19 million (-1%) to €2,762 million. On a comparable basis, gross revenues increased by €43 million (+2%):

- **Property & Casualty** (€+15 million or +1%) to €1,737 million. On a comparable basis, Property & Casualty gross revenues increased by €19 million (+1%) from *Commercial lines* (€+45 million) in *Motor* due to both higher new business and tariff increases and in *Property* due to new business, partly offset by *Personal lines* (€-26 million) mainly in *Property* reflecting lower volumes following tariff increases and the exit of a scheme, partly offset by growth in *Motor* in Ireland;
- **Health** (€-31 million or -3%) to €998 million. On a comparable basis, Health gross revenues increased by €26 million (+3%) mainly driven by volume growth and tariff increases in the United Kingdom and in international business;
- **Life & Savings - Architas** (€-2 million or -8%) to €28 million. On a comparable basis, Life & Savings gross revenues decreased by €2 million (-6%).

Underlying earnings before tax increased by €43 million (+28%) to €194 million. On a constant exchange rate basis, underlying earnings before tax increased by €46 million (+31%):

- **Property & Casualty** (€+8 million or +7%) to €127 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €10 million (+8%) as a higher current year combined ratio (+1.8 points) mainly driven by a higher natural event charge and higher expenses from investments in transformation programs, was more than offset by a favorable prior year reserve development (-2.1 points) combined with a higher investment income (€+5 million);
- **Health** (€+31 million or +97%) to €63 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €33 million (+102%) driven by an improvement in the combined ratio (-3.0 points) due to claims management measures and tariff increases in corporate business;
- **Life & Savings - Architas** (€-2 million or -55%) to €2 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax decreased by €2 million;
- **Other** (€+6 million) to €2 million. On a constant exchange rate basis, Other underlying earnings before tax increased by €6 million mainly due to lower expenses at AXA UK Holding.

Income tax expenses increased by €11 million (+65%) to €-27 million. On a constant exchange rate basis, income tax expenses increased by €11 million (+68%) reflecting higher pre-tax underlying earnings and a negative tax one-off in 1H18 (€-7 million).

Underlying earnings increased by €32 million (+24%) to €167 million. On a constant exchange rate basis, underlying earnings increased by €35 million (+26%).

Adjusted earnings increased by €17 million (+11%) to €175 million. On a constant exchange rate basis, adjusted earnings increased by €20 million (+12%) driven by higher underlying earnings, partly offset by lower net realized capital gains.

Net income increased by €22 million (+15%) to €166 million. On a constant exchange rate basis, net income increased by €25 million (+17%) mainly driven by higher adjusted earnings and a favorable change in fair value of foreign exchange derivatives not eligible to hedge accounting.

EUROPE - SPAIN

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**1,284**	**1,262**	**2,365**
Life & Savings	305	306	571
Property & Casualty	843	829	1,606
Health	136	127	188
New business			
APE	39	36	73
NBV Margin	82.7%	82.6%	84.3%
Underlying earnings before tax	**136**	**101**	**207**
Life & Savings	42	32	61
Property & Casualty	86	64	131
Health	8	5	15
Income tax expenses / benefits	(34)	(25)	(48)
Minority interests	(0)	(0)	(0)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**102**	**77**	**159**
Net capital gains or losses attributable to shareholders net of income tax	(2)	1	4
Adjusted earnings Group share	**100**	**78**	**163**
Profit or loss on financial assets (under fair value option) and derivatives	(2)	(5)	(2)
Exceptional operations (including discontinued operations)	-	(0)	(2)
Goodwill and other related intangible impacts	(2)	(2)	(4)
Integration and restructuring costs	(15)	(7)	(16)
NET INCOME GROUP SHARE	**81**	**63**	**140**
Property & Casualty Combined Ratio	95.5%	98.2%	97.5%
Health Combined Ratio	92.6%	95.0%	92.8%
Protection Combined Ratio	92.7%	94.3%	93.0%

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

Gross revenues increased by €22 million (+2%) to €1,284 million. On a comparable basis, gross revenues increased by €22 million (+2%):

- **Property & Casualty** (€+14 million or +2%) to €843 million. On a comparable basis, Property & Casualty gross revenues increased by €14 million (+2%) driven by *Commercial lines* (€+8 million) with higher volumes and tariff increases in *Non-Motor*, and *Personal lines* (€+6 million) in *Motor* with higher volumes and tariff increases;
- **Life & Savings** (€-1 million or 0%) to €305 million. On a comparable basis, Life & Savings gross revenues decreased by €1 million (0%) from *G/A Savings* (€-17 million) partly offset by *Unit-Linked* (€+16 million), in line with the strategy to shift towards capital light products;
- **Health** (€+9 million or +7%) to €136 million. On a comparable basis, Health gross revenues increased by €9 million (+7%) mainly driven by *Personal lines* with higher volumes and tariff increases.

APE increased by €2 million (+7%) to €39 million. On a comparable basis, APE increased by €2 million (+7%) driven by *Unit-Linked* (€+2 million) and *Protection* (€+1 million), partly offset by *G/A Savings* (€-1 million), in line with the strategy to shift towards capital light products.

NBV Margin remained stable at 82.7%.

Underlying earnings before tax increased by €34 million (+34%) to €136 million:

- **Property & Casualty** (€+22 million or +34%) to €86 million driven by a lower current year combined ratio (-1.1 points) due to the absence of Nat Cat and lower large losses combined with a favorable prior year reserve development;
- **Life & Savings** (€+10 million or +32%) to €42 million mainly driven by a higher net technical margin in G/A Savings Group annuities;
- **Health** (€+3 million or +50%) to €8 million mainly driven by an improved claims experience.

Income tax expenses increased by €9 million (+37%) to €-34 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €25 million (+33%) to €102 million.

Adjusted earnings increased by €22 million (+28%) to €100 million mainly driven by higher underlying earnings.

Net income increased by €18 million (+28%) to €81 million mainly driven by higher adjusted earnings, partly offset by higher restructuring costs.

EUROPE - ITALY

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**2,820**	**2,321**	**4,719**
Life & Savings	1,941	1,454	2,985
Property & Casualty	845	836	1,663
Health	35	31	70
New business			
APE	164	135	284
NBV Margin	38.7%	36.5%	34.9%
Underlying earnings before tax	**179**	**175**	**341**
Life & Savings	83	91	181
Property & Casualty	95	84	156
Health	1	(0)	5
Other (c)	0	(0)	0
Income tax expenses / benefits	(52)	(47)	(105)
Minority interests	(36)	(39)	(72)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**90**	**89**	**164**
Net capital gains or losses attributable to shareholders net of income tax	4	(2)	6
Adjusted earnings Group share	**94**	**88**	**170**
Profit or loss on financial assets (under fair value option) and derivatives	(6)	(3)	13
Exceptional operations (including discontinued operations)	-	-	(9)
Goodwill and other related intangible impacts	-	-	-
Integration and restructuring costs	(4)	(2)	(10)
NET INCOME GROUP SHARE	**85**	**82**	**164**
Property & Casualty Combined Ratio	95.1%	96.3%	96.5%
Health Combined Ratio	99.1%	101.0%	95.1%
Protection Combined Ratio	83.8%	80.1%	82.9%

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

Gross revenues increased by €499 million (+21%) to €2,820 million. On a comparable basis, gross revenues increased by €499 million (+21%):

- **Life & Savings** (€+486 million or +33%) to €1,941 million. On a comparable basis, Life & Savings gross revenues increased by €486 million (+33%) mainly driven by *G/A Savings* (€+296 million), *Unit-Linked* (€+127 million) and *Protection* (€+63 million) due to strong recovery in sales from Banca Monte dei Paschi di Siena combined with a higher commercial focus on *Unit-Linked* and *Protection* products;
- **Property & Casualty** (€+9 million or +1%) to €845 million. On a comparable basis, Property & Casualty gross revenues increased by €9 million (+1%) from *Commercial lines* (€+6 million) mainly due to higher new business from broker channels and *Personal lines* (€+3 million) as a consequence of higher new business in *Property*;

- **Health** (€+3 million or +11%) to €35 million. On a comparable basis, Health gross revenues increased by €3 million (+11%) as a result of a strong commercial focus.

APE increased by €29 million (+22%) to €164 million. On a comparable basis, APE increased by €29 million (+22%) mainly from *Unit-Linked* (€+15 million) and *G/A Savings* (€+13 million) due to the above-mentioned recovery in sales from Banca Monte dei Paschi di Siena combined with a commercial focus on *Unit-Linked* products.

NBV Margin increased by 2.1 points to 38.7% mainly driven by a better product mix within *Protection* and *G/A Savings*.

Underlying earnings before tax increased by €3 million (+2%) to €179 million:

- **Property & Casualty** (€+11 million or +13%) to €95 million driven by an improved current year combined ratio (-1.2 points) mainly resulting from the cost savings program;
- **Life & Savings** (€-9 million or -9%) to €83 million mainly due to a lower investment margin (€-8 million) as a consequence of lower reinvestment yields partly offset by a decrease in guaranteed rates;
- **Health** (€+1 million) to €1 million.

Income tax expenses increased by €5 million (+11%) to €-52 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings remained stable at €90 million.

Adjusted earnings increased by €6 million (+7%) to €94 million mainly driven by higher underlying earnings as well as higher net realized capital gains.

Net income increased by €2 million (+3%) to €85 million mainly driven by higher adjusted earnings, partly offset by higher restructuring costs.

Asia

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**4,339**	**4,598**	**8,985**
Life & Savings	2,735	2,839	5,702
Property & Casualty	630	708	1,313
Health	974	1,051	1,970
New business			
APE	763	797	1,510
NBV Margin	66.0%	67.1%	70.6%
Underlying earnings before tax	**592**	**621**	**1,187**
Life & Savings	342	365	679
Property & Casualty	37	31	60
Health	215	225	448
Other (c)	(2)	0	(0)
Income tax expenses / benefits	(112)	(131)	(257)
Minority interests	(4)	(4)	(7)
Income from affiliates and associates	67	90	166
Underlying earnings Group share	**544**	**576**	**1,089**
Net capital gains or losses attributable to shareholders net of income tax	(8)	4	23
Adjusted earnings Group share	**536**	**580**	**1,111**
Profit or loss on financial assets (under fair value option) and derivatives	(22)	(12)	(59)
Exceptional operations (including discontinued operations)	(6)	(0)	(0)
Goodwill and other related intangible impacts	(8)	(8)	(16)
Integration and restructuring costs	(13)	(0)	(9)
NET INCOME GROUP SHARE	**487**	**560**	**1,028**
Property & Casualty Combined Ratio	96.5%	97.5%	97.6%
Health Combined Ratio	77.7%	78.6%	78.3%
Protection Combined Ratio	86.0%	85.4%	86.7%

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

ASIA - JAPAN

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**2,309**	**2,433**	**4,647**
Life & Savings	1,639	1,710	3,252
Health	670	723	1,395
New business			
APE	279	232	441
NBV Margin	94.1%	107.8%	112.1%
Underlying earnings before tax	**352**	**371**	**719**
Life & Savings	156	160	298
Health	196	211	421
Income tax expenses / benefits	(92)	(112)	(215)
Minority interests	(3)	(3)	(7)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**256**	**256**	**497**
Net capital gains or losses attributable to shareholders net of income tax	0	0	9
Adjusted earnings Group share	**256**	**256**	**506**
Profit or loss on financial assets (under fair value option) and derivatives	(13)	27	(8)
Exceptional operations (including discontinued operations)	0	(0)	-
Goodwill and other related intangible impacts	-	-	-
Integration and restructuring costs	-	-	(2)
NET INCOME GROUP SHARE	**244**	**283**	**497**
Health Combined Ratio	71.2%	70.9%	71.1%
Protection Combined Ratio	87.4%	87.6%	88.1%
Average exchange rate : € 1.00 = Yen	*132*	*122*	*127*

(a) Net of intercompany eliminations.

Gross revenues decreased by €124 million (-5%) to €2,309 million. On a comparable basis, gross revenues increased by €62 million (+3%):

- **Life & Savings** (€-71 million or -4%) to €1,639 million. On a comparable basis, Life & Savings gross revenues increased by €61 million (+4%) mainly due to the success of *Follow-up Life Protection* product (€+79 million) launched in 1Q18, partly offset by continued lower new business from the G/A capital light *Single Premium Whole Life* product (€-16 million);
- **Health** (€-53 million or -7%) to €670 million. On a comparable basis, Health gross revenues increased by €1 million (0%) mainly due to *Medical Whole Life* products, notably due to the success of a *New Medical Care* product launched in 3Q17, partly offset by lower new business from the *Medical Term* product.

APE increased by €47 million (+20%) to €279 million. On a comparable basis, APE increased by €69 million (+30%) driven by *Protection* mainly due to the success of *Follow-up Life* product launched in 1Q18.

NBV Margin decreased by 13.7 points to 94.1% mainly as a consequence of higher new business in *Protection*.

Underlying earnings before tax decreased by €19 million (-5%) to €352 million. On a constant exchange rate basis, underlying earnings before tax increased by €9 million (+3%):

- **Health** (€-15 million or -7%) to €196 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €1 million (0%);
- **Life & Savings** (€-4 million or -2%) to €156 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €9 million (+5%) primarily driven by higher fees & revenues (€+32 million) mainly due to both in-force growth and new business as well as a higher net technical margin (€+11 million) mainly due to in-force growth, partly offset by higher expenses (€-32 million) mainly due to volume growth combined with a negative timing difference of non-payroll expenses.

Income tax expenses decreased by €19 million (-17%) to €-92 million. On a constant exchange rate basis, income tax expenses decreased by €12 million (-10%) due to positive tax one-offs (€+15 million), partly offset by higher pre-tax underlying earnings.

Underlying earnings remained stable at €256 million. On a constant exchange rate basis, underlying earnings increased by €21 million (+8%).

Adjusted earnings increased by €1 million (0%) to €256 million. On a constant exchange rate basis, adjusted earnings increased by €21 million (+8%) driven by higher underlying earnings.

Net income decreased by €40 million (-14%) to €244 million. On a constant exchange rate basis, net income decreased by €20 million (-7%) as higher adjusted earnings were more than offset by an unfavorable change in the fair value of mutual funds and interest rate hedging derivatives not eligible for hedge accounting.

ASIA - HONG KONG

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**1,475**	**1,546**	**3,170**
Life & Savings	1,069	1,097	2,384
Property & Casualty	124	145	256
Health	283	304	530
New business			
APE	204	222	456
NBV Margin	50.4%	67.5%	63.8%
Underlying earnings before tax	**207**	**225**	**412**
Life & Savings	183	200	367
Property & Casualty	9	8	19
Health	15	17	27
Income tax expenses / benefits	(9)	(11)	(20)
Minority interests	-	-	-
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**198**	**214**	**392**
Net capital gains or losses attributable to shareholders net of income tax	(1)	0	2
Adjusted earnings Group share	**198**	**214**	**393**
Profit or loss on financial assets (under fair value option) and derivatives	(4)	0	1
Exceptional operations (including discontinued operations)	-	(0)	(0)
Goodwill and other related intangible impacts	(8)	(8)	(15)
Integration and restructuring costs	(13)	(0)	(5)
NET INCOME GROUP SHARE	**173**	**206**	**373**
Property & Casualty Combined Ratio	96.3%	97.0%	96.2%
Health Combined Ratio	94.5%	94.6%	95.2%
Protection Combined Ratio	83.1%	81.9%	84.9%
Average exchange rate : € 1.00 = Hong Kong Dollar	*9.49*	*8.42*	*8.80*

(a) Net of intercompany eliminations.

Gross revenues decreased by €71 million (-5%) to €1,475 million. On a comparable basis, gross revenues increased by €118 million (+8%):

- **Life & Savings** (€-29 million or -3%) to €1,069 million. On a comparable basis, Life & Savings gross revenues increased by €91 million (+8%) mainly from *Protection* (€+60 million) driven by in-force growth partly offset by lower new business, *G/A Savings* (€+42 million) due to both new business sales and in-force growth, partly offset by *Unit-Linked* (€-11 million);
- **Health** (€-21 million or -7%) to €283 million. On a comparable basis, Health gross revenues increased by €30 million (+10%) mainly driven by higher volumes combined with tariff increases in both *Individual* and *Group* businesses;
- **Property & Casualty** (€-21 million or -14%) to €124 million. On a comparable basis, Property & Casualty gross revenues decreased by €3 million (-2%) from *Personal lines* (€-2 million) driven by lower new business in *Motor* linked to repricing measures.

APE decreased by €18 million (-8%) to €204 million. On a comparable basis, APE increased by €8 million (+4%) driven by higher sales in *G/A Savings* (€+42 million) mainly due to the successful launch of a new product in 1Q18, and *Health* (€+4 million) mainly in *Group business*, partly offset by lower sales in *Protection* (€-33 million).

NBV Margin decreased by 17.2 points to 50.4% mainly driven by a shift in business mix towards *G/A Savings* products combined with the redesign of a *Protection* product to focus on volumes for profitable growth.

Underlying earnings before tax decreased by €18 million (-8%) to €207 million. On a constant exchange rate basis, underlying earnings before tax increased by €8 million (+4%):

- **Life & Savings** (€-17 million or -8%) to €183 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €6 million (+3%) mainly due to higher Unit-Linked management fees following positive equity market performance notably in 2H17, higher surrender margin and a less unfavorable impact from an accounting mismatch, partly offset by higher Deferred Acquisition Cost amortization;
- **Health** (€-2 million or -12%) to €15 million. On a constant exchange rate basis, Health underlying earnings before tax remained stable;
- **Property & Casualty** (€+1 million or +16%) to €9 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €3 million (+31%) mainly due to the non-repeat of 2017 unfavorable claims experience in Personal Motor.

Income tax expenses decreased by €3 million (-22%) to €-9 million. On a constant exchange rate basis, income tax expenses decreased by €1 million (-12%) as higher pre-tax underlying earnings were more than offset by the non-repeat of 1H17 negative tax one-offs.

Underlying earnings decreased by €15 million (-7%) to €198 million. On a constant exchange rate basis, underlying earnings increased by €10 million (+5%).

Adjusted earnings decreased by €16 million (-8%) to €198 million. On a constant exchange rate basis, adjusted earnings increased by €8 million (+4%) mainly driven by higher underlying earnings.

Net income decreased by €33 million (-16%) to €173 million. On a constant exchange rate basis, net income decreased by €11 million (-6%) as higher adjusted earnings were more than offset by higher restructuring costs and an unfavorable change in the fair value of derivatives not eligible for hedge accounting.

