

Activity Report /

June 30, 2014

CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

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

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to AXA's Registration Document for the year ended December 31, 2013, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

FINANCIAL MARKET CONDITIONS IN THE FIRST HALF OF 2014

The first half of 2014 has been largely defined by central bank monetary policy, particularly in the US, UK and Europe, as well as the geopolitical risk in Russia, Ukraine and Iraq. Global stock markets rose to deliver +4.3% over the period (MSCI World Index) although in some areas returns were weaker than anticipated. Emerging markets experienced a weak start as growth in China slowed and several emerging economies were impacted as the US started to taper quantitative easing. This has seen fixed income markets rise and remain strong throughout the first half of the year, much in contrast to the bond sell-off that characterised the final months of 2013. As government bonds have rallied, their yields have fallen significantly causing investors to look to credit and high yield assets in search of yield.

The US Federal Reserve maintained consistent monetary policy by steadily tapering quantitative easing and keeping the base rate at 0.25% throughout the period. The US, however, was hit by extremely harsh winter conditions that were largely cited as the cause of the softer economic data readings that emerged during the first half of the year. New Fed Chair Yellen caused some market fluctuations when she implied that interest rates might rise sooner than expected, but her long-term message was ultimately dovish.

Recovery in Europe, although apparent, has been sluggish, with weak Eurozone GDP figures. The biggest threat, however, was the worryingly low levels of inflation. The European Central Bank took drastic actions to avoid potential deflation by introducing a number of measures, the most significant of which were cutting both the base and deposit rates to 0.15% and -0.10% respectively, and introducing a “targeted” long-term refinancing operation in order to stimulate growth and bank lending.

Emerging markets struggled towards the start of the period as China released disappointing economic news and the US started tapering quantitative easing. Russia suffered on the back of its issues with Ukraine: its credit rating was downgraded and its growth forecast cut by Standard & Poor's and the IMF respectively. However, India saw an exceptionally strong rebound in industrial production and Colombia and Mexico benefitted from improving economic data. Several regions struggled with inflation over the period, such as Brazil and Turkey.

The Bank of Japan (BoJ) opted to continue its monetary easing policy as the economy showed distinct signs of recovery, inflation data being particularly encouraging. By period-end inflation had shown its fastest increase in 32 years.

Stock Markets

Equity markets had mixed performance in first half of 2014 across the globe with modest gains in US and European markets and decline in major Asian markets. The MSCI World Index increased by 4.3%.

The Dow Jones Industrial Average Index in New York increased by 1.5% and the S&P 500 index increased by 6.1% in first half of 2014. The FTSE 100 Index in London decreased by 0.1% in first half of 2014. The CAC 40 index in Paris increased by 3.0% and the Nikkei index in Tokyo decreased by 6.9%.

The MSCI G7 Index increased by 4.2% and the MSCI Emerging Index increased by 3.3%. The S&P 500 implied volatility Index decreased from 13.7% to 11.6% between December 31, 2013 and June 30, 2014.

The S&P 500 realized volatility index increased from 10.3% to 11.3% between December 31, 2013 and June 30, 2014.

Bond Markets

The US 10-year T-bond ended the first half of 2014 at 2.53%, a decrease of 51 bps compared to December 31, 2013. The 10-year German Bund yield decreased by 68 bps to 1.25%. The France 10-year government bond yield decreased by 85 bps to 1.71%. The 10-year Japanese government bond ended the first half at 0.57%, a decrease of 18 bps compared to December 31, 2013. The 10-year Belgium government bond ended the first half at 1.70% (86 bps decrease compared to December 31, 2013).

The 10-year government bonds in Eurozone peripheral countries decreased sharply: Italy ended the first half at 2.85% (a decrease of 128 bps compared to December 31, 2013), Spain ended the first half at 2.67% (a decrease of 149 bps compared to December 31, 2013), Greece ended the first half at 5.96% (a decrease of 246 bps compared to December 31, 2013), Ireland ended the first half at 2.36% (a decrease of 111 bps compared to December 31, 2013), Portugal ended the first half at 3.65% (a decrease of 248 bps compared to December 31, 2013).

In Europe, the iTRAXX Main spreads decreased by 8 bps to 62 bps compared to December 31, 2013 while the iTRAXX Crossover decreased by 45 bps to 242 bps. In the United States, the CDX Main spread Index decreased by 4 bps to 59 bps.

Exchange rates

In this context, exchange rates were relatively stable during 1H 2014, but the Euro appreciated against main currencies compared to 1H 2013, as shown below:

	End of Period Exchange Rate		Average Exchange Rate	
	June 30, 2014	December 31, 2013	June 30, 2014	June 30, 2013
	(for €1)	(for €1)	(for €1)	(for €1)
U.S. Dollar	1.37	1.38	1.37	1.31
Japanese Yen (x100) (a)	1.39	1.45	1.40	1.13
British Sterling Pound	0.80	0.83	0.82	0.85
Swiss Franc	1.21	1.23	1.22	1.23

(a) Yen average exchange rate for the six months ending March 31, 2013 used for half year 2013 accounts profit or loss.

OPERATING HIGHLIGHTS

Significant acquisitions

AXA COMPLETED THE ACQUISITION OF 50% OF TIAN PING

On April 24, 2013, AXA announced it had entered into an agreement with **Tian Ping Auto Insurance Company Limited** ("Tian Ping") shareholders to acquire 50% of the company. Tian Ping is mainly focusing on motor insurance and has Property & Casualty licenses covering most Chinese provinces as well as a direct distribution license covering these provinces with a market share of 0.8%⁽¹⁾.

On **February 20, 2014**, AXA announced the finalization of the acquisition. AXA has acquired 33% of the company from Tian Ping's current shareholders for RMB 1.9 billion (or Euro 240 million⁽²⁾) and subsequently subscribed to a capital increase for RMB 2.0 billion (or Euro 251 million⁽²⁾) to support future growth, raising its stake to 50%. AXA and Tian Ping's current shareholders jointly control Tian Ping. AXA's previously existing Chinese P&C operations have been integrated within the new joint venture.

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

The acquired operations are consolidated through the equity method since February 20, 2014.

AXA COMPLETED THE ACQUISITION OF 51% OF COLPATRIA'S INSURANCE OPERATIONS IN COLOMBIA

On November 11, 2013, **AXA** announced it had entered into an agreement with **Grupo Mercantil Colpatría** to acquire a 51% stake in its composite insurance operations in Colombia ("Colpatría Seguros")⁽³⁾.

On **April 2, 2014**, **AXA** announced it had completed the acquisition for a total consideration of COP 672 billion (or Euro 248 million⁽⁴⁾). The acquired operations are integrated within the Mediterranean & Latin American Region and fully consolidated since April 2, 2014.

Colpatría Seguros is the #4⁽⁵⁾ insurance player in Colombia (7% market share), with operations in both Property & Casualty and Life & Savings. It enjoys strong positions in Property & Casualty (#2 with 9% market share), Workers Compensation (#4 with 14% market share) and Capitalization (#2 with 42% market share).

⁽¹⁾ Source: CIRC, December 2013.

⁽²⁾ 1 EUR = RMB 7.982 as of February 19, 2014.

⁽³⁾ The scope of the transaction includes the four insurance companies of Grupo Mercantil Colpatría: Seguros Colpatría S.A. (Property & Casualty), Seguros de Vida Colpatría S.A. (Life, Workers Compensation), Capitalizadora Colpatría S.A. (Capitalization) and Colpatría Medicina Prepagada S.A. (Voluntary Health).

⁽⁴⁾ EUR 1 = COP 2,711.67 as of March 31, 2014.

⁽⁵⁾ Based on information furnished by Colpatría and on Superintendencia Financiera de Colombia publicly available information.

The transaction allows AXA to enter the attractive Colombian market and benefit from its strong growth prospects through developed and profitable operations with a well-established local partner. AXA Colpatría Seguros will benefit from AXA's strong know-how to accelerate further its development and leverage its competitive advantages in the Colombian market.

Significant disposals

AXA COMPLETED THE SALE OF ITS HUNGARIAN LIFE & SAVINGS INSURANCE OPERATIONS

On June 3, 2014, **AXA** announced it had completed the sale of its Life & Savings operations in Hungary⁽¹⁾ to **Vienna Insurance Group**. AXA continues to have banking operations in the country.

This transaction triggered an exceptional capital loss, which was accounted for in Net Income in 2013.

Other

PLACEMENT OF GBP 750 MILLION SUBORDINATED NOTES

On January 9, 2014, AXA announced the successful placement of GBP 750 million of Reg S subordinated notes due 2054 to institutional investors. The initial coupon has been set at 5.625% per annum. It will be fixed until the first call date in January 2034 and floating thereafter with a step up of 100 basis points. The initial spread over Gilt was 215 basis points.

The notes are treated as capital from a regulatory and rating agencies' perspective within applicable limits. The transaction has been structured to comply with the expected eligibility criteria for Tier 2 capital treatment under Solvency II.

PLACEMENT OF EUR 1 BILLION UNDATED SUBORDINATED NOTES

On May 16, 2014, AXA announced the successful placement of EUR 1 billion of Reg S undated subordinated notes to institutional investors. The initial spread over swap is 225 basis points. The initial coupon has been set at 3.875% per annum. It will be fixed until the first call date in October 2025 and reset thereafter every 11 years with a 100 basis points step-up.

The notes are treated as capital from a regulatory and rating agencies' perspective within applicable limits. The transaction has been structured to comply with the eligibility criteria for the 50% perpetual subordinated debt limit under Solvency 1 and in order to be eligible as capital under Solvency II.

AXA Rating

On March 11, 2014, Fitch reaffirmed all AXA entities' Insurer Financial Strength ratings at 'AA-'. Outlook was revised to Stable from Negative.

On May 9, 2014, Moody's Investors Services reaffirmed the 'Aa3' insurance financial strength ratings of AXA's main operating subsidiaries. The rating agency has also changed the outlook from negative to stable on all ratings.

On May 26, 2014, S&P reaffirmed long-term ratings on AXA Group core subsidiaries at 'A+' with a stable outlook.

Related-party transactions

During the first half of the fiscal year 2014, 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, 2013 included in the full year 2013 Registration Document (pages 320 and 321) 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 2014, 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 2014.

⁽¹⁾ AXA Insurance Company and AXA Money & More.

Risk factors

The principal risks and uncertainties faced by the Group are described in detail in Section 3.1 "Regulation" and Section 3.2 "Risk factors" included in the full year 2013 Registration Document (respectively in pages 152 to 154 and pages 155 to 167) filed with the *Autorité des marchés financiers* and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com).

The description contained in these Sections of the 2013 Registration Document remains 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, 2014 or which management expects could affect the Group during the remainder of 2014.

EVENTS SUBSEQUENT TO JUNE 30, 2014

There has been no event subsequent to June 30, 2014.

REVENUES & EARNINGS SUMMARY

The application of IFRS 10 and 11 has become effective since January 1, 2014, and the comparative information in respect of 2013 has been restated (referred as “restated” in the tables of this document) to reflect the retrospective application of the new standards which in particular led to the change in consolidation method of a Property and Casualty company (Natio Assurances reported within the Direct segment) from proportionate consolidation to equity method. This change in consolidation method has no impact on the profit or loss for the current year or prior year.

Consolidated gross revenues

Consolidated Gross Revenues

	June 30, 2014	June 30, 2013 published	June 30, 2013 restated (a)	December 31, 2013 published	December 31, 2013 restated (a)	(in Euro million) June 30, 2014 / June 30, 2013 restated (b)
Life & Savings	29,039	29,603	29,603	55,331	55,331	1.8%
o/w. gross written premiums	28,300	28,909	28,909	53,861	53,861	-
o/w. fees and revenues from investment contracts with no participating feature	159	133	133	323	323	-
Property & Casualty	16,820	16,497	16,483	28,791	28,763	2.2%
International Insurance	1,966	1,909	1,909	3,143	3,143	4.5%
Asset Management	1,593	1,741	1,741	3,461	3,461	4.1%
Banking (c)	287	293	293	524	524	-3.3%
Holdings and other companies (d)	0	0	0	0	0	n/a
TOTAL	49,705	50,044	50,030	91,249	91,221	2.1%

Revenues are disclosed net of intercompany eliminations.

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

(b) Changes are on a comparable basis.

(c) Excluding (i) net realized capital gains or losses and (ii) change in fair value of assets under fair value and of options and derivatives, net banking revenues and total consolidated revenues would respectively amount to €286 million and €49,703 million for half year 2014 and €291 million and €50,028 million for half year 2013.

(d) Includes notably CDOs and real estate companies.

Consolidated gross revenues for half year 2014 reached €49,705 million, up 2.1% compared to half year 2013 on a comparable basis.

The comparable basis mainly consisted in the adjustment of: (i) the foreign exchange rate movements (€-1.0 billion or -1.9 points), mainly Euro appreciation against JPY and USD, (ii) the alignment of closing dates in Japan⁽¹⁾ (€-0.2 billion or -0.4 point), (iii) the closed MONY portfolio transaction in 2013 (€-0.1 billion or -0.3 point), (iv) the disposal of AXA Private Equity (€-0.1 billion or -0.3 point), (v) the acquisition of Colpatría's insurance operations in Colombia in 2014 (€+0.2 billion or +0.4 point) and (vi) the restatement of the retrospective application of IFRS 10 and 11 as mentioned above.

⁽¹⁾ AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. In the comparable basis, half year 2013 contribution was restated to cover January 1, 2013 to June 30, 2013 period.

Life & Savings Annual Premium Equivalent ⁽¹⁾

Annual Premium Equivalent

	June 30, 2014	June 30, 2013	December 31, 2013	(in Euro million) June 30, 2014 / June 30, 2013 (a)
TOTAL	3,181	3,310	6,335	0.2%
France	765	690	1,431	10.6%
United States	634	655	1,322	1.2%
United Kingdom	369	365	647	-2.3%
Japan	175	240	504	-1.1%
Germany	176	218	385	-19.2%
Switzerland	222	310	430	-28.9%
Belgium	72	94	151	-23.5%
Central & Eastern Europe	41	55	108	-20.0%
Mediterranean and Latin American Region	271	227	443	20.7%
Hong Kong	226	215	443	9.3%
South-East Asia, India and China	225	237	463	13.7%
Mature markets	2,668	2,773	5,265	-1.1%
High growth markets	513	537	1,070	6.9%

(a) Changes are on a comparable basis.

Total Life & Savings New Business APE amounted to €3,181 million, down 3.9% on a reported basis or up 0.2% on a comparable basis. The increase in sales of G/A Savings and Unit-Linked products was offset by lower sales of G/A Protection & Health explained by the repositioning of the Group Life product mix in Switzerland and the non-repeat of 1Q13 strong Health sales recorded in Germany.

High growth markets APE increased by 7% as strong growth in South-East Asia, India & China (+14% or €+31 million) and Hong Kong (+9% or €+20 million) was partly offset by a slowdown in Central & Eastern Europe (-20% or €-10 million).

- **Protection & Health APE (38% of total)** was down 4%, driven by (i) Switzerland, following the repositioning of the Group Life product mix towards more profitable semi-autonomous schemes (pure mortality and disability insurance contracts generating relatively lower APE but higher margins) and voluntary reduction in sales of full protection schemes, which have a capital intensive general account savings component, by (ii) Germany mainly in Health due to the non-repeat of 1Q13 strong sales resulting from the anticipation of a change in regulation and by (iii) the US mainly due to increased competition in Indexed Universal Life. This was partly offset by increased volumes in South-East Asia, India & China, France and Hong Kong.
- **Unit-Linked APE (35% of total)** was up 2% mainly driven by (i) the US primarily reflecting the continued success of the floating roll up rate GMxB product, and (ii) Germany and Italy mainly following the successful launch of new hybrid⁽²⁾ products. This increase was partly offset by Belgium;
- **General Account Savings APE (15% of total)** was up 9% mainly driven by higher sales of hybrid products notably in France and Italy, partly offset by Germany mainly due to a voluntary shift in business mix towards Unit-Linked products.

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

⁽²⁾ Hybrid products: savings products allowing clients to invest in both Unit-Linked and General Account funds.

Property & Casualty Revenues

Property & Casualty Revenues

(in Euro million)

	June 30, 2014	June 30, 2013 published	June 30, 2013 restated (a)	December 31, 2013 published	December 31, 2013 restated (a)	June 30, 2014 / June 30, 2013 restated (b)
TOTAL	16,820	16,497	16,483	28,791	28,763	2.2%
Mature markets	13,349	13,073	13,073	21,996	21,996	1.2%
Direct	1,202	1,152	1,138	2,274	2,247	7.0%
High growth markets	2,269	2,272	2,272	4,520	4,520	4.8%

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

(b) Changes are on a comparable basis.

Property & Casualty gross revenues were up 2% on a reported basis, and on a comparable basis to €16,820 million. Personal lines increased by 1% mainly driven by France, Direct and Switzerland. Commercial lines increased by 3%, primarily in the Mediterranean and Latin American high growth markets, the United Kingdom & Ireland, France and Asia. Overall, average tariff increases amounted to 2%.

Personal lines (57% of P&C gross revenues) were up by 1% on a comparable basis.

Motor revenues grew by €61 million or +1% as a result of tariff increases in mature markets and higher volumes in Direct business and Asia, partly offset by lower average premiums with:

- **Direct** (+7%) driven by improved retention in the United Kingdom and South Korea, new business growth in France and Japan, partly offset by slowdown in Spain in a difficult market environment;
- **France** (+3%) driven by both tariff increases and higher volumes;
- **Switzerland** (+2%) driven by higher volumes;
- **Asia** (+7%) due to a strong increase in car sales in Malaysia;
- partly offset by **Mediterranean and Latin American Region** (-5%), primarily driven by Turkey (-14%) due to increased competition combined with a decrease in private car sales and by Italy (-5%) reflecting tariff decreases and a lower average premium.

