redefining / standards

Half Year Financial Report

June 30, 2012

Table of contents

Activity Report /

Half Year 2012

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, 2011, 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 first half of 2012

In the United States and in Europe, economic indicators generally improved over the first quarter of 2012. In the United States, the manufacturing ISM index continued to deliver an optimistic message of expansion with external demand showing strength. In Europe, the situation from one country to another was quite mixed with sharp recessions in most of the peripheral nations and better performances in France and Germany. Banking and sovereign tensions continued to dissipate in the Euro area due to injections of long term liquidity by the ECB and progress on the reform front.

After an encouraging first quarter for the global state of the economy, in the second quarter, a generalized slowdown affected developed as well as developing economies. In the United States, poor prospects in domestic demand, along with uncertainties in global markets, took a toll on companies' confidence. The manufacturing ISM index declined in June, below 50, for the first time in three years, showing contraction in the industrial production.

In the Euro zone, after a calmer period, concerns about the political situation in Greece, and the possibility of that country exiting the Euro zone, added to difficulties in the Spanish banking sector, resulted in new tensions on bond markets and on credit conditions. Economic indicators deteriorated everywhere in Europe. Even Germany, a country which, so far, had succeeded in maintaining growth amid the current economic setback, recorded a slowdown in May and June, according to the IFO Index.

In this environment, Japanese investors remained cautious and scaled down capital expenditure. After the resurgence of automobile sales during the first quarter, private expenditure slowed down. Indeed, the labour market remained weak as wages and employment were nearly stagnant.

Against this unfavourable environment, emerging countries were also affected. China showed signs of slowdown, while Brazil and India registered disappointing growth rates. Poor economic performance in their main partner countries finally depressed economic activity in emerging countries, in particular on investment.

STOCK MARKETS

Equity markets performance was mixed during the first half of this year. The MSCI World Index increased by 5% with good performance in the United States and in Japan. However, in Europe the performance was weak and very contrasted from one country to another (negative performance in the periphery, especially in Spain and Italy).

The Dow Jones Industrial Average Index in New York increased by 5% in the first half of 2012 and the S&P 500 Index by 8%. The FTSE 100 Index in London ended the first half of 2012 almost exactly flat compared to December 31, 2011. The CAC 40 Index in Paris increased by 1% and the Nikkei Index in Tokyo appreciated by 7%.

The MSCI G7 Index increased by 6% and the MSCI Emerging Index appreciated by 3%. The S&P 500 implied volatility Index decreased from 23.4% to 17.1% between December 31, 2011 and June 30, 2012.

BOND MARKETS

The US 10-year T-bond ended the half year at 1.66%, a decrease of 22 bp compared to December 31, 2011. The 10-year German Bund yield decreased by 23 bp to 1.60%. The France 10-year government bond yield decreased by 46 bp to 2.69%. The 10-year Japanese government bond ended the half year at 0.85 %, a decrease of 14.5 bp. The 10-year Belgium government bond ended the half year at 3.03%, a 106 bp decrease compared to December 31, 2011.

Regarding the evolution of 10-year government bonds on European peripheral countries: Italy ended the half year at 5.82% (a decrease of 120 bp compared to December 31, 2011), Spain ended the half year at 6.33% (an increase of 124 bp compared to December 31, 2011), Greece ended the half year at 25.83% (a decrease of 913 bp compared to December 31, 2011), Ireland ended the half year at 8.21% (stable compared to December 31, 2011), Portugal ended the half year at 10.16% (a decrease of 320 bp compared to December 31, 2011).

In Europe, the iTRAXX Main spreads decreased by 7 bp compared to December 31, 2011 and ended half year at 166 bp while the iTRAXX Crossover decreased by 93 bp to 662 bp. In the United States, the CDX Main spread Index decreased by 8 bp to 112 bp.

EXCHANGE RATES

In this context, the Euro decreased against the main currencies during the first half of 2012 reflecting fears that Greece exits from the monetary union, and disappointing economic results.

Compared to December 31, 2011, the US Dollar gained 2% against the Euro (closing exchange rate moved from $1.30 at the end of 2011 to $1.27 at the end of June 2012). The Yen decreased by 1% against the Euro (closing exchange rate moved from Yen 99.88 at the end of 2011 to Yen 101.26 at the end of June 2012). The Pound Sterling gained 3% against the Euro (closing exchange rate moved from £0.835 at the end of 2011 to £0.809 at the end of June 2012). The Swiss Franc gained 1% against the Euro (closing exchange rate moved from CHF 1.21 at the end of 2011 to CHF 1.20 at the end of June 2012).