ASIA - HIGH POTENTIALS

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**77**	**89**	**180**
Life & Savings	28	32	66
Property & Casualty	31	37	72
Health	18	21	42
New business			
APE	280	343	613
NBV Margin	49.4%	39.2%	45.8%
Underlying earnings before tax	**1**	**(4)**	**4**
Life & Savings	2	5	14
Property & Casualty	(6)	(6)	(10)
Health	4	(3)	(0)
Income tax expenses / benefits	(1)	2	1
Minority interests	0	0	0
Income from affiliates and associates	67	90	166
Underlying earnings Group share	**67**	**88**	**171**
Net capital gains or losses attributable to shareholders net of income tax	(6)	5	14
Adjusted earnings Group share	**62**	**92**	**185**
Profit or loss on financial assets (under fair value option) and derivatives	(6)	(39)	(54)
Exceptional operations (including discontinued operations)	-	(0)	(0)
Goodwill and other related intangible impacts	0	0	(0)
Integration and restructuring costs	-	-	(2)
NET INCOME GROUP SHARE	**55**	**53**	**129**
Property & Casualty Combined Ratio	117.6%	118.1%	115.2%
Health Combined Ratio	85.2%	117.0%	102.5%
Protection Combined Ratio	111.8%	99.9%	94.8%

(a) Net of intercompany eliminations.

Scope: (i) The Property & Casualty subsidiary in Thailand and the non-bancassurance Life & Savings subsidiary in Indonesia are fully consolidated; (ii) China, Thailand, the Philippines and the bancassurance Life & Savings subsidiary in Indonesia are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income.

Gross revenues decreased by €12 million (-14%) to €77 million. On a comparable basis, gross revenues decreased by €5 million (-6%):

- **Property & Casualty** (€-6 million or -15%) to €31 million. On a comparable basis, Property & Casualty gross revenues decreased by €5 million (-14%) in *Thailand* (€-5 million) driven by lower revenues from *Commercial Property* and *Personal Motor* both following the decision to reduce the volume of unprofitable portfolios;
- **Life & Savings** (€-4 million or -13%) to €28 million. On a comparable basis, Life & Savings gross revenues remained stable at €28 million in *Indonesia*;

- **Health** (€-2 million or -11%) to €18 million. On a comparable basis, Health gross revenues remained stable as lower revenues in *Thailand* (€-2 million) due to the pruning of unprofitable contracts were offset by higher revenues in *Indonesia* (€+2 million) following in-force and new business growth.

APE decreased by €63 million (-18%) to €280 million. On a comparable basis, APE decreased by €45 million (-13%):

- *China* (€-55 million or -32%) to €118 million. On a comparable basis, APE decreased by €51 million (-30%) due to lower sales of traditional *G/A Savings* products (€-61 million), partly offset by higher sales of profitable *Protection* products (€+9 million);
- *Thailand* (€-3 million or -3%) to €80 million. On a comparable basis, APE decreased by €1 million (-1%) due to lower sales of traditional *G/A Savings* products (€-7 million) following the non-repeat of sales of a product launched in 1H17, and *Protection* (€-3 million) due to lower sales of low margin products, partly offset by higher *Unit-Linked* sales (€+9 million) following successful marketing campaigns;
- *Indonesia* (€-8 million or -12%) to €55 million. On a comparable basis, APE increased by €1 million (+1%) driven by the launch of a new *Protection* product;
- *The Philippines* (€+2 million or +10%) to €27 million. On a comparable basis, APE increased by €7 million (+27%) mainly from *Protection* (€+7 million) driven by the strong performance in both bancassurance and agency channels.

NBV Margin increased by 10.2 points to 49.4%. On a comparable basis, NBV Margin increased by 12.7 points mainly driven by a more favorable business mix in *China* and *Thailand*.

Underlying earnings before tax increased by €5 million to €1 million. On a constant exchange rate basis, underlying earnings before tax increased by €6 million:

- **Health** (€+7 million) to €4 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €8 million mainly driven by *Indonesia* (€+8 million) following the discontinuation of unprofitable products combined with a favorable portfolio growth;
- **Life & Savings** (€-3 million) to €2 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax decreased by €3 million in *Indonesia* mainly due to unfavorable assumption updates;
- **Property & Casualty** (€+1 million) to €-6 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €1 million in *Thailand.*

Income tax expenses increased by €2 million to €-1 million. On a constant exchange rate basis, income tax expenses increased by €3 million driven by *Indonesia* (€+2 million) due to higher pre-tax underlying earnings.

Income from affiliates and associates decreased by €22 million (-25%) to €67 million. On a constant exchange rate basis, income from associates and affiliates decreased by €17 million (-19%):

- *Thailand* (€-22 million or -44%) to €27 million mainly due to unfavorable assumption updates;
- *Indonesia* (€-2 million or -8%) to €18 million mainly from lower Unit-Linked management fees reflecting negative equity market performance in 1H18;
- *China* (€+5 million or +72%) to €12 million mainly due to a favorable change in business mix;
- *The Philippines* (€+2 million or +15%) to €10 million mainly from higher fees & revenues combined with a higher investment margin, both as a result of portfolio growth.

Underlying earnings decreased by €20 million (-23%) to €67 million. On a constant exchange rate basis, underlying earnings decreased by €14 million (-16%).

Adjusted earnings decreased by €31 million (-33%) to €62 million. On a constant exchange rate basis, adjusted earnings decreased by €25 million (-27%) driven by lower underlying earnings as well as lower net realized capital gains.

Net income increased by €3 million (+5%) to €55 million. On a constant exchange rate basis, net income increased by €8 million (+14%) as lower adjusted earnings were more than offset by a favorable change in the fair value of financial assets in Thailand and a less unfavorable change in the fair value of financial assets in China.

United States

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**7,923**	**9,081**	**16,911**
Life & Savings	6,577	7,720	14,154
Health	26	27	57
Other (c)	1,321	1,333	2,700
New business			
APE	821	953	1,799
NBV Margin	21.7%	23.3%	23.4%
Underlying earnings before tax	**749**	**599**	**1,392**
Life & Savings	509	401	863
Health	(12)	(15)	(27)
Other (c)	252	213	556
Income tax expenses / benefits	(136)	65	(7)
Minority interests	(149)	(99)	(250)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**465**	**565**	**1,135**
Net capital gains or losses attributable to shareholders net of income tax	3	(13)	(60)
Adjusted earnings Group share	**467**	**552**	**1,075**
Profit or loss on financial assets (under fair value option) and derivatives	(59)	70	96
Exceptional operations (including discontinued operations)	(19)	-	268
Goodwill and other related intangible impacts	(0)	(0)	(2)
Integration and restructuring costs	(27)	(9)	(21)
NET INCOME GROUP SHARE	**363**	**613**	**1,415**
Health Combined Ratio	150.1%	144.2%	146.9%
Protection Combined Ratio	108.3%	114.8%	112.7%
Average exchange rate : € 1.00 = US Dollar	*1.21*	*1.08*	*1.13*

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

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

UNITED STATES - LIFE & SAVINGS

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**6,602**	**7,747**	**14,210**
Life & Savings	6,577	7,720	14,154
Health	26	27	57
New business			
APE	821	953	1,799
NBV Margin	21.7%	23.3%	23.4%
Underlying earnings before tax	**417**	**314**	**707**
Life & Savings	509	401	863
Health	(12)	(15)	(27)
Other (c)	(80)	(71)	(129)
Income tax expenses / benefits	(76)	143	145
Minority interests	(25)	-	(0)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**316**	**457**	**852**
Net capital gains or losses attributable to shareholders net of income tax	3	(13)	(60)
Adjusted earnings Group share	**319**	**444**	**792**
Profit or loss on financial assets (under fair value option) and derivatives	(59)	68	96
Exceptional operations (including discontinued operations)	(20)	-	135
Goodwill and other related intangible impacts	(0)	(0)	(2)
Integration and restructuring costs	(27)	(4)	(14)
NET INCOME GROUP SHARE	**213**	**508**	**1,006**
Health Combined Ratio	150.1%	144.2%	146.9%
Protection Combined Ratio	108.3%	114.8%	112.7%
Average exchange rate : € 1.00 = US Dollar	*1.21*	*1.08*	*1.13*

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

Gross revenues decreased by €1,145 million (-15%) to €6,602 million. On a comparable basis, gross revenues decreased by €371 million (-5%):

- **Life & Savings** (€-1,144 million or -15%) to €6,577 million. On a comparable basis, Life & Savings gross revenues decreased by €373 million (-5%) mainly in *Unit-Linked* (€-374 million) primarily due to the non-repeat of 1H17 strong sales of non-GMxB Variable Annuities in anticipation of the implementation of the US Department of Labor rule;
- **Health** (€-1 million or -3%) to €26 million. On a comparable basis, Health gross revenues increased by €2 million (+8%).

APE decreased by €133 million (-14%) to €821 million. On a comparable basis, APE increased by €33 million (+4%) mainly in *Mutual Funds & Other* (€+37 million) reflecting higher advisory sales from favorable equity market conditions and *Protection* following higher sales in employee benefit products, partly offset by *Unit-Linked* (€-19 million) primarily due to the non-repeat of 1H17 strong sales of non-GMxB Variable Annuities in

anticipation of the implementation of the US Department of Labor rule, partly mitigated by growth in Group Retirement.

NBV Margin decreased by 1.6 points to 21.7% mainly driven by a less favorable business mix due to a lower share of *Unit-Linked* business.

Underlying earnings before tax increased by €103 million (+33%) to €417 million. On a constant exchange rate basis, underlying earnings before tax increased by €151 million (+48%):

- **Life & Savings** (€+108 million or +27%) to €509 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax increased by €0.2 billion (+42%) mainly driven by higher Unit-Linked management fees (€+0.1 billion) reflecting higher average separate account balances from favorable equity markets, a higher GMxB hedge margin (€+0.1 billion), and the non-repeat of 1H17 unfavorable mortality model updates (€+0.1 billion), partly offset by a less favorable mortality experience notably influenced by a severe influenza season in 1Q18;
- **Other** (€-9 million or -12%) to €-80 million. On a constant exchange rate basis, Other underlying earnings before tax decreased by €18 million (-25%) mainly driven by higher financial charges on external debt raised in the context of the IPO of AXA Equitable Holdings, Inc.;
- **Health** (€+3 million or +20%) to €-12 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €2 million (+11%).

Income tax expenses increased by €219 million to €-76 million. On a constant exchange rate basis, income tax expenses increased by €228 million mainly driven by the non-repeat of positive tax settlements in 1H17 (€204 million) and higher pre-tax underlying earnings, partly offset by a decrease in the corporate tax rate from 35% to 21%.

Minority interests increased by €25 million to €-25 million. On a constant exchange rate basis, minority interests increased by €28 million, as AXA Group average ownership over the period decreased from 100% on June 30, 2017, to 92.7% on June 30, 2018, as a consequence of the IPO of AXA Equitable Holdings, Inc. completed in May 2018.

Underlying earnings decreased by €141 million (-31%) to €316 million. On a constant exchange rate basis, underlying earnings decreased by €104 million (-23%).

Adjusted earnings decreased by €125 million (-28%) to €319 million. On a constant exchange rate basis, adjusted earnings decreased by €88 million (-20%) driven by lower underlying earnings, partly offset by higher net realized capital gains.

Net income decreased by €295 million (-58%) to €213 million. On a constant exchange rate basis, net income decreased by €270 million (-53%) driven by an unfavorable change in the fair value of mutual funds and interest rate derivatives not eligible for hedge accounting backing structured products (€-134 million), lower adjusted earnings (€-88 million), as well as higher restructuring costs and exceptional operations (€-49 million) in the context of the IPO of AXA Equitable Holdings, Inc completed in May 2018.

UNITED STATES - AB

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**1,321**	**1,333**	**2,700**
Underlying earnings before tax	**332**	**284**	**685**
Income tax expenses / benefits	(60)	(78)	(152)
Minority interests	(124)	(99)	(250)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**148**	**107**	**283**
Net capital gains or losses attributable to shareholders net of income tax	-	-	-
Adjusted earnings Group share	**148**	**107**	**283**
Profit or loss on financial assets (under Fair Value option) and derivatives	-	2	-
Exceptional operations (including discontinued operations)	2	-	133
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	(5)	(7)
NET INCOME GROUP SHARE	**150**	**105**	**410**
Average Assets under Management (in Euro billion)	461	475	469
Asset management fee bps	40.5	39.2	39.8
Underlying cost income ratio	71.6%	76.5%	71.8%
Average exchange rate : € 1.00 = US Dollar	*1.21*	*1.08*	*1.13*

(a) Net of intercompany eliminations. Gross Revenues amounted to €1,376 million before intercompany eliminations as of June 30, 2018.

Asset under Management ("AUM") increased by €1 billion from December 31, 2017, to €469 billion at the end of June 30, 2018, driven by a €+13 billion favorable foreign exchange rate impact, partly offset by €-4 billion unfavorable market effect following increases both interest rates and equity markets volatility, and €-8 billion net outflows as inflows in Private clients were more than offset by outflows on lower-margin Institutional retirement products.

Management fee bps increased by 1.3 bps to 40.5 bps mainly due to a more favorable business mix with higher average AUM in Retail and Private clients.

Gross revenues decreased by €13 million (-1%) to €1,321 million. On a comparable basis, gross revenues increased by €142 million (+11%) driven by higher management fees (€+107 million) due to both higher average AUM and higher average management fee bps, higher performance fees, and higher distribution fees mainly due to higher average AUM in retail mutual funds.

Underlying earnings before tax increased by €48 million (+17%) to €332 million. On a constant exchange rate basis, underlying earnings before tax increased by €87 million (+31%) mainly driven by higher revenues and lower expenses from both the non-repeat of 1H17 one-off charges linked to the reduction of real estate footprint (€+36 million) and efficiency initiatives.

The underlying cost income ratio decreased by 4.9 points to 71.6%.

Income tax expenses decreased by €18 million (-23%) to €-60 million. On a constant exchange rate basis, income tax expenses decreased by €11 million (-14%) mainly driven by a decrease in the corporate tax rate from 35% to 21%, partly offset by higher pre-tax underlying earnings.

Minority interests increased by €25 million (+25%) to €-124 million. On a constant exchange rate basis, minority interests increased by €40 million (+40%) driven by higher pre-tax underlying earnings and a decrease in AXA Group average ownership over the period from 64.6% on June 30, 2017, to 60.0% on June 30, 2018, as a consequence of the IPO of AXA Equitable Holdings, Inc. completed in May 2018.

Underlying earnings and **adjusted earnings** increased by €41 million (+38%) to €148 million. On a constant exchange rate basis, underlying earnings and adjusted earnings increased by €58 million (+54%).

Net income increased by €45 million (+43%) to €150 million. On a constant exchange rate basis, net income increased by €63 million (+60%) mainly driven by higher adjusted earnings.

International

(in Euro million, except percentages)	June 30, 2018	June 30, 2017 restated (b)	December 31, 2017
Gross revenues (a)	**3,419**	**3,732**	**7,034**
Life & Savings	646	856	1,678
Property & Casualty	1,946	2,002	3,798
Health	695	679	1,235
Other (c)	132	195	323
New business			
APE	123	129	278
NBV Margin	33.5%	25.3%	28.0%
Underlying earnings before tax	**231**	**251**	**379**
Life & Savings	43	59	92
Property & Casualty	150	153	235
Health	12	(4)	3
Other (c)	26	43	49
Income tax expenses / benefits	(43)	(47)	(91)
Minority interests	(25)	(19)	(37)
Income from affiliates and associates	47	34	86
Underlying earnings Group share	**210**	**218**	**337**
Net capital gains or losses attributable to shareholders net of income tax	(1)	2	(7)
Adjusted earnings Group share	**209**	**220**	**330**
Profit or loss on financial assets (under fair value option) and derivatives	14	(15)	11
Exceptional operations (including discontinued operations)	(20)	(10)	(22)
Goodwill and other related intangible impacts	(8)	(13)	(27)
Integration and restructuring costs	(5)	(10)	(16)
NET INCOME GROUP SHARE	**190**	**172**	**276**
Property & Casualty Combined Ratio	100.1%	100.4%	101.4%
Health Combined Ratio	99.3%	102.3%	101.6%
Protection Combined Ratio	100.2%	98.3%	98.4%

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

Scope: (i) Mexico, the Gulf Region, Colombia, Poland, Turkey, Singapore, Morocco, Luxembourg, Malaysia Property & Casualty, AXA Bank Belgium, the Czech Republic Life & Savings, the Slovak Republic Life & Savings, Greece and Brazil are fully consolidated; (ii) Russia (Reso), India, Nigeria and Lebanon are consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income.

Gross revenues decreased by €313 million (-8%) to €3,419 million. On a comparable basis, gross revenues increased by €103 million (+3%) mainly driven by insurance activities (+5%), partly offset by a decrease in banking revenues (-32%):

- **Property & Casualty** (€-56 million or -3%) to €1,946 million. On a comparable basis, Property & Casualty gross revenues increased by €98 million (+5%):
    - *Mexico* (€+42 million or +10%) to €407 million mainly driven by new business in *Motor*;

- *Turkey* (€+36 million or +12%) to €273 million mainly driven by an increase in *Motor* Third Party Liability from the insurance pool introduced by the government in September 2017;
- *The Gulf Region* (€-28 million or -9%) to €261 million mainly driven by a reduction of the size of a large *Commercial Motor* fleet;
- *Poland* (€+27 million or +13%) to €236 million mainly due to new business in *Motor* and *Commercial lines Non-Motor*;
- *Colombia* (€+30 million or +14%) to €218 million mainly driven by new business in *Personal Accident*, *Workers' Compensation* and *Personal Motor*;
- *Morocco* (€+7 million or +4%) to €152 million mainly driven by *Commercial Property;*
- *Singapore* (€-14 million or -11%) to €99 million reflecting selective underwriting.