Non-Motor revenues increased by €58 million or +2% mainly driven by tariff increases across the board and higher volumes, partly offset by lower average premiums with:

- **France** (+3%) mainly driven by tariff increases in Household;
- **Switzerland** (+5%) reflecting tariff increases in Property and Liability;
- **Direct** (+9%) mainly attributable to Household in France and Accident and Health in South Korea;
- partly offset by **the United Kingdom & Ireland** (-5%) mainly due to the exit from unprofitable schemes and partnerships in the second half of 2013.

Commercial lines (43% of P&C gross revenues) increased by 3% on a comparable basis mainly driven by tariff increases across the board as well as volume increases in high growth markets.

Motor revenues increased by €33 million or +2%, mainly driven by:

- **The United Kingdom & Ireland** (+11%) principally due to increased new business volumes;
- **France** (+6%) mainly due to tariff increases;
- partly offset by **Germany** (-6%) reflecting stricter underwriting and pruning measures.

Non-Motor revenues increased by €207 million or +4% mainly driven by:

- **Mediterranean and Latin American Region** (+8%) mainly driven by positive portfolio developments in Health in the Gulf Region and in Property in Turkey;
- **France** (+5%) following tariff increases in Property and positive developments in Creditor business;
- **The United Kingdom & Ireland** (+4%) as a result of new business increase in Property.

International Insurance revenues

International insurance revenues were up 5% on comparable basis to €1,966 million, mainly driven by (i) **AXA Assistance** up 7% to €558 million driven by higher volumes and (ii) **AXA Corporate Solution Assurance** up 3% to €1,379 million mainly as a consequence of positive portfolio developments and tariff increases in Construction, Marine and Property, partly offset by Aviation and Liability in a soft market environment.

Asset management revenues and Assets under Management

Asset Management revenues decreased by 9% on reported basis, or increased by 4% on a comparable basis, to €1,593 million mainly driven by higher management fees at both AllianceBernstein and AXA IM as a result of higher average Assets Under Management (AUM).

AllianceBernstein revenues were up 3% (or €+28 million) on a comparable basis to €1,029 million mainly driven by higher management fees (€+22 million) resulting from higher average AUM (+4%), as well as higher performance fees (€+10 million).

AUM increased by 7% or €25 billion from year-end 2013 to €371 billion mainly driven by (i) €+18 billion from market appreciation primarily on Fixed Income assets, (ii) €+3 billion net inflows, (iii) €+2 billion favorable foreign exchange rate impact and (iv) €+2 billion change in scope related to the acquisition of a Danish global equity asset management firm (CPH Capital).

AXA Investment Managers revenues decreased by 15% (or €-121 million) on a reported basis to €707 million. Excluding distribution fees (retroceded to distributors) and on a comparable basis, net revenues increased by 5% (or €+27 million) mainly driven by higher management fees (€+26 million) resulting from higher average AUM (+3%).

AUM increased by 6% or €35 billion from year-end 2013 to €582 billion mainly driven by (i) €+21 billion from market appreciation mainly on AXA's insurance companies assets as a result of the decrease in interest rates and rising stock markets since end of 2013, (ii) €+11 billion net inflows and (iii) €+5 billion favorable foreign exchange rate impact.

Net banking revenues

Net banking revenues decreased by 2% on a reported basis or by 3% on a comparable basis to €274 million. Operating net banking⁽¹⁾ revenues were stable.

⁽¹⁾ Before intercompany eliminations and before realized capital gains/losses or changes in fair value of fair value option assets and of hedging instruments.

CONSOLIDATED UNDERLYING EARNINGS, ADJUSTED EARNINGS AND NET INCOME

The application of IFRS 10 and 11 has become effective since January 1, 2014, and the comparative information in respect of 2013 has been restated (referred as “restated” in the tables of this document) to reflect the retrospective application of the new standards which in particular led to the change in consolidation method of a Property and Casualty company (Natio Assurances reported within the Direct segment) from proportionate consolidation to equity method. This change in consolidation method has no impact on the profit or loss for the current year or prior year.

(in Euro million)

	June 30, 2014	June 30, 2013 published	June 30, 2013 restated (a)	December 31, 2013 published	December 31, 2013 restated (a)
Gross written premiums	46,944	47,168	47,154	85,509	85,481
Fees and revenues from investment contracts without participating feature	159	133	133	323	323
Revenues from insurance activities	47,103	47,301	47,287	85,832	85,804
Net revenues from banking activities	244	283	283	517	517
Revenues from other activities	2,316	2,451	2,451	4,900	4,900
TOTAL REVENUES	49,663	50,036	50,022	91,248	91,220
Change in unearned premium reserves net of unearned revenues and fees	(4,266)	(3,816)	(3,816)	(296)	(298)
Net investment result excluding financing expenses (b)	14,066	13,330	13,328	33,254	33,249
Technical charges relating to insurance activities (b)	(45,895)	(45,154)	(45,148)	(96,098)	(96,087)
Net result of reinsurance ceded	(363)	(938)	(935)	(1,209)	(1,205)
Bank operating expenses	(37)	(44)	(44)	(80)	(80)
Insurance acquisition expenses	(4,607)	(4,738)	(4,736)	(9,902)	(9,899)
Amortization of value of purchased life business in force	(57)	(50)	(50)	(167)	(167)
Administrative expenses	(4,428)	(4,491)	(4,489)	(9,231)	(9,227)
Valuation allowances on tangible assets	-	-	-	(0)	(0)
Change in value of goodwill	(1)	(0)	(0)	(0)	(0)
Other	(75)	(136)	(136)	(240)	(240)
Other operating income and expenses	(55,463)	(55,551)	(55,539)	(116,928)	(116,906)
OPERATING EARNINGS BEFORE TAX	4,001	3,999	3,994	7,277	7,265
Net income from investments in affiliates and associates	91	53	56	119	127
Financing expenses	(266)	(333)	(333)	(601)	(601)
UNDERLYING EARNINGS BEFORE TAX	3,826	3,719	3,718	6,794	6,790
Income tax expenses	(900)	(990)	(989)	(1,761)	(1,757)
Minority interests	(148)	(150)	(150)	(305)	(305)
UNDERLYING EARNINGS	2,777	2,579	2,579	4,728	4,728
Net realized capital gains or losses attributable to shareholders	335	375	375	434	434
ADJUSTED EARNINGS	3,112	2,954	2,954	5,162	5,162
Profit or loss on financial assets (under fair value option) & derivatives	37	(228)	(228)	(317)	(317)
Exceptional operations (including discontinued operations)	(45)	(86)	(86)	38	38
Goodwill and other related intangible impacts	(55)	(54)	(54)	(138)	(138)
Integration and restructuring costs	(41)	(118)	(118)	(263)	(263)
NET INCOME	3,008	2,467	2,467	4,482	4,482

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

(b) For the periods ended June 30, 2014 and June 30, 2013, “the change in fair value of assets backing contracts with financial risk borne by policyholders” impacted the net investment result for respectively €+5,613 million and €+8,070 million, and benefits and claims by the offsetting amounts respectively.

Group underlying earnings

Underlying earnings

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Life & Savings	1,651	1,534	2,793
Property & Casualty	1,226	1,128	2,105
International Insurance	135	103	202
Asset Management	184	194	400
Banking	68	61	78
Holdings and other companies (a)	(486)	(441)	(851)
UNDERLYING EARNINGS	2,777	2,579	4,728

(a) Includes notably CDOs and real estate companies.

Group underlying earnings amounted to €2,777 million, up 8% versus half year 2013. On a constant exchange rate basis, underlying earnings increased by 11% driven by growth in most business segments.

Life & Savings underlying earnings amounted to €1,651 million. On a constant exchange rate basis, Life & Savings underlying earnings increased by €198 million (+13%). On a comparable scope basis, mainly restated for the closed MONY portfolio transaction, Life & Savings underlying earnings were up €228 million (+15%) mainly attributable to the United States (€+170 million), France (€+44 million), the United Kingdom (€+22 million) and South-East Asia, India and China (€+17 million), partly offset by Japan (€-48 million) mainly resulting from:

- **Higher investment margin** (€+22 million or +2%) mainly attributable to (i) France (€+21 million) and (ii) Germany (€+16 million) both mainly reflecting lower crediting rates and (iii) the United States (€+15 million) driven by higher equity returns, partly offset by (iii) Japan (€-37 million) mainly due to the non-repeat of 2013 high dividends from equity and private equity funds following Japanese stock market rally.
- **Higher Fees and Revenues** (€+60 million or +2%):
 - **Unit-Linked management fees** were up €90 million mainly driven by (i) the United States (€+63 million) and (ii) France (€+17 million) as a consequence of higher average Separate Account balances following 2013 equity market rally;
 - **Loadings on premiums and mutual funds** were down €41 million mainly driven by lower Unearned Revenues Reserves amortization in the US (€-101 million) and France (€-64 million) due to assumptions and model updates. Excluding those impacts (largely offset in DAC), loadings on premiums and mutual funds were up €124 million driven by (i) Mediterranean and Latin American Region (€+49 million) mainly from increased surrenders at AXA MPS, (ii) Japan (€+40 million) due to higher loadings reflecting a better business mix and increased retention and (iii) Hong Kong (€+15 million) due to higher loadings on premiums stemming from new business and in-force growth;
 - **Other revenues** were up €11 million mainly driven by higher mutual funds product fees in the United States.
- **Higher net technical margin** (€+86 million or +23%) mainly attributable to (i) France (€+100 million) driven by a more favorable current year claims experience mainly in Group and Individual Protection business, and by higher positive prior year reserve developments in Retirement business, (ii) Germany (€+13 million) mainly driven by a higher mortality margins in all business lines, partly offset by the United States (€-23 million) primarily from lower life mortality margins, partly offset by an improvement in GMxB margin.
- **Lower expenses** (€+53 million or -2%) as a result of:
 - €+98 million lower acquisition expenses primarily driven by €+122 million lower DAC amortization mainly in the US (€+104 million) and France (€+72 million) due to assumptions and model updates, partly offset by Mediterranean and Latin American Region (€-26 million) reflecting increased surrenders. Excluding DAC amortization (largely offset in Unearned Revenues Reserves), acquisition expenses increased by €24 million mainly driven by higher commissions in line with activity growth mainly in Group Protection & Health business in France and Hong Kong;

- €-46 million higher administrative expenses as inflation, one-offs and business growth effects were partly offset by ongoing cost management efforts.
- **Higher tax expenses and minority interests** (€-8 million or +2%) driven by higher pre-tax underlying earnings, partly offset by more favorable tax one-offs (€+121 million in the US in 1H 2014 vs. €+41 million in Japan and Hong Kong in 1H 2013).

Property & Casualty underlying earnings amounted to €1,226 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €105 million (+9%) mainly attributable to Germany (€+50 million), Switzerland (€+37 million), the Mediterranean and Latin American Region (€+18 million), and Direct (€+12 million), partly offset by France (€-20 million) mainly resulting from:

- **Lower net technical result** (€-5 million or -1%) driven by:
 - **Current year loss ratio** improving by 0.1 point as a result of tariff increases and lower claims frequency, partly offset by higher severity and higher Nat Cat charges (+1.0 point to 1.7%) that amounted to €245 million largely as a result of ELA hailstorm (€241 million at Group level or +1.7 points) mainly impacting France, Belgium and Germany while Half Year 2013 was mainly impacted by floods in Bavaria and Saxony (€73 million charge at Group level);
 - **Lower positive prior year reserve developments** by 0.6 point to -1.3 points (compared to -1.8 points in 1H 2013);
 - **Lower expense ratio** improving by 0.4 point to 25.9% with (i) 0.3 point reduction in the acquisition ratio driven by both productivity gains and decrease in commission ratio and (ii) 0.1 point decrease in the administrative expenses ratio benefitting from various efficiency programs net of inflation;
 - As a result, the **combined ratio** deteriorated by 0.2 point to 95.8% while current year combined ratio improved by 0.4 point to 97.1%.
- **Higher investment result** (€+125 million or +12%) mainly driven by (i) France (€+64 million) driven by higher exceptional distributions from mutual funds and (ii) the Mediterranean and Latin American Region (€+46 million) mainly in Turkey reflecting higher interest rates and increased average asset base.
- **Higher tax expenses and minority interests** (€-38 million or +8%) driven by higher pre-tax underlying earnings as well as less favorable tax one-offs (€-3 million in 1H 2014 vs. €+14 million in 1H 2013 in the Mediterranean and Latin American Region).

International insurance underlying earnings amounted to €135 million. On a constant exchange rate basis, underlying earnings increased by €32 million (or +31%) mainly attributable to (i) lower taxes on prior year reserve developments at AXA Corporate Solutions and (ii) favorable developments on the run-off portfolios.

Asset Management underlying earnings amounted to €184 million. On a constant exchange rate basis, underlying earnings decreased by €8 million (or -4%). On a comparable scope basis, restated for the sale of AXA Private Equity, Asset Management underlying earnings were up €19 million (+11%) attributable to AllianceBernstein (€+10 million) and AXA IM (€+8 million), both due to higher revenues net of variable compensation.

Banking underlying earnings amounted to €68 million. On a constant exchange rate basis, underlying earnings increased by €7 million (+12%) mainly attributable to (i) Belgium (€+3 million) as a result of a higher interest margin and (ii) France (€+2 million) due to a rise in net operating revenues reflecting higher interest income on retail loans.

Holdings and other companies underlying earnings amounted to €-486 million. On a constant exchange rate basis, underlying earnings decreased by €51 million mainly attributable to AXA SA (€-79 million) mainly reflecting (i) Group investments to support advertising campaigns across the Group and increase digital capabilities, (ii) a decrease in dividends received from non-consolidated subsidiaries and (iii) an increase in the French tax on dividends of 3% due to higher dividend paid by the Company.

Group adjusted earnings to net income

Group net capital gains attributable to shareholders amounted to €335 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders decreased by €42 million mainly due to:

- €-117 million **lower realized capital gains** to €439 million mainly driven by lower realized gains on fixed income assets (€-63 million), real estate (€-33 million) and equities (€-30 million);
- €+68 million **lower impairments** to €-91 million mainly driven by equities (€+45 million) and real estate (€+16 million);
- €+7 million less unfavorable **intrinsic value** to €-13 million related to equity hedging derivatives.

As a result, **adjusted earnings** amounted to €3,112 million. On a constant exchange rate basis, adjusted earnings increased by €241 million (+8%).

Net income amounted to €3,008 million. On a constant exchange rate basis, net income increased by €618 million (+25%) mainly as a result of:

- higher adjusted earnings (€+241 million);
- a favorable change in fair value of financial assets and derivatives in half year 2014 compared to an unfavorable change in half year 2013; a change of €+269 million to €37 million which can be analyzed as follows:
 - €+78 million from the change in fair value of hedging derivatives not eligible for hedge accounting under IAS 39, mainly attributable to interest rates decrease;
 - €+46 million from the change in fair value of assets accounted for as under fair value option;
 - €-87 million following foreign exchange rate movements notably driven by an unfavorable change in fair value of economic hedge derivatives not eligible for hedge accounting under IAS 39.
- lower negative impact from exceptional operations (€+40 million) mainly driven by the non-repeat of the realized loss from the closed Mony portfolio transaction (€+32 million);
- lower restructuring costs (€+78 million) mainly driven by the non-repeat of 2013 real estate lease write-off in the United-States.

CONSOLIDATED SHAREHOLDERS' EQUITY

As of June 30, 2014, consolidated shareholders' equity totalled €58.9 billion. The movements in shareholders' equity since December 31, 2013 are presented in the table below:

	Shareholders' Equity
At December 31, 2013	52,923
Share Capital	9
Capital in excess of nominal value	31
Equity-share based compensation	15
Treasury shares sold or bought in open market	28
Deeply subordinated debt (including interests charges)	814
Fair value recorded in shareholders' equity	3,950
Impact of currency fluctuations	530
Payment of N-1 dividend	(1,960)
Other	10
Net income for the period	3,008
Actuarial gains and losses on pension benefits	(455)
At June 30, 2014	58,903

SHAREHOLDER VALUE

Earnings per share ("EPS")

	June 30, 2014		June 30, 2013 published		June 30, 2013 restated (a)		December 31, 2013 published		December 31, 2013 restated (a)		Var. June 30, 2014 versus June 30, 2013 restated (a)	
(in Euro million except ordinary shares in million)	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	2,417.9	2,432.9	2,380.6	2,388.1	2,380.6	2,388.1	2,383.9	2,397.2	2,383.9	2,397.2		
Net income (Euro per Ordinary Share)	1.18	1.18	0.98	0.97	0.98	0.97	1.76	1.75	1.76	1.75	21%	21%
Adjusted earnings (Euro per Ordinary Share)	1.23	1.22	1.18	1.18	1.18	1.18	2.05	2.03	2.05	2.03	4%	4%
Underlying earnings (Euro per Ordinary Share)	1.09	1.08	1.02	1.02	1.02	1.02	1.86	1.85	1.86	1.85	6%	6%

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

Return On Equity (“ROE”)

(in Euro million)

	June 30, 2014	June 30, 2013 published	June 30, 2013 restated (a)	Change in % points
ROE	11.1%	9.5%	9.5%	1.6 pts
Net income group share	3,008	2,467	2,467	
Average shareholders' equity	54,107	51,714	51,714	
Adjusted ROE	16.8%	16.5%	16.5%	0.3 pts
Adjusted earnings (b)	2,964	2,810	2,810	
Average shareholders' equity (c)	35,315	34,114	34,114	
Underlying ROE	14.9%	14.3%	14.3%	0.6 pts
Underlying earnings (b)	2,629	2,435	2,435	
Average shareholders' equity (c)	35,315	34,114	34,114	

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

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

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

LIFE & SAVINGS SEGMENT

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

Life & Savings segment

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues (a)	29,100	29,643	55,433
<i>APE (Group share)</i>	<i>3,181</i>	<i>3,310</i>	<i>6,335</i>
Investment margin	1,314	1,327	2,710
Fees & revenues	3,561	3,753	7,706
Net technical margin	461	418	726
Expenses	(3,207)	(3,427)	(7,274)
Amortization of VBI	(57)	(49)	(167)
Other	57	44	85
Underlying earnings before tax	2,129	2,067	3,787
Income tax expenses / benefits	(429)	(484)	(905)
Minority interests	(49)	(50)	(89)
Underlying earnings Group share	1,651	1,534	2,793
Net capital gains or losses attributable to shareholders net of income tax	163	286	332
Adjusted earnings Group share	1,813	1,820	3,125
Profit or loss on financial assets (under FV option) & derivatives	79	(200)	(270)
Exceptional operations (including discontinued operations)	28	(24)	(70)
Goodwill and other related intangibles impacts	(8)	(15)	(65)
Integration and restructuring costs	(8)	(79)	(107)
Net income Group share	1,906	1,501	2,614

(a) Before intercompany eliminations.