On an average rate basis, the US Dollar gained 7% against the Euro (from $1.40 over the first half of 2011 to $1.30 over the first half of 2012). The Yen gained 8% against the Euro (from Yen 112.4 over the six months to March 31, 2011 used for half year 2011 accounts to Yen 103.4 over the first half of 2012). The Pound Sterling gained 5% (from £0.869 over the first half of 2011 to £0.823 over the first half of 2012) and the Swiss Franc gained 5% against the Euro (from CHF 1.27 over the first half of 2011 to CHF 1.20 over the first half of 2012).

Operating highlights

Significant acquisitions

AXA and HSBC long-term partnership in Property & Casualty in Asia and Latin America

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

This transaction will position AXA as the number one P&C player in Hong Kong, and strengthen its leading positions in Mexico and Singapore. The Hong Kong and Singapore businesses to be acquired benefit from multi-channel distribution, including through HSBC Bank branches, as well as strong agent and broker networks.

The net upfront cash consideration for AXA is USD 494 million or ca. Euro 374 million, and will be funded through internal resources. The closing of the transaction is subject to regulatory approvals and is expected in the course of the second half of 2012.

Significant disposals

There were no significant disposals in the first half of 2012.

Other

AXA Rosenberg

In the first half of 2011 a number of class action law suits were filed against AXA Rosenberg on behalf of certain AXA Rosenberg clients. These suits made various allegations including breach of fiduciary duty, negligence/gross negligence in connection with the coding error and requested damages in an unspecified amount to be determined at trial. In the last quarter of 2011, the parties entered into a settlement agreement following a nonbinding mediation process. In March 2012, the Federal District Court for the North District of California approved a settlement of these class actions under the terms of which AXA Rosenberg paid USD 65 million.

Launch of the Joint-Venture in China between ICBC, AXA and Minmetals

On July 19, 2012, ICBC-AXA Life, a Life Insurance joint-venture between Industrial and Commercial Bank of China Co. Ltd (ICBC), AXA and China Minmetals Corporation (Minmetals), announced its official launch in China. It has received approval from China's State Council and all relevant regulatory bodies.

ICBC-AXA Life succeeds AXA-Minmetals Assurance (AXA-Minmetals), established in 1999. Following the equity transfer agreement reached on October 28, 2010 between ICBC , AXA and Minmetals, ICBC bought 60% of shares of AXA-Minmetals and became the majority shareholder of the company. AXA owns 27.5% and Minmetals owns 12.5%.

AXA rating

On January 27, 2012, S&P affirmed the 'AA-' long-term ratings on AXA Group, assigning a negative outlook, and removing the CreditWatch with negative implications under which AXA Group and other financial institutions were placed on December 9, 2011 following the rating actions on the Eurozone sovereigns.
In February 2012, Moody's Investors Services reaffirmed the Aa3 rating for counterparty credit and financial strength on AXA's principal insurance subsidiaries, and A2 for counterparty credit rating on the Company, assigning a negative outlook.

Related-party transactions

During the first half of the fiscal year 2012, 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, 2011 included in the full year 2011 Registration Document (pages 392 and 393) 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 2012, 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 2012.

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 2011 Registration Document (respectively on pages 172 to 184 and pages 185 to 204) 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 2011 Registration Document remains valid in all material respects at the date of this Report regarding the appreciation of the major risks and uncertainties affecting the Group at June 30, 2012 and which management expects may affect the Group during the remainder of 2012.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in Euro million)

	HY 2012	HY 2011	FY 2011	HY 2012/ HY 2011 (d)
Life & Savings	**28,607**	**27,841**	**52,431**	**0.8%**
of which Gross written premiums	*27,889*	*27,010*	*50,918*	*-*
of which Fees and revenues from investment contracts with no participating feature	*164*	*182*	*350*	*-*
Property & Casualty	**16,173**	**15,350**	**27,046**	**3.7%**
International Insurance	**1,825**	**1,739**	**2,876**	**2.4%**
Asset Management	**1,575**	**1,658**	**3,269**	**-10.1%**
Banking (b)	**226**	**248**	**485**	**-7.7%**
Holdings and other companies (c)	**0**	**0**	**0**	**n.a.**
TOTAL	**48,405**	**46,836**	**86,107**	**1.4%**

(a) Net of intercompany eliminations.
(b) Excluding (i) net realized capital gains or losses and (ii) change in fair value of assets under fair value and of options and derivatives, net banking revenues and total consolidated revenues would respectively amount to €224 million and €48,403 million for half year 2012 and €479 million and €86,101 million for full year 2011.
(c) Includes notably CDOs and real estate companies.
(d) Changes are on a comparable basis.