- **Health** (€+15 million or +2%) to €695 million. On a comparable basis, Health gross revenues increased by €82 million (+12%) driven by *Mexico* (€+57 million or +19% to €323 million) stemming from volume and tariff increases, *the Gulf Region* (€+5 million or +3% to €183 million) and *Singapore* (€+7 million or +12% to €67 million).
- **Life & Savings** (€-210 million or -25%) to €646 million. On a comparable basis, Life & Savings gross revenues decreased by €15 million (-2%):
  - *Singapore* (€+10 million or +8%) to €128 million mainly driven by higher sales in *Unit-Linked* and *Protection*;
  - *Colombia* (€-10 million or -9%) to €89 million mainly due to lower sales in *G/A Savings*;
  - *Luxembourg* (€-10 million or -10%) to €82 million mainly driven by lower sales in *Unit-Linked*;
  - *Morocco* (€-7 million or -10%) to €60 million mainly due to lower sales in *G/A Savings*.
- **Other** (€-62 million or -32%) to €132 million. On a comparable basis, Other gross revenues decreased by €62 million (-32%) at *AXA Bank Belgium* mainly due to an unfavorable change in the fair value of an internal interest rate swap (neutral at Group level) used to hedge loans granted by AXA Banque France, lower realized capital gains and lower commercial margin.

APE decreased by €6 million (-5%) to €123 million. On a comparable basis, APE remained stable:

- *Singapore* (€-4 million or -9%) to €45 million mainly driven by lower *G/A Savings* sales;
- *India* (€+9 million or +66%) to €19 million mainly in *Protection*;
- *Poland* (€-2 million or -10%) to €16 million mainly due to lower *Unit-Linked* sales;
- *Turkey* (€-2 million or -19%) to €6 million mainly driven by lower *Unit-Linked* sales.

NBV Margin increased by 8.2 points to 33.5%. On a comparable basis, NBV Margin increased by 7.7 points mainly driven by a positive business mix towards *Protection* products mainly in *Singapore*.

Underlying earnings before tax decreased by €20 million (-8%) to €231 million. On a constant exchange rate basis, underlying earnings before tax decreased by €4 million (-2%):

- **Property & Casualty** (€-2 million or -2%) to €150 million. On a constant exchange rate basis, Property & Casualty underlying earnings before tax increased by €11 million (+7%) mainly driven by (i) *Turkey* (€+14 million) mainly driven by a higher investment income (€+8 million) due to both higher interest rates and average asset base, (ii) *Poland* (€+8 million) from a higher net technical margin (€+9 million) mainly driven by Personal Motor, and (iii) *Colombia* (€+7 million) mainly driven by a higher investment income (€+6 million), partly offset by (iv) *Singapore* (€-19 million) largely due to a less favorable prior year reserve development, and (v) *Brazil* (€-10 million) mainly due to higher expenses;

- **Life & Savings** (€-17 million or -28%) to €43 million. On a constant exchange rate basis, Life & Savings underlying earnings before tax decreased by €16 million (-27%) mainly driven by (i) *Singapore* (€-9 million) largely due to the non-repeat of a positive regulatory change one-off relating to the mortality table in 1H17, (ii) *Mexico* (€-6 million) mainly due to lower mortality margin, and (iii) *Poland* (€-5 million) reflecting higher Deferred Acquisition Cost amortization following increased surrenders;
- **Other** (€-17 million) to €26 million. On a constant exchange rate basis, Other underlying earnings before tax decreased by €17 million primarily at *AXA Bank Belgium* (€-15 million to €43 million) mainly due to the decrease in gross revenues, partly offset by lower expenses;
- **Health** (€+16 million) to €12 million. On a constant exchange rate basis, Health underlying earnings before tax increased by €18 million mainly from *Mexico* (€+10 million) and *the Gulf Region* (€+7 million) reflecting management actions to improve the net technical margin.

Income tax expenses decreased by €5 million (-10%) to €-43 million. On a constant exchange rate basis, income tax expenses remained almost stable.

Income from affiliates and associates increased by €13 million (+40%) to €47 million. On a constant exchange rate basis, income from affiliates and associates increased by €17 million (+51%) mainly driven by higher earnings at *Reso* (€+13 million).

Underlying earnings decreased by €8 million (-4%) to €210 million. On a constant exchange rate basis, underlying earnings increased by €4 million (+2%).

Adjusted earnings decreased by €10 million (-5%) to €209 million. On a constant exchange rate basis, adjusted earnings increased by €1 million mainly driven by higher underlying earnings.

Net income increased by €18 million (+11%) to €190 million. On a constant exchange rate basis, net income increased by €33 million (+19%) driven by favorable foreign exchange impacts and higher adjusted earnings.

Transversal & Central Holdings

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**3,168**	**3,085**	**5,152**
Life & Savings	3	6	7
Property & Casualty	2,463	2,376	3,711
Health	71	96	158
Other (b)	631	607	1,276
Underlying earnings before tax	**(70)**	**(94)**	**(417)**
Life & Savings	1	4	(13)
Property & Casualty	211	165	197
Health	(2)	8	23
Other (b)	(281)	(271)	(623)
Income tax expenses / benefits	57	(33)	95
Minority interests	(5)	(4)	(10)
Income from affiliates and associates	10	9	18
Underlying earnings Group share	**(7)**	**(121)**	**(313)**
Net capital gains or losses attributable to shareholders net of income tax	29	18	26
Adjusted earnings Group share	**22**	**(103)**	**(288)**
Profit or loss on financial assets (under fair value option) and derivatives	(146)	(125)	(211)
Exceptional operations (including discontinued operations)	(25)	53	187
Goodwill and other related intangible impacts	(0)	(1)	(1)
Integration and restructuring costs	(12)	(16)	(53)
NET INCOME GROUP SHARE	**(162)**	**(191)**	**(365)**
Property & Casualty Combined Ratio	96.2%	98.2%	101.1%
Health Combined Ratio	102.1%	91.1%	87.1%

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

AXA INVESTMENT MANAGERS ("AXA IM")

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**631**	**607**	**1,276**
Underlying earnings before tax	**188**	**178**	**353**
Income tax expenses / benefits	(55)	(54)	(104)
Minority interests	(4)	(3)	(9)
Income from affiliates and associates	10	9	18
Underlying earnings Group share	**139**	**129**	**257**
Net capital gains or losses attributable to shareholders net of income tax	-	-	-
Adjusted earnings Group share	**139**	**129**	**257**
Profit or loss on financial assets (under Fair Value option) and derivatives	11	(5)	10
Exceptional operations (including discontinued operations)	(50)	58	68
Goodwill and other related intangibles impacts	(0)	(1)	(1)
Integration and restructuring costs	(4)	(8)	(12)
NET INCOME GROUP SHARE	**96**	**172**	**322**
Average Assets under Management (in Euro billion)	641	627	630
Asset management fee bps	17.2	18.0	17.9
Underlying cost income ratio	69.7%	69.6%	70.8%

(a) Net of intercompany eliminations. Gross Revenues amounted to €786 million before intercompany eliminations as of June 30, 2018.

Assets under Management ("AUM") increased by €13 billion from December 31, 2017, to €759 billion at the end of June 30, 2018, mainly driven by €+13 billion net inflows from Main Fund (€+9 billion) due to temporary cash inflows linked to the acquisition of XL Group and Third-Party clients (€+4 billion), partly offset by net outflows from Asian joint ventures (€-1 billion).

Management fee bps decreased by 0.7 bps to 17.2 bps. On a constant exchange rate basis, management fee bps decreased by 0.7 bps mainly due to an unfavorable change in product mix.

Gross revenues increased by €24 million (+4%) to €631 million. On a comparable basis, gross revenues increased by €33 million (+5%) mainly driven by higher performance fees including realized carried interest (€+12 million), management fees (€+12 million) and transaction fees (€+11 million).

Underlying earnings before tax increased by €10 million (+6%) to €188 million. On a constant exchange rate basis, underlying earnings before tax increased by €13 million (+7%) as a result of higher gross revenues, partly offset by higher general expenses mainly due to regulatory costs (mainly driven by MIFID 2 regulation).

The underlying cost income ratio increased by 0.1 point to 69.7%. On a constant exchange rate basis, the underlying cost income ratio increased by 0.6 point.

Income tax expenses increased by €1 million (+1%) to €-55 million. On a constant exchange rate basis, income tax expenses increased by €2 million (+3%).

Income from affiliates and associates increased by €1 million (+14%) to €10 million. On a constant exchange rate basis, income from affiliates and associates increased by €2 million (+18%) mainly due to an increase in management fee bps in the Chinese joint venture and higher AUM in both Korean and Indian joint ventures.

Underlying earnings and **adjusted earnings** increased by €11 million (+8%) to €139 million. On a constant exchange rate basis, underlying earnings and adjusted earnings increased by €13 million (+10%).

Net income decreased by €77 million (-45%) to €96 million. On a constant exchange rate basis, net income decreased by €79 million (-46%) mainly driven by the non-repeat of 1H17 positive adjustment to the deferred consideration linked to the disposal of AXA Private Equity in 2013 (€+58 million), as well as an exceptional tax charge related to the transfer of AB shares to AXA US in the context of the IPO of AXA Equitable Holdings, Inc. completed in May 2018.

AXA CORPORATE SOLUTIONS ASSURANCE

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**1,655**	**1,634**	**2,322**
Underlying earnings before tax	**96**	**104**	**78**
Income tax expenses / benefits	(29)	(30)	(27)
Minority interests	(1)	(1)	(1)
Income from affiliates and associates	-	-	-
Underlying earnings Group share	**67**	**73**	**50**
Net capital gains or losses attributable to shareholders net of income tax	28	24	31
Adjusted earnings Group share	**95**	**97**	**81**
Profit or loss on financial assets (under fair value option) and derivatives	(27)	(16)	(36)
Exceptional operations (including discontinued operations)	(4)	(1)	(6)
Goodwill and other related intangible impacts	-	-	-
Integration and restructuring costs	-	-	(0)
NET INCOME GROUP SHARE	**65**	**80**	**40**
Property & Casualty Combined Ratio	100.4%	99.2%	104.2%

(a) Net of intercompany eliminations.

Gross revenues increased by €21 million (+1%) to €1,655 million. On a comparable basis, gross revenues decreased by €12 million (-1%) notably in *Construction* (€-38 million or -29%) and *Liability* (€-19 million or -5%) driven by strong underwriting actions to protect the profitability, partly offset by *Property* (€+19 million or +4%) and *Motor* (€+17 million or +9%) mainly driven by new business and tariff increases.

Underlying earnings before tax decreased by €8 million (-8%) to €96 million. On a constant exchange rate basis, underlying earnings before tax decreased by €8 million (-7%) driven by a lower prior year reserve development, partly offset by a higher investment income.

Income tax expenses decreased by €1 million (-5%) to €-29 million. On a constant exchange rate basis, income tax expenses decreased by €1 million (-4%) mainly due to lower pre-tax underlying earnings.

Underlying earnings decreased by €6 million (-9%) to €67 million. On a constant exchange rate basis, underlying earnings decreased by €6 million (-8%).

Adjusted earnings decreased by €2 million (-2%) to €95 million. On a constant exchange rate basis, adjusted earnings decreased by €1 million (-1%) driven by lower underlying earnings, partly offset by higher net realized capital gains.

Net income decreased by €15 million (-19%) to €65 million. On a constant exchange rate basis, net income decreased by €15 million (-18%) mainly driven by lower adjusted earnings and an unfavorable change in the fair value of mutual funds.

AXA ASSISTANCE

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Gross revenues (a)	**680**	**653**	**1,275**
Property & Casualty	609	557	1,117
Health	71	96	158
Underlying earnings before tax	**14**	**23**	**43**
Property & Casualty	15	15	20
Health	(2)	8	23
Income tax expenses / benefits	(10)	(11)	(16)
Minority interests	(0)	0	(0)
Income from affiliates and associates	1	1	1
Underlying earnings Group share	**3**	**13**	**27**
Net capital gains or losses attributable to shareholders net of income tax	1	(0)	0
Adjusted earnings Group share	**5**	**13**	**28**
Profit or loss on financial assets (under fair value option) and derivatives	(6)	(2)	(7)
Exceptional operations (including discontinued operations)	0	-	(1)
Goodwill and other related intangible impacts	-	-	-
Integration and restructuring costs	(1)	(3)	(5)
NET INCOME GROUP SHARE	**(2)**	**8**	**14**
Property & Casualty Combined Ratio	98.1%	97.9%	98.7%
Health Combined Ratio	102.1%	91.1%	87.1%

(a) Net of intercompany eliminations.

Gross revenues increased by €27 million (+4%) to €680 million. On a comparable basis, gross revenues increased by €43 million (+7%):

- **Property & Casualty** (€+52 million or +9%) to €609 million. On a comparable basis, Property & Casualty gross revenues increased by €42 million (+7%) from higher volumes in *Non-Motor* (€+28 million) mainly in Home and Travel, and in *Motor* (€+15 million);
- **Health** (€-25 million or -26%) to €71 million. On a comparable basis, Health gross revenues increased by €1 million (+1%).

Underlying earnings before tax decreased by €10 million (-41%) to €14 million:

- **Property & Casualty** (€0 million or +2%) to €15 million mainly driven by as the improvement in loss ratio following lower attritional losses in Motor and an increase in investment income were offset by a higher level of commissions stemming from the business model evolution through large partnerships, especially in Home;
- **Health** (€-10 million) to €-2 million driven by higher commissions due to a less favorable business mix and higher claims related to an increase in service usage in Telemedicine.

Income tax expenses decreased by €1 million (-5%) to €-10 million mainly driven by lower pre-tax underlying earnings.

Underlying earnings decreased by €9 million (-73%) to €3 million.

Adjusted earnings decreased by €8 million (-64%) to €5 million mainly driven by lower underlying earnings.

Net income decreased by €9 million to €-2 million mainly driven by lower adjusted earnings.

AXA SA

(in Euro million, except percentages)	June 30, 2018	June 30, 2017	December 31, 2017
Underlying earnings Group share	**(298)**	**(388)**	**(726)**
Net capital gains or losses attributable to shareholders net of income tax	(2)	-	(0)
Adjusted earnings Group share	**(300)**	**(388)**	**(727)**
Profit or loss on financial assets (under fair value option) and derivatives	(125)	(104)	(197)
Exceptional operations (including discontinued operations)	58	(5)	136
Goodwill and other related intangible impacts	-	-	-
Integration and restructuring costs	(6)	-	(35)
NET INCOME GROUP SHARE	**(373)**	**(497)**	**(822)**

Underlying earnings increased by €90 million to €-298 million mainly driven by the impact of the removal of the 3% French Tax on dividend paid to shareholders in 1H17 (€+84 million) as well as lower general expenses, partly offset by higher financial charges in the context of the acquisition of XL Group.

Adjusted earnings increased by €89 million to €-300 million mainly driven by higher underlying earnings.

Net income increased by €124 million to €-373 million due to higher adjusted earnings and the one-off benefit from the upcoming reimbursement of the tax paid on dividends received from European subsidiaries held for more than 95% following the decision from the European Court of Justice, partly offset by an unfavorable change in the fair value of derivatives not eligible for hedge accounting.

Outlook

AXA remains focused on the delivery of its Ambition 2020 plan and on the transformation of its business model across all major geographies, with a key priority being the successful integration of the XL Group. Anticipating the rapidly evolving needs of its customers, AXA's strategy is articulated around its preferred segments (Health, P&C Commercial lines and Protection) and a focus on partnerships and innovation.

A significant shift in strategic profile of the Group is well underway, and is accelerating by the successful IPO of the US operations in 1H18 in combination with the strategic decision to acquire the XL Group to become the #1 global P&C commercial lines insurer, leading to reduced sensitivities to financial markets and higher proportion of technical margin earnings. The Group plans to update its capital management policy to reflect this change in profile.

AXA's Solvency II position and free cash flow generation should remain strong and resilient to external shocks thanks to robust underwriting policies, a high quality asset portfolio and disciplined capital allocation. The intended subsequent sell-downs of its US operations, a strong operating cash generation, disposals and in-force management actions, should provide AXA with additional cash flexibility over the next years. The Group's first priority for using this cash flexibility will be to reduce leverage.

With its clear Ambition 2020 strategy, a simplified organization focused on fewer countries designed to foster growth across its preferred segments, a significant shift in strategic profile and a strong balance sheet with financial flexibility, AXA is well positioned to create lasting shareholder value and offer an attractive return.

Glossary

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

Scope and comparable basis

SPLIT BY GEOGRAPHIES

The split by geographies is detailed below:

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

- Greece (insurance activities),
- The Gulf Region (insurance activities and holding),
- India (insurance activities),
- Lebanon (insurance activities and holding),
- Luxembourg (insurance activities and holding),
- Malaysia (insurance activities),
- AXA Mediterranean Holdings,
- Mexico (insurance activities),
- Morocco (insurance activities and holding),
- Nigeria (insurance activities and holding),
- Poland (insurance activities),
- Russia (Reso) (insurance activities),
- Singapore (insurance activities),
- Turkey (insurance activities and holding);

- **Transversal & Central Holdings**, consisting of:
  - AXA Investment Managers,
  - AXA Corporate Solutions Assurance,
  - AXA Assistance,
  - AXA Art,
  - AXA Liabilities Managers,
  - AXA Global Re,
  - AXA Life Europe,
  - AXA SA and other Central Holdings.

CURRENT ENGINES AND HIGH POTENTIALS

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

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

COMPARABLE BASIS FOR REVENUES, ANNUAL PREMIUM EQUIVALENT AND NBV MARGIN

"On a comparable basis" means the following:

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

Earnings and Capital

ADJUSTED EARNINGS*

Adjusted Earnings represent the net income (Group share) as disclosed in Part 2 - "Consolidated Financial Statements" of this Report, before the impact of the following items net of policyholder participation, deferred acquisition costs, VBI, taxes and minority interests:

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

Derivatives related to invested assets:

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

UNDERLYING EARNINGS*

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

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

EARNINGS PER SHARE

Earnings per share (**EPS**) represent AXA's consolidated earnings (after interest charges related to both undated debts recorded through shareholders' equity - Group share and mandatory exchangeable bonds recorded through shareholders' equity - Minority interests and financial debt), divided by the weighted average number of outstanding ordinary shares.

Diluted earnings per share (**diluted EPS**) represent AXA's consolidated earnings (after interest charges related to both undated debts recorded through shareholders' equity - Group share and mandatory exchangeable bonds recorded through shareholders' equity – Minority interests and financial debt), divided by the weighted average number of outstanding ordinary shares, on a diluted basis (*i.e.* including the potential impact of all outstanding

dilutive stock options being exercised, performance shares, and conversion of existing convertible debt into shares, provided that their impact is not anti-dilutive).