Consolidated Gross Revenues

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
France	7,535	7,211	14,131
United States	5,489	5,567	11,304
United Kingdom	303	285	569
Japan	1,895	2,605	5,579
Germany	3,308	3,232	6,542
Switzerland	4,878	5,206	7,067
Belgium	1,041	1,151	2,012
Central & Eastern Europe (a)	152	195	389
Mediterranean and Latin American Region (b)	3,366	3,001	5,581
Hong Kong	892	983	1,849
South-East Asia, India and China (c)	157	133	268
Other (d)	84	74	141
TOTAL	29,100	29,643	55,433
Intercompany transactions	(61)	(40)	(103)
Contribution to consolidated gross revenues	29,039	29,603	55,331
o/w. high growth markets	1,441	1,511	2,884
o/w. mature markets	27,598	28,092	52,447

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

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

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

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

Underlying earnings*(in Euro million)*

	June 30, 2014	June 30, 2013	December 31, 2013
France	397	353	708
United States	431	311	559
United Kingdom	13	(9)	(12)
Japan	198	292	447
Germany	84	79	138
Switzerland	150	150	277
Belgium	88	81	167
Central & Eastern Europe (a)	24	15	32
Mediterranean and Latin American Region (b)	91	90	174
Hong Kong	136	132	251
South-East Asia, India and China (c)	60	54	92
Other (d)	(21)	(13)	(41)
UNDERLYING EARNINGS	1,651	1,534	2,793
o/w. high growth markets	232	209	394
o/w. mature markets	1,419	1,325	2,399

*(a) Includes Poland, Hungary, Czech Republic and Slovakia.**(b) Mediterranean and Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco, Mexico and Colombia.**(c) South-East Asia earnings include Indonesia, Thailand, Philippines, China, India and Singapore.**(d) Other correspond to Luxembourg, AXA Life Invest Services, Architas and Family Protect.*

Life & Savings operations – France

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	7,535	7,211	14,131
<i>APE (Group share)</i>	<i>765</i>	<i>690</i>	<i>1,431</i>
Investment margin	589	568	1,179
Fees & revenues	741	790	1,583
Net technical margin	316	215	455
Expenses	(1,091)	(1,124)	(2,285)
Amortization of VBI	-	-	-
Other	4	4	11
Underlying earnings before tax	559	454	943
Income tax expenses / benefits	(161)	(101)	(232)
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	397	353	708
Net capital gains or losses attributable to shareholders net of income tax	66	214	295
Adjusted earnings Group share	463	567	1,003
Profit or loss on financial assets (under FV option) & derivatives	10	12	47
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(4)	(10)	(9)
Integration and restructuring costs	-	-	-
Net income Group share	469	569	1,042

Gross revenues increased by €324 million (+4%) to €7,535 million⁽¹⁾:

- *Unit-Linked* revenues (16% of gross revenues) decreased by €22 million (-2%) despite the strong performance in Individual Savings (€+225 million or +25%) following Unit-Linked oriented commercial efforts, as Group Retirement sales decreased due to non-recurring large contracts signed during the first semester of 2013. Individual Unit-Linked share in Savings premiums increased by 3 points to 31%, above market average of 17%(2);
- *G/A Savings* revenues (39% of gross revenues) increased by €249 million (+9%) benefiting from growth in hybrid⁽³⁾ product (€+214 million) and Group Retirement (€+35 million) sales;
- *G/A Protection and Health* revenues (45% of gross revenues) increased by €94 million (+3%) driven by a €56 million increase in Group Protection and a €12 million increase in Individual Protection reflecting positive portfolio developments. Individual Health increased by €26 million driven by tariff increases.

APE increased by €75 million (+11%) to €765 million:

- *Unit-Linked* sales (18% of APE) increased by €5 million (+4%) driven up by a strong performance in Individual Savings (€+26 million) reflecting the focus of the sales force towards Unit-Linked offers;
- *G/A Savings* sales (37% of APE) increased by €33 million (+13%), benefiting from growth in hybrid products (€+22 million) and Group Retirement business (€+10 million);
- *G/A Protection and Health* sales (44% of APE) increased by €37 million (+12%) driven by €27 million increase in Group Protection & Health reflecting developments in both international (Employee Benefits and Mortgages) and traditional French businesses. Individual Health sales increased by €7

⁽¹⁾ €7,523 million after intercompany eliminations.

⁽²⁾ Source FFSA June 2014.

⁽³⁾ Hybrid products: savings products allowing clients to invest in both Unit-Linked and General Account funds.

million (+14%) reflecting volume growth, increase in average premiums and tariff increases. Individual Protection sales increased by €3 million (+9%) mainly driven by strong volumes growth.

Investment margin increased by €21 million (+4%) to €589 million reflecting lower crediting rates, while investment results remained stable.

Fees & revenues decreased by €49 million (-6%) to €741 million due to €-78 million Unearned Revenues Reserves impact mainly resulting from a €-66 million adjustment (fully offset in deferred acquisition costs), partly offset by higher fees both on Unit-Linked business, in line with a higher average asset base, and on Protection business, in line with revenues growth.

Net technical margin increased by €100 million (+47%) to €316 million driven by an increased current year result, mainly in Group and Individual Protection business due to a more favorable claims experience and by higher positive prior year reserve developments in Retirement business.

Expenses decreased by €33 million (-3%) to €-1,091 million:

- Acquisition expenses fell by €50 million (-7%) to €-643 million, driven by a €+76 million positive deferred acquisition costs impact mainly resulting from a €+66 million adjustment (fully offset in Unearned Revenues Reserves) and by lower general acquisition expenses (€+11 million), partly offset by higher commissions (€-37 million) in line with business growth;
- Administrative expenses rose by €17 million (+4%) to €-447 million driven by higher asset based commissions in Savings business in line with higher assets under management.

As a result, **the underlying cost income ratio** decreased by 5.1 points to 66.3%.

Income tax expenses increased by €61 million (+60%) to €-161 million mainly due to higher pre-tax underlying earnings combined with a lower level of non taxable revenues (€-21 million).

Underlying earnings increased by €44 million (+12%) to €397 million.

Adjusted earnings decreased by €104 million (-18%) to €463 million driven by lower net realized capital gains (€-160 million) mainly due to the sale of a 2.4% equity stake in BNP Paribas in the first half of 2013 (€-151 million), partly offset by higher underlying earnings (€+44 million).

Net income decreased by €100 million (-18%) to €469 million driven by lower adjusted earnings (€-104 million) and an unfavorable change in fair value of economic hedge derivatives not eligible for hedge accounting mainly as a consequence of lower interest rates (€-30 million), partly offset by a more favorable change in fair value of Mutual funds (€+27 million).

Life & Savings operations - United States

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	5,489	5,567	11,304
<i>APE (Group share)</i>	<i>634</i>	<i>655</i>	<i>1,322</i>
Investment margin	241	258	502
Fees & revenues	1,034	1,120	2,211
Net technical margin	(139)	(82)	(113)
Expenses	(700)	(845)	(1,833)
Amortization of VBI	(9)	(11)	(20)
Other	-	-	-
Underlying earnings before tax	427	441	746
Income tax expenses / benefits	4	(130)	(187)
Minority interests	(0)	-	-
Underlying earnings Group share	431	311	559
Net capital gains or losses attributable to shareholders net of income tax	(13)	(24)	(47)
Adjusted earnings Group share	418	288	511
Profit or loss on financial assets (under FV option) & derivatives	11	(218)	(301)
Exceptional operations (including discontinued operations)	21	(32)	(11)
Goodwill and other related intangibles impacts	(1)	(1)	(1)
Integration and restructuring costs	(1)	(59)	(65)
Net income Group share	449	(23)	133
<i>Average exchange rate : 1.00 € = \$</i>	<i>1.371</i>	<i>1.313</i>	<i>1.327</i>

On October 1, 2013, AXA Financial completed the closed MONY portfolio transaction. In 2013, MONY generated €131 million of Gross Revenues and €30 million of Underlying Earnings. Commentary below on a comparable basis reflects the exclusion of MONY and the change at constant exchange rate.

Gross revenues decreased by €78 million (-1%) to €5,489 million⁽¹⁾. On a comparable basis, gross revenues increased €296 million (5%):

- *Variable Annuity* revenues (70% of gross revenues) increased by 8% reflecting strong sales results for non-GMxB investment only, floating roll up rate GMxB, and Employer Sponsored products;
- *Life* revenues (21% of gross revenues) decreased by 2% primarily driven by lower sales of Protection products;
- *Asset Management* fees (7% of gross revenues) increased by 5%, reflecting improved market conditions and sales;
- *Mutual Fund* revenues (2% of gross revenues) increased by 17%, reflecting higher advisory fees received driven by higher average assets.

APE decreased by €21 million (-3%) to €634 million. On a comparable basis, APE increased by €8 million (+1%):

- *Variable Annuity* sales were up 6% to €353 million due to sales growth in the non-GMxB Investment only products (+5% versus 2013), in line with the strategy. Non-GMxB investment only and floating rate GMxB products launched since 2010 represented a combined 65% of first half 2014 Variable Annuity sales;
- *Life* sales decreased by 21% to €72 million driven by a decrease in G/A Protection products which were down 37% from the prior year, partly reflecting product repricing and the adverse interest rate

⁽¹⁾ €5,488 million after intercompany eliminations.

environment impacting the competitiveness of products as well as the non-repeat of a 2013 large case sale;

- *Mutual Funds* sales were at €209 million, 3% better than prior year reflecting increased advisory account sales.

Investment margin decreased by €17 million (-7%) to €241 million. On a comparable basis, Investment margin increased by €15 million (6%) principally due to higher equity returns, partially offset by lower balances and fixed income yields.

Fees & revenues decreased by €86 million (-8%) to €1,034 million. On a comparable basis, fees & revenues decreased by €24 million (-2%) driven by the non-repeat of favorable assumption updates of Unearned Revenues Reserves in 2013 offset by higher fees reflecting higher average Separate Account balances.

Net technical margin decreased by €57 million (-70%) to €-139 million. On a comparable basis, net technical margin decreased by €23 million (-19%) due to lower life mortality margins, partly offset by an improvement in GMxB margin.

Expenses decreased by €145 million (-17%) to €-700 million. On a comparable basis, expenses decreased by €98 million (-12%):

- Expenses excluding DAC amortization increased by €7 million driven by higher asset based commissions on higher balances and mutual fund product sales, partially offset by continued expense management;
- DAC amortization of €96 million decreased €104 million from prior year, primarily driven by the non-repeat of unfavorable changes in expected future margins on variable and interest-sensitive life products due to updated mortality assumptions in 2013.

Amortization of VBI decreased by €2 million (-15%) to €-9 million. On a comparable basis, amortization of VBI decreased by €1 million (-12%).

As a result, the **underlying cost income ratio** decreased by 5.7 points to 62.4%.

Income tax expenses decreased by €134 million from a tax expense of €130 million to a tax benefit of €4 million. On a comparable basis, income tax expenses decreased by €113 million, reflecting a €121 million benefit mainly from a tax settlement in 2014, partially offset by tax expenses from higher pre-tax underlying earnings.

Underlying earnings increased by €120 million (+38%) to €431 million. On a comparable basis, underlying earnings increased by €170 million (+61%).

Adjusted earnings increased by €130 million (+45%) to €418 million. On a constant exchange rate basis, adjusted earnings increased by €170 million (+64%) in line with higher underlying earnings.

Net income increased by €472 million to €449 million. On a constant exchange rate basis, net income increased by €466 million primarily driven by (i) higher adjusted earnings, (ii) a favorable change in fair value of economic hedge derivatives mainly attributable to lower interest rates and (iii) the non-repeat of 2013 real estate lease write-off.

Life & Savings operations - United Kingdom

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	303	285	569
<i>APE (Group share)</i>	<i>369</i>	<i>365</i>	<i>647</i>
Investment margin	2	2	4
Fees & revenues	153	147	296
Net technical margin	2	(0)	2
Expenses	(150)	(168)	(326)
Amortization of VBI	-	-	-
Other	-	-	-
Underlying earnings before tax	7	(19)	(24)
Income tax expenses / benefits	6	10	13
Minority interests	(0)	0	0
Underlying earnings Group share	13	(9)	(12)
Net capital gains or losses attributable to shareholders net of income tax	1	-	0
Adjusted earnings Group share	14	(9)	(11)
Profit or loss on financial assets (under FV option) & derivatives	1	(1)	(2)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(0)	-	-
Integration and restructuring costs	(3)	(18)	(25)
Net income Group share	11	(28)	(38)
<i>Average exchange rate : 1.00 € = £</i>	<i>0.821</i>	<i>0.851</i>	<i>0.846</i>

Gross revenues increased by €18 million (+6%) to €303 million⁽¹⁾. On a comparable basis, gross revenues increased by €5 million (+2%). Revenues on Variable Annuity products were €8 million higher due to new business growth with a further €6 million increase driven by the growth of regular premiums on SunLife protection business. Recurring revenue streams on investment business also increased as a result of 10% growth in funds under management. This was partially offset by the one-off impact of exiting the Bancassurance channel in April 2013.

APE increased by €4 million (+1%) to €369 million. On a comparable basis, APE was down 2% compared to prior year. New business through the Elevate platform continued to perform strongly with IFA APE up by €9 million (+8%) as the platform continues to establish itself as one of the leaders in the UK platform market. This growth was more than offset by lower APE from the Corporate Pension Investment business, which saw two very large schemes sold in the first half of 2013, and by the exit of Bancassurance channel.

Investment margin was in line with prior year at €2 million.

Fees & revenues increased by €6 million (+4%) to €153 million. On a constant exchange rate basis, fees & revenues were in line with prior year. The growth of regular fees from Elevate business broadly offset the reduction in initial revenues following the closure of the Bancassurance channel and the impact of the industry Retail Distribution Review (RDR).

Net technical margin increased by €2 million on a constant exchange rate basis to €2 million.

⁽¹⁾ €300 million after intercompany eliminations.

Expenses decreased by €18 million (-11%) to €-150 million. On a constant exchange rate basis, expenses decreased by €24 million due to €15 million of recurring savings and a reduction in costs following the closure of the Bancassurance channel, partly offset by increases due to inflation and business growth.

As a consequence, the **underlying cost income ratio** improved significantly, decreasing by 17.4 points to 95.6%.

Income tax benefits decreased by €4 million (-40%) to €6 million. On a constant exchange rate basis, income tax benefit decreased by €4 million (-42%) due to the increase in pre-tax earnings.

Underlying earnings increased by €22 million to €13 million. On a constant exchange rate basis, underlying earnings increased by €22 million.

Adjusted earnings increased by €23 million to €14 million. On a constant exchange rate basis, adjusted earnings increased by €22 million mainly due to higher underlying earnings.

Net income increased by €39 million to €11 million. On a constant exchange rate basis, net income increased by €38 million as a result of lower restructuring costs (€+15m) and higher adjusted earnings (€+23m).

Life & Savings operations – Japan

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013 (a)
Gross revenues	1,895	2,605	5,579
<i>APE (Group share)</i>	<i>175</i>	<i>240</i>	<i>504</i>
Investment margin	0	37	153
Fees & revenues	628	738	1,696
Net technical margin	33	28	(92)
Expenses	(347)	(390)	(998)
Amortization of VBI	(17)	(14)	(82)
Other	-	-	-
Underlying earnings before tax	297	399	677
Income tax expenses / benefits	(97)	(105)	(226)
Minority interests	(2)	(3)	(4)
Underlying earnings Group share	198	292	447
Net capital gains or losses attributable to shareholders net of income tax	0	33	0
Adjusted earnings Group share	198	324	447
Profit or loss on financial assets (under FV option) & derivatives	16	13	(9)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	214	337	438
<i>Average exchange rate : 1.00 € = Yen</i>	<i>140.410</i>	<i>113.026</i>	<i>124.765</i>

(a) The contribution of AXA Life Japan to the AXA consolidated result for 2013 annual accounts exceptionally covered a period of fifteen months.

AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. Half Year 2013 accounts were covering October 1, 2012 to March 31, 2013 period. For consistency reasons, 2013 APE and Gross revenues have been restated to cover the January 1, 2013 to June 30, 2013 period. This restatement as well as the change at constant exchange rate are referred to as “comparable basis” in the comments below.

Gross revenues decreased by €711 million (- 27%) to €1,895 million⁽¹⁾. On a comparable basis, revenues decreased by €68 million (-3%):

- *Protection* revenues (45% of gross revenues) decreased by €9 million (-1%) reflecting a decrease in inforce run-off portfolio of Increasing Term products (€-27 million), partly offset by steady in-force growth in Term & Term Rider products (€ +17 million);
- *Health* revenues (38% of gross revenues) increased by €12 million (+1%) with higher new business in medical products, partly offset by lower revenues from inforce portfolios;
- *Investment & Savings* revenues (17% of gross revenues) decreased by €71 million (-15%) mainly due to lower sales of Variable Annuity products (€-62 million) following product redesign and a shift in client appetite.