On a comparable basis means that the data for the current year 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).

In particular, comparable basis for revenues and APE[1] in this document means including, in both periods, acquisitions, disposals and business transfers, and net of intercompany transactions.

Consolidated gross revenues for half year 2012 reached €48,405 million, up 3% compared to first half year 2011.

The restatements to a comparable basis were mainly driven by the depreciation of Euro against most of major currencies (€+1,365 million or +2.9 points) and the impact of the disposal of Australia and New Zealand operations in 2011 (€-352 million or -0.8 point).

On a comparable basis, gross consolidated revenues were up 1%.

[1] *Annual Premium Equivalent (APE) is a new regular premiums plus are tenth of single premiums, in line with EEV methodology. APE is Group share.*

Annual Premium Equivalent

Annual Premium equivalent

(in Euro million)

	HY 2012	HY 2011	FY 2011	HY 2012/HY 2011 (a)
TOTAL	**3,075**	**2,948**	**5,733**	**0.0%**
France	641	664	1,340	-5.2%
United States	599	502	1,018	10.0%
United Kingdom	283	296	535	-9.3%
Japan	269	212	463	17.3%
Germany	258	258	506	0.2%
Switzerland	256	277	397	-12.3%
Belgium	119	80	173	49.6%
Central & Eastern Europe	78	129	213	-36.2%
Mediterranean and Latin American Region	190	202	432	-6.0%
Hong Kong	180	166	330	-0.4%
South-East Asia, India and China	201	162	326	18.0%
Mature markets	**2,590**	**2,467**	**4,808**	**0.6%**
High growth markets	**485**	**481**	**925**	**-3.0%**

(a) Changes are on a comparable basis.

Total Life & Savings New Business APE amounted to €3,075 million, up 4% on a reported basis or stable on a comparable basis. This was mainly driven by Belgium, South-East Asia, India and China, Japan and the United States, offset by Central & Eastern Europe, Switzerland, the United Kingdom, Mediterranean and Latin American Region and France.

High growth markets decreased by 3% as strong growth in South-East Asia, India and China (€+29 million or +18%) was more than offset by Central & Eastern Europe (€-47 million or -36%), negatively impacted by regulatory developments in Poland.

The United States APE increased by €50 million (+10%) to €599 million reflecting higher sales of unit-linked products (€+49 million) as a consequence of both higher (i) non GMxB Variable Annuity product sales (+31% or €+29 million) driven by the availability of Structured Capital Strategies product and the new Retirement Gateway product in the wholesale channel, and (ii) GMxB Variable Annuity product sales (+17% or €+20 million) mainly on new Accumulator 11 product.

Belgium APE increased by €40 million (+50%) to €119 million, mainly driven by higher sales of Crest Classic G/A Savings product as a result of a two-month sales campaign in January and February, as well as G/A Protection & Health products reflecting the acquisition of a large Group contract.

Japan APE increased by €37 million (+17%) to €269 million driven by higher sales of Variable Annuity products (€+18 million) as well as sales of G/A Protection & Health products (€+17 million) driven by Term Rider and LTTP products which were actively promoted.

South-East Asia, India and China APE increased by €29 million (+18%) to €201 million mainly driven by (i) Thailand (€+15 million) reflecting higher sales of G/A Protection with Savings and G/A Pure Protection products, (ii) Indonesia (€+7 million) due to sales of unit-linked products through the bancassurance channel, and (iii) Singapore (€+4 million) driven by unit-linked products through the broker channel.

Central & Eastern Europe APE decreased by 47 million (-36%) to €78 million. The decrease was driven by (i) Pension Funds (€- 32 million) as a result of the change in regulation in Poland and (ii) lower Life sales (€-15 million) mainly driven by unit-linked sales due to the end of cooperation with lower profitability brokers in the Czech Republic and Slovakia.