RETURN ON EQUITY

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

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

FREE CASH FLOWS

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

AFR (AVAILABLE FINANCIAL RESOURCES)

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

REGULATORY SOLVENCY RATIO

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

DEBT GEARING

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

Activities

INSURANCE

LIFE & SAVINGS HYBRID AND G/A CAPITAL LIGHT PRODUCTS

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

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

LIFE & SAVINGS NET INFLOWS

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

NEW BUSINESS APE (NEW BUSINESS ANNUAL PREMIUM EQUIVALENT)

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

NBV (NEW BUSINESS VALUE)

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

NBV MARGIN (NEW BUSINESS VALUE MARGIN)

New Business Value Margin is the ratio of:

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

This ratio represents the profitability of the new business.

MARGIN ANALYSIS

The margin analysis is presented on an underlying earnings basis.

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

Underlying investment margin includes the following items:

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

Underlying fees & revenues include:

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

Underlying net technical margin includes the following components:

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

Underlying expenses include the following components:

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

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

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

- For insurance contracts and investment contracts with Discretionary Participation Features (DPF):
    - gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between “Fees & Revenues” and “Net Technical Margin”;
    - policyholders’ interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, i.e. primarily “Investment Margin” and “Net Technical Margin”;

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

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

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

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

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

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

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

Underlying expense ratio is the ratio of:

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

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

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

ASSET MANAGEMENT

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

Underlying cost income ratio is the ratio of:

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

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

BANKING

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

II Consolidated financial statements / Half Year 2018

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II.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Notes	*(in Euro million)*	June 30, 2018	December 31, 2017
	Goodwill	15,656	15,391
	Value of purchased business in force (a)	1,439	1,891
	Deferred acquisition costs and equivalent	24,945	22,881
	Other intangible assets	3,188	3,170
	Intangible assets	**45,228**	**43,333**
	Investments in real estate properties	19,604	23,101
	Financial investments	489,317	513,254
	Assets backing contracts where the financial risk is borne by policyholders (b)	176,983	175,003
6	**Investments from insurance activities**	**685,904**	**711,358**
6	**Investments from banking and other activities**	**38,145**	**37,335**
	Investments accounted for using the equity method	**2,473**	**2,381**
	Reinsurers' share in insurance and investment contracts liabilities	**15,063**	**13,081**
	Tangible assets	1,371	1,380
	Deferred policyholders' participation assets	180	-
	Deferred tax assets	1,240	837
	Other assets	**2,790**	**2,217**
	Receivables arising from direct insurance and inward reinsurance operations	18,837	16,360
	Receivables arising from outward reinsurance operations	889	1,013
	Receivables - current tax	1,233	1,266
	Other receivables	13,939	12,868
	Receivables	**34,898**	**31,507**
4	**Assets held for sale (c)**	**30,428**	**5,019**
	Cash and cash equivalents	**40,245**	**23,898**
	TOTAL ASSETS	**895,176**	**870,128**

Note: All invested assets are shown net of related derivative instruments impact.
(a) Amounts are gross of tax.
(b) Includes assets backing contracts where the financial risk is borne by policyholders with guaranteed minimum features.
(c) As of June 30, 2018, amounts include the assets of AXA Wealth Management (HK) Limited ("AWM"), German pension business ProbAV Pensionskasse AG and the Switzerland Life & Savings portfolio for which the disposal process was not finalized at period end.
As of December 31, 2017, amounts include the assets of AXA Wealth Management (HK) Limited ("AWM") and of German pension business ProbAV Pensionskasse AG for which the disposal process was not finalized at year-end.

Notes	*(in Euro million)*	June 30, 2018	December 31, 2017
	Share capital and capital in excess of nominal value	24 984	25 033
	Reserves and translation reserve	38 179	38 370
	Net consolidated income - Group share	2 796	6 209
	Shareholders' equity – Group share	**65 959**	**69 611**
	Minority interests	**11 065**	**5 656**
7	**TOTAL SHAREHOLDERS' EQUITY**	**77 024**	**75 267**
	Subordinated debt	9 278	7 086
	Financing debt instruments issued	4 383	1 013
	Financing debt owed to credit institutions	0	0
8	**Financing debt (a)**	**13 661**	**8 099**
	Liabilities arising from insurance contracts	391 917	401 129
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders (b)	161 351	159 702
	Total liabilities arising from insurance contracts	**553 268**	**560 831**
	Liabilities arising from investment contracts with discretionary participating features	33 077	33 199
	Liabilities arising from investment contracts with no discretionary participating features	3 094	2 900
	Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	3 634	3 637
	Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	12 413	12 260
	Total liabilities arising from investment contracts	**52 218**	**51 995**
	Unearned revenue and unearned fee reserves	**2 614**	**2 598**
	Liabilities arising from policyholder participation and other obligations	**41 990**	**44 409**
	Derivative instruments relating to insurance and investment contracts	**(3 291)**	**(2 895)**
	Liabilities arising from insurance and investment contracts	**646 800**	**656 938**
	Liabilities arising from banking activities (a)	**34 360**	**32 898**
	Provisions for risks and charges	**11 164**	**11 901**
	Deferred tax liabilities	**5 670**	**5 784**
	Minority interests of consolidated investment funds and puttable instruments held by minority interest holders	7 328	8 756
	Other debt instruments issued, notes and bank overdrafts (a)	6 143	6 651
	Payables arising from direct insurance and inward reinsurance operations	7 605	9 318
	Payables arising from outward reinsurance operations	6 422	6 170
	Payables – current tax	848	1 023
	Collateral debts relating to investments under lending agreements or equivalent	32 333	28 401
	Other payables	15 723	14 503
	Payables	**76 402**	**74 822**
4	**Liabilities held for sale (c)**	**30 095**	**4 419**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**895 176**	**870 128**

(a) Amounts are shown net of related derivative instruments impact.
(b) Includes liabilities arising from contracts where the financial risk is borne by policyholders with guaranteed minimum features.
(c) As of June 30, 2018, amounts include the liabilities of AXA Wealth Management (HK) Limited ("AWM"), of German pension business ProbAV Pensionskasse AG and the Switzerland Life & Savings portfolio for which the disposal process was not finalized at period-end.
As of December 31, 2017, amounts include the liabilities of AXA Wealth Management (HK) Limited ("AWM") and of German pension business ProbAV Pensionskasse AG a for which the disposal process was not finalized at year-end.

II.2 CONSOLIDATED STATEMENT OF INCOME

Notes	*(in Euro million, except earnings per share in Euro)*	June 30, 2018	June 30, 2017
	Gross written premiums	50 381	51 058
	Fees and charges relating to investment contracts with no participating features	122	108
	Revenues from insurance activities	**50 503**	**51 166**
	Net revenues from banking activities	233	238
	Revenues from other activities	2 863	2 879
	Revenues (a)	**53 600**	**54 283**
	Change in unearned premiums net of unearned revenues and fees	**(4 378)**	**(4 598)**
	Net investment income (b)	7 044	6 170
	Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity (c)	1 195	908
	Net realized gains and losses and change in fair value of investments at fair value through profit and loss (d)	(133)	9 942
	of which change in fair value of assets with financial risk borne by policyholders (e)	*839*	*8 852*
	Change in investments impairments (f)	(324)	(120)
	Net investment result excluding financing expenses	**7 781**	**16 901**
	Technical charges relating to insurance activities (e)	(41 721)	(51 737)
	Net result from outward reinsurance	(368)	(295)
	Bank operating expenses	(35)	(35)
	Acquisition costs	(5 472)	(5 313)
	Amortization of the value of purchased business in force	(34)	(27)
	Administrative expenses	(4 986)	(5 041)
	Change in goodwill impairment and other intangible assets impairment and amortization	(53)	(57)
	Other income and expenses	(134)	225
	Other operating income and expenses	**(52 804)**	**(62 280)**
	Income from operating activities before tax	**4 200**	**4 306**
	Income (net of impairment) from investment accounted for using the equity method	130	106
	Financing debts expenses (g)	(178)	(183)
	Net income from operating activities before tax	**4 151**	**4 229**
	Income tax	(795)	(789)
	Net operating income	**3 356**	**3 440**
4	Portfolio sale of Switzerland Life & Savings operations (h)	(347)	-
4	Result from discontinued operations net of tax	-	(1)
	Net consolidated income after tax	**3 009**	**3 440**
	Split between :		
	Net consolidated income - Group share	2 796	3 268
	Net consolidated income - Minority interests	213	171
9	**Earnings per share**	**1,13**	**1,31**
9	**Fully diluted earnings per share**	**1,12**	**1,30**

(a) Gross of reinsurance.
(b) Net of investment management costs and including gains/losses from derivatives hedging variable annuities.
(c) Includes impairment releases on investments sold.
(d) Includes realized and unrealized forex gains and losses relating to investments at cost and at fair value through shareholders' equity.
(e) 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.
(f) Excludes impairment releases on investments sold.
(g) Includes net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives).
(h) Mainly related to VBI impairment associated to the Switzerland Life & Savings portfolio sale classified as held for sale.

II.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in Euro million)	June 30, 2018	June 30, 2017
Reserves relating to changes in fair value through shareholders' equity	(2,545)	(264)
Translation reserves	948	(2,516)
Items that may be reclassified subsequently to Profit or Loss	**(1,597)**	**(2,781)**
Employee benefits actuarial gains and losses	404	408
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	13	-
Items that will not be reclassified subsequently to Profit or Loss	**417**	**408**
Net gains and losses recognized directly through shareholders' equity	**(1,181)**	**(2,373)**
Net consolidated income	**3,009**	**3,440**
Split between:		
Net consolidated income - Group share	2,796	3,268
Net consolidated income - Minority interests	213	171
TOTAL COMPREHENSIVE INCOME (CI)	**1,829**	**1,067**
Split between:		
Total comprehensive income - Group share	1,954	1,128
Total comprehensive income - Minority interests	(125)	(61)

Amounts are presented net of tax, policyholder participation and other shadow accounting related movements. Tax, policyholder participation and related effects are further detailed in the notes to the financial statements.

II.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in Euro million, except for number of shares and nominal value)	Attributable to shareholders											
	Share Capital					Other reserves						
	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 (a)	Translation reserves	Undistributed profits and other reserves (c)	Shareholders' equity Group share	Minority interests
Shareholders' equity opening January 1, 2018	2,425,236	2.29	5,554	20,904	(1,060)	15,992	272	7,318	(4,142)	24,773	69,611	5,656
Capital	(1,889)	2.29	(4)	-	-	-	-	-	-	-	(4)	-
Capital in excess of nominal value	-	-	-	(50)	-	-	-	-	-	-	(50)	-
Equity - share based compensation	-	-	-	16	-	-	-	-	-	-	16	-
Treasury shares	-	-	-	-	29	-	-	-	-	-	29	-
Others reserves - transaction on treasury shares	-	-	-	-	-	-	-	(40)	-	-	(40)	-
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-		587
Undated subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses - Undated subordinated debt	-	-	-	-	-	-	-	-	-	(110)	(110)	-
Others (including impact on change in scope) (b)	-	-	-	-	-	(9)	0	-	5	(2,445)	(2,450)	4,947
Income allocation	-	-	-	-	-	-	-	-	-	(0)	(0)	0
Dividends paid	-	-	-	-	-	-	-	-	-	(2,998)	(2,998)	-
Impact of transactions with shareholders	(1,889)	2.29	(4)	(33)	29	(9)	0	(40)	5	(5,554)	(5,607)	5,534
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-	(2,409)	5	-	-	-	(2,404)	(142)
Translation reserves	-	-	-	-	-	-	-	76	832	-	909	40
Employee benefits actuarial gains and losses	-	-	-	-	-	-	-	-	-	641	641	(237)
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	-	-	-	-	-	-	-	-	-	13	13	0
Net consolidated income	-	-	-	-	-	-	-	-	-	2,796	2,796	213
Total Comprehensive Income (CI)	-	-	-	-	-	(2,409)	5	76	832	3,450	1,955	(125)
Shareholders' equity closing June 30, 2018	2,423,347	2.29	5,549	20,870	(1,031)	13,574	277	7,354	(3,304)	22,669	65,959	11,065

Note: amounts are presented net of impacts of shadow accounting and its effects on policyholder participation, deferred acquisition costs, and value of business in force.
(a) Mainly undated subordinated debts (TSS, TSDI) (see Note 7.1.1.c).
(b) Including changes in ownership interest in consolidated subsidiaries without losing control.
(c) Includes the first time application impact of IFRS 15 Revenue from Contracts with Customers. AXA has chosen to adopt the new standard through the cumulative effect approach meaning the cumulative effect was recognised as an adjustment to the opening balance of retained earnings in 2018. Therefore there is no restatement of comparative information for the year 2017.

(in Euro million, except for number of shares and nominal value)	Attributable to shareholders											
	Share Capital					Other reserves						
	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 (a)	Translation reserves	Undistributed profits and other reserves	Shareholders' Equity Group share	Minority interests
Shareholders' equity opening January 1, 2017	**2,425,149**	**2.29**	**5,554**	**20,983**	**(297)**	**14,643**	**197**	**8,137**	**61**	**21,318**	**70,597**	**5,283**
Capital	**(1,170)**	**2.29**	**(3)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3)**	**-**
Capital in excess of nominal value	**-**	**-**	**-**	**(52)**	**-**	**-**	**-**	**-**	**-**	**-**	**(52)**	**-**
Equity - share based compensation	**-**	**-**	**-**	**12**	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**-**
Treasury shares	**-**	**-**	**-**	**-**	**(666)**	**-**	**-**	**-**	**-**	**-**	**(666)**	**-**
Others reserves - transaction on treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(27)**	**-**	**-**	**(27)**	**-**
Equity component of compound financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(95)**	**-**	**-**	**(95)**	**-**
Undated subordinated debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial expenses - Undated subordinated debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(117)**	**(117)**	**-**
Others (including impact on change in scope) (b)	**-**	**-**	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**(14)**	**(14)**	**518**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,808)**	**(2,808)**	**-**
Impact of transactions with shareholders	**(1,170)**	**2.29**	**(3)**	**(40)**	**(666)**	**0**	**-**	**(122)**	**-**	**(2,939)**	**(3,769)**	**518**
Reserves relating to changes in fair value through shareholders' equity	**-**	**-**	**-**	**-**	**-**	**(388)**	**154**	**-**	**-**	**-**	**(235)**	**(30)**
Translation reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(245)**	**(2,068)**	**-**	**(2,313)**	**(204)**
Employee benefits actuarial gains and losses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**407**	**407**	**1**
Reserves relating to changes in fair value of financial liabilities measured at fair value through profit and loss that are attributable to changes in own credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net consolidated income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,268**	**3,268**	**171**
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**	**(388)**	**154**	**(245)**	**(2,068)**	**3,675**	**1,128**	**(61)**
Shareholders' equity closing June 30, 2017	**2,423,979**	**2.29**	**5,551**	**20,944**	**(963)**	**14,255**	**351**	**7,771**	**(2,007)**	**22,054**	**67,956**	**5,739**

Note: amounts are presented net of impacts of shadow accounting and its effects on policyholder participation, deferred acquisition costs, and value of business in force.
(a) Mainly undated subordinated debts (TSS, TSDI), equity components of compounded financial instruments (e.g. convertible bonds) (see Note 7.1.2.c).
(b) Including changes in ownership interest in consolidated subsidiaries without losing control.

II.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in Euro million)	June 30, 2018	June 30, 2017
Operating income including discontinued operations before tax	**4,151**	**4,228**
Net amortization expense (a)	188	233
Change in goodwill impairment and other intangible assets impairment (b)	-	-
Net change in deferred acquisition costs and equivalent	(663)	(922)
Net increase / (write back) in impairment on investments, tangible and other intangible assets	328	114
Change in fair value of investments at fair value through profit or loss	13	(9,645)
Net change in liabilities arising from insurance and investment contracts (c)	7,465	17,499
Net increase / (write back) in other provisions (d)	(6)	(820)
Income (net of impairment) from investment accounted for using the equity method	(129)	(106)
Adjustment of non cash balances included in the operating income before tax	**7,197**	**6,353**
Net realized investment gains and losses	(1,089)	(1,282)
Financing debt expenses	178	183
Adjustment for reclassification to investing or financing activities	**(911)**	**(1,099)**
Dividends recorded in profit or loss during the period	(1,850)	(1,773)
Investment income & expense recorded in profit or loss during the period (e)	(5,763)	(4,144)
Adjustment of transactions from accrued to cash basis	**(7,614)**	**(5,917)**
Net cash impact of deposit accounting	41	387
Dividends and interim dividends collected	2,017	2,059
Investment income (e)	8,264	7,368
Investment expense (excluding interests on financing and undated subordinated debts, margin calls and others)	(1,938)	(2,523)
Net operating cash from banking activities	584	626
Change in operating receivables and payables	(3,565)	(3,498)
Net cash provided by other assets and liabilities (f)	(618)	6,021
Tax expenses paid	(639)	(654)
Other operating cash impact and non cash adjustment	(262)	(1,897)
Net cash impact of transactions with cash impact not included in the operating income before tax	**3,883**	**7,888**
NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	**6,706**	**11,453**
Purchase of subsidiaries and affiliated companies, net of cash acquired	0	(0)
Disposal of subsidiaries and affiliated companies, net of cash ceded	92	(0)
Net cash related to changes in scope of consolidation	**92**	**(0)**
Sales of debt instruments (f)	32,586	29,210
Sales of equity instruments and non consolidated investment funds (f) (g)	10,949	22,724
Sales of investment properties held directly or not (f)	786	849
Sales and/or repayment of loans and other assets (f) (h)	12,431	17,129
Net cash related to sales and repayments of investments (f) (g) (h)	**56,752**	**69,913**
Purchases of debt instruments (f)	(31,644)	(30,159)
Purchases of equity instruments and non consolidated investment funds (f) (g)	(9,557)	(25,584)
Purchases of investment properties held direct or not (f)	(1,266)	(1,735)
Purchases and/or issues of loans and other assets (g) (h)	(11,452)	(17,439)
Net cash related to purchases and issuance of investments (f) (g) (h)	**(53,920)**	**(74,917)**
Sales of tangible and intangible assets	1	14
Purchases of tangible and intangible assets	(319)	(208)
Net cash related to sales and purchases of tangible and intangible assets	**(317)**	**(194)**

Increase in collateral payable / Decrease in collateral receivable	50,506	56,575
Decrease in collateral payable / Increase in collateral receivable	(46,816)	(56,566)
Net cash impact of assets lending / borrowing collateral receivables and payables	**3,690**	**9**
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	**6,298**	**(5,189)**
Issuance of equity instruments	18	49
Repayments of equity instruments	(0)	(962)
Transactions on treasury shares	(1)	(1)
Dividends payout	(3,323)	(2,948)
Interests on undated subordinated debts paid	(131)	(135)
Acquisition / sale of interests in subsidiaries without change in control	2,817	(135)
Net cash related to transactions with shareholders	**(620)**	**(4,132)**
Cash provided by financial debts issuance	5,860	946
Cash used for financial debts repayments	(45)	(1,781)
Interests on financing debt paid (i)	(159)	(12)
Net interest margin of hedging derivatives on financing debt	12	15
Net cash related to Group financing	**5,667**	**(831)**
Other financing cash impact and non cash adjustment	**-**	**-**
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	**5,048**	**(4,964)**
		-
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	**-**	**5**
		-
CASH AND CASH EQUIVALENT AS OF JANUARY 1 (j)	**23,196**	**25,734**
Net cash provided by operating activities	6,706	11,453
Net cash provided by investing activities	6,298	(5,189)
Net cash provided by financing activities	5,048	(4,964)
Net cash provided by discontinued operations	-	5
Impact of change in consolidation method and of reclassifications as held for sale (k)	(3,447)	(6)
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	1,669	(929)
CASH AND CASH EQUIVALENT AS OF JUNE 30 (j)	**39,469**	**26,103**

(a) Includes premiums/discounts capitalization and related amortization, amortization of investment and owner occupied properties (held directly).
(b) Includes impairment and amortization of intangible assets booked in the context of business combinations.
(c) Includes impact of reinsurance and change in liabilities arising from contracts where the financial risk is borne by policyholders.
(d) Mainly includes changes in provisions for risks & charges, for bad debts/doubtful receivables and change in impairment of assets held for sale.
(e) Includes gains/losses from derivatives hedging variable annuities.
(f) Includes related derivatives.
(g) Includes equity instruments held directly or by consolidated investment funds as well as non consolidated investment funds.
(h) Includes sales/purchases of assets backing insurance & investment contracts where the financial risk is borne by policyholders.
(i) Includes net cash impact of interest margin relating to hedging derivatives on financing debt.
(j) Net of bank overdrafts.
(k) In 2018, amounts include the assets and liabilities of AXA Wealth Management (HK) Limited ("AWM"), of German pension business ProbAV Pensionskasse AG and the Switzerland Life & Savings portfolio for which the disposal process was not finalized at period-end.
In 2017, amounts include the assets and liabilities of AXA Wealth Management (HK) Limited ("AWM") and of German pension business ProbAV Pensionskasse AG for which the disposal process was not finalized at year-end.