APE decreased by €65 million (-27%) to €175 million. On a comparable basis, APE decreased by €3 million (-1%):

- *Protection* sales (54% of APE) increased by €13 million (+12%) driven by newly launched Simple Underwriting Long Term Life product (€+14 million) and a strong shift of sales to the Low Cash Value

⁽¹⁾ €1,895 million after intercompany eliminations.

Whole Life product (€+14 million) from Long Term Life products (€-21 million) impacted by a regulated repricing;

- *Health* sales (40% of APE) decreased by €9 million (-9%) reflecting the non-repeat of the successful launch of Disability Income product in 2013 (€-12 million), partly offset by steady growth in Medical product sales;
- *Investment and Savings* sales (6% of APE) decreased by €6 million (-33%) due to lower sales of Variable Annuity products in the bancassurance channel following product redesign and a shift in client appetite.

Investment margin decreased by €37 million to €0 million. On a constant exchange rate basis, investment margin decreased by €37 million mainly due to the non-repeat of 2013 high dividend income from equity and private equity funds following Japanese stock market rally.

Fees & revenues decreased by €110 million (-15%) to €628 million. On a constant exchange rate basis, fees & revenues increased by €42 million (+6%) mainly due to higher loadings driven by a better business mix, increased retention in G/A Protection & Health business (€+19 million) and the non-repeat of 2013 lower Unearned Revenues Reserves amortization following an increase in Variable Annuity account value (mostly offset by deferred acquisition costs amortization).

Net technical margin increased by €4 million (+15%) to €33 million. On a constant exchange rate basis, net technical margin increased by €12 million (+43%) mainly driven by improved mortality and surrender margins, partly offset by higher GMxB losses (€-19 million).

Expenses decreased by €43 million (-11%) to €-347 million. On a constant exchange rate basis, expenses increased by €41 million (+11%) mainly due to the non-repeat of 2013 positive one-off effects and 2013 lower deferred acquisition costs amortization following an increase in Variable Annuity account value (mostly offset by Unearned Revenues Reserves amortization).

Amortization of VBI increased by €2 million (+17%) to €-17 million. On a constant exchange rate basis, VBI amortization increased by €7 million (+45%) mainly driven by various assumption changes.

As a result, the **underlying cost income ratio** worsened by 4.7 points to 55.1%.

Income tax expenses decreased by €7 million to €-97 million. On a constant exchange rate basis, income tax expenses increased by €16 million due to the non-repeat of a positive tax one-off in 1H13 (€-31 million), partly offset by lower pre-tax underlying earnings (€+15 million).

Underlying earnings decreased by €94 million (-32%) to €198 million or decreased by €48 million (-16%) on a constant exchange rate basis.

Adjusted earnings decreased by €126 million (-39%) to €198 million or decreased by €80 million (-25%) on a constant exchange rate basis, due to lower underlying earnings and lower realized capital gains mainly on fixed income assets.

Net income decreased by €123 million (-37%) to €214 million. On a constant exchange rate basis, net income decreased by €74 million (-22%) mainly due to lower adjusted earnings (€-80 million).

Life & Savings operations – Germany

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	3,308	3,232	6,542
<i>APE (Group share)</i>	<i>176</i>	<i>218</i>	<i>385</i>
Investment margin	67	51	69
Fees & revenues	155	149	270
Net technical margin	42	29	41
Expenses	(118)	(100)	(158)
Amortization of VBI	(10)	(7)	(33)
Other	-	-	-
Underlying earnings before tax	136	122	190
Income tax expenses / benefits	(52)	(42)	(51)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	84	79	138
Net capital gains or losses attributable to shareholders net of income tax	(5)	17	4
Adjusted earnings Group share	78	96	142
Profit or loss on financial assets (under FV option) & derivatives	9	11	11
Exceptional operations (including discontinued operations)	11	2	0
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	(2)
Net income Group share	99	109	152

Gross revenues increased by €76 million (+2%) to €3,308 million⁽¹⁾:

- *Life* revenues (58% of gross revenues) increased by €22 million (+1%) to €1,931 million driven by Unit-Linked single premiums, partly due to the successful launch of a new hybrid⁽²⁾ product. This was partly offset by lower G/A regular premiums;
- *Health* revenues (42% of gross revenues) increased by €54 million (+4%) to €1,377 million mainly due to premium adjustments to cover medical inflation.

APE decreased by €42 million (-19%) to €176 million:

- *Life* sales decreased by €7 million (-6%) to €107 million due to decreasing G/A regular premiums, partly compensated by the successful launch of a new hybrid product;
- *Health* sales decreased by €35 million (-34%) to €69 million due to the non-repeat of strong sales in the first half of 2013 driven by the introduction of unisex tariffs at the end of 2012.

Investment margin increased by €16 million (+31%) to €67 million mainly reflecting lower crediting rates.

Fees & revenues increased by €6 million (+4%) to €155 million.

Net technical margin increased by €13 million (+44%) to €42 million mainly due to a higher mortality margin in all business lines (€+7 million) and lower hedge losses on GMxB products (€+6 million).

⁽¹⁾ €3,294 million after intercompany eliminations.

⁽²⁾ Hybrid products: savings products allowing clients to invest in both Unit-Linked and General Account funds.

Expenses increased by €18 million (+18%) to €-118 million mainly due to higher investments in IT systems and health business activities, as well as refinement of cost allocation between AXA Germany entities. Expense reductions from the cost saving program offset overall increase in wages and other expenses due to inflation.

Amortization of VBI increased by €3 million (+36%) to €-10 million due to model refinements and assumption changes.

As a result, **the underlying cost income ratio** increased by 1.5 pts to 48.3%.

Income tax expenses increased by €10 million (+24%) to €-52 million due to higher pre-tax underlying earnings.

Underlying earnings increased by €5 million (+6%) to €84 million.

Adjusted earnings decreased by €18 million (-19%) to €78 million due to lower net realized capital gains on fixed income and equity assets.

Net income decreased by €10 million (-9%) to €99 million as the decrease in adjusted earnings was partly offset by a positive one-off effect this year following last year's merger of two AXA pension entities.

Life & Savings operations – Switzerland

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	4,878	5,206	7,067
<i>APE (Group share)</i>	<i>222</i>	<i>310</i>	<i>430</i>
Investment margin	107	103	193
Fees & revenues	149	147	288
Net technical margin	72	73	143
Expenses	(129)	(125)	(264)
Amortization of VBI	(13)	(1)	(7)
Other	-	-	-
Underlying earnings before tax	186	196	353
Income tax expenses / benefits	(37)	(46)	(76)
Minority interests	-	-	-
Underlying earnings Group share	150	150	277
Net capital gains or losses attributable to shareholders net of income tax	43	21	41
Adjusted earnings Group share	193	170	318
Profit or loss on financial assets (under FV option) & derivatives	14	(13)	(21)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(3)	(3)	(7)
Integration and restructuring costs	-	-	-
Net income Group share	204	154	290
<i>Average exchange rate : 1.00 € = Swiss Franc</i>	<i>1.221</i>	<i>1.230</i>	<i>1.229</i>

Gross revenues decreased by €328 million (-6%) to €4,878 million⁽¹⁾. On a comparable basis, gross revenues decreased by €360 million (-7%):

- *Group Life* revenues decreased by €452 million (-10%) to €4,325 million driven by lower single premiums from full protection scheme contracts (€-475million) due to the strategic shift from full protection schemes towards semi-autonomous employee benefit solutions;
- *Individual Life* revenues increased by €91 million (+20%) to €553 million mainly due to higher single premiums (€+86 million) resulting from the continuing success of the G/A Protection with Savings product Protect Star.

APE decreased by €88 million (-28%) to €222 million. On a comparable basis, APE decreased by €90 million (-29%):

- *Group Life* sales decreased by €101 million (-39%) driven by the strategic shift from full protection schemes towards semi-autonomous employee benefit solutions;
- *Individual Life* sales increased by €11 million (+23%) driven by the continuing success of the G/A Protection with Savings product Protect Star.

Investment margin increased by €5 million (+5%) to €107 million. On a constant exchange rate basis, investment margin increased by €4 million (+4%) resulting from higher investment income mainly from equity investments due to a higher average asset base.

Fees & revenues increased by €2 million (+1%) to €149 million. On a constant exchange rate basis, fees & revenues increased by €1 million (+1%) mainly resulting from higher Individual Life revenues.

⁽¹⁾ €4,875 million after intercompany eliminations.

Net technical margin remained stable at €72 million. On a constant exchange rate basis, net technical margin decreased by €1 million (-1%).

Expenses increased by €4 million (+3%) to €-129 million. On a constant exchange rate basis, expenses increased by €3 million (+3%) mainly due to higher acquisition expenses driven by the success of protection products in Individual Life.

Amortization of VBI increased by €12 million to €-13 million. On a constant exchange rate basis, amortization of VBI increased by €12 million mainly impacted by the non-repeat of 2013 model refinements.

As a result, the **Underlying cost income ratio** increased by 4.2 points to 43.3%.

Income tax expenses decreased by €10 million (-21%) to €-37 million. On a constant exchange rate basis, income tax expenses decreased by €10 million (-21%) driven by lower pre-tax underlying earnings and non-recurring tax charges from participation dividends in previous years.

Underlying earnings remained stable at €150 million. On a constant exchange rate basis, underlying earnings decreased by €1 million (-1%).

Adjusted earnings increased by €23 million (+13%) to €193 million. On a constant exchange rate basis, adjusted earnings increased by €21 million (+13%) mainly resulting from higher realized capital gains on equities and private equity investments.

Net income increased by €50 million (+32%) to €204 million. On a constant exchange rate basis, net income increased by €48 million (+31%) mainly due to higher adjusted earnings and a positive change in fair value of economic interest rate hedge derivatives not eligible for hedge accounting.

Life & Savings operations – Belgium

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	1,041	1,151	2,012
<i>APE (Group share)</i>	<i>72</i>	<i>94</i>	<i>151</i>
Investment margin	167	162	339
Fees & revenues	67	61	132
Net technical margin	10	12	18
Expenses	(121)	(122)	(249)
Amortization of VBI	0	(2)	(4)
Other	-	-	-
Underlying earnings before tax	122	110	237
Income tax expenses / benefits	(35)	(29)	(69)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	88	81	167
Net capital gains or losses attributable to shareholders net of income tax	71	8	22
Adjusted earnings Group share	158	89	190
Profit or loss on financial assets (under FV option) & derivatives	30	(19)	(15)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	(1)	(1)	(7)
Net income Group share	186	69	168

Gross revenues decreased by €110 million (-10%) to €1,041 million⁽¹⁾:

- *G/A Protection & Health* revenues (39% of gross revenues) decreased by €5 million (-1%) mainly due to products in run-off in Individual Life Protection (€-4 million);
- *Unit-Linked* revenues (31% of gross revenues) decreased by €69 million (-18%) mainly due to a decrease in structured products (€-53 million) and variable annuity products (€-20 million);
- *G/A Savings* revenues (30% of gross revenues) decreased by €36 million (-10%) mainly due to the run-off Crest product line (€-14 million), and lower sales of the OxyLife hybrid⁽²⁾ product (€-13 million).

APE decreased by €22 million (-24%) to €72 million:

- *G/A Protection & Health* sales (13% of APE) were stable at €10 million;
- *Unit-Linked* sales (44% of APE) decreased by €13 million mainly due to a decrease in structured funds (€-5 million) and OxyLife hybrid products (€-4 million);
- *G/A Savings* sales (43% of APE) decreased by €9 million mainly due to lower new business in self-employed savings products.

Investment margin increased by €6 million (+4%) to €167 million.

Fees & revenues increased by €6 million (+10%) to €67 million driven by the growth in Unit-Linked fees as a result of higher assets under management.

⁽¹⁾ €1,041 million after intercompany eliminations.

⁽²⁾ Hybrid products: savings products allowing clients to invest in both Unit-Linked and General Account funds.

Net technical margin decreased by €2 million (-17%) to €10 million.

Expenses decreased by €1 million (-1%) to €-121 million:

- Acquisition expenses fell by €3 million (-6%) to €-49 million mainly due to lower commissions on premiums;
- Administrative expenses increased by €3 million (+4%) to €-72 million mainly as a result of higher overhead costs from salary inflation, partly offset by continued costs management actions.

Amortization of VBI decreased by €2 million (-104%) to €0 million.

As a result, the **underlying cost income ratio** improved by 3.3 points to 49.9%.

Income tax expenses increased by €6 million to €-35 million due to the increase in pre-tax underlying earnings.

Underlying earnings increased by €7 million (+9%) to €88 million.

Adjusted earnings increased by €69 million (+78%) to €158 million mainly due to higher realized capital gains (€+49 million) principally on equities and fixed income assets, and to lower impairments (€+16 million) mainly on real estate.

Net income increased by €118 million (+172%) to €186 million due to (i) higher adjusted earnings (€+70 million), (ii) a more favorable change in fair value of mutual funds and other assets (€+26 million) mainly driven by a decrease in corporate spreads and (iii) a favorable change in fair value of interest rate hedging derivatives not eligible for hedge accounting (€+27 million).

Life & Savings operations – Central & Eastern Europe

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	152	195	389
<i>APE (Group share)</i>	<i>41</i>	<i>55</i>	<i>108</i>
Investment margin	4	5	6
Fees & revenues	79	85	175
Net technical margin	20	21	50
Expenses	(72)	(92)	(192)
Amortization of VBI	(1)	(1)	(2)
Other	-	-	-
Underlying earnings before tax	30	17	37
Income tax expenses / benefits	(5)	(2)	(6)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	24	15	32
Net capital gains or losses attributable to shareholders net of income tax	0	(0)	0
Adjusted earnings Group share	25	15	32
Profit or loss on financial assets (under FV option) & derivatives	(0)	(0)	(0)
Exceptional operations (including discontinued operations)	-	11	(52)
Goodwill and other related intangibles impacts	(1)	(1)	(35)
Integration and restructuring costs	(0)	(0)	(3)
Net income Group share	24	25	(58)

Gross revenues decreased by €42 million (-22%) to €152 million⁽¹⁾. On a comparable basis, gross revenues decreased by €16 million (-9%) driven by lower Unit-Linked new business sales in Czech Republic (-36% to €49 million), partly offset by higher revenues from Pure Protection business in Poland (+46% to €36 million), mainly through Bancassurance channel.

APE decreased by €14 million (-26%) to €41 million. On a comparable basis, APE decreased by €10 million (-20%) driven by Pension Fund activities impacted by the regulatory changes in Poland and Czech Republic (-85% to €2 million). The region is currently focusing on other business lines with a significant increase in Protection business (+24% to €10 million), partly offset by lower production of Unit-Linked products in a continuing difficult economic environment.

Underlying earnings increased by €10 million (+64%) to €25 million. On a constant exchange rate basis, underlying earnings increased by €10 million mainly driven by an exceptional result from the change in regulation on Polish Pension Funds.

Adjusted earnings increased by €10 million (+65%) to €25 million. On a constant exchange rate basis, adjusted earnings increased by €10 million driven by higher underlying earnings.

Net income decreased by €1 million (-3%) to €24 million. On a constant exchange rate basis, net income decreased by €1 million, despite higher adjusted earnings, mainly driven by the non-repeat of an exceptional positive result on Czech Pension Funds in the first half year of 2013 (€11 million).

⁽¹⁾ €152 million after intercompany eliminations.

Life & Savings operations – Mediterranean & Latin American Region

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	3,366	3,001	5,581
<i>APE (Group share)</i>	<i>271</i>	<i>227</i>	<i>443</i>
Investment margin	117	131	245
Fees & revenues	257	210	449
Net technical margin	77	83	159
Expenses	(266)	(245)	(509)
Amortization of VBI	(6)	(6)	(12)
Other	-	-	-
Underlying earnings before tax	179	173	331
Income tax expenses / benefits	(42)	(37)	(75)
Minority interests	(46)	(46)	(83)
Underlying earnings Group share	91	90	174
Net capital gains or losses attributable to shareholders net of income tax	(0)	11	17
Adjusted earnings Group share	91	100	191
Profit or loss on financial assets (under FV option) & derivatives	(3)	(1)	3
Exceptional operations (including discontinued operations)	(0)	(2)	(1)
Goodwill and other related intangibles impacts	1	(1)	(1)
Integration and restructuring costs	(1)	(1)	(2)
Net income Group share	87	96	190

Note: (i) Italy, Spain, Portugal, Greece, Turkey, Mexico, Morocco and Colombia are fully consolidated; (ii) Colombia was fully consolidated since April 2, 2014.

In the comments below, the comparable basis includes April to June 2013 results of Colombia.

Gross revenues increased by €365 million (+12%) or €309 million (+10%) on a comparable basis to €3,366 million⁽¹⁾:

- *Mature markets* were up €312 million (+11%) with higher sales of G/A Savings (€+555 million) mainly driven by increased volumes in both hybrid⁽²⁾ and traditional products at AXA MPS as well as lower competition from bank deposit products in Spain and Italy, partly offset by lower Unit-Linked products sales (€-235 million), mainly due to lower “Protected Unit” product sales at AXA MPS;
- *High growth markets* decreased by €3 million (-1%) mainly due to lower sales of Individual Protection products in Turkey, partly offset by higher sales of Individual Protection in Mexico and growth from the newly consolidated entity in Colombia.

APE increased by €44 million (+19%) or €47 million (+21%) on a comparable basis to €271 million:

- *Mature markets* sales were up €51 million (+26%) to €248 million driven by G/A Savings (€+40 million) from both hybrid and traditional products at AXA MPS as well as lower competition from bank deposit products in Spain and Italy, Unit-Linked products (€+7 million) and Group Protection business (€+4 million);
- *High growth markets* sales decreased by €4 million (-14%) mainly due to lower new large Group Protection accounts in Mexico (€-5 million), partly offset by Turkey (€+2 million) driven by Pension business.

⁽¹⁾ €3,362 million after intercompany eliminations.