France APE decreased by €36 million (-5%) to €641 million mainly due to (i) lower sales of G/A Individual Savings (-10% or €-39 million) reflecting the negative trend in the French market, partly offset by (ii) an increase in G/A Protection & Health and Group retirement sales.

Switzerland APE decreased by €34 million (-12%) to €256 million mainly driven by Group Life after exceptionally strong sales of full coverage insurance contracts in the first half of 2011.

UK APE decreased by €28 million (-9%) to €283 million driven by unit-linked products (€-37 million) as a result of lower volumes in Individual Pension business and in Offshore Bond business written through Isle of Man. This was partly mitigated by Mutual Funds sales (€+10 million) through the Elevate wrap platform.

Mediterranean and Latin American Region APE decreased by €12 million (-6%) to €190 million mainly due to mature markets (€-16 million) reflecting (i) a significant decrease in G/A Savings products (€-36 million or -38%) as a result of the increased focus on unit-linked products and high competitive environment from banks, partly offset by (ii) unit-linked products (€+21 million or +36%).

Property & Casualty Revenues

Property & Casualty Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011	HY 2012/ HY 2011 (a)
TOTAL	*16,173*	*15,350*	*27,046*	*3.7%*
Mature markets	*13,259*	*12,726*	*21,609*	*2.4%*
Direct	*1,085*	*1,059*	*2,102*	*-1.1%*
High growth markets	*1,829*	*1,564*	*3,335*	*17.4%*

(a) Changes are in comparable basis

Property & Casualty gross revenues were up 5% to €16,173 million or up 4% on a comparable basis. Personal lines increased by 3% especially in Germany, the United Kingdom & Ireland, the Mediterranean and Latin American Region partly offset by Direct. Commercial lines increased by 5%, primarily in the Mediterranean and Latin American Region, the United Kingdom & Ireland, France and Asia.

Personal lines (58% of P&C gross revenues) were up by 3% on a comparable basis, stemming from both Motor (+2%) and Non-Motor (+5%), primarily as a result of tariff increases in mature markets and higher volumes in high growth markets.

Motor revenues grew by €105 million or +2% mainly driven by:
- Germany (+8%) mainly as a result of tariff increases and successful turn of year business,
- the Mediterranean and Latin American Region (+4%), primarily driven by higher volumes in Turkey (+30%) and Mexico (+13%), tariff increases in Italy (+10%), partly offset by Spain (-9%) due to a competitive market in a depressed economic environment,
- Asia (+14%) driven by strong volume increase in Malaysia (+8%),
- partly offset by Direct (-3%) reflecting a 35% decrease in the United Kingdom as a result of portfolio pruning and repricing with lower retention as well as lower new business, partly offset by significant growth in other countries (+10%) with Italy, Poland and France (+70%, +37% and +10% respectively) as well as higher volumes in Japan (+5%).

Non-Motor revenues increased by €163 million or +5% mainly due to:
- the United Kingdom & Ireland (+8%) mainly in Household, driven by the United Kingdom with new partnerships and improved retention,
- Germany (+5%) and France (+2%) mainly due to tariff increases in Household.

Commercial lines (41% of P&C gross revenues) increased by 5% on a comparable basis with Motor and Non-Motor up by 12% and 3% respectively.

Motor revenues increased by €157 million or +12%, mainly driven by:
- the Mediterranean and Latin American Region (+23%) notably in Mexico (+40%) fuelled by positive portfolio developments, and in Turkey (+27%) reflecting more competitive products,
- France (+14%) mainly as a result of both tariff increases and higher volumes,

- the United Kingdom (+14%) mainly driven by tariff increases and increased retained business in Motor fleet.

Non-Motor revenues increased by €156 million or +3% reflecting growth in:
- the United Kingdom (+9%) primarily due to Health portfolio development in the United Kingdom and abroad,
- France (+4%) mainly following tariff increases in Construction and Property, partly offset by lower volumes,
- the Mediterranean and Latin American Region (+3%) mainly driven by new business in Health in the Gulf.

International Insurance revenues

International Insurance gross revenues were up 5% or 2% on comparable basis to €1,825 million mainly driven by (i) **AXA Corporate Solutions** up 2% to €1,334 million mainly as a result of positive portfolio developments and tariff increases in Construction, Property and Marine, partly offset by non renewal of a large contract in Liability and tariff decrease in Aviation, and (ii) **AXA Assistance** up 4% to €401 million.