(in Euro million)	**June 30, 2018**	**June 30, 2017**
Cash and cash equivalents	40,245	26,728
Bank overdrafts (a)	(776)	(626)
Cash and cash equivalents as of June 30 (b)	**39,469**	**26,103**

(a) Included in "Other debt instruments issued and bank overdrafts".
(b) 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, the Americas, Asia and Africa. The list of the main entities included in the scope of 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 Compartment A.

These consolidated interim financial statements including all Notes were set by the Board of Directors on August 1, 2018.

1.2 General accounting principles

AXA's consolidated interim financial statements are prepared as of June 30.

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 were endorsed by the European Union before the balance sheet date with a compulsory date published by the IASB of January 1, 2018. For existing and unchanged IFRS standards and interpretations, the accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2017.

The 2018 half-year consolidated financial statements should be read in conjunction with the consolidated financial statements included in the 2017 annual report.

IFRS REQUIREMENTS ADOPTED ON JANUARY 1, 2018

IFRS 15 – Revenue from Contracts with Customers, published on May 28, 2014, amended on September 11, 2015 and on April 12, 2016, provides a principle-based approach for revenue recognition. The new model applies to all revenues arising from contracts with customers except those that are within the scope of other IFRS such as: insurance contracts, lease contracts and financial instruments. The Group revenues in the scope of IFRS 15 mainly correspond to asset management fees and performance fees. The cumulative effect of initially applying IFRS 15 totalled €26 million (net of tax) and was recognized as a positive adjustment to the opening balance of retained earnings on January 1, 2018.

Under IFRS 15, revenue is recognised when the Group satisfies a performance obligation by transferring a service to a customer. In particular, as asset management entities of the Group deliver investment management services to their clients, revenue for providing this service may theoretically occur over-time, with a time-based measure of progress, which is relevant as the service is provided continuously over the contract period. However, according to IFRS 15, revenue is recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a result, as management fees and performance fees received by the Group are generally calculated based on a percentage of assets under management (AUM), they are considered as variable considerations, which are subject to market volatility and are recognised only when uncertainty is resolved.

The application of the amendments below as of January 1, 2018 had no material impact on the Group's consolidated interim financial statements.

Amendments	Publication date	Topic
IFRS 2 Share-based Payment	June 20, 2016	Guidance on how: • to take into account the vesting and non-vesting conditions on the measurement of a cash-settled share-based payment transaction; • to classify a share-based payment transaction with net settlement features for withholding tax obligations; to account for a modification to the terms and conditions of a share-based payment transaction that changes its classification from cash-settled to equity-settled.
IAS 40 Investment Property	December 8, 2016	Clarification on transfer to, or from, investment properties: the transfer to, or from, investment properties must result from a change in use of the asset.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	December 8, 2016	Clarification on the exchange rate to be used for the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.
Annual Improvements to IFRS 2014 – 2016 Cycle	December 8, 2016	Collection of amendments to IFRS in response to issues that are not part of a major project.

PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. The half year income tax charge is based on the best estimate of the expected full year tax rate. In preparing the consolidated interim financial statements, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2017.

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.

NOTE 2 SCOPE OF CONSOLIDATION

2.1 Consolidated companies

2.1.1 MAIN FULLY CONSOLIDATED COMPANIES

	Change in scope	June 30, 2018		December 31, 2017	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA SA and Other holdings					
France					
AXA		Parent company		Parent company	
CFP Management		100.00	100.00	100.00	100.00
AXA Technology Services		100.00	100.00	100.00	100.00
Société Beaujon		100.00	100.00	100.00	100.00
Oudinot Participation	Merged with AXA	-	-	100.00	100.00
AXA China		100.00	100.00	100.00	100.00
AXA Asia		100.00	100.00	100.00	100.00
The Netherlands					
Vinci BV		100.00	100.00	100.00	100.00
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
Avanssur		100.00	100.00	100.00	100.00
AXA France Assurance		100.00	100.00	100.00	100.00
Genworth Financial European Group Holdings		100.00	100.00	100.00	100.00
Financial Assurance Company Limited (Genworth)		100.00	100.00	100.00	100.00
Financial Insurance Company Limited (Genworth)		100.00	100.00	100.00	100.00
AXA Banque		100.00	99.89	100.00	99.89
AXA Banque Financement		65.00	64.93	65.00	64.93
Europe					
Germany					
AXA Versicherung AG		100.00	100.00	100.00	100.00
AXA Lebensversicherung AG		100.00	100.00	100.00	100.00
ProbAV 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
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	100.00	100.00
AXA Konzern AG		100.00	100.00	100.00	100.00
AXA Bank AG		100.00	100.00	100.00	100.00
United Kingdom & Ireland					
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
AXA Insurance UK Plc		100.00	99.98	100.00	99.98
AXA PPP Healthcare Limited		100.00	99.98	100.00	99.98
Architas Multi-Manager Limited		100.00	99.98	100.00	99.98
AXA Insurance Limited		100.00	99.98	100.00	99.98
AXA Life Europe Limited		100.00	100.00	100.00	100.00
Spain					
AXA Seguros Generales, S. A.		99.90	99.90	99.90	99.90
AXA Aurora Vida, S.A. de Seguros	Relution	99.83	99.83	99.97	99.82
Switzerland					

AXA Life		100.00	100.00	100.00	100.00
AXA-ARAG Legal Assistance		66.67	66.67	66.67	66.67
AXA Insurance (previously Winterhur Swiss Insurance P&C)		100.00	100.00	100.00	100.00
Italy					
AXA Interlife	Merged with AXA Assicurazioni vita	-	-	100.00	100.00
AXA Assicurazioni Vita		100.00	100.00	100.00	100.00
AXA Assicurazioni e Investimenti		100.00	100.00	100.00	100.00
AXA MPS Vita		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Danni		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Financial		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA Italia S.p.A.		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
AXA Holdings Belgium		100.00	100.00	100.00	100.00
Touring Assurances SA		100.00	100.00	100.00	100.00
Asia					
National Mutual International Pty Ltd		100.00	100.00	100.00	100.00
Japan					
AXA Life Insurance		98.69	98.69	98.69	98.69
AXA Non Life Insurance Co. Ltd. (Japan)		100.00	98.69	100.00	98.69
Hong Kong					
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
Indonesia					
PT AXA Life Indonesia	Merged with MLC Indonesia	-	-	100.00	100.00
MLC Indonesia		100.00	100.00	100.00	100.00
Thailand					
AXA Insurance Public Company Limited		99.47	99.47	99.47	99.47
Korea					
Kyobo AXA General Insurance Co. Ltd. (South Korea)		99.71	99.71	99.71	99.71
United States					
AXA Financial, Inc.	Initial public offering	99.97	71.84	100.00	100.00
AXA Equitable Holdings, Inc. (previously AXA America Holdings, Inc.)	Initial public offering	71.86	71.86	100.00	100.00
AXA Equitable Life Insurance Company	Initial public offering	100.00	71.84	100.00	100.00
AXA Re Arizona Company	Initial public offering	100.00	71.84	100.00	100.00
AB (sub group)	Initial public offering	64.74	46.51	64.71	64.71
International					
AXA Mediterranean Holding SA		100.00	100.00	100.00	100.00
AXA Bank Belgium (sub group)		100.00	100.00	100.00	100.00
Colombia					
AXA Colpatria Seguros		51.00	51.00	51.00	51.00
AXA Colpatria Seguros de vida		51.00	51.00	51.00	51.00
Morocco					
AXA Assurance Maroc		100.00	100.00	100.00	100.00
AXA Al Amane Assurance		100.00	100.00	100.00	100.00
AXA Holding Maroc S.A.		100.00	100.00	100.00	100.00
Turkey					
AXA Hayat ve Emeklilik A.S.		100.00	100.00	100.00	100.00
AXA Sigorta AS		92.61	92.61	92.61	92.61
AXA Turkey Holding W.L.L		100.00	100.00	100.00	100.00
The Gulf Region					
AXA Cooperative Insurance Company		50.00	34.00	50.00	34.00
AXA Insurance B.S.C.c.		50.00	50.00	50.00	50.00
Greece					
AXA Insurance A.E.		99.98	99.98	99.98	99.98

Mexico					
AXA Seguros S.A. de C.V.		100.00	100.00	100.00	100.00
Luxembourg					
AXA Assurances Luxembourg		100.00	100.00	100.00	100.00
AXA Assurances Vie Luxembourg		100.00	100.00	100.00	100.00
AXA Luxembourg SA		100.00	100.00	100.00	100.00
Czech Republic & Slovakia					
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 Slovakia		100.00	100.00	100.00	100.00
Poland					
AXA Poland		100.00	100.00	100.00	100.00
AXA Poland Pension Funds		100.00	100.00	100.00	100.00
AXA Ubezpieczenia TUIR S.A		100.00	100.00	100.00	100.00
Singapore					
AXA Financial Services	Merged with AXA Financial Services Singapore pte Ltd	-	-	100.00	100.00
AXA Financial Services Singapore pte Ltd		100.00	100.00	100.00	100.00
AXA Life Insurance Singapore		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
Malaysia					
AXA Affin General Insurance Berhad		50.00	50.00	50.00	50.00
India					
AXA India Holding		100.00	100.00	100.00	100.00
Other					
AXA Investment Managers (sub group)	Minority interest buyout	97.80	97.73	97.51	97.44
AXA Corporate Solutions Assurance (sub group)		98.75	98.75	98.75	98.75
AXA Global Re (previously AXA Global P&C)		100.00	100.00	100.00	100.00
AXA Assistance SA (sub group)		100.00	100.00	100.00	100.00
Colisée Ré		100.00	100.00	100.00	100.00
AXA Art		100.00	100.00	100.00	100.00
AXA US Holding		100.00	100.00	-	-

CONSOLIDATED INVESTMENT FUNDS AND REAL ESTATE COMPANIES

As of June 30, 2018, investment funds represented a total of €119,503 million invested assets (€123,468 million at the end of 2017), corresponding to 299 investment funds mainly in France, Japan, Germany, Switzerland and Belgium.

As of June 30, 2018, 24 consolidated real estate companies corresponded to a total of €10,369 million invested assets (€10,469 million at the end of 2017), mainly in France, Germany and Japan.

In most investment funds (particularly open-ended investment funds), minority interests are presented as liabilities under "Minority interests of consolidated investment funds". As of June 30, 2018, these liabilities amounted to €7,328 million (€8,756 million as of December 31, 2017). Minority interests related to consolidated investment funds and real estate companies that are classified in shareholders' equity amounted to €2,573 million as of June 30, 2018 (€2,545 million as of December 31, 2017).

2.1.2 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:

		June 30, 2018		December 31, 2017	
	Change in scope	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
Natio Assurances	Disposal	-	-	50.00	49.96
Asia					
Philippines AXA Life Insurance Corporation		45.00	45.00	45.00	45.00
Krungthai AXA Life Insurance Company Ltd		50.00	50.00	50.00	50.00
ICBC-AXA Life Insurance Co. Ltd		27.50	27.50	27.50	27.50
PT AXA Mandiri Financial Services		49.00	49.00	49.00	49.00
AXA Tian Ping		50.00	50.00	50.00	50.00
AXA SPDB Investment Managers Company limited	Relution	39.00	38.11	39.00	38.00
International					
Reso Garantia (RGI Holdings B.V.) (Russia)		39.34	39.34	39.34	39.34
Bharti AXA Life (India)		49.00	49.00	49.00	49.00
Bharti AXA General Insurance Company Limited (India)		49.00	49.00	49.00	49.00
AXA Middle East SAL (Lebanon)		51.00	51.00	51.00	51.00
AXA Mansard Insurance plc (Nigeria)		77.79	77.79	77.79	77.79
Other					
AXA Investment Managers Asia Holdings Private Limited	Relution	49.00	47.89	49.00	47.75
Kyobo AXA Investment Managers Company Limited	Relution	50.00	48.86	50.00	48.72

INVESTMENT FUNDS AND REAL ESTATE ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

As of June 30, 2018, real estate companies accounted for using the equity method amounted to €141 million invested assets (€163 million at the end of 2017) and investment funds accounted for using the equity method amounted to €4,965 million invested assets (€4,953 million at the end of 2017), mainly in the United States, France, Belgium, United Kingdom, Japan and Switzerland.

NOTE 3 CONSOLIDATED STATEMENT OF INCOME BY SEGMENT

AXA's Chief Executive Officer, Chief Operating Decision Maker, is a member of the Board of Directors. He is assisted by a Management Committee in the operational management of the Group and by a group of senior executives, the so-called Partners' Group, in developing and implementing any strategic initiatives. The financial information related to AXA's business segments and holding companies reported to the Board of Directors twice a year is consistent with the presentation provided in the consolidated financial statements.

AXA announced on November 13, 2017 a simplification of its operating model designed to empower subsidiaries to deliver on the transformation and operate as close as possible to their customers. The AXA Group reorganized its operations based on five main geographies (France, Europe, Asia, United States, and International). A new Management Committee was appointed to reflect this new operating model. The CEOs supervising these five main geographies (respectively CEO of AXA France, CEO of AXA in Europe, CEO of AXA in Asia, CEO of AXA US, CEO of International & New Markets) are members of the Management Committee.

Key transversal entities and central holdings are managed alongside these 5 geographies.

The results of operating activities and non-operating activities are presented on the basis of 6 segments: France, Europe, Asia, the United States, International and Transversal & Central Holdings.

France: The French market consists of Life & Savings and Property & Casualty activities, AXA Banque France and French holdings.

Europe: The European market consists of Life & Savings and Property & Casualty activities in Switzerland, Germany, Belgium, Spain, United Kingdom (UK) & Ireland and Italy. The German bank and the holding companies in these countries are also included in the segment Europe. The direct and traditional entities are reported within their respective countries.

Asia: The Asian market consists of Life & Savings activities in Japan, Hong Kong and Asia High Potentials (Indonesia, Philippines, Thailand and China) as well as Property & Casualty activities in Hong Kong and Asia High Potentials (Thailand and China). The Asia-Direct entities (Japan and South Korea) and Asia / Pacific holding companies are also included.

United States: This segment includes Life & Savings activities in United States, ACS Life Reinsurance, asset management services offered by AB, and US holdings.

International: The International markets now consists of Life & Savings and Property & Casualty activities in 14 countries within Europe, Middle East, Africa & Latin America as well as in Singapore, in Malaysia and in India. AXA Bank Belgium and holding companies in these countries are also included in this segment.

Transversal & Central Holdings: includes transversal entities namely AXA Investment Managers, AXA Art, AXA Global Re, AXA Assistance, AXA Corporate Solutions Assurance, AXA Liabilities Managers and AXA Life Europe, as well as AXA SA and other Central Holdings.

The intersegment 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 activities: Life & Savings, Property & Casualty and Health.