⁽²⁾ Hybrid products: savings products allowing clients to invest in both Unit-Linked and General Account funds.

Investment margin decreased by €14 million (-11%) to €117 million. On a constant exchange rate basis, investment margin decreased by €12 million (-10%) mainly due to AXA MPS driven by a lower average yield as well as a lower average asset base as a consequence of high level of surrenders.

Fees & revenues increased by €46 million (+22%) to €257 million. On a constant exchange rate basis, fees & revenues increased by €51 million (+24%) largely driven by AXA MPS (€+37 million) from higher Unearned Revenues Reserves amortization (partly offset in deferred acquisition costs) mainly reflecting higher surrenders combined with higher sales of Unit-Linked products.

Net technical margin decreased by €8 million (-9%) to €77 million. On a constant exchange rate basis, net technical margin decreased by €5 million (-5%) mainly due to a deteriorated GMxB margin.

Expenses increased by €21 million (+8%) to €-266 million. On a constant exchange rate basis, expenses increased by €27 million (+11%):

- Mature markets increased by €19 million mainly driven by AXA MPS reflecting higher deferred acquisition costs amortization in line with increased surrenders;
- High growth markets increased by €8 million primarily due to Mexico mainly due to higher deferred acquisition costs amortization.

Amortization of VBI was stable at €-6 million.

As a result, the **underlying cost income ratio** increased by 1.0 point to 60.3%.

Income tax expenses increased by €5 million (+12%) to €-42 million. On a constant exchange rate basis, income tax expenses increased by €5 million (+13%), mainly due to higher pre-tax underlying earnings and lower tax benefit on General Account technical reserves evolution at AXA MPS, partly offset by a positive country mix.

Underlying earnings increased by €1 million (+1%) to €91 million. On a constant exchange rate basis, underlying earnings increased by €2 million (+3%).

Adjusted earnings decreased by €10 million (-10%) to €91 million. On a constant exchange rate basis, adjusted earnings decreased by €9 million (-9%) mainly driven by higher impairments on fixed income assets.

Net income decreased by €8 million (-9%) to €87 million. On a constant exchange rate basis, net income decreased by €8 million (-8%) mainly due to lower adjusted earnings and change in fair value of interest rate hedging derivatives.

Life & Savings operations – Hong Kong

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	892	983	1,849
<i>APE (Group share)</i>	<i>226</i>	<i>215</i>	<i>443</i>
Investment margin	7	6	6
Fees & revenues	240	241	478
Net technical margin	24	21	44
Expenses	(125)	(132)	(264)
Amortization of VBI	(2)	(7)	(6)
Other	-	-	-
Underlying earnings before tax	145	130	257
Income tax expenses / benefits	(8)	2	(6)
Minority interests	-	-	-
Underlying earnings Group share	136	132	251
Net capital gains or losses attributable to shareholders net of income tax	(0)	6	0
Adjusted earnings Group share	136	138	251
Profit or loss on financial assets (under FV option) & derivatives	(11)	16	18
Exceptional operations (including discontinued operations)	(0)	(0)	0
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	126	154	269
<i>Average exchange rate : 1.00 € = Hong Kong Dollar</i>	<i>10.633</i>	<i>10.186</i>	<i>10.291</i>

Gross revenues decreased by €91 million (-9%) to €892 million⁽¹⁾. On a comparable basis, gross revenues increased by €24 million (+3%) mainly due to higher revenues from G/A Protection & Health products (€+64 million) driven by strong new business sales and a steady in-force growth, partly offset by lower revenues from G/A Investment & Savings products (€-27 million) with a decrease in retirement product sales and from Unit-Linked products (€-14 million) mainly due to the termination of bancassurance partnership.

APE increased by €10 million (+5%) to €226 million. On a comparable basis, APE increased by €20 million (+9%) due to higher sales of G/A Protection with Savings products (€+16 million) driven by successful marketing campaigns, Pure Protection and Health products (€+7 million) demonstrating an increasing focus on this profitable segment, and Unit-Linked products (€+4 million) thanks to strong IFA sales and despite the termination of a bancassurance partnership, partly offset by lower retirement products sales (€-8 million).

Investment margin increased by €1 million (+20%) to €7 million. On a constant exchange rate basis, investment margin increased by €2 million (+25%) mainly due to higher investment income boosted by higher dividends from equity, partly offset by higher interest credited to policyholders.

Fees & revenues remained stable at €240 million. On a constant exchange rate basis, fees & revenues increased by €9 million (+4%) mainly driven by an increase in loadings on premiums stemming from both new business and in-force growth.

Net technical margin rose by €3 million (+15%) to €24 million. On a constant exchange rate basis, net technical margin increased by €4 million (+20%) driven by a higher surrender margin from Unit-Linked products and better claims experience in G/A Protection & Health business.

⁽¹⁾ €878 million after intercompany eliminations.

Expenses decreased by €7 million (-5%) to €-125 million. On a constant exchange rate basis, expenses decreased by €1 million (-1%), despite a steady portfolio growth, mainly driven by lower IT costs.

Amortization of VBI decreased by €5 million (-74%) to €-2 million. On a constant exchange rate basis, amortization of VBI decreased by €5 million (-73%) driven by favorable assumption changes.

As a consequence, the underlying **cost income ratio** decreased by 5.0 points to 46.7%.

Income tax increased from a €3 million benefit in 2013 to a €-8 million charge in 2014. On a constant exchange rate basis, income tax expenses increased by €11 million mainly due to the non-repeat of 2013 tax benefits (€10 million) from the change in the tax base for a block of insurance business in the context of the merger of two insurance entities.

Underlying earnings increased by €4 million (+3%) to €136 million. On a constant exchange rate basis, underlying earnings increased by €10 million (+8%).

Adjusted earnings decreased by €2 million (-1%) to €136 million. On a constant exchange rate basis, adjusted earnings increased by €4 million (+3%) driven by higher underlying earnings (€+10 million), partly offset by lower net realized capital gains.

Net income decreased by €28 million (-18%) to €126 million. On a constant exchange rate basis, net income decreased by €23 million (-15%) as higher adjusted earnings (€+4 million) were more than offset by an unfavorable change in fair value of interest rate hedging derivatives not eligible for hedge accounting (€-23 million).

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

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Gross revenues	157	133	268
<i>APE (Group share)</i>	<i>225</i>	<i>237</i>	<i>463</i>
Underlying earnings Group share	60	54	92
Net capital gains or losses attributable to shareholders net of income tax	(0)	0	0
Adjusted earnings Group share	60	54	92
Profit or loss on financial assets (under FV option) & derivatives	1	0	(1)
Exceptional operations (including discontinued operations)	(3)	(2)	(5)
Goodwill and other related intangibles impacts	-	-	(13)
Integration and restructuring costs	(0)	(0)	(3)
Net income Group share	57	52	70

2014 figures have been compared to the same scope for 2013 i.e. adjusted for alignment of reporting period with Group calendar year in India and Philippines since full year 2013.

Gross Revenues⁽¹⁾ increased by €24 million (+18%) to €157 million. On a comparable basis, gross revenues increased by €40 million (+30%) mainly driven by higher revenues from G/A Protection & Health (€+34 million) mainly in Singapore reflecting employee benefits business growth after the acquisition of HSBC portfolio since the last quarter of 2013. Unit-Linked business recorded a growth of €+6 million due to higher single premium sales in Singapore, partly offset by Indonesia.

APE⁽¹⁾ decreased by €12 million (-5%) to €225 million. On a comparable basis, APE increased by €31 million (+14%) mainly driven by:

- Strong performance in Thailand (€+30 million), in particular from G/A Protection with Savings products;
- China (€+8 million) and Singapore (€+3 million) with continued momentum in G/A Protection & Health business;
- Partly offset by a slowdown in Unit-Linked business in Indonesia (€-10 million).

Underlying earnings⁽¹⁾ increased by €6 million (+11%) to €60 million. On a comparable basis, underlying earnings increased by €17 million (+31%) mainly due to:

- Business growth and higher investment earnings in Thailand (€+16 million);
- Improved business mix towards longer term G/A Protection & Health business as well as continuous expense management in India (€+5 million);
- Partly offset by the reversal of deferred tax assets in Indonesia (€-3 million).

Adjusted earnings⁽¹⁾ increased by €6 million (+10%) to €60 million. On a comparable basis, adjusted earnings increased by €17 million (+31%) driven by underlying earnings growth.

Net income⁽¹⁾ increased by €5 million (+9%) to €57 million. On a comparable basis, net income increased by €15 million (+29%) mainly due to higher adjusted earnings.

⁽¹⁾ South-East Asia, India & China Life & Savings scope: (i) for gross revenues: Singapore and non-bancassurance subsidiaries in Indonesia, on a 100% share basis; (ii) for APE, underlying earnings, adjusted earnings and net income: China, India, Indonesia, Thailand, Philippines and Singapore, on a group share basis. Malaysia operations are not consolidated.

Life & Savings Operations - Other

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

Consolidated Gross Revenues

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Luxembourg	65	61	112
AXA Life Invest Services	11	11	22
Family Protect	7	3	7
Other	0	(0)	
TOTAL	84	74	141
Intercompany transactions	(10)	(10)	(21)
Contribution to consolidated gross revenues	73	64	121

Underlying, Adjusted earnings and Net Income

(in Euro million)

	June 30, 2014	June 30, 2013	December 31, 2013
Luxembourg	4	3	7
AXA Life Invest Services	(8)	(7)	(17)
Family Protect	(17)	(8)	(31)
Other	(0)	(1)	(1)
UNDERLYING EARNINGS	(21)	(13)	(41)
Net realized capital gains or losses attributable to shareholders	0	0	0
ADJUSTED EARNINGS	(21)	(13)	(41)
Profit or loss on financial assets (under Fair Value option) & derivatives	1	0	0
Exceptional operations (including discontinued operations)	-	(1)	(1)
Goodwill and related intangible impacts	-	-	-
Integration and restructuring costs	-	-	(0)
NET INCOME	(20)	(14)	(41)

FAMILY PROTECT

Underlying earnings as well as **adjusted earnings** and **net income** were at €-17 million mainly due to higher direct marketing expenditures to ensure the progressive ramp-up of the activity.

AXA LIFE INVEST SERVICES⁽¹⁾

Underlying earnings as well as **adjusted earnings** decreased by €1 million (-11%) to €-8 million.

Net income remained stable at €-8 million.

⁽¹⁾ AXA Life Invest Services aim to promote Unit-Linked products with guarantees through third party bank partnerships.

PROPERTY & CASUALTY SEGMENT

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

(in Euro million)

	HY 2014	HY 2013 published	HY 2013 restated (a)	FY 2013 published	FY 2013 restated (a)
Gross revenues (b)	17,044	16,693	16,679	29,079	29,052
Current accident year loss ratio (net)	71.2%	71.3%	71.3%	71.2%	71.3%
All accident year loss ratio (net)	69.9%	69.5%	69.5%	70.1%	70.1%
Net technical result before expenses	4,331	4,329	4,323	8,625	8,610
Expense ratio	25.9%	26.2%	26.2%	26.5%	26.5%
Net investment result	1,115	1,005	1,003	2,042	2,037
Underlying earnings before tax	1,719	1,609	1,605	3,028	3,016
Income tax expenses / benefits	(502)	(467)	(465)	(911)	(907)
Net income from investments in affiliates and associates	29	7	10	29	37
Minority interests	(19)	(22)	(22)	(41)	(41)
Underlying earnings Group share	1,226	1,128	1,128	2,105	2,105
Net capital gains or losses attributable to shareholders net of income tax	151	102	102	108	108
Adjusted earnings Group share	1,378	1,229	1,229	2,213	2,213
Profit or loss on financial assets (under FV option) & derivatives	(20)	(35)	(35)	46	46
Exceptional operations (including discontinued operations)	(0)	(1)	(1)	20	20
Goodwill and other related intangibles impacts	(48)	(39)	(39)	(73)	(73)
Integration and restructuring costs	(23)	(24)	(24)	(121)	(121)
Net income Group share	1,286	1,130	1,130	2,085	2,085

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

(b) Before intercompany transactions

Consolidated Gross Revenues

(in Euro million)

	HY 2014	HY 2013 published	HY 2013 restated (a)	FY 2013 published	FY 2013 restated (a)
France	3,355	3,188	3,188	5,942	5,942
United Kingdom & Ireland	2,202	2,109	2,109	3,907	3,907
Germany	2,404	2,386	2,386	3,807	3,807
Switzerland	2,485	2,425	2,425	2,714	2,714
Belgium	1,126	1,118	1,118	2,050	2,050
Central & Eastern Europe - Luxembourg (b)	87	97	97	171	171
Mediterranean and Latin American Region (c)	3,733	3,775	3,775	7,391	7,391
Direct (d)	1,202	1,152	1,138	2,274	2,247
Asia (e)	449	444	444	822	822
TOTAL	17,044	16,693	16,679	29,079	29,052
Intercompany transactions	(224)	(196)	(196)	(288)	(288)
Contribution to consolidated gross revenues	16,820	16,497	16,483	28,791	28,763
o/w. high growth markets	2,269	2,272	2,272	4,520	4,520
o/w. Direct	1,202	1,152	1,138	2,274	2,247
o/w. mature markets	13,349	13,073	13,073	21,996	21,996

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

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

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

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

(e) Asia includes Hong Kong, Malaysia, Singapore.

(in Euro million)

Combined Ratio	HY 2014	HY 2013 published	HY 2013 restated (a)	FY 2013 published	FY 2013 restated (a)
Total	95.8%	95.7%	95.8%	96.6%	96.6%
France	96.3%	92.9%	92.9%	94.7%	94.7%
United Kingdom & Ireland	98.0%	98.2%	98.2%	98.5%	98.5%
Germany	94.8%	97.4%	97.4%	98.2%	98.2%
Switzerland	86.4%	90.5%	90.5%	88.9%	88.9%
Belgium	91.5%	89.2%	89.2%	93.7%	93.7%
Central & Eastern Europe - Luxembourg (b)	101.7%	102.0%	102.0%	103.9%	103.9%
Mediterranean and Latin American Region (c)	98.8%	98.7%	98.7%	99.3%	99.3%
Direct (d)	98.9%	99.3%	99.5%	99.1%	99.5%
Asia (e)	93.6%	93.2%	93.2%	93.1%	93.1%
Mature	94.9%	95.0%	95.0%	96.0%	96.0%
Direct	98.9%	99.3%	99.5%	99.1%	99.5%
High growth	99.0%	97.6%	97.6%	98.1%	98.1%

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

(b) Excluding RESO - RESO combined ratio amounted to 98.3% as of June 30, 2014.

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

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

(e) Asia includes Hong Kong, Singapore and Malaysia.

Underlying earnings

(in Euro million)

	HY 2014	HY 2013	FY 2013
France	274	294	531
United Kingdom & Ireland	116	114	202
Germany	193	142	295
Switzerland	223	185	405
Belgium	131	143	222
Central & Eastern Europe - Luxembourg (a)	17	5	25
Mediterranean and Latin American Region (b)	184	173	281
Direct (c)	53	41	85
Asia (d)	35	31	58
UNDERLYING EARNINGS	1,226	1,128	2,105
o/w. high growth markets	124	118	225
o/w. Direct	53	41	85
o/w. mature markets	1,049	969	1,796

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

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

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

(d) Asia includes India, Hong Kong, Malaysia, Singapore and Thailand.

Property & Casualty Operations – France

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	3,355	3,188	5,942
Current accident year loss ratio (net)	73.8%	72.0%	73.7%
All accident year loss ratio (net)	73.2%	69.2%	70.9%
Net technical result before expenses	786	866	1,710
Expense ratio	23.1%	23.7%	23.7%
Net investment result	325	261	522
Underlying earnings before tax	434	462	836
Income tax expenses / benefits	(160)	(168)	(304)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(1)
Underlying earnings Group share	274	294	531
Net capital gains or losses attributable to shareholders net of income tax	28	(0)	32
Adjusted earnings Group share	302	293	563
Profit or loss on financial assets (under FV option) & derivatives	(31)	(2)	20
Exceptional operations (including discontinued operations)	-	-	24
Goodwill and other related intangibles impacts	-	(3)	(3)
Integration and restructuring costs	-	-	-
Net income Group share	271	288	604

(a) Before intercompany eliminations.

Gross revenues increased by €167 million (+5%) to €3,355 million⁽¹⁾. On a comparable basis, mainly adjusted for the internal transfer to AXA Assistance of some service guarantees, gross revenues increased by 4% (or €+130 million):

- *Personal lines* (56% of gross revenues) were up 3% to €1,845 million mainly driven by tariff increases in all segments and positive net new contracts in Motor, while the portfolio remained stable in Household;
- *Commercial lines* (44% of gross revenues) were up by 5% to €1,458 million mainly driven by tariff increases, partly offset by lower volumes notably in Construction in a context of selective underwriting.

Net technical result decreased by €80 million (-9%) to €786 million:

- *The current accident year loss ratio* increased by 1.8 points to 73.8% mainly reflecting higher attritional claims ratio due to higher Nat Cat charges (€59 million or +2.0 points related to ELA hailstorm) notably impacting Household and Motor, and a less favorable frequency in Bodily Injury mainly in Personal Motor, partly offset by tariff increases;
- *The all accident year loss ratio* increased by 3.9 points to 73.2%, due to the increase of current accident year loss ratio, as well as lower prior year reserve developments notably in Construction, partly offset by positive developments on Liability.

Expense ratio decreased by 0.6 point to 23.1% mainly driven by a lower cost base reflecting continuous efforts to reduce expenses combined with a positive volume effect due to higher earned premiums.

As a result, **enlarged expense ratio** was down 0.1 point to 30.1%, driven by an improved expense ratio.

As a consequence, the **combined ratio** was up by 3.4 points to 96.3%.

⁽¹⁾ €3,303 million after intercompany eliminations.