Asset management revenues

Asset Management gross revenues decreased by 5% or 10% on a comparable basis to €1,575 million mainly driven by a decrease in management fees (€-117 million) at **AllianceBernstein** and lower performance fees and real estate transaction fees at **AXA IM** (€-35 million).

AllianceBernstein revenues were down 13% to €965 million primarily due to lower management fees (-17%), resulting from lower bps (-3.6 bps) reflecting change in business mix, and lower average assets under management (-9%) versus 1H 2011.

Assets Under Management (AUM) increased by 3% or €11 billion from year-end 2011 to €346 billion driven by (i) €+13 billion from market appreciation, (ii) €+8 billion favorable foreign rate exchange impact, partly offset by (iii) €-5 billion net outflows (€5 billion net inflows from Retail clients offset by €-7 billion net outflows from Institutional clients and €-3 billion net outflows from Private Clients) and (iv) €-5 billion change in scope due to the disposal of AXA Canada and AXA Australia operations.

AXA Investment Managers revenues were down 6% to €610 million. Excluding distribution fees (retroceded to distributors), net revenues decreased by €31 million (-6%) mainly resulting from lower performance and Real Estate transaction fees while management fees remained stable.

AUM increased by 6% or +30 billion from year-end 2011 to €542 billion mainly as a result of (i) €+28 billion market appreciation, (ii) €+4 billion favorable foreign exchange rate impact, partly offset by (iii) €-2 billion outflows.

Net outflows of €-2 billion were mainly driven by the voluntary exit from unprofitable employee shareholding plan schemes (€-4 billion) and outflows at AXA Rosenberg (€-1 billion), partly offset by net inflows mainly on AXA Private Equity, AXA Framlington and AXA Fixed Income.

Net banking revenues

Net banking revenues were down 9% to €226 million or down 8% on a comparable basis, mainly driven by **France** (-43%) due to higher interest paid to customers on savings account as a result of the promotional campaign realized during the first half of 2012, while **AXA Bank Belgium** increased by 13% to €153 million mainly due to higher realized capital gains, partly offset by higher impairments on fixed income assets.

Consolidated underlying earnings, adjusted earnings and net income

IASB and FASB deliberations regarding the Insurance Contracts Phase II project as well as change in USGAAP indicate that accounting standards are moving to lower capitalization and therefore less deferral of acquisition expenses. In this context, the Group changed its accounting policy on deferred acquisition costs as of January 1, 2012 and retrospectively restated comparative information related to previous periods. The impact of this change led to a reduction of total shareholders' equity of €1,913 million (of which €1,910 million group share) as of January 1, 2011.

In the tables of the document, "restated" refers to this voluntary change in accounting policy.

(in Euro million)

	HY 2012	HY 2011 published	HY 2011 restated (b)	FY 2011 published	FY 2011 restated (b)
Gross written premiums	45,749	43,959	43,959	80,570	80,570
Fees and revenues from investment contracts without participating feature	164	182	182	350	350
Revenues from insurance activities	**45,913**	**44,141**	**44,141**	**80,920**	**80,920**
Net revenues from banking activities	***204***	***245***	***245***	***414***	***414***
Revenues from other activities	***2,268***	***2,449***	***2,449***	***4,708***	***4,708***
TOTAL REVENUES	**48,385**	**46,835**	**46,835**	**86,042**	**86,042**
Change in unearned premium reserves net of unearned revenues and fees	***(4,069)***	***(3,740)***	***(3,740)***	***(547)***	***(547)***
Net investment result excluding financing expenses (a)	***14,209***	***11,065***	***11,065***	***15,114***	***15,114***
Technical charges relating to insurance activities (a) (c)	(45,494)	(40,351)	(40,351)	(75,623)	(75,623)
Net result of reinsurance ceded	(572)	(571)	(571)	(733)	(733)
Bank operating expenses	(47)	(44)	(44)	(87)	(87)
Insurance acquisition expenses	(4,258)	(4,345)	(4,332)	(8,160)	(8,352)
Amortization of value of purchased life business in force	(37)	(87)	(87)	(241)	(241)
Administrative expenses (c)	(4,529)	(5,047)	(5,047)	(9,552)	(9,552)
Valuation allowances on tangible assets	(0)	(0)	(0)	29	29
Change in value of goodwill	(0)	(1)	(1)	(0)	(0)
Other	(143)	(158)	(158)	(388)	(388)
Other operating income and expenses	**(55,081)**	**(50,605)**	**(50,592)**	**(94,755)**	**(94,947)**
OPERATING EARNINGS BEFORE TAX	**3,445**	**3,556**	**3,569**	**5,854**	**5,662**
Net income from investments in affiliates and associates	44	46	46	85	85
Financing expenses	(275)	(196)	(196)	(360)	(360)
UNDERLYING EARNINGS BEFORE TAX	**3,214**	**3,406**	**3,420**	**5,579**	**5,386**
Income tax expenses	(791)	(1,040)	(1,048)	(1,453)	(1,392)
Minority interests	(118)	(145)	(143)	(224)	(222)
Other	-	-	-	-	-
UNDERLYING EARNINGS	**2,305**	**2,222**	**2,228**	**3,901**	**3,772**
Net realized capital gains or losses attributable to shareholders	123	171	174	(312)	(312)
ADJUSTED EARNINGS	**2,427**	**2,393**	**2,402**	**3,589**	**3,460**
Profit or loss on financial assets (under fair value option) & derivatives	291	165	170	114	110
Exceptional operations (including discontinued operations)	(8)	1,543	1,543	2,069	2,069
Goodwill and other related intangible impacts	(56)	(50)	(50)	(1,167)	(1,167)
Integration and restructuring costs	(69)	(52)	(52)	(281)	(281)
NET INCOME	**2,586**	**3,999**	**4,013**	**4,324**	**4,190**