3.1 Consolidated Statement of Income by segment

(in Euro million)	June 30, 2018								
	France	Europe	Asia	United States	International	Transversal & Central Holdings	Eliminations inter-segment	TOTAL	*of which Insurance (a)*
Gross written premiums	13,028	21,682	4,339	5,987	3,235	2,440	(330)	50,381	*50,381*
Fees and charges relating to investment contracts with no participating features	1	66	18	-	38	-	-	122	*122*
Revenues from insurance activities	**13,028**	**21,748**	**4,357**	**5,987**	**3,272**	**2,440**	**(330)**	**50,503**	***50,503***
Net revenues from banking activities	41	12	-	-	168	-	13	233	-
Revenues from other activities	2	138	1	1,992	33	962	(264)	2,863	*909*
Revenues	**13,071**	**21,898**	**4,358**	**7,979**	**3,473**	**3,402**	**(581)**	**53,600**	***51,413***
Change in unearned premiums net of unearned revenues and fees	**(528)**	**(3,264)**	**(1)**	**51**	**(254)**	**(453)**	**72**	**(4,378)**	***(4,378)***
Net investment income (b)	2,354	2,997	670	670	266	122	(34)	7,044	*6,575*
Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity	294	626	150	74	(1)	51	2	1,195	*1,198*
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss (c)	(425)	(462)	(190)	1,250	(24)	(277)	(5)	(133)	*81*
of which change in fair value of assets with financial risk borne by policyholders	*(154)*	*(244)*	*(223)*	*1,490*	*(20)*	*(10)*	*0*	*839*	*839*
Change in investments impairment	(160)	(104)	(29)	(0)	(20)	(10)	-	(324)	*(309)*
Net investment result excluding financing expenses	**2,062**	**3,057**	**601**	**1,994**	**220**	**(115)**	**(38)**	**7,781**	***7,545***
Technical charges relating to insurance activities	(11,221)	(16,428)	(3,542)	(7,175)	(2,121)	(1,387)	152	(41,721)	*(41,721)*
Net result from outward reinsurance	(152)	(183)	(17)	24	(55)	(84)	98	(368)	*(368)*
Bank operating expenses	(3)	(3)	-	-	(29)	-	-	(35)	-
Acquisition costs	(1,389)	(1,983)	(554)	(562)	(613)	(385)	15	(5,472)	*(5,472)*
Amortization of the value of purchased business in force	-	(21)	(11)	(1)	(1)	-	-	(34)	*(34)*
Administrative expenses	(678)	(1,225)	(255)	(1,341)	(405)	(1,304)	223	(4,986)	*(3,004)*
Change in goodwill impairment and other intangible assets impairment	-	(25)	(8)	(3)	(18)	(0)	-	(53)	*(50)*
Other income and expenses	(2)	(7)	(21)	(266)	19	240	(96)	(134)	*(76)*
Other operating income and expenses	**(13,444)**	**(19,875)**	**(4,409)**	**(9,324)**	**(3,222)**	**(2,921)**	**391**	**(52,804)**	***(50,726)***
Income from operating activities before tax	**1,161**	**1,816**	**548**	**699**	**217**	**(87)**	**(156)**	**4,200**	***3,854***
Income (net of impairment) from investment accounted for using the equity method	15	1	56	-	47	10	-	130	*119*
Financing debt expenses	(0)	(9)	(1)	(76)	(6)	(241)	156	(178)	*(5)*
Net income from operating activities before tax	**1,175**	**1,808**	**603**	**624**	**258**	**(318)**	**0**	**4,151**	***3,968***
Income tax	(309)	(372)	(113)	(119)	(42)	160	-	(795)	*(609)*
Net operating income	**866**	**1,436**	**491**	**505**	**217**	**(158)**	**-**	**3,356**	***3,359***
Partial disposal of Switzerland Life & Savings operations (d)	-	(347)	-	-	(0)	-	-	(347)	*(347)*
Net consolidated income after tax	**866**	**1,089**	**491**	**505**	**216**	**(158)**	**-**	**3,009**	***3,012***
Split between :									
Net consolidated income - Group share	863	1,054	487	363	190	(162)	0	2,796	*2,922*
Net consolidated income - Minority interests	3	35	3	142	27	4	(0)	213	*90*

(a) Insurance covers the three insurance activities : Life & Savings, Property & Casualty and Health.
(b) Includes gains/losses from derivatives hedging variable annuities within the Life & Savings activity.
(c) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(d) Mainly related to VBI impairment associated to the Switzerland Life & Savings portfolio classified as Held For Sale.

	June 30, 2017 Restated (a)								
(in Euro million)	**France**	**Europe**	**Asia**	**United States**	**International**	**Transversal & Central Holdings**	**Eliminations inter-segments**	**TOTAL**	***of which Insurance (b)***
Gross written premiums	12,088	21,707	4,594	7,097	3,501	2,399	(327)	51,058	*51,058*
Fees and charges relating to investment contracts with no participating features	1	63	22	-	22	-	-	108	*108*
Revenues from insurance activities	**12,088**	**21,770**	**4,616**	**7,097**	**3,523**	**2,399**	**(327)**	**51,166**	***51,166***
Net revenues from banking activities	45	16	-	-	166	-	11	238	-
Revenues from other activities	2	129	1	2,045	30	947	(274)	2,879	*936*
Revenues	**12,134**	**21,914**	**4,617**	**9,141**	**3,719**	**3,346**	**(590)**	**54,283**	***52,102***
Change in unearned premiums net of unearned revenues and fees	**(525)**	**(3,476)**	**(76)**	**(29)**	**(161)**	**(401)**	**69**	**(4,598)**	***(4,598)***
Net investment income (c)	2,288	3,022	754	(343)	313	191	(53)	6,170	*5,495*
Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity	323	476	106	1	4	(4)	2	908	*930*
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss (d)	1,078	77	692	8,129	31	(63)	(2)	9,942	*9,994*
of which change in fair value of assets with financial risk borne by policyholders	*1,213*	*303*	*628*	*6,535*	*123*	*49*	*0*	*8,852*	*8,852*
Change in investments impairment	(21)	(40)	(10)	(22)	(6)	(21)	-	(120)	*(91)*
Net investment result excluding financing expenses	**3,669**	**3,535**	**1,542**	**7,765**	**342**	**103**	**(54)**	**16,901**	***16,329***
Technical charges relating to insurance activities	(11,915)	(16,899)	(4,603)	(14,566)	(2,440)	(1,434)	120	(51,737)	*(51,737)*
Net result from outward reinsurance	(159)	(113)	(32)	181	(166)	(132)	127	(295)	*(295)*
Bank operating expenses	(6)	(3)	-	-	(26)	-	-	(35)	-
Acquisition costs	(1,387)	(1,970)	(500)	(462)	(630)	(372)	8	(5,313)	*(5,313)*
Amortization of the value of purchased business in force	-	(14)	(11)	(1)	(2)	-	-	(27)	*(27)*
Administrative expenses	(691)	(1,217)	(266)	(1,417)	(442)	(1,233)	225	(5,041)	*(2,883)*
Change in goodwill impairment and other intangible assets impairment	-	(28)	(9)	(4)	(16)	(1)	-	(57)	*(54)*
Other income and expenses	(2)	5	(12)	132	31	161	(90)	225	*221*
Other operating income and expenses	**(14,160)**	**(20,239)**	**(5,432)**	**(16,136)**	**(3,692)**	**(3,011)**	**390**	**(62,280)**	***(60,087)***
Income from operating activities before tax	**1,119**	**1,734**	**652**	**741**	**208**	**37**	**(184)**	**4,306**	***3,745***
Income from investment (net of impairment) accounted for using the equity method	10	3	58	-	27	9	-	106	*95*
Financing debts expenses	1	(16)	(3)	(70)	(5)	(273)	184	(183)	*(3)*
Net income from operating activities before tax	**1,129**	**1,720**	**707**	**671**	**229**	**(227)**	**(0)**	**4,229**	***3,837***
Income tax	(268)	(420)	(143)	39	(38)	41	-	(789)	*(234)*
Net operating income	**861**	**1,299**	**564**	**710**	**191**	**(186)**	**-**	**3,440**	***3,604***
Result from discontinued operations net of tax (e)	-	(1)	-	-	-	-	-	(1)	*(1)*
Net consolidated income after tax	**861**	**1,299**	**564**	**710**	**191**	**(186)**	**-**	**3,440**	***3,603***
Split between :									
Net consolidated income - Group share	858	1,257	560	613	172	(191)	0	3,268	*3,534*
Net consolidated income - Minority interests	3	42	4	97	20	5	(0)	171	*69*

(a) Restated: as per the new governance.
(b) Insurance covers the three insurance activities : Life & Savings, Property & Casualty and Health.
(c) Includes gains/losses from derivatives hedging variable annuities within the Life & Savings activity.
(d) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.
(e) Relates to the discontinued UK Life & Savings operations.

NOTE 4 TRANSACTIONS IN CONSOLIDATED ENTITIES

4.1 AXA Equitable Holdings, Inc. Initial Public Offering

AXA US (AXA Equitable Holding) was successfully listed on the NYSE in May 2018. The total proceeds of the IPO amounted to USD 4.0 billion:

- IPO proceeds amounted to USD 3.1 billion (€2.6 billion) with the sale of 24.5% of AEH's outstanding shares at USD 20 per share combined with the exercise of the over-allotment options granted to underwriters, i.e. an additional 20.6 million AEH shares (3.7% of AEH's outstanding shares);
- Mandatory Exchangeable Bonds with a nominal value of USD 0.9 billion (€0.7bn).

As AXA keeps the controls over AXA Equitable Holdings, Inc, this operation is a transaction between shareholders under IFRS 10 with no impact on the consolidated statement of income. As a result, the impact was recognized in consolidated shareholders' equity for €-2.1 billion. Following the IPO, AXA Group's ownership in AXA US was reduced to 72% as of May 14th 2018, reflecting on an average participation of 93% for HY18. AXA US remains fully consolidated in the Group's financial statements. The IPO resulted in a minority interest in shareholders' equity of € 4.7 billion.

The impacts related to the IPO in Group Shareholder's equity are detailed below:

(in Euro million)

	Group Share	Minority interests
Proceeds	2,574	
Consolidated book value divested excluding other comprehensive income and currency translation reserves	(4,992)	4,992
Reserves relating to the change in fair value of financial instruments available for sale	(20)	20
Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	25	(25)
Employee benefits actuarial gains and losses	243	(243)
Translation Reserves	128	(28)
Transactions costs	(84)	
TOTAL Initial Public Offering impacts	**(2,126)**	**4,716**
Mandatory Exchangeable Bonds		587
TOTAL including Mandatory Exchangeable Bonds	**(2,126)**	**5,303**

The Mandatorily Exchangeable Bonds are a hybrid instrument with a debt component booked as financial debt corresponding to the present value of the coupons (€145 million – see Note 8) and an equity component booked in minority interests for the remaining part (€587 million – see Note 7.3.1).

The Mandatorily Exchangeable Bonds will mature on May 15, 2021, unless exchanged earlier at the option of AXA. It will be exchanged into a minimum of 6.5% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price is greater than or equal to USD 23.50 per share, and a maximum of 7.7% of AEH's outstanding shares (subject to anti-dilution adjustments) if the AEH share price does not exceed the IPO price.

4.2 Switzerland group Life portfolio disposal

On April 10, 2018 AXA announced that it had entered into an agreement with its main occupational benefits foundations to convert their business model from a full-value insurance model to a semi-autonomous model, by the end of 2018. The operations affected by these expected disposals are treated as held for sale in AXA's consolidated financial statements as of June 30, 2018.

As such the following major classes of assets and liabilities (amounts are presented net of intercompany balances with other AXA entities) are presented as held for sale:

(in Euro million)	June 30, 2018
Goodwill	-
Other intangible assets	-
Investments	22,099
Other assets	-
Cash and cash equivalents	3,478
Total assets held for sale	**25,576**

(in Euro million)	June 30, 2018
Liabilities arising from insurance and investment contracts	25,007
Other liabilities	596
Total liabilities held for sale	**25,603**

As at June 30, 2018, Other Comprehensive Income of invested assets in scope of the transaction was nil.

As of June 30, 2018, the consolidated statement of income includes a net income impact of €-347 million mainly explained by the VBI impairment related to the aforementioned disposal.

4.3 AXA to sell its Swiss privilege franchise in Hong Kong (AXA Wealth Management (HK) Ltd)

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

This transaction would be in line with the Group's portfolio simplification, and would allow AXA Hong Kong to focus on its core Life agency and broker channels, while simplifying its corporate structure. AXA remains committed to grow the Life, Health and Property & Casualty businesses in Hong Kong across all customer segments including high net-worth individuals. The price consideration is HKD 2,200 million (or €237 million [1]) to be fully paid at closing, representing an implied 1.4x EV multiple.

The assets and liabilities of the AXA Wealth Management (HK) Limited were classified as held for sale separately from other assets and liabilities in the consolidated statements of financial positions as of December 31, 2017 and June 30, 2018.

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

4.4 AXA to sell part of its German occupational pensions portfolio

AXA Germany entered into an agreement with Frankfurter Leben-Gruppe to sell parts of its occupational pensions portfolio in Germany (ProbAV Pensionskasse AG). As of December 31, 2017, AXA recorded an exceptional negative net income impact of €87 million.

The assets and liabilities of ProbAV Pensionskasse AG portfolio were classified as held for sale separately from other assets and liabilities in the consolidated statements of financial positions as of December 31, 2017 and June 30, 2018.

NOTE 5 GOODWILL

The IPO of AXA Equitable Holdings, Inc. ("AEH") that occurred in May 2018 was deemed a triggering event under IAS36 for the HY18 accounts of AXA Group. This is mainly because the transaction has provided an external and observable value for a minority interest in AEH and because AXA Group has now changed the manner in which AB and AXA US are expected to be used in the future after AXA Group's announcement of its intention to fully exit its operations in the US. As a consequence, and in line with the change in legal structure and strategy, AXA Group combined the AXA US and AB cash generating units in order to perform a recoverability test of the goodwill accounted for in AEH as at June 30, 2018.

For the recoverability test, evidence of comparable IPOs indicate that share prices remain highly volatile for a period of time following the IPO date. As such and given the short period of time since the IPO, AXA does not consider the current AEH share price as indicative for the value-in-use methodology to be applied for the purpose of evaluating goodwill recoverability at June 30, 2018. Rather, management estimated a prospective value-in-use of AEH under multiple scenarios. This estimate was based on the following assumptions:

- future operating earnings of AEH for both the Life and Asset Management segments;
- price-to-earnings ratios of comparable life Insurers and comparable asset managers.

Based on these calculations including sensitivities to the above key assumptions, the goodwill of AEH is deemed recoverable as at June 30, 2018.

Any further potential divestment of our equity participation in AEH would be subject to financial markets volatility and other market-related risks, which may also impact the consolidated value of our remaining stake in AEH and adversely impact our consolidated results of operations and AXA share price.

NOTE 6 INVESTMENTS

6.1 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.

	June 30, 2018								
	Investments as per Consolidated Statement of Financial Position								
	Insurance			Other activities			Total		
(in Euro million)	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 (a)	26,412	18,242	2.66%	853	623	1.63%	27,265	18,865	2.61%
Investment in real estate properties designated as at fair value through profit or loss (b)	1,362	1,362	0.20%	-	-	-	1,362	1,362	0.19%
Macro-hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	**27,774**	**19,604**	**2.86%**	**853**	**623**	**1.63%**	**28,627**	**20,227**	**2.79%**
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	365,265	365,265	53.25%	3,789	3,789	9.93%	369,055	369,055	50.97%
Debt instruments designated as at fair value through profit or loss (c)	31,866	31,866	4.65%	194	194	0.51%	32,061	32,061	4.43%
Debt instruments held for trading	304	304	0.04%	43	43	0.11%	346	346	0.05%
Debt instruments (at cost) that are not quoted in an active market (d)	8,482	8,325	1.21%	1,017	1,017	2.67%	9,499	9,342	1.29%
Debt instruments	**405,917**	**405,761**	**59.16%**	**5,044**	**5,044**	**13.22%**	**410,961**	**410,804**	**56.74%**
Equity instruments available for sale	16,054	16,054	2.34%	1,305	1,305	3.42%	17,359	17,359	2.40%
Equity instruments designated as at fair value through profit or loss (b)	8,374	8,374	1.22%	567	567	1.49%	8,941	8,941	1.23%
Equity instruments held for trading	43	43	0.01%	3	3	0.01%	46	46	0.01%
Equity instruments	**24,472**	**24,472**	**3.57%**	**1,875**	**1,875**	**4.92%**	**26,346**	**26,346**	**3.64%**
Non consolidated investment funds available for sale	6,992	6,992	1.02%	157	157	0.41%	7,149	7,149	0.99%
Non consolidated investment funds designated as at fair value through profit or loss (b)	3,941	3,941	0.57%	357	357	0.94%	4,298	4,298	0.59%
Non consolidated investment funds held for trading	308	308	0.04%	225	225	0.59%	533	533	0.07%
Non consolidated investment funds	**11,241**	**11,241**	**1.64%**	**739**	**739**	**1.94%**	**11,979**	**11,979**	**1.65%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**14,639**	**14,639**	**2.13%**	**123**	**123**	**0.32%**	**14,761**	**14,761**	**2.04%**
Macro-hedge and other derivatives	**521**	**521**	**0.08%**	**(91)**	**(91)**	**-0.24%**	**430**	**430**	**0.06%**
Sub total Financial instruments (excluding Loans)	**456,789**	**456,632**	**66.57%**	**7,689**	**7,689**	**20.16%**	**464,478**	**464,321**	**64.13%**
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-	-
Loans designated as at fair value through profit or loss (b)	-	-	-	-	-	-	-	-	-
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (e)	33,250	32,686	4.77%	31,598	29,833	78.21%	64,849	62,519	8.63%
Macro-hedge and other derivatives	-	-	-	(0)	(0)	0.00%	(0)	(0)	0.00%
Loans	**33,250**	**32,686**	**4.77%**	**31,598**	**29,833**	**78.21%**	**64,849**	**62,519**	**8.63%**
Total Financial instruments	**490,039**	**489,318**	**71.34%**	**39,287**	**37,522**	**98.37%**	**529,327**	**526,840**	**72.76%**
Assets backing contracts where the financial risk is borne by policyholders	**176,983**	**176,983**	**25.80%**	**-**	**-**	**-**	**176,983**	**176,983**	**24.44%**
INVESTMENTS	**694,797**	**685,904**	**100.00%**	**40,140**	**38,145**	**100.00%**	**734,938**	**724,049**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**517,814**	**508,922**	**74.20%**						

(a) Includes infrastructure investments.
(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.