Net investment result increased by €64 million (+24%) to €+325 million mainly driven by €+67 million higher exceptional distributions from mutual funds.

Income tax expenses decreased by €8 million (-5%) to €-160 million mainly reflecting lower pre-tax underlying earnings.

As a result, **underlying earnings** decreased by €20 million (-7%) to €274 million.

Adjusted earnings increased by €9 million (+3%) to €302 million driven by higher net realized capital gains (€+28 million), mostly on equities, reflecting improved market conditions, partly compensated by lower underlying earnings (€-20 million).

Net income decreased by €18 million (-6%) to €271 million mainly driven by a negative change in fair value of Mutual funds (€-30 million), partly offset by the increase in adjusted earnings (€+9 million).

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	2,202	2,109	3,907
Current accident year loss ratio (net)	70.2%	69.1%	67.2%
All accident year loss ratio (net)	69.1%	68.4%	67.9%
Net technical result before expenses	620	621	1,264
Expense ratio	28.9%	29.8%	30.6%
Net investment result	105	106	208
Underlying earnings before tax	144	142	267
Income tax expenses / benefits	(28)	(28)	(65)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	116	114	202
Net capital gains or losses attributable to shareholders net of income tax	19	0	10
Adjusted earnings Group share	135	114	212
Profit or loss on financial assets (under FV option) & derivatives	(11)	4	17
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(2)
Integration and restructuring costs	(2)	-	(12)
Net income Group share	122	118	216
Average exchange rate : 1.00 € = £	0.821	0.851	0.846

(a) Before intercompany eliminations.

Gross revenues increased by €93 million (+4%) to €2,202 million⁽¹⁾. On a comparable basis, gross revenues increased by €26 million (+1%)

- *Personal lines* (45% of gross revenues) were down 3% to €974 million as a result of the ongoing strategy to focus on profitable growth. Motor was up 3% to €275 million due to AXA's improved competitiveness in the UK, partially offset by lower new business volumes within Northern Ireland as AXA has maintained a strong pricing discipline in a softening market. Non-Motor was down 5% to €698 million: Property was down 7% to €224 million due to unfavorable market conditions and exiting of unprofitable schemes within the UK. Health was up 2% to €345 million with growth both in the UK and International business. Personal Other was down 19% to €129 million following the continued withdrawal from unprofitable schemes and the exit from the Pet insurance market in 2013;
- *Commercial lines* (55% of gross revenues) were up 5% to €1,197 million. Motor was up 11% to €231 million principally due to increased new business volumes in the UK. Non-Motor was up 4%. Property was up 9% to €340 million due to an increase in new business. Health was down 1% to €472 million due to the internal transfer of Asia business to the local AXA entity. Other was up 10% to €154 million due to new business sales and strong retention in Liability and Workers Compensation.

Net technical result remained stable at €620 million. On a constant exchange rate basis, net technical result decreased by €20 million (-3%).

- *The current year loss ratio* increased by 1.1 points to 70.2% due to an increased Nat Cat charge (1.2 points). There were also increases in Personal Other from increased travel claims as the economy improves (0.3 point) and in Personal Motor in Ireland following increased weather related claims partly offset by improvements in the UK reflecting underwriting actions and the impact of legal reforms (0.2 point). In Property, increased natural weather events in in both UK and Ireland were more than offset by lower large losses (-0.1 point). Healthcare has decreased the overall loss ratio 0.5 point as International business margins improved ;

⁽¹⁾ €2,130 million after intercompany eliminations.

- The *all accident year loss ratio* increased by 0.7 point to 69.1% reflecting the increase in the current year loss ratio partly offset by higher positive prior year reserves developments (€+7 million).

Expense Ratio decreased by 0.9 point to 28.9%. The acquisition ratio was down 1.2 points to 20.0% mainly reflecting a decrease in commission ratio (-1.4 points) due to lower profit share costs and an improved business mix. This favorable movement was partly offset by the non-commission acquisition expense ratio up 0.2 point due to growth within UK Healthcare through 'Health on Line'. The administrative expense ratio was up 0.3 point to 9.0%, reflecting the timing of project spend.

As a result the **enlarged expense ratio** was down 0.8 point at 31.7% and the **combined ratio** was down 0.1 point to 98.0%.

Net investment result decreased by €1 million (-1%) to €105 million. On a constant exchange rate basis, net investment result decreased by €4 million (-4%) mainly due to lower income from fixed maturity assets.

Income tax expenses were in line with prior year to €-28 million. On a constant exchange rate basis, income tax expenses decreased by €1 million (-4%).

Underlying earnings increased by €3 million (+3%) to €116 million. On a constant exchange rate basis, underlying earnings were in line with prior year.

Adjusted earnings increased by €21 million (+19%) to €135 million. On a constant exchange rate basis, adjusted earnings increased by €18 million (+16%) reflecting increased realized capital gains (€+15 million) mainly on debt securities as well as lower impairment charges mainly on equities.

Net Income increased by €4 million (+4%) to €122 million. On a constant exchange rate basis, net income increased by €1 million (+1%) due to the increase in adjusted earnings, partly offset by an unfavorable change in the fair value of financial assets and derivatives (€-18 million).

Property & Casualty Operations – Germany

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	2,404	2,386	3,807
Current accident year loss ratio (net)	66.9%	70.0%	70.3%
All accident year loss ratio (net)	66.5%	68.6%	69.0%
Net technical result before expenses	637	592	1,179
Expense ratio	28.3%	28.8%	29.2%
Net investment result	178	159	360
Underlying earnings before tax	277	207	429
Income tax expenses / benefits	(84)	(65)	(133)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	193	142	295
Net capital gains or losses attributable to shareholders net of income tax	12	38	24
Adjusted earnings Group share	205	180	320
Profit or loss on financial assets (under FV option) & derivatives	14	(24)	(25)
Exceptional operations (including discontinued operations)	-	3	3
Goodwill and other related intangibles impacts	(2)	(2)	(4)
Integration and restructuring costs	(2)	-	(23)
Net income Group share	215	158	271

(a) Before intercompany eliminations.

Gross revenues increased by €18 million (+1%) to €2,404 million⁽¹⁾ :

- *Personal lines* (52% of gross revenues) were up 1% to €1,369 million driven by tariff increases, partly offset by lower volumes, mainly in Motor;
- *Commercial lines* (32% of gross revenues) were down 1% to €850 million, mainly in Motor due to stricter underwriting rules whereas Property and Liability increased slightly due to tariff increases;
- *Other lines* (16% of gross revenues) were up 7% to €425 million due to fronting business for the AXA Group.

Net technical result increased by €45 million (+8%) to €637 million:

- *The current accident year loss ratio* decreased by 3.2 points to 66.9% reflecting improved attritional claims experience resulting from tariff increases in all retail lines and a mild winter. Nat Cat events remained stable as Half Year 2014 was impacted by ELA hailstorm (€54 million) while Half Year 2013 was impacted by floods in Bavaria and Saxony (€50 million);
- *The all accident year loss ratio* decreased by 2.2 points to 66.5% as the decrease in current accident year loss ratio was partly offset by lower positive prior year reserve developments as a result of reserve strengthening in commercial liability.

Expense ratio decreased by 0.5 point to 28.3% mainly due to an administrative expense ratio down 0.6 point as a result of productivity programs and a refinement of cost allocation between AXA Germany entities.

Enlarged expense ratio was down by 0.6 point to 31.5%.

⁽¹⁾ €2,373 million after intercompany eliminations.

As a result, the **combined ratio** was down by 2.6 points to 94.8%.

Net investment result increased by €19 million (+12%) to €178 million mainly due to an exceptional interest profit on a tax claim.

Income tax expenses increased by €19 million (+30%) to €-84 million following higher underlying earnings before tax.

Underlying earnings increased by €50 million (+35%) to €193 million.

Adjusted earnings increased by €24 million (+13%) to €205 million as the increase of underlying earnings was partly offset by lower net realized capital gains mainly on equities.

Net income increased by €57 million (+36%) to €215 million due to the increase in adjusted earnings and favorable change in fair value of fixed income funds due to decreasing interest rates and corporate spreads.

Property & Casualty Operations – Switzerland

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	2,485	2,425	2,714
Current accident year loss ratio (net)	69.3%	72.8%	69.1%
All accident year loss ratio (net)	62.6%	65.8%	64.0%
Net technical result before expenses	519	461	972
Expense ratio	23.8%	24.7%	24.9%
Net investment result	93	106	207
Underlying earnings before tax	282	234	506
Income tax expenses / benefits	(58)	(48)	(98)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(2)	(2)	(3)
Underlying earnings Group share	223	185	405
Net capital gains or losses attributable to shareholders net of income tax	42	13	6
Adjusted earnings Group share	265	198	411
Profit or loss on financial assets (under FV option) & derivatives	(1)	(10)	(5)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(12)	(13)	(26)
Integration and restructuring costs	-	-	-
Net income Group share	252	175	379
Average exchange rate : 1.00 € = Swiss Franc	1.221	1.230	1.229

(a) Before intercompany eliminations.

Gross revenues increased by €61 million (+3%) to €2,485 million⁽¹⁾. On a comparable basis, gross revenues increased by €41 million (+2%):

- *Personal lines* (53% of gross revenues) were up 2% to €1,329 million as a consequence of volume growth, especially in Motor, as well as tariff increases in Household reflecting an increased frequency of theft;
- *Commercial lines* (47% of gross revenues) were up 1% to €1,163 million driven by volume growth despite a very competitive market.

Net technical result increased by €59 million (+13%) to €519 million. On a constant exchange rate basis, net technical result increased by €55 million (+12%):

- *The current accident year loss ratio* decreased by 3.5 points to 69.3% driven by lower large claims as well as an improved attritional claims experience, mainly driven by Personal Motor;
- *The all accident year loss ratio* decreased by 3.2 points to 62.6% broadly in line with the improvement in the current accident year loss ratio.

Expense ratio improved by 0.9 point to 23.8%. The acquisition ratio was down 0.4 point due to favorable seasonality effects while the administration expense ratio was down 0.5 point mainly driven by continuing cost management discipline.

The **enlarged expense ratio** was down by 0.9 point to 27.5%.

As a result, the **combined ratio** was down by 4.1 points to 86.4%.

⁽¹⁾ €2,477 million after intercompany eliminations.

Net investment result decreased by €13 million (-12%) to €93 million. On a constant exchange rate basis, net investment result decreased by €13 million (-12%) mainly attributable to low reinvestment yields on fixed income assets.

Income tax expenses increased by €10 million (+21%) to €58 million. On a constant exchange rate basis, income tax expenses increased by €10 million (+20%) driven by higher pre-tax underlying earnings.

Underlying earnings increased by €38 million (+21%) to €223 million. On a constant exchange rate basis, underlying earnings increased by €37 million (+20%).

Adjusted earnings increased by €67 million (+34%) to €265 million. On a constant exchange rate basis, adjusted earnings increased by €65 million (+33%) mainly driven by higher underlying earnings and higher net realized capital gains, mainly on equities.

Net income increased by €77 million (+44%) to €252 million. On a constant exchange rate basis, net income increased by €76 million (+43%) mainly driven by higher adjusted earnings and a positive change in fair value of private equity and hedge funds.

Property & Casualty Operations – Belgium

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	1,126	1,118	2,050
Current accident year loss ratio (net)	67.1%	65.7%	66.9%
All accident year loss ratio (net)	61.6%	58.5%	63.4%
Net technical result before expenses	393	424	756
Expense ratio	29.9%	30.7%	30.3%
Net investment result	109	103	199
Underlying earnings before tax	195	213	329
Income tax expenses / benefits	(65)	(70)	(106)
Net income from investments in affiliates and associates	-	-	-
Minority interests	-	-	-
Underlying earnings Group share	131	143	222
Net capital gains or losses attributable to shareholders net of income tax	32	29	44
Adjusted earnings Group share	163	172	266
Profit or loss on financial assets (under FV option) & derivatives	(4)	(18)	(10)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(2)
Integration and restructuring costs	(4)	(3)	(21)
Net income Group share	154	150	233

(a) Before intercompany eliminations.

Gross revenues increased by €8 million (+1%) to €1,126 million⁽¹⁾:

- *Personal lines* (47% of gross revenues) were down 1% to €534 million following negative net new contracts partially offset by tariff increases in both Motor and Household;
- *Commercial lines* (51% of gross revenues) were up 2% to €575 million mainly due to an increase in Workers' Compensation (€+7 million) explained by tariff increases on small business enterprises and more favorable economic environment.

Net technical result decreased by €31 million (-7%) to €393 million:

- *The current accident year loss ratio* increased by 1.4 points to 67.1% driven by higher natural catastrophe events (+5.1 points) mainly driven by €54 million from the ELA storm, partially offset by an improvement of attritional claims (-3.3 points) as a result of tariff increases and lower frequency;
- *The all accident year loss ratio* increased by 3.1 points to 61.6% as a result of the evolution of the current accident year loss ratio and lower positive prior year reserve developments.

Expense ratio was down 0.7 point to 29.9% driven by lower administrative costs, reflecting continued costs management actions partially offset by higher overhead costs from salary inflation.

Enlarged expense ratio down 0.6 point to 37.7%.

As a result, the **combined ratio** was up 2.4 points to 91.5%.

Net investment result increased by €6 million (+6%) to €109 million mainly due to higher dividends on equities and mutual funds.

⁽¹⁾ €1,108 million after intercompany eliminations.

Income tax expenses decreased by €5 million to €-65 million due to lower pre-tax underlying earnings.

Underlying earnings decreased by €13 million to €131 million.

Adjusted earnings decreased by €10 million (-6%) to €163 million due to lower underlying earnings, partially offset by lower impairments on equities (€+3m).

Net income increased by €3 million (+2%) to €154 million mainly driven by a favorable change in fair value of private equity mutual funds and inflation derivatives, partially offset by a decrease in adjusted earnings.

Property & Casualty Operations – Central & Eastern Europe and Luxembourg

Consolidated Gross Revenues

(in Euro million)

	HY 2014	HY 2013	FY 2013
Luxembourg	64	63	100
Ukraine	23	34	71
Reso (Russia)	-	-	-
TOTAL	87	97	171
Intercompany transactions	-	-	-
Contribution to consolidated gross revenues	87	97	171

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2014	HY 2013	FY 2013
Luxembourg	3	2	3
Ukraine	0	1	2
Reso (Russia) (a)	13	1	20
UNDERLYING EARNINGS	17	5	25
Net realized capital gains or losses attributable to shareholders	(0)	8	1
ADJUSTED EARNINGS	16	12	26
Profit or loss on financial assets (under Fair Value option) & derivatives	4	1	15
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and related intangibles impacts	(20)	(1)	(1)
Integration and restructuring costs	-	-	(0)
NET INCOME	(0)	13	39

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

UKRAINE

Gross revenues decreased by €11 million (-32%) to €23 million. On a comparable basis, gross revenues decreased by €3 million (-8%) driven by the political unrest in Ukraine and its consequences on the economic conditions in the country.

Underlying earnings and adjusted earnings decreased by €1 million to €0 million due to lower technical result and lower net investment result. As a result, the **combined ratio** deteriorated by 4.2 points to 109.6%.

Net income decreased by €21 million to €-20 million. On a constant exchange rate basis, net income decreased by €28 million driven by a full write-off of goodwill (€-20 million) as a consequence of deteriorated economic perspectives.

RESO (RUSSIA)

Underlying earnings increased by €14 million to €13 million on a constant exchange rate basis, mainly driven by the non-repeat of higher one-off expenses (€+5 million) in the first half of 2013, higher net technical margin (€+7 million) and higher investment result (€+2 million). As a result, the **combined ratio** was down 6.6 points to 98.3%.

Adjusted earnings increased by €6 million to €13 million on a constant exchange rate basis, driven by higher underlying earnings, partly offset by lower net realized capital gains.

Net income increased by €9 million to €16 million on a constant exchange rate basis, mainly driven by higher adjusted earnings.



Property & Casualty Operations – Mediterranean & Latin American Region

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	3,733	3,775	7,391
Current accident year loss ratio (net)	72.3%	72.1%	72.7%
All accident year loss ratio (net)	73.3%	73.6%	73.8%
Net technical result before expenses	948	950	1,901
Expense ratio	25.5%	25.1%	25.5%
Net investment result	232	202	404
Underlying earnings before tax	276	250	453
Income tax expenses / benefits	(80)	(63)	(150)
Net income from investments in affiliates and associates	1	1	2
Minority interests	(13)	(15)	(24)
Underlying earnings Group share	184	173	281
Net capital gains or losses attributable to shareholders net of income tax	14	15	(9)
Adjusted earnings Group share	198	188	272
Profit or loss on financial assets (under FV option) & derivatives	8	13	28
Exceptional operations (including discontinued operations)	-	(4)	(4)
Goodwill and other related intangibles impacts	(7)	(10)	(19)
Integration and restructuring costs	(11)	(10)	(31)
Net income Group share	188	176	245

(a) Before intercompany eliminations.

Note: (i) Italy, Spain, Portugal, Greece, Turkey, Mexico, Morocco, Gulf region and Colombia are fully consolidated; (ii) Lebanon is consolidated under the equity method and contributes only to the underlying earnings, adjusted earnings and net income; (iii) Colombia was fully consolidated since April 2, 2014.

In the comments below, the comparable basis includes April to June 2013 results of Colombia.

Gross revenues decreased by €43 million (-1%) to €3,733 million⁽¹⁾. On a comparable basis, gross revenues increased by €41 million (+1%) driven by high growth markets (+5% or €+91 million) principally in the Gulf region (€+75 million) and the newly consolidated entity in Colombia (€+35 million), partly offset by a decline in mature markets (-3% or €-51 million).