(a) For the periods ended June 30, 2012 and December 31, 2011, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €+6,224 million and €+4,977 million, and benefits and claims by the offsetting amounts respectively.
(b) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(c) For the period ended December 31, 2011, €201 million have been reclassified from administrative expenses to technical charges relating to insurance activities to ensure consistency of the information.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011 published	HY 2011 restated (b)	FY 2011 published	FY 2011 restated (b)
Life & Savings	1,411	1,310	1,316	2,267	2,138
Property & Casualty	1,044	989	989	1,848	1,848
International Insurance	118	143	143	276	276
Asset Management	159	157	157	321	321
Banking	5	8	8	32	32
Holdings and other companies (a)	(433)	(384)	(384)	(843)	(843)
UNDERLYING EARNINGS	**2,305**	**2,222**	**2,228**	**3,901**	**3,772**
Net realized capital gains or losses attributable to shareholders	123	171	174	(312)	(312)
ADJUSTED EARNINGS	**2,427**	**2,393**	**2,402**	**3,589**	**3,460**
Profit or loss on financial assets (under Fair Value option) & derivatives	291	165	170	114	110
Exceptional operations (including discontinued operations)	(8)	1,543	1,543	2,069	2,069
Goodwill and related intangibles impacts	(56)	(50)	(50)	(1,167)	(1,167)
Integration and restructuring costs	(69)	(52)	(52)	(281)	(281)
NET INCOME	**2,586**	**3,999**	**4,013**	**4,324**	**4,190**

(a) Includes notably CDOs and real estate companies.
(b) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Group underlying earnings amounted to €2,305 million up 3% versus 1H 2011. On a constant exchange rate basis, underlying earnings remained stable driven by **Property & Casualty** and **Life & Savings,** partly offset by a decrease in **Holdings** and **International Insurance**.

Life & Savings underlying earnings amounted to €1,411 million. On a constant exchange rate basis Life & Savings underlying earnings were up €40 million (+3%). On a comparable scope basis, restated for the sale of Bluefin and portfolios transferred in November 2011 to Resolution in the UK, and for the AXA APH Asian entities minority interest buy-out and disposal of Australia and New Zealand operations on April 2, 2011, Life & Savings underlying earnings were up €45 million (+3%) mainly attributable to Japan (€+135 million), Switzerland (€+23 million), the Mediterranean and Latin American Region (€+21 million), South-East Asia India and China (€+13 million), partly offset by the United States (€-156 million) mainly resulting from:

(i) **Lower Investment margin** (€-25 million or -2%), mainly as a result of (i) lower investment income partly offset by lower allocation to policyholders in France (€-32 million), (ii) the United States (€-23 million) due to a decrease in investment income, partly offset by (iii) the Mediterranean and Latin American Region (€+8 million) mainly due to an exceptional release of policyholder bonus, and (iv) Switzerland (€+8 million) as a result of higher investment income mainly on real estate as well as lower interest credited.