	December 31, 2017								
	Investments as per Consolidated Statement of Financial Position								
	Insurance			Other activities			Total		
(in Euro million)	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 (a)	31,296	21,645	3.04%	778	699	1.87%	32,074	22,344	2.98%
Investment in real estate properties designated as at fair value through profit or loss (b)	1,456	1,456	0.20%	-	-	-	1,456	1,456	0.19%
Macro-hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	**32,753**	**23,101**	**3.25%**	**778**	**699**	**1.87%**	**33,530**	**23,800**	**3.18%**
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	380,710	380,710	53.52%	4,216	4,216	11.29%	384,927	384,927	51.41%
Debt instruments designated as at fair value through profit or loss (c)	34,746	34,746	4.88%	200	200	0.54%	34,946	34,946	4.67%
Debt instruments held for trading	586	586	0.08%	46	46	0.12%	632	632	0.08%
Debt instruments (at cost) that are not quoted in an active market (d)	8,350	8,130	1.14%	997	997	2.67%	9,347	9,127	1.22%
Debt instruments	**424,392**	**424,172**	**59.63%**	**5,459**	**5,459**	**14.62%**	**429,851**	**429,632**	**57.38%**
Equity instruments available for sale	18,461	18,461	2.60%	1,073	1,073	2.87%	19,534	19,534	2.61%
Equity instruments designated as at fair value through profit or loss (b)	8,809	8,809	1.24%	519	519	1.39%	9,328	9,328	1.25%
Equity instruments held for trading	41	41	0.01%	-	-	-	41	41	0.01%
Equity instruments	**27,312**	**27,312**	**3.84%**	**1,592**	**1,592**	**4.26%**	**28,903**	**28,903**	**3.86%**
Non consolidated investment funds available for sale	9,118	9,118	1.28%	110	110	0.30%	9,228	9,228	1.23%
Non consolidated investment funds designated as at fair value through profit or loss (b)	3,858	3,858	0.54%	385	385	1.03%	4,243	4,243	0.57%
Non consolidated investment funds held for trading	262	262	0.04%	249	249	0.67%	510	510	0.07%
Non consolidated investment funds	**13,238**	**13,238**	**1.86%**	**744**	**744**	**1.99%**	**13,982**	**13,982**	**1.87%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**15,231**	**15,231**	**2.14%**	**108**	**108**	**0.29%**	**15,339**	**15,339**	**2.05%**
Macro-hedge and other derivatives	**792**	**792**	**0.11%**	**(1)**	**(1)**	**0.00%**	**792**	**792**	**0.11%**
Sub total Financial instruments (excluding Loans)	**480,965**	**480,745**	**67.58%**	**7,903**	**7,903**	**21.17%**	**488,867**	**488,648**	**65.27%**
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-	-
Loans designated as at fair value through profit or loss (b)	-	-	-	-	-	-	-	-	-
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (e)	33,408	32,509	4.57%	30,522	28,734	76.96%	63,930	61,242	8.18%
Macro-hedge and other derivatives	-	-	-	(0)	(0)	0.00%	(0)	(0)	0.00%
Loans	**33,408**	**32,509**	**4.57%**	**30,522**	**28,734**	**76.96%**	**63,930**	**61,242**	**8.18%**
Total Financial instruments	**514,373**	**513,254**	**72.15%**	**38,424**	**36,636**	**98.13%**	**552,797**	**549,890**	**73.45%**
Assets backing contracts where the financial risk is borne by policyholders	**175,003**	**175,003**	**24.60%**	**-**	**-**	**-**	**175,003**	**175,003**	**23.37%**
INVESTMENTS	**722,128**	**711,358**	**100.00%**	**39,202**	**37,335**	**100.00%**	**761,330**	**748,693**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**547,125**	**536,355**	**75.40%**						

(a) Includes infrastructure investments.
(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.

6.2 Investment in real estate properties

Investment in real estate properties includes buildings owned directly and through real estate entities.

Breakdown of the carrying value and fair value of investments in real estate properties at amortized cost, including the impact of all derivatives:

	June 30, 2018					December 31, 2017				
(in Euro million)	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 (a)	20,469	(1,530)	(670)	18,269	26,439	24,282	(2,114)	(568)	21,599	31,251
Other activities	623	-	(0)	623	853	699	-	(0)	699	778
All activities excluding derivatives	**21,092**	**(1,530)**	**(670)**	**18,892**	**27,293**	**24,980**	**(2,114)**	**(568)**	**22,298**	**32,028**
Impact of Derivatives				(27)	(27)				46	46
Total for all activities including derivatives				**18,865**	**27,265**				**22,344**	**32,074**

(a) Includes infrastructure Investments.

Change in impairment and amortization of investment in real estate properties at amortized cost (all activities):

	Impairment - Investment in real estate properties		Amortization - Investment in real estate properties	
(in Euro million)	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Opening value	**568**	**704**	**2,115**	**2,202**
Increase for the period	121	94	95	246
Write back following sale or repayment	(0)	(131)	(3)	(89)
Write back following recovery in value	(20)	(92)	-	-
Others (a)	1	(7)	(677)	(245)
Closing value	**670**	**568**	**1,530**	**2,114**

(a) Includes change in scope, reclassification to held for sale and the effect of changes in exchange rates.

6.3 Unrealized gains and losses on financial investments

Including the effect of derivatives, unrealized capital gains and losses on financial investments, when not already reflected in the income statement, were allocated as follows:

(in Euro million)	June 30, 2018					December 31, 2017				
INSURANCE	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments available for sale	328,093	365,265	365,265	43,951	6,779	337,654	380,710	380,710	47,362	4,306
Debt instruments (at cost) that are not quoted in an active market	8,318	8,482	8,325	229	65	8,158	8,350	8,130	278	87
Equity instruments available for sale	12,325	16,054	16,054	3,937	209	13,931	18,461	18,461	4,688	159
Non consolidated investment funds available for sale	6,396	6,992	6,992	737	141	8,000	9,118	9,118	1,227	109

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment.

(in Euro million)	June 30, 2018					December 31, 2017				
OTHER ACTIVITIES	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments available for sale	3,810	3,789	3,789	115	135	4,199	4,216	4,216	144	126
Debt instruments (at cost) that are not quoted in an active market	1,017	1,017	1,017	0	-	997	997	997	0	-
Equity instruments available for sale	1,059	1,305	1,305	271	24	844	1,073	1,073	257	28
Non consolidated investment funds available for sale	147	157	157	16	6	95	110	110	15	0

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment.

(in Euro million)	June 30, 2018					December 31, 2017				
TOTAL	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments available for sale	331,903	369,055	369,055	44,066	6,914	341,853	384,927	384,927	47,506	4,432
Debt instruments (at cost) that are not quoted in an active market	9,335	9,499	9,342	229	65	9,155	9,347	9,127	279	87
Equity instruments available for sale	13,384	17,359	17,359	4,208	233	14,775	19,534	19,534	4,945	187
Non consolidated investment funds available for sale	6,543	7,149	7,149	753	147	8,096	9,228	9,228	1,242	109

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment.

6.4 Financial investments subject to impairment

6.4.1 BREAKDOWN OF FINANCIAL INVESTMENTS SUBJECT TO IMPAIRMENT

Each investment item is presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges).

	June 30, 2018					December 31, 2017				
(in Euro million)	Cost before impairment and revaluation to fair value (a)	Impairment	Cost after impairment but before revaluation to fair value (b)	Revaluation to fair value (c)	Carrying value	Cost before impairment and revaluation to fair value (a)	Impairment	Cost after impairment but before revaluation to fair value (b)	Revaluation to fair value (c)	Carrying value
Debt instruments available for sale	331,941	(38)	331,903	37,152	369,055	342,096	(243)	341,853	43,074	384,927
Debt instruments (at cost) that are not quoted in an active market	9,336	(0)	9,335	7	9,342	9,156	(0)	9,155	(28)	9,127
Debt instruments	**341,276**	**(38)**	**341,238**	**37,159**	**378,397**	**351,252**	**(243)**	**351,008**	**43,046**	**394,054**
Equity instruments available for sale	**15,629**	**(2,245)**	**13,384**	**3,975**	**17,359**	**17,056**	**(2,280)**	**14,775**	**4,759**	**19,534**
Non consolidated investment funds available for sale	**7,229**	**(686)**	**6,543**	**606**	**7,149**	**9,180**	**(1,084)**	**8,096**	**1,133**	**9,228**
Loans held to maturity	-	-	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-	-	-
Loans at cost (d)	63,131	(199)	62,932	(414)	62,519	61,864	(228)	61,635	(393)	61,242
Loans	**63,131**	**(199)**	**62,932**	**(414)**	**62,519**	**61,864**	**(228)**	**61,635**	**(393)**	**61,242**
TOTAL	**427,265**	**(3,168)**	**424,097**	**41,327**	**465,424**	**439,351**	**(3,837)**	**435,515**	**48,544**	**484,059**

(a) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.
(b) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.
(c) Revaluation to fair value for instruments at cost related to the application of hedge accounting.
(d) Including policy loans.

6.4.2 CHANGE IN IMPAIRMENT ON FINANCIAL INVESTMENTS

(in Euro million)	January 1, 2018	Increase for the period	Write back following sale or repayment	Write back following recovery in value	Other (a)	June 30, 2018
Impairment - Debt instruments	243	11	(210)	(5)	(0)	38
Impairment - Equity instruments	2,280	171	(145)	-	(61)	2,245
Impairment - Non consolidated investment funds	1,084	35	(4)	-	(429)	686
Impairment - Loans	228	30	(3)	(42)	(14)	199
TOTAL	**3,837**	**247**	**(363)**	**(48)**	**(505)**	**3,168**

(a) Mainly relates to changes in the scope of consolidation and impact of changes in exchange rates.

(in Euro million)	January 1, 2017	Increase for the period	Write back following sale or repayment	Write back following recovery in value	Other (a)	December 31, 2017
Impairment - Debt instruments	529	29	(289)	(1)	(24)	243
Impairment - Equity instruments	2,666	195	(493)	-	(87)	2,280
Impairment - Non consolidated investment funds	1,126	56	(34)	-	(64)	1,084
Impairment - Loans	236	41	(10)	(37)	(1)	228
TOTAL	**4,557**	**321**	**(827)**	**(38)**	**(176)**	**3,837**

(a) Mainly relates to changes in the scope of consolidation and impact of changes in exchange rates.

6.5 Investments/Fair value

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 IFRS 13 fair value hierarchy.

Level 2 and 3 assets are investments which are not quoted in an active market or for which there is no active market. Fair values for level 2 and 3 assets include:

- values provided by external parties which
  - are readily available including last transaction prices but relate to assets for which the market is not always active,
  - values provided at the request of the Group by pricing services and which are not readily publicly available;
- assets measured on the basis of valuation techniques including a varying degree of assumptions supported by market transactions and observable data.

The common characteristic of level 2 and 3 assets is that their related market is considered as inactive. Their value is generally based on a mark to market basis, except when there is no market or when the market is distressed, in which case a mark to model approach is used. Assets not quoted in an active market which are marked to market using mainly observable inputs are classified in level 2. Assets not quoted in an active market for which fair value determination is not mainly based on observable inputs are classified as level 3. For all assets not quoted in an active market/ no active market and for which a mark to model approach is used, the classification between level 2 and level 3 depends on the proportion of assumptions used supported by market transactions and observable data (market observable inputs):

- assumed to be used by pricing services; or
- used by the Group in the limited cases of application of mark to model valuations.

6.5.1 INVESTMENTS RECOGNIZED AT FAIR VALUE

The breakdown by valuation method of investments recognized at fair value including derivatives but excluding assets backing contracts where the financial risk is borne by policyholders is as follows:

	June 30, 2018					December 31, 2017				
	Assets quoted in an active market excluding derivatives	Assets not quoted in an active market or no active market excluding derivatives				Assets quoted in an active market excluding derivatives	Assets not quoted in an active market or no active market excluding derivatives			
(in Euro million)	Fair value determined directly by reference to active market excluding derivatives (level 1)	Fair value mainly based on observable market data excluding derivatives (level 2)	Fair value mainly not based on observable market data excluding derivatives (level 3)	Total excluding derivatives	Total including derivatives	Fair value determined directly by reference to active market excluding derivatives (level 1)	Fair value mainly based on observable market data excluding derivatives (level 2)	Fair value mainly not based on observable market data excluding derivatives (level 3)	Total excluding derivatives	Total including derivatives
Debt instruments	285,566	85,063	866	371,496	369,055	284,910	101,209	838	386,956	384,927
Equity instruments	13,419	1,741	2,173	17,333	17,359	15,900	1,609	2,009	19,518	19,534
Non consolidated investment funds	982	5,084	1,130	7,197	7,149	930	6,620	1,677	9,226	9,228
Loans	-	-	-	-	-	-	-	-	-	-
Financial investments and loans available for sale	**299,967**	**91,890**	**4,170**	**396,026**	**393,563**	**301,740**	**109,437**	**4,524**	**415,701**	**413,689**
Investment in real estate properties	-	1,362	-	1,362	1,362	-	1,456	-	1,456	1,456
Debt instruments	22,305	8,635	938	31,878	32,061	25,195	9,299	262	34,756	34,946
Equity instruments	3,376	856	4,743	8,976	8,941	3,323	870	5,135	9,328	9,328
Non consolidated investment funds	544	2,333	1,433	4,310	4,298	561	2,272	1,501	4,334	4,243
Other assets held by consolidated investment funds designated as at fair value through profit or loss	1,733	6,590	6,457	14,781	14,761	3,297	6,136	5,875	15,309	15,339
Loans	-	-	-	-	-	-	-	-	-	-
Financial investments and loans designated as at fair value through profit or loss	**27,959**	**19,775**	**13,571**	**61,306**	**61,423**	**32,377**	**20,033**	**12,773**	**65,183**	**65,313**
Debt instruments	169	260	2	430	346	329	252	2	582	632
Equity instruments	43	-	3	46	46	41	-	0	41	41
Non consolidated investment funds	219	314	0	533	533	239	271	0	510	510
Loans	-	-	-	-	-	-	-	-	-	-
Financial investments and loans held for trading	**430**	**574**	**5**	**1,009**	**925**	**609**	**523**	**2**	**1,134**	**1,183**
TOTAL FINANCIAL INVESTMENTS AND LOANS ACCOUNTED FOR AT FAIR VALUE	**328,356**	**112,238**	**17,746**	**458,341**	**455,911**	**334,726**	**129,994**	**17,298**	**482,017**	**480,185**

Note: This table excludes assets backing contracts where the financial risk is borne by policyholders with guaranteed minimum features.

As of June 30, 2018, Irish, Portuguese and Spanish sovereign bonds were reclassified from level 2 to level 1 consistently with sustained improved market liquidity for those instruments. For all other sovereign bonds, trends observed in 2017 were confirmed in the first semester of 2018, therefore, the classification as at June 30, 2018 is maintained similar to the one as at December 31, 2017.

At June 30, 2018, the net transfer between Level 1 and Level 2 was €7,632 million. This amount comprised €17,371 million transferred investments from Level 2 to Level 1 mainly related to the reclassification of Irish, Portuguese and Spanish sovereign bonds and €9,739 million transferred from Level 1 to Level 2. This reclassification was mainly related to changes in liquidity indicators observed in the market for corporate bonds throughout the period.

TRANSFER IN AND OUT OF THE LEVEL 3 CATEGORY AND OTHER MOVEMENTS

From January 1, 2018 to June 30, 2018, the amount of level 3 assets increased by €0.4 billion to €17.7 billion, representing 3.8% of the total assets at fair value (3.6% at the end of 2017 or €17.3 billion).

Main movements relating to level 3 assets to be noted were the following:

- €+1.7 billion of new investments;
- €+0.5 billion of change in unrealized gains and losses;
- €-1.1 billion of net asset transfers in and out of level 3 and foreign exchange fluctuation impact;
- €-0.6 billion of asset sales, redemptions and settlements mainly debt instruments, equity securities and non-consolidated investment funds accounted as available for sale and equity securities, non-consolidated investment funds, other assets held by controlled investment funds and debt instruments accounted as fair value through P&L.

6.5.2 INVESTMENTS RECOGNIZED AT AMORTIZED COST

	June 30, 2018					December 31, 2017				
	Assets quoted in an active market	Assets not quoted in an active market or no active market				Assets quoted in an active market	Assets not quoted in an active market or no active market			
(in Euro million)	Fair value determined directly by reference to active market (level 1)	Fair value mainly based on observable market data (level 2)	Fair value mainly not based on observable market data (level 3)	Total excluding derivatives	Total including derivatives	Fair value determined directly by reference to active market (level 1)	Fair value mainly based on observable market data (level 2)	Fair value mainly not based on observable market data (level 3)	Total excluding derivatives	Total including derivatives
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-	-
Loans held to maturity	-	-	-	-	-	-	-	-	-	-
Financial investments and loans held to maturity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment in real estate properties at amortized cost	-	26,365	737	27,101	27,265	-	32,028	(0)	32,028	32,074
Debt instruments at cost (loans & receivables)	319	6,404	2,769	9,492	9,499	299	6,062	3,013	9,375	9,347
Loans at amortized cost	71	29,125	36,077	65,273	64,849	43	28,587	36,576	65,206	63,930
Non consolidated investment at cost	-	-	-	-	-	-	-	-	-	-
Financial investments and loans at amortized cost	**390**	**61,894**	**39,583**	**101,866**	**101,613**	**343**	**66,677**	**39,589**	**106,609**	**105,351**
TOTAL FAIR VALUE OF INVESTED ASSETS AT AMORTIZED COST	**390**	**61,894**	**39,583**	**101,866**	**101,613**	**343**	**66,677**	**39,589**	**106,609**	**105,351**

Note: This table excludes assets backing contracts where the financial risk is borne by policyholders with guaranteed minimum features.

NOTE 7 SHAREHOLDER'S EQUITY AND MINORITY INTERESTS

The Consolidated Statement of changes in Equity is presented as a primary financial statement.

7.1 Impact of transactions with shareholders

7.1.1 CHANGE IN SHAREHOLDERS' EQUITY GROUP SHARE FOR THE FIRST HALF OF 2018

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During the first half of 2018, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- capital decrease of €-71 million (or 2.9 million shares) in order to eliminate the dilutive effect of share-based compensation schemes (AXA SA's stock options and performance shares plans);
- capital increase of €+17 million due to exercise of stock options for 1 million shares;
- shared based compensation payments for €+16 million.

TREASURY SHARES

As at June 30, 2018, the Company and its subsidiaries owned approximately 41.1 million AXA shares, representing 1.69% of the share capital, a decrease of 0.7 million shares compared to December 31, 2017.

As of June 30, 2018, the carrying value of treasury shares and related derivatives was €1,031 million and there were no AXA shares held by consolidated mutual funds not backing contracts where financial risk is borne by policyholders.

As at June 30, 2018, 1.9 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 €17 million and their market value € 39 million at the end of June 2018.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

As described in the accounting principles, undated subordinated debt instruments issued by the Group do not qualify as liabilities under IFRS.

Undated subordinated debt instruments are classified in shareholders' equity at their historical value and their closing value as regards exchange rates. The corresponding exchange differences are cancelled out through the translation reserve.