- *Personal lines (56% of gross revenues)* were down 2% to €2,095 million driven by Motor (-5% or €-71 million) mainly reflecting a decline in Turkey (€-46 million) from increased market competition and change in mix towards lower average premium products and Italy (€-21 million) from average premium decrease, partly offset by Health (+10% or €+31 million) predominantly from high growth markets (€+23 million) driven by tariff increase in Mexico (€+13 million);
- *Commercial lines (43% of gross revenues)* were up 5% to €1,628 million driven by Health (+22% or €+66 million) especially in the Gulf Region (€+55 million) mainly driven by a favorable renewal timing effect and increase in renewals and Mexico (€+12 million) from tariff increase;
- *Other lines (1% of gross revenues)* were up 13% to €37 million.

Net technical result result decreased by €2 million (-0%) to €948 million. On a constant exchange rate basis, net technical result increased by €40 million (+4%) driven by both mature markets (€+28 million) and high growth markets (€+13 million).

- *The current accident year loss ratio* increased by 0.3 point to 72.3%, including a higher Nat Cat charge (+0.3 point). Excluding Nat Cat charge, loss ratio in high growth markets improved by 0.4 point

⁽¹⁾ €3,698 million after intercompany eliminations.

while it remained stable in mature markets. Improvement in high growth markets was mainly driven by lower large losses and further optimization of reinsurance partly offset by adverse claims experience in motor in Turkey and higher average costs in health in Mexico. Mature markets were stable driven by lower large losses, partly offset by an increase of average costs and an unfavorable product mix change in motor in Spain;

- *The all accident year loss ratio* was stable at 73.3% on a constant exchange basis with less unfavorable prior year reserves developments (€+7 million) mainly driven by Spain (€+42 million) in motor, partly offset by Turkey (€-36 million) due to reserve strengthening reflecting an increase in both frequency and average costs of legal claims in Motor.

Expense ratio increased by 0.3 point to 25.5% due to administrative expenses (+0.3 point). Mature markets deteriorated by 0.9 point due to a negative volume effect and higher IT and relocation costs in Italy. High growth markets improved by 0.1 point driven by a positive volume effect.

Enlarged expense ratio deteriorated by 0.4 point to 28.4%.

As a result, **the combined ratio** was up 0.3 point to 98.8%.

Net investment result increased by €31 million (+15%) to €232 million. On a constant exchange rate basis, net investment result increased by €46 million (+23%) mainly driven by Turkey (€+30 million) as a result of both higher interest rates and average asset base.

Income tax expenses increased by €17 million (+27%) to €-80 million. On a constant exchange rate basis, income tax expenses increased by €19 million (+30%) due to both higher pre-tax underlying earnings and an increase in the effective tax rate reflecting unfavorable evolution of tax one-offs (€-3 million negative tax one-off in Half Year 2014 and €+14 million positive tax one-off in Half Year 2013).

Underlying earnings increased by €11 million (+6%) to €184 million. On a constant exchange rate basis, underlying earnings increased by €18 million (+10%).

Adjusted earnings increased by €10 million (+6%) to €198 million. On a constant exchange rate basis, adjusted earnings increased by €17 million (+9%) driven by underlying earnings increase.

Net income increased by €12 million (+7%) to €188 million. On a constant exchange rate basis, net income increased by €18 million (+10%) mainly driven by the non-repeat of an exceptional charge to close a litigation, partly offset by a negative impact from investments in foreign currencies.

Property & Casualty Operations – Direct business

(in Euro million)

	HY 2014	HY 2013 restated (a)	FY 2013 restated (a)
Gross revenues (b)	1,202	1,138	2,247
Current accident year loss ratio (net)	77.4%	77.5%	77.1%
All accident year loss ratio (net)	76.5%	77.1%	77.2%
Net technical result before expenses	265	246	497
Expense ratio	22.3%	22.4%	22.3%
Net investment result	55	49	100
Underlying earnings before tax	68	54	112
Income tax expenses / benefits	(18)	(16)	(35)
Net income from investments in affiliates and associates	4	3	8
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	53	41	85
Net capital gains or losses attributable to shareholders net of income tax	4	(1)	3
Adjusted earnings Group share	57	41	88
Profit or loss on financial assets (under FV option) & derivatives	2	1	7
Exceptional operations (including discontinued operations)	(0)	-	(2)
Goodwill and other related intangibles impacts	(1)	(1)	(4)
Integration and restructuring costs	(1)	(1)	(4)
Net income Group share	56	39	84

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS10 and 11.

(b) Before intercompany transactions

Direct business includes operations in France (23% of total Direct gross revenues), the UK (22%), South Korea (20%), Japan (14%), Spain (7%), Italy (5%), Belgium (5%), Poland (3%) and Portugal (1%).

Gross revenues increased by €64 million (+6%) to €1,202 million⁽¹⁾. On a comparable basis, gross revenues increased by €79 million (+7%):

- *Personal Motor* (86% of gross revenues) was up €65 million (+7%) to €1,036 million mainly driven by improved retention in the UK (+9% or €+18 million) and South Korea (+9% or €+18 million) as well as new business growth in Japan (+8% or €+14 million) and France (+6% or €+12 million), partly offset by Spain (-12% or €-11 million) following tariff increases and selective underwriting to improve the profitability;
- *Personal Non-Motor* (14% of gross revenues) was up €14 million (+9%) to €170 million mainly supported by higher new business in Household in France and in Health in South Korea.

Net technical result increased by €19 million (+8%) to €265 million. On a constant exchange rate basis net technical result increased by €22 million (+9%):

- *The current accident year loss ratio* decreased by 0.2 point to 77.4% as a result of continued underwriting improvement and lower frequency in Motor, partly offset by higher Nat Cat charge (+1.2 points) following unfavorable weather conditions in France and Belgium ;
- *The all accident year loss ratio* decreased by 0.6 point to 76.5% mainly as a result of the decrease in current accident year loss ratio and more favorable prior year reserve developments.

Expense ratio decreased by 0.1 point to 22.3% mainly driven by higher volumes.

⁽¹⁾ €1,202 million after intercompany eliminations.

Enlarged expense ratio was increased by 0.1 point to 28.0%.

As a result, the **combined ratio** was down by 0.7 point to 98.9%.

Net investment result increased by €7 million (+14%) to €55 million. On a constant exchange rate basis, net investment result increased by €6 million (+12%) mainly driven by a higher average asset base and increased returns from fixed income assets.

Income tax expenses increased by €3 million (+18%) to €-18 million. On a constant exchange rate basis, income tax expenses increased by €3 million (+19%) reflecting higher pre-tax underlying earnings.

Underlying earnings increased by €12 million (+30%) to €53 million. On a constant exchange rate basis, underlying earnings increased by €12 million (+30%).

Adjusted earnings increased by €16 million (+40%) to €57 million. On a constant exchange rate basis, adjusted earnings increased by €16 million (+40%) due to higher underlying earnings and net realized capital gains.

Net income increased by €18 million (+46%) to €56 million. On a constant exchange rate basis, net income increased by €18 million (+46%) mainly due to higher adjusted earnings.

Property & Casualty Operations - Asia

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	449	444	822
Current accident year loss ratio (net)	67.8%	68.3%	68.0%
All accident year loss ratio (net)	65.7%	65.7%	66.0%
Net technical result before expenses	135	135	270
Expense ratio	27.9%	27.5%	27.0%
Net investment result	11	9	19
Underlying earnings before tax	36	36	75
Income tax expenses / benefits	(7)	(6)	(13)
Net income from investments in affiliates and associates	10	5	7
Minority interests	(4)	(3)	(10)
Underlying earnings Group share	35	31	58
Net capital gains or losses attributable to shareholders net of income tax	1	(1)	(3)
Adjusted earnings Group share	36	30	55
Profit or loss on financial assets (under FV option) & derivatives	(0)	0	0
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(3)	(6)	(12)
Integration and restructuring costs	(4)	(10)	(30)
Net income Group share	30	14	13

(a) Before intercompany eliminations.

Note: Asia Property & Casualty scope (i) for gross revenues and combined ratio: Hong Kong, Malaysia and Singapore, on a 100% share basis; (ii) for underlying earnings, adjusted earnings and net income: China, India, Hong Kong, Malaysia, Singapore and Thailand, on a group share basis. Indonesia operations are not consolidated. China, India and Thailand are consolidated through equity method. China was consolidated for the first time in Half Year 2014 as of February 20th, 2014.

In the comments below, the comparable basis includes the restated 4-month (March-June) results in 2013 for China.

Gross revenues increased by €6 million (+1%) to €449 million⁽¹⁾. On a comparable basis, gross revenues increased by €36 million⁽²⁾ (+8%):

- *Personal lines* (45% of the gross revenues) were up €10 million (+5%) to €203 million driven by (i) Motor (€+8 million) as a result of positive new inflows notably reflecting an increase in private car sales in Malaysia and by (ii) Non Motor (€+2 million) with a growth in Health business in Hong Kong;
- *Commercial lines* (55% of the gross revenues) were up €20 million (+8%) to €246 million mainly driven by (i) Health (€+7 million) from volume increases in Singapore and Malaysia, (ii) Property (€+6 million) mainly driven by higher business volume in Singapore, Hong Kong and Malaysia, (iii) Motor (€+5 million) mainly driven by Malaysia, and (iv) Workers Compensation (€+3 million) from price and volume increases in Hong Kong.

Net technical result remained stable at €135 million. On a comparable basis, net technical result increased by €9 million (+6%):

- *The current accident year loss ratio* improved by 0.5 point to 67.8% mainly due to (i) Commercial Health (-2.0 points) driven by a favorable portfolio mix and improved reinsurance result in Malaysia, and tariff increases in Singapore, (ii) Commercial Property (-1.9 points) driven by lower attritional losses, (iii) Commercial Motor (-3.6 points) from lower attritional losses in Malaysia and Singapore,

⁽¹⁾ €442 million after intercompany eliminations.⁽²⁾ Including €5 million of fronting business not allocated to Personal and Commercial lines in 2013.

partly offset by (iv) Personal Health (+3.5 points) driven by higher frequency and severity in Hong Kong as well as higher medical inflation in Singapore;

- *The all accident year loss ratio* improved by 0.1 point to 65.7% mainly due to the improvement of current accident year loss ratio, partly offset by lower positive prior year reserve developments.

Expense ratio deteriorated by 0.4 point to 27.9%. On a comparable basis, expense ratio also deteriorated by 0.4 point mainly driven by higher acquisition expenses (+0.4 point) reflecting higher commissions in Singapore and non-commission expenses in Malaysia.

Enlarged expense ratio deteriorated by 0.4 point to 30.8% on a comparable basis.

As a result, the **combined ratio** deteriorated by 0.5 point to 93.6% on a comparable basis.

Net investment result increased by €2 million to €11 million. On a comparable basis, the net investment result increased by €3 million mainly from higher yield on fixed income assets in Malaysia and change in asset mix in Singapore.

Income tax expenses increased by €1 million to €-7 million. On a comparable basis, income tax expenses increased by €1 million due to higher pre-tax underlying earnings.

Underlying earnings increased by €4 million to €35 million⁽¹⁾. On a comparable basis, underlying earnings increased by €2 million.

Adjusted earnings increased by €6 million to €36 million. On a comparable basis, adjusted earnings increased by €4 million driven by higher underlying earnings and the non-repeat of 2013 net realized capital losses.

Net income increased by €15 million to €30 million. On a comparable basis, net income increased by €13 million driven by the increase in adjusted earnings as well as lower integration costs in Hong Kong and Singapore, partly offset by €1 million integration costs related to AXA Tian Ping.

⁽¹⁾ Including Thailand (Group share : 99.3%) and India (Group share: 26%) that were consolidated through equity method for the first time in 2013, and China (Group share : 50%) that was consolidated through equity method for the first time in 2014 as of February 20th.

INTERNATIONAL INSURANCE SEGMENT

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

Consolidated Gross Revenues

(in Euro million)

	HY 2014	HY 2013	FY 2013
AXA Corporate Solutions Assurance	1,379	1,341	2,099
AXA Global Life and AXA Global P&C	77	57	56
AXA Assistance	558	555	1,065
Other (a)	25	28	57
TOTAL	2,039	1,980	3,277
Intercompany transactions	(73)	(71)	(134)
Contribution to consolidated gross revenues	1,966	1,909	3,143

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2014	HY 2013	FY 2013
AXA Corporate Solutions Assurance	86	72	149
AXA Global Life and AXA Global P&C	7	8	16
AXA Assistance	11	9	20
Other (a)	32	14	17
UNDERLYING EARNINGS	135	103	202
Net realized capital gains or losses attributable to shareholders	28	16	25
ADJUSTED EARNINGS	163	119	228
Profit or loss on financial assets (under Fair Value option) & derivatives	6	(11)	(7)
Exceptional operations (including discontinued operations)	(0)	(24)	(32)
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(2)	(1)	(4)
NET INCOME	166	83	184

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

AXA Corporate Solutions Assurance

(in Euro million)

	HY 2014	HY 2013	FY 2013
Gross revenues (a)	1,379	1,341	2,099
Current accident year loss ratio (net)	82.5%	82.4%	85.5%
All accident year loss ratio (net)	81.1%	81.8%	81.9%
Net technical result before expenses	215	210	381
Expense ratio	16.0%	15.3%	15.8%
Net investment result	95	90	193
Underlying earnings before tax	128	124	242
Income tax expenses / benefits	(41)	(50)	(91)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	86	72	149
Net capital gains or losses attributable to shareholders net of income tax	26	6	11
Adjusted earnings Group share	112	78	160
Profit or loss on financial assets (under FV option) & derivatives	6	(9)	(11)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	118	69	150

(a) Before intercompany eliminations.

Gross revenues increased by €38 million (+3%) to €1,379 million⁽¹⁾. On a comparable basis, gross revenues increased by €40 million (+3%) notably in Construction (+26%) from large corporate contracts, Motor (+6%) and Property (+2%) driven by portfolio developments and tariff increases. This growth was partly offset by a decrease in Aviation (-6%) mainly due to tariff decreases following favorable claims developments in recent years and in Liability (-2%) mainly due to cancellations in a soft market environment.

Net technical result increased by €5 million (+2%) to €215 million. On a constant exchange rate basis, net technical result increased by €4 million (+2%).

- *The current accident year loss ratio* increased by 0.1 point to 82.5% driven by higher large losses in Property and Marine, partly offset by lower large losses in Construction;
- *The all accident year loss ratio* improved by 0.6 point to 81.1% mainly driven by higher positive prior reserve developments in Construction and Property.

Expense ratio increased by 0.7 point to 16.0% due to a higher acquisition expense ratio resulting from higher commission rate resulting from a change in portfolio mix.

Enlarged expense ratio deteriorated by 0.4 point to 19.8%.

As a result, **the combined ratio** is stable at 97.1%.

Net investment result increased by €4 million (+5%) to €95 million. On a constant exchange rate basis, net investment result increased by €4 million (+4%) mainly driven by higher dividends on equities.

⁽¹⁾ €1,371 million after intercompany eliminations.

Income tax expenses decreased by €10 million (-19%) to €-41 million. On a constant exchange rate basis, income tax expenses decreased by €10 million (-20%) mainly driven by lower taxes on prior year reserve developments.

As a result, **underlying earnings** increased by €13 million (+19%) to €86 million. On a constant exchange rate basis, underlying earnings increased by €13 million (+18%).

Adjusted earnings increased by €34 million (+43%) to €112 million. On a constant exchange rate basis, adjusted earnings increased by €33 million (+42%) mainly driven by higher underlying earnings as well as higher net realized capital gains mainly on equities.

Net income increased by €49 million (+71%) to €118 million. On a constant exchange rate basis, net income increased by €48 million (+70%) mainly driven by higher adjusted earnings and a positive foreign exchange impact.

AXA Global Life and AXA Global P&C⁽¹⁾

Underlying earnings decreased by €1 million (-17%) to €7 million mainly due to lower brokerage income as a result of a decrease in premiums and commissions rate in AXA Global P&C, partly offset by a higher technical result on run off activities in AXA Global Life.

Adjusted earnings decreased by €1 million (-16%) to €7 million mainly as a result of lower underlying earnings.

Net income increased by €3 million (+42%) to €11 million mainly driven by a favorable change in fair value of Mutual funds and derivatives.

AXA Assistance

Gross revenues increased by €3 million (+1%) to €558 million. On a comparable basis, mainly adjusted for the internal transfer from AXA France of some service guarantees, the disposal of Cours Legendre and Domiserve, gross revenues increased by €32 million (+7%) mainly driven by strong developments in Travel, Ecommerce Business, Motor and Home activities combined with growth of the in-force base in Spain.

Underlying earnings increased by €2 million (+19%) to €11 million mainly driven by strong growth of business and tight control of expenses in Europe.

Adjusted earnings increased by €2 million (+22%) to €11 million mainly driven by higher underlying earnings.

Net income increased by €22 million to €5 million primarily reflecting the non-repeat of 2013 exceptional capital losses following the disposal of French based companies.

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

Other international activities

Underlying earnings increased by €18 million to €32 million. On a constant exchange rate basis, underlying earnings increased by €18 million mainly driven by favorable developments on run-off portfolio.

Adjusted earnings increased by €10 million to €34 million. On a constant exchange rate basis, adjusted earnings increased by €10 million driven by higher underlying earnings, partly offset by lower net realized capital gains in corporate debt instruments and on real estate restructuring.

Net income increased by €9 million to €33 million. On a constant exchange rate basis, net income increased by €9 million driven by higher adjusted earnings.