(ii) **Higher fees & revenues** (€+50 million or +1%) mainly driven by:
   a. ***Unit-linked management fees*** were down €27 million, mainly driven by France (€-18 million) due to lower average asset base and the United States (€-16 million) due to lower Separate Account balances,
   b. ***Loadings on premiums and mutual funds*** were up €75 million mainly driven by (i) France (€+100 million) due to an adjustment on Unearned Revenue Reserve (€+69 million) fully offset by DAC amortization, as well as higher loadings on premiums in Group Protection (€+23 million), (ii) Hong Kong (€+28 million) driven by higher new business and in-force growth, partly offset by (iii) the United States (€-69 million) due to the non repeat of a favourable change in assumptions in 1H 2011 related to Unearned Revenue Reserve amortization (€-71 million),
   c. ***Other fees*** were up €2 million.

(iii) **Net technical margin** was down €608 million (or -93%) mainly driven by (i) the United States (€-724 million), primarily due to (a) higher Variable Annuity GMxB losses mainly resulting from reserve adjustments for lower partial withdrawal, partly offset by premium suspension on old contracts and other model and assumption refinements, as well as higher hedging losses, and due to (b) unfavorable mortality experience on Life products, partly offset by (ii) Japan (€+96 million) mainly due to the non repeat of the Great East Japan earthquake.

(iv) **Expenses** decreased by €488 million (or -14%) as a result of:
   a. €393 million lower acquisition expenses, primarily driven by the United States (€+560 million) as a result of lower DAC amortization notably following the decrease in technical margin, partly offset by (i) France (€-64 million) mainly driven by higher DAC amortization (€-69 million) fully offset by

higher Unearned Revenue Reserve amortization, (ii) the Mediterranean and Latin American Region (€-33 million) due to higher DAC amortization reflecting increase in surrenders,

b. €94 million lower administrative expenses reflecting both positive one-off impacts, as well as various efficiency programs net of inflation.

(v) **Lower tax expenses and minority interests** (down €94 million) mainly driven by more favorable tax one-offs in Japan (€+59 million in 1H 2012 versus €-15 million in 1H 2011), as well as a change in country mix.

Property & Casualty underlying earnings amounted to €1,044 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €41 million (+4%) mainly driven by:

(i) **Higher net technical result (including expenses)** up €127 million (or +35%) driven by:
   a. **Current year loss ratio** improving by 0.2 point driven by tariff increases and lower claims frequency, partly offset by higher large claims, notably from freeze, and higher Nat Cat charge (+0.4 point),
   b. **Higher positive prior year reserve developments** by 0.1 point,
   c. **Lower expense ratio** improving by 0.5 point to 26.3%, reflecting (i) 0.4 point reduction in acquisition ratio mainly driven by productivity gains and a decrease in commission rate driven by a favorable product and business mix effect in the United Kingdom, and (ii) 0.1 point reduction in administrative expenses ratio benefiting from various efficiency programs net of inflation.
   d. As a result, **the combined ratio** improved by 0.8 point to 96.4%.

(ii) **Investment result** remained stable at €1,033 million**,** as lower dividends in Germany and lower revenues on fixed rated bonds in France were offset by higher yields in Mediterranean and Latin American Region and the United Kingdom.

(iii) **Higher income tax expense and minority interests** (up €76 million) mainly driven by higher pre-tax underlying earnings and unfavorable country mix while negative tax one-offs remained stable.

International Insurance underlying earnings amounted to €118 million. On a constant exchange rate basis, underlying earnings decreased by €25 million (or -18%) mainly due to AXA Liabilities Managers, down €31 million, following lower favorable positive settlements on Property & Casualty run-off portfolios.

Asset Management underlying earnings amounted to €159 million. On a constant exchange rate basis, underlying earnings decreased by €6 million (-4%) driven by (i) AXA IM (€-17 million or -17%) reflecting lower revenues partly offset by lower variable compensations, and partly offset by (ii) AllianceBernstein (€+11 million or +19%) as a result of lower variable compensations and staff reduction more than offsetting revenues decrease.

Banking underlying earnings amounted to €5 million. On a constant exchange rate basis, underlying earnings decreased by €3 million (-39%).

Holdings and other companies underlying earnings amounted to €-433 million. On a constant exchange rate basis, holdings