During the first half of 2018, the following transactions pertaining to undated subordinated debt had an impact on AXA's other reserves:

- change in other was due to foreign exchange rate fluctuations for €+76 million;
- change in undistributed profits and other reserves was due to interest expenses related to the undated subordinated debt (net of tax) for €-110 million.

As of June 30, 2018 and December 31, 2017, undated subordinated debts recognized in shareholders' equity were as follows:

(in million)	June 30, 2018		December 31, 2017	
	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 - 350 M£ 6.7%	350	395	350	394
December 14, 2006 - 750 MUS$ 6.5%	750	641	750	623
December 14, 2006 - 750 MUS$ 6.4%	750	641	750	623
October 5, 2007 - 750 M€ 6.2% (a)	-	-	-	-
October 16, 2007 - 700 M£ 6.8% (a)	219	245	219	245
November 7, 2014 - 984 M€ 3.941% (a)	984	981	984	981
November 7, 2014 - 724 M£ 5.453% (a)	724	814	724	813
May 20, 2014 - 1,000 M€ - 3.9%	1,000	997	1,000	997
January 22, 2013 - 850 MUS$, 5.5%	850	724	850	703
Undated notes -625 M€, variables rates	625	625	625	625
Undated notes - 27,000 MJPY, 3.3%	27,000	209	27,000	200
Undated notes - 375 MUS$, variables rates	375	322	375	313
Sub-Total Undated Subordinated Debt		**7,467**		**7,391**
Equity component of convertible debt (2018)	-	-	-	-
TOTAL		**7,467**		**7,391**

(a) These undated Deeply Subordinated notes were part of the liability management exercise launched on October 29, 2014.

Undated subordinated debt often contains the following features:

- early redemption clauses (calls) at the Group's option, giving AXA the ability to redeem on certain dates the principal amount before settlement and without penalty, and;
- interest rate step-up clauses with effect from a given date.

OTHERS

The €-2,450 million decrease is others mainly comes from the US IPO (see Note 4.1).

DIVIDENDS PAID

At the shareholders' meeting held on May 7, 2018, shareholders approved a dividend distribution of €1.26 per share corresponding to €2,998 million with respect to the 2017 financial year.

7.1.2 CHANGE IN SHAREHOLDERS' EQUITY GROUP SHARE FOR THE FIRST HALF OF *2017*

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During the first half of 2017, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- stock option exercice of 3.1 million shares for €48 million;
- cancellation of 4.2 million shares for €103 million.

TREASURY SHARES

As of June 30, 2017, the Company and its subsidiaries owned approximately 38 million AXA shares, representing 1.6% of the share capital, an increase of 32 million shares compared to December 31, 2016.

As of June 30, 2017, the carrying value of treasury shares and related derivatives was €963 million and there was no AXA shares held by consolidated mutual funds not backing contracts where financial risk is borne by policyholders.

As of June 30, 2017, 1.5 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 €24 million and their market value €37 million at the end of June 2017.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

As described in the accounting principles, undated subordinated debt instruments issued by the Group do not qualify as liabilities under IFRS.

Undated subordinated debt instruments are classified in shareholders' equity at their historical value and their closing value as regards exchange rates. The corresponding exchange differences are cancelled out through the translation reserve.

During the first half of 2017, the following transactions pertaining to undated subordinated debt had an impact on AXA's other reserves:

- change in other was due to foreign exchange rate fluctuations for €-245 million;
- change in undistributed profits and other reserves was due to interest expenses related to the undated subordinated debt (net of tax) for €-117 million.

DIVIDENDS PAID

At the shareholders' meeting held on April 26, 2017, shareholders approved a dividend distribution of €1.16 per share corresponding to €2,808 million with respect to the 2016 financial year.

7.2 Comprehensive income for the period

The Statement of Comprehensive Income, presented as a primary financial statement, 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.

7.2.1 COMPREHENSIVE INCOME FOR THE FIRST HALF OF *2018*

RESERVE RELATED TO CHANGES IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL INSTRUMENTS INCLUDED IN SHAREHOLDERS' EQUITY

The decrease in gross unrealized gains and losses on assets available for sale totaled €-6,787 million, of which a €-5,404 million decrease in unrealized capital gains on debt securities which was mainly driven by interest rate increases, and a decrease in both equity securities €-744 million and in non consolidated investments funds €-477 million, in line with the financial market evolution.

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, 2018	December 31, 2017
Gross unrealized gains and losses (a)	**43,490**	**50,277**
Less unrealized gains and losses attributable to:		
Shadow accounting on policyholder participation and other obligations	(24,313)	(27,019)
Shadow accounting on Deferred Acquisition Costs (b)	(390)	(1,367)
Shadow accounting on Value of purchased Business In force	(156)	(178)
Unallocated unrealized gains and losses before tax	**18,631**	**21,714**
Deferred tax	(4,863)	(5,540)
Unrealized gains and losses (net of tax) - Assets available for sale	**13,768**	**16,174**
Unrealized gains and losses (net of tax) - Equity accounted companies	15	20
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% - TOTAL	**13,783**	**16,194**
Minority interests' share in unrealized gains and losses (d)	(19)	**(215)**
Translation reserves (e)	(190)	14
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) (c)	**13,574**	**15,992**

(a) Unrealized gains and losses on total available for sale invested assets including loans and assets held for sale.
(b) Net of shadow accounting on unearned revenues and fees reserves and held for sale activities.
(c) Including unrealized gains and losses on assets held for sale operations.
(d) Including foreign exchange impact attributable to minority interests.
(e) Group share.

As of June 30, 2018, most of the unrealized gains on assets available for sale related to Life & Savings entities. 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, 2018:

(in Euro million)	June 30, 2018 France Life & Savings	Germany Life & Savings	Switzerland Life & Savings	Belgium Life & Savings
Gross unrealized gains and losses (a)	**17,074**	**7,499**	**2,812**	**5,332**
Less unrealized gains and losses attributable to:				
Shadow accounting on policyholders' participation and other obligations	(12,613)	(6,420)	(1,530)	(2,272)
Shadow accounting on Deferred Acquisition Costs (b)	(295)	-	(70)	(80)
Shadow accounting on Value of purchased Business In force	-	-	(85)	(6)
Unallocated unrealized gains and losses before tax	**4,166**	**1,079**	**1,126**	**2,973**
Deferred tax	(1,082)	(335)	(225)	(741)
Unrealized gains and losses (net of tax) - Assets available for sale	**3,084**	**744**	**901**	**2,232**
Unrealized gains and losses (net of tax) - Equity accounted companies	44	6	-	-
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% - TOTAL	**3,128**	**750**	**901**	**2,232**
Minority interests' share in unrealized gains and losses (c)	**(8)**	**0**	**-**	**(1)**
Translation reserves (d)	0	-	(158)	(0)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE)	**3,121**	**750**	**743**	**2,231**

(a) Unrealized gains and losses on total available for sale invested assets including loans and assets held for sale
(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, 2018 and December 31, 2017 broken down as follows:

(in Euro million)	June 30, 2018	December 31, 2017
Unrealized gains and losses (net of tax) 100%, opening	**16,194**	**15,376**
Transfer to the income statement on the period (a)	(639)	(725)
Investments bought in the current accounting period and changes in fair value	(1,927)	2,177
Foreign exchange impact	166	(629)
Change in scope and other changes	(9)	(6)
Unrealized gains and losses (net of tax) 100%, closing	**13,784**	**16,194**
Minority interests' share in unrealized gains and losses (b)	**(19)**	**(215)**
Translation reserves (c)	**(190)**	**14**
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) (d)	**13,574**	**15,992**

(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) Including foreign exchange impact attributable to minority interests.
(c) Group share.
(d) Including unrealized gains and losses on assets held for sale operations.

CURRENCY TRANSLATION RESERVE

The group share translation reserve movement (€+909 million) was mainly driven by the United States (€+414 million), Japan (€+313 million), Switzerland (€+98 million), Asia (€+89 million) and the United Kingdom (€+16 million), partly offset by the negative evolution on International Markets (€-51 million).

EMPLOYEE BENEFIT ACTUARIAL GAINS AND LOSSES

The total impact of employee benefit actuarial gains for the first half year 2018 amounted to (€+641 million) net shareholders' equity group share. This was mainly driven by US with gains due to the recycling of (€+243million) in minority interests and the increase in discount rate assumptions used at HY2018 (€+64 million). In the UK & Ireland, the increase in discount rates and inflation rates were partially offset by some losses on plan assets resulting in an amount of (€+217 million) global actuarial gains. The (€+121 million) actuarial gains in Switzerland were due to the over performance of plan assets and an increase in discount rate assumptions used.

7.2.2 COMPREHENSIVE INCOME FOR THE FIRST HALF OF 2017

RESERVE RELATED TO CHANGES IN FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL INSTRUMENTS INCLUDED IN SHAREHOLDERS' EQUITY

The decrease in gross unrealized gains and losses on assets available for sale totaled €-4,836 million, of which a €-5,277 million decrease in unrealized capital gains on debt securities which was mainly driven by interest rates increase, partially offset by a increase in unrealized capital gains on equity securities of €571 million in line with the financial market.

CURRENCY TRANSLATION RESERVE

The group share translation reserve movement (€-2,313 million) was mainly driven by the United States (€-1,199 million), Asia (€-428 million), Japan (€-265 million), Switzerland (€-211 million), AXA IM (€-157 million) and the United Kingdom (€-128 million).

EMPLOYEE BENEFIT ACTUARIAL GAINS AND LOSSES

The total impact of employee benefit actuarial gains for the first half year 2017 amounted to €+407 million net group share, mostly due to the net actuarial gain in the United Kingdom due to the revisited alternative approach used to derive the pension increase assumption and mortality assumption update based on the latest CMI model, and net gains coming from plan assets outperformance above the opening average discount rate used to calculate the interest income on assets in the United States and Switzerland.

7.3 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 a shareholders' equity item.

7.3.1 CHANGE IN MINORITY INTERESTS FOR THE FIRST HALF OF 2018

The €+5,409 million increase in minority interests to €+11,065 million was mainly driven by the comprehensive income and transactions with minority interest holders:

- The comprehensive income for the period notably included the following:
  - Net income attributable to minority interests for €+213 million;
  - Foreign exchange movements for €+40million;
  - Employee benefits actuarial gains and losses €-237million;

  - Reserves relating to changes in fair value through shareholders' equity for €-142 million.
- Transactions with minority interests' holders, mainly included:
  - Increase in minority interests following the IPO €4,716 million (see Note 4.1).
  - Equity component of the Mandatory Exchangeable Bonds €+587 million (see Note 4.1);
  - Minority interests qualified as equity resulting from an increase in the value of minority interest holdings due to a capital increase in existing consolidated investment funds for €+168 million;
  - Dividend payout to minority interests' holders for €-258 million;

7.3.2 CHANGE IN MINORITY INTERESTS FOR THE FIRST HALF OF 2017

The €+457 million increase in minority interests to €+5,739 million was mainly driven by the comprehensive income and transactions with minority interest holders:

- The comprehensive income for the period notably included the following:
  - Net income attributable to minority interests for €+171 million;
  - Foreign exchange movements for €-204 million;
  - Reserves relating to changes in fair value through shareholders' equity for €-30 million.

- Transactions with minority interest holders, mainly included:
  - Minority interests qualified as equity resulting from an increase in the value of minority interest holdings, in particular following consolidation of new investment funds and capital increase in existing consolidated investment funds for €+648 million;
  - Dividend payout to minority interests' holders for €-179 million.

NOTE 8 FINANCING DEBT

(in Euro million)	Carrying value	
	June 30, 2018	December 31, 2017
AXA	**9,151**	**6,950**
Subordinated notes, 5.25% due 2040 (€)	1,300	1,300
Subordinated notes, 5.125% due 2043 (€)	1,000	1,000
U.S. registered redeemable subordinated debt, 8.60% 2030 (US$)	1,027	1,052
U.S. registered redeemable subordinated debt, 7.125% 2020 (£)	367	366
Subordinated debt, 5.625% due 2054 (£)	846	845
Derivatives relating to subordinated debts (a)	(476)	(655)
Subordinated debt, 3.375%, due 2047(€)	1,500	1,500
Undated Subordinated notes, US$ 850M, 4.5%	729	709
AXA SA - Subordinated notes, 5.125%, due 2047 (US$)	858	834
AXA SA - Subordinated notes, 3.25%, due 2049 (€)	2,000	-
AXA Bank Belgium	**31**	**38**
Subordinated debt maturity below 10 years fixed rate	15	22
Undated Subordinated debt fixed rate	16	17
AXA Italy	**69**	**69**
Subordinated notes, EURIBOR 6 months + 81bps	69	69
Other subordinated debt (under €100 million)	**27**	**28**
Subordinated debt	**9,278**	**7,086**
AXA	**645**	**500**
Debt component of bonds mandatorily exchangeable into shares of AXA Equitable Holdings, Inc	145	-
Euro Medium Term Note, due 2028	500	500
AXA Financial	**3,517**	**291**
Senior Notes, 3.9%, due 2023	679	-
Senior Notes, 4.35%, due 2028	1,272	-
Senior Notes, 5%, due 2048	1,267	-
Senior Notes, 7%, due 2028	299	291
AXA UK Holdings	**171**	**170**
GRE: Loan Notes, 6.625%, due 2023	171	170
Other financing debt instruments issued (under €100 million)	**49**	**52**
Other financing debt instruments issued (under €100 million)	90	94
Derivatives relating to other financing debt instruments issued (a)	(41)	(42)
Financing debt instruments issued	**4,383**	**1,013**
TOTAL FINANCING DEBT (b)	**13,661**	**8,099**

(a) Hedging instruments in accordance with IAS 39 and economic hedge derivatives not eligible for hedge accounting.
(b) Excluding accrued interest on derivatives.

NOTE 9 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, 2018	June 30, 2017
Net income Group share		**2,794**	**3,268**
Undated subordinated debt financial charge		(115)	(117)
Net income including impact of undated subordinated debt	**A**	**2,679**	**3,151**
Weighted average number of ordinary shares (net of treasury shares) - opening		2,383	2,419
Increase in capital (excluding stock options exercised) (b)		-	-
Stock options exercised (b)		1	1
Treasury shares (b)		(1)	(5)
Share purchase program (b)		-	(4)
Weighted average number of ordinary shares	**B**	**2,383**	**2,411**
BASIC NET INCOME PER ORDINARY SHARE	**C = A / B**	**1.12**	**1.31**
Potentially dilutive instruments :			
- Stock options		4	6
- Other		1	2
Fully diluted - weighted average number of shares (c)	**D**	**2,388**	**2,419**
NET INCOME INCLUDING IMPACT OF UNDATED SUBORDINATED DEBT		**2,679**	**3,151**
FULLY DILUTED NET INCOME PER ORDINARY SHARE	**E = A / D**	**1.12**	**1.30**

(a) Except for number of shares (million of units) and earnings per share (Euro).
(b) Weighted average.
(c) Taking into account the impact of potentially dilutive instruments.

As of June 30, 2018, net income per ordinary share stood at €1.13 on a basic calculation and €1.12 on a fully diluted basis.

As of June 30, 2017, net income per ordinary share stood at €1.31 on a basic calculation, and €1.30 on a fully diluted basis.

NOTE 10 SUBSEQUENT EVENTS

AXA ENTERED INTO EXCLUSIVITY FOR THE POTENTIAL DISPOSAL OF ITS EUROPEAN VARIABLE ANNUITIES CARRIER, WITH EXPECTED TOTAL CASH PROCEEDS OF €1.2 BILLION

On August 1, 2018, AXA announced that it has received an irrevocable offer from Cinven for the potential sale of AXA Life Europe ("ALE"), a specialized platform which designed, manufactured and distributed AXA's Variable Annuity products across Europe.

The total cash proceeds generated for AXA Group would be €1,165 million, which includes €925 million (representing an implied 1.0x BV multiple [(1)]) from the potential sale of ALE shares to be fully paid in cash at closing, and a capital distribution from ALE to AXA S.A. of €240 million, prior to the transaction, in June 2018.

The corresponding assets and liabilities of ca. €5 billion (mostly insurance liabilities from the German Variable Annuities book and financial assets backing these contacts) will be reclassified to held for sale in the balance sheet.

Based in Dublin with over 60 employees, ALE delivers strong financial risk management capabilities and manages a portfolio of ca. 248,000 insurance contracts with ca. €5 billion reserves [(2)]. It distributed products across Europe through the networks of AXA entities (namely Germany, France, UK, Spain, Italy, and Portugal [(3)]) and third-party distribution channels, and has a reinsurance arrangement with AXA Japan. ALE has been closed to new business since 2017. The German insurance contracts account for more than 70% of ALE's portfolio [(4)], and the policy administration services for these contracts will continue to be provided by AXA Germany.

This transaction is expected to result in a positive impact on AXA Group Solvency II ratio of ca. 2 points. The Underlying Earnings (UE) generated from the business under consideration were €19 million in FY17.

The proposed transaction is subject to customary conditions, including completing the information and consultation of the relevant works councils as well as obtaining required regulatory approvals, and is expected to be finalized by the end of 2018 or early 2019.

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(1) Excluding Other Comprehensive Income.
(2) IFRS Reserves as of FY17.
(3) AXA Portugal was sold to Ageas in 2016.
(4) In terms of reserves.

Statutory auditors' review report on the 2018 Half Year Financial Information

PricewaterhouseCoopers Audit Mazars
63, rue de Villiers 61, rue Henri Regnault
92208 Neuilly-sur-Seine Cedex 92075 Paris La Défense Cedex

Statutory Auditors' Review Report on the 2018 half-year Financial Information

(Period from January 1st au June 30th)

To the Shareholders
AXA SA
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 period from January 1 to June 30, 2018;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

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 IFRS 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, 2018

The Statutory Auditors

*French original signed by**

PricewaterhouseCoopers Audit	MAZARS	
Xavier Crepon	Jean-Claude Pauly	Maxime Simoen

** 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.*

Statement of the person responsible for the Half Year Financial Report

Statement of the person responsible for the Half-Year Financial Report

I certify, to the best of my knowledge, that the condensed financial statements for the past half-year have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the interim management report, to be found in the first part of this Report, presents a fair review of the important events that have occurred during the first six months of the financial year, their impact on the financial statements, major related-party transactions, and describes the principal risks and uncertainties for the remaining six months of the financial year.

Paris, August 2, 2018.

Thomas Buberl

Chief Executive Officer