ASSET MANAGEMENT SEGMENT

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

Consolidated Gross Revenues

(in Euro million)

	HY 2014	HY 2013	FY 2013
AllianceBernstein	1,069	1,087	2,177
AXA Investment Managers	707	828	1,638
TOTAL	1,776	1,915	3,815
Intercompany transactions	(183)	(174)	(354)
Contribution to consolidated gross revenues	1,593	1,741	3,461

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2014	HY 2013	FY 2013
AllianceBernstein	83	76	185
AXA Investment Managers	101	118	216
UNDERLYING EARNINGS	184	194	400
Net realized capital gains or losses attributable to shareholders	-	(1)	(1)
ADJUSTED EARNINGS	184	194	399
Profit or loss on financial assets (under Fair Value option) & derivatives	7	8	13
Exceptional operations (including discontinued operations)	(1)	0	180
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(2)	(6)	(15)
NET INCOME	188	196	577

AllianceBernstein

	(in Euro million)		
	HY 2014	HY 2013	FY 2013
Gross revenues	1,069	1,087	2,177
Net investment result	(2)	(1)	2
Total revenues	1,067	1,086	2,179
General expenses	(857)	(880)	(1,719)
Underlying earnings before tax	211	205	460
Income tax expenses / benefits	(54)	(58)	(114)
Minority interests	(74)	(71)	(161)
Underlying earnings Group share	83	76	185
Net capital gains or losses attributable to shareholders net of income tax	0	0	0
Adjusted earnings Group share	83	76	185
Profit or loss on financial assets (under FV option) & derivatives	(2)	2	1
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Integration and restructuring costs	(1)	(2)	(9)
Net income Group share	80	77	176
Average exchange rate : 1.00 € = \$	1.371	1.313	1.327

Assets under Management ("AUM") increased by €25 billion from year-end 2013 to €371 billion at June 30, 2014 as a result of €18 billion market appreciation, net inflows of €3 billion (€2 billion net inflows from Institutional clients and €1 billion net inflows from Retail clients), change in scope of €2 billion and a €2 billion favorable foreign exchange rate impact. The positive change in scope related to an increase in AUM from the acquisition in June 2014 of CPH Capital Fondsmaeglerselskab A/S, a Danish global equity asset management firm.

Gross revenues decreased by €18 million (-2%) to €1,069 million⁽¹⁾. On a comparable basis, gross revenues increased by €28 million (+3%) primarily due to higher investment management fees (+5%) resulting from a 4% increase in average AUM, higher Institutional Research Services fees up 8%, partly offset by distribution fees (-10%) due to outflows leading to lower average AUM in Retail mutual funds which charge these fees.

Net investment result decreased by €1 million (-58%) to €-2 million. On a constant exchange rate basis, net investment result decreased by €1 million (-65%).

General expenses decreased by €23 million (-3%) to €-857 million. On a constant exchange rate basis, general expenses increased by €14 million (+2%) due to higher compensation expenses resulting from increased revenues.

The **underlying cost income ratio** improved by 0.4 point to 76.8%.

Income tax expenses decreased by €4 million (-7%) to €-54 million. On a constant exchange rate basis, income tax expenses decreased by €2 million (-3%) due to a lower effective rate as a result of a favorable geographical mix of earnings.

Underlying earnings and adjusted earnings increased by €7 million (+9%) to €83 million. On a constant exchange rate basis, underlying earnings increased by €10 million (+14%).

⁽¹⁾ €1,029 million after intercompany eliminations.

AXA ownership of AllianceBernstein at June 30, 2014 was 63.6%, compared to 63.7% at December 31, 2013. The slight decrease was mainly due to the exercise of options.

Net income increased by €3 million (+4%) to €80 million. On a constant exchange rate basis, net income increased by €7 million (+9%) mainly due to the change in adjusted earnings.

AXA Investment Managers (“AXA IM”)

	(in Euro million)		
	HY 2014	HY 2013	FY 2013
Gross revenues	707	828	1,638
Net investment result	(6)	(9)	(12)
Total revenues	700	819	1,626
General expenses	(543)	(631)	(1,281)
Underlying earnings before tax	158	188	345
Income tax expenses / benefits	(52)	(65)	(119)
Minority interests	(5)	(6)	(11)
Underlying earnings Group share	101	118	216
Net capital gains or losses attributable to shareholders net of income tax	0	(1)	(1)
Adjusted earnings Group share	101	117	214
Profit or loss on financial assets (under FV option) & derivatives	10	6	12
Exceptional operations (including discontinued operations)	(1)	0	180
Goodwill and other related intangibles impacts	0	0	0
Integration and restructuring costs	(1)	(4)	(6)
Net income Group share	108	120	401

In order to provide a consistent analysis following the sale of AXA Private Equity (“AXA PE”) on September 30, 2013, commentaries are based on restated figures with all P&L aggregates from revenues to net income excluding AXA PE contribution in 2013.

AXA PE underlying earnings amounted to €26 million in the first half of 2013.

Comparable basis in the commentaries below refers to AXA PE exclusion in first half of 2013, constant foreign exchange rate restatement, distribution fees netting and fund expenses denetting.

Assets under Management (“AUM”) increased by €35 billion from year-end 2013 to €582 billion at the end of June 2014, mainly as a result of €26 billion combined market and foreign exchange rate impact and €11 billion net inflows. Net inflows of €11 billion in the first half of 2014 were driven by inflows both on (i) Main Fund (€+5 billion) mainly from Real Estate, and (ii) Third party (€+6 billion) mainly from Asian Joint Ventures and Fixed Income.

Gross revenues decreased by €121 million (-15%) to €707 million⁽¹⁾. On a comparable basis, net revenues increased by €27 million (+5%) to €541 million, mainly driven by higher management fees (€+26 million or +6%) as a result of 3% increase in average assets and +0.5bp management fee, owing to a better product and client mix.

Net investment result increased by €3 million (+31%) to €-6 million. On a comparable basis, net investment result was stable.

General expenses decreased by €88 million (-14%) to €-543 million. On a comparable basis, general expenses increased by €20 million (+6%) mainly due to the non-recurrence of a €6 million net insurance receivable in 2013 and a non-recurring provision for risk of €11 million in 2014.

⁽¹⁾ €563 million after intercompany eliminations.

The **underlying cost income ratio** increased by 0.8 point to 70.5%. Excluding the above mentioned non-recurring expenses impacts in 2013 and 2014, and on a comparable basis, the underlying cost income ratio improved by 2.5 points.

Income tax expenses decreased by €13 million (-20%) to €-52 million. On a comparable basis, income tax expenses decreased by €4 million (-7%) due to a more favorable country mix, partly offset by higher taxable results.

Underlying earnings decreased by €17 million (-14%) to €101 million. On a comparable basis, underlying earnings increased by €8 million (+9%).

Adjusted earnings decreased by €16 million (-14%) to €101 million. On a comparable basis, adjusted earnings increased by €8 million (+9%) in line with underlying earnings increase.

Net income decreased by €12 million (-10%) to €108 million. On a comparable basis, net income increased by €15 million (+16%) driven by adjusted earnings increase, as well as a more favorable mark-to-market of fixed income funds.

BANKING

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

Consolidated Gross Revenues

(in Euro million)

	HY 2014	HY 2013	FY 2013
AXA Banks (a)	274	287	507
Belgium (b)	197	189	316
France	50	66	131
Hungary	16	19	37
Germany	11	11	22
Other (c)	-	3	2
Other	2	2	6
TOTAL	276	290	513
Intercompany transactions	12	4	11
Contribution to consolidated gross revenues	287	293	524

(a) Of which AXA Bank Europe and its branches: €213 million.

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

(c) Includes Slovakia and Czech Republic.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2014	HY 2013	FY 2013
AXA Banks (a)	70	62	80
Belgium (b)	65	63	80
France	2	0	1
Hungary	-	-	-
Germany	3	2	5
Other (c)	-	(3)	(6)
Other	(2)	(2)	(2)
UNDERLYING EARNINGS	68	61	78
Net realized capital gains or losses attributable to shareholders	(1)	0	1
ADJUSTED EARNINGS	67	61	79
Profit or loss on financial assets (under Fair Value option) & derivatives	(14)	(13)	(35)
Exceptional operations (including discontinued operations)	(33)	(27)	(37)
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(1)	(1)	(15)
NET INCOME	19	20	(8)

(a) of which AXA Bank Europe and its branches would amount to €65 million for half year 2014 and €60 million for half year 2013.

(b) Includes commercial activities in Belgium and shared services of AXA Bank Europe (treasury and support functions) for €18 million.

(c) Includes Slovakia and Czech Republic.

Belgium

Net banking revenues increased by €8 million (+4%) to €197 million. **Operating net banking revenues**⁽¹⁾ were stable, as commercial margin increase (€+11 million) was offset by reduced reinvestment revenues due to lower credit spreads (€-11 million).

Underlying earnings increased by €3 million (+4%) to €65 million due to lower provisions for loan losses (€+7 million) and lower distribution commissions (€+2 million), partly offset by a regulatory increase of levy rate on retail savings (€-6 million).

Adjusted earnings increased by €2 million (+3%) to €66 million due to the increase of underlying earnings.

Net income increased by €12 million (+25%) to €58 million. Positive evolution of adjusted earnings (€+2 million) and fair value of own debt (€+24 million), was partly offset by change in fair value of interest rate derivatives (€-16 million).

Excluding charges paid by the foreign branches to the Belgian Head Office, net income of Belgian activities stood at €51 million, including realized capital gains and changes in fair values of €46 million.

France

Net banking revenues decreased by €16 million (-24%) to €50 million. **Operating net banking revenues**⁽¹⁾ increased by €2 million to €64 million, mainly due to higher interest income on retail loans primarily mortgages, as a consequence of increasing in-force business following the strong level of new credit production during the last two years, partly mitigated by higher commissions paid on new refinancing operations.

Underlying earnings increased by €2 million to €2 million, following the rise in operating net banking revenues, while administrative expenses and cost of risks were globally stable.

Adjusted earnings increased by €1 million to €1 million.

Net income decreased by €9 million to €-7 million, as a result of the unfavorable impact from the decrease in interest rates on hedging instruments not eligible to hedge-accounting, partly offset by the increase in adjusted earnings.

Hungary

Based on the Hungarian Supreme court decision on June 16th, the Hungarian government enacted a legislation in July 2014 to retroactively correct bid-ask spread applied to retail forex loans and to abolish intransparent unilateral changes to interest rates and fees applied by the banks. As a result, a provision of €-18 million was set up to face the potential costs.

Net income were decreased by €17 million at €-33 million.

⁽¹⁾ Before intercompany eliminations and before realized capital gains/losses or changes in fair value of fair value option assets and of hedging instruments.

Germany

Net banking revenues remained stable at €11 million.

Underlying earnings were stable at €3 million.

Adjusted earnings and **net income** were stable at €3 million.

HOLDINGS AND OTHER COMPANIES

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2014	HY 2013	FY 2013
AXA	(360)	(283)	(589)
Other French holding companies	(26)	(28)	(31)
Foreign holding companies	(101)	(130)	(232)
Other	0	1	2
UNDERLYING EARNINGS	(486)	(441)	(851)
Net realized capital gains or losses attributable to shareholders	(6)	(28)	(31)
ADJUSTED EARNINGS	(493)	(469)	(882)
Profit or loss on financial assets (under Fair Value option) & derivatives	(21)	23	(64)
Exceptional operations (including discontinued operations)	(39)	(10)	(22)
Goodwill and related intangibles impacts	0	0	0
Integration and restructuring costs	(5)	(7)	(0)
NET INCOME	(558)	(464)	(969)

AXA SA⁽¹⁾

Underlying earnings decreased by €79 million to €-360 million mainly due to:

- increased general expenses (€-37 million) in order to support advertising campaigns across the Group and invest in our digital capabilities;
- lower dividends received from non-consolidated entities (€-17 million);
- an increase in the French tax of 3% on dividends (€-13 million) due to a higher dividend paid.

Adjusted earnings decreased by €86 million to €-371 million mainly driven by underlying earnings evolution.

Net income decreased by €186 million to €-407 million. Excluding profits linked to the sale of the Group's Canadian operations in respect of the deferred contingent consideration (nil in 2014 vs. €+8 million in 2013), net income decreased by €178 million mainly driven by:

- €-82 million mainly from a change in fair value of interest rate and foreign exchange economic derivatives not eligible for hedge accounting under IAS 39;
- €-86 million from adjusted earnings evolution.

Other French holding companies

AXA FRANCE ASSURANCE

Underlying earnings increased by € 3 million (+15%) to €-20 million mainly due to dividends received from a non-consolidated entity (€+2 million) and lower taxes (€+1 million) resulting from a decrease in intercompany dividends.

⁽¹⁾ All the figures are after tax.

Adjusted earnings and **net income** increased by €3 million (+15%) to €-20 million in line with the increase in underlying earnings.

OTHER FRENCH HOLDINGS

Underlying earnings and **adjusted earnings** were stable at €-6 million.

Net income increased by €8 million to €-19 million mainly due to a decrease in costs linked to the restructuring of the participation in Bharti AXA General Insurance.

Foreign Holding Companies

AXA FINANCIAL INC.

Underlying earnings increased by €9 million (+11%) to €-69 million. On a constant exchange rate basis, underlying earnings increased by €6 million (+7%) mainly reflecting the impact of lower share-based compensation expenses.

Adjusted earnings increased by €9 million (+11%) to €-69 million. On a constant exchange rate basis, adjusted earnings increased by €6 million (+7%), in line with underlying earnings evolution.

Net income increased by €22 million (+22%) to €-78 million. On a constant exchange rate basis, net income increased by €19 million (+19%) reflecting the adjusted earnings evolution and a less unfavorable change in fair value of cross currency swaps.

AXA UK HOLDINGS

Underlying earnings increased by €6 million (+59%) to €-4 million. On a constant exchange rate basis, underlying earnings increased by €6 million mainly due to lower financing costs (€+3 million) and lower pension costs reflecting the reduction in pension deficit (€+5 million), partly offset by a reduction in investment income (€-3 million).

Adjusted earnings increased by €11 million (+99%) to €0 million. On a constant exchange rate basis, adjusted earnings increased by €11 million (+99%) due to the increase in underlying earnings and realized capital gains.

Net Income increased by €24 million (+118%) to €4 million. On a constant exchange rate basis, net income increased by €24 million (+117%) mainly driven by the improvement in adjusted earnings, a favorable change in the fair value of derivatives (€+7 million) due to foreign exchange and interest rate movements and non-repeat of 2013 restructuring costs (€+5 million).

GERMAN HOLDING COMPANIES

Underlying earnings increased by €3 million (+40%) to €-5 million mainly due to a higher investment result.

Adjusted earnings increased by €28 million (+86%) to €-4 million mainly due to the non-repeat of impairment charges on real estate in the first half 2013.

Net income increased by €31 million (+79%) to €-8 million mainly driven by adjusted earnings evolution.

BELGIAN HOLDING COMPANY

Underlying earnings increased by €1 million (+20%) to €-5 million.

Adjusted earnings increased by €1 million (+11%) to €-5 million.

Net income increased by €1 million (+12%) to €-4 million.

MEDITERRANEAN AND LATIN AMERICAN REGION HOLDINGS

Underlying earnings and adjusted earnings increased by €6 million (+22%) to €-19 million. On a constant exchange rate basis, underlying earnings increased by €6 million (+22%) mainly due by a higher investment income from interest rate hedging derivatives.

Net income decreased by €2 million (-8%) to €-24 million. On a constant exchange rate basis, net income decreased by €2 million (-8%) mainly driven by adjusted earnings more than offset by change in fair value of hedging derivatives.

OUTLOOK

In a context of a challenging economic environment and low interest rates, AXA continues to successfully execute on its Ambition AXA plan.

AXA is confident about the growth momentum for the year 2014 during which Life & Savings new business volumes and Property & Casualty revenues are expected to increase. The Asset Management business should continue to benefit from a good momentum driven by a favorable investment performance and a strong distribution footprint, whilst remaining sensitive to the evolution of financial markets.

Ambition AXA is an important milestone of our long-term journey towards becoming a customer-centric organization, and thus further digital oriented. AXA will also focus on the more profitable market segments and faster growing geographies as well as on delivering the planned efficiency measures. This should enable to create lasting shareholder value and offer an attractive return.

GLOSSARY

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

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

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

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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

ADJUSTED EARNINGS

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

- Exceptional operations (primarily change in scope and discontinued operations)
- 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, and
- Profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets.

Derivatives related to invested assets:

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

Underlying earnings

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

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

- Realized gains and losses and change in impairment valuation allowance (on assets not designated under fair value option or trading assets),

- Cost at inception, intrinsic value and pay-off of derivatives involved in the economic hedging of realized gains and impairments of equity securities and real estate backing general account and shareholders' funds,
- Related impact on policyholder participation (Life & Savings business),
- DAC and VBI amortization or other reactivity to those elements if any (Life & Savings business) and net of hedging if any.

Earnings per share

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

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

Return On Equity ("ROE")

The calculation is prepared with the following principles:

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

Life & Savings Margin Analysis

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

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

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

- 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 and 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 take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees and Revenues".
 - Change in URR (Unearned Revenues Reserves – 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 Fees Reserves - capitalization net of amortization) is presented in the line “Change in unearned premiums net of unearned revenues & fees” in the underlying Statement of Income, whereas it is located in the line “Fees & Revenues” in the Margin analysis.

Underlying Investment margin includes the following items:

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

Underlying Fees & Revenues include:

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

Underlying Net Technical margin includes the following components:

- Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefits and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits. This margin does not include the claims handling costs and change in claims handling cost reserves,
- 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 is the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedge. It also includes the unhedged business result,
- Policyholder bonuses if the policyholder participates in the risk margin,
- Ceded reinsurance result,
- Other changes in insurance reserves are all the reserves strengthening or release coming from changes in valuation assumptions, additional reserves for mortality risk and other technical impacts such as premium deficiency net of derivative if any.

Underlying Expenses are:

- Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales),

- 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 acquisition expenses on current year and prior year new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,
- Administrative expenses,
- Claims handling costs,
- Policyholder bonuses if the policyholder participates in the expenses of the company.

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

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

Property & Casualty (including AXA Corporate Solutions Assurance)

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

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

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

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 the recurring interests credited to the insurance annuity 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 the recurring interests credited to the insurance annuity reserves, to
- Earned revenues, gross of reinsurance.

Underlying expense ratio is the ratio of:

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

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

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

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

Asset Management

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

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

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

Banking

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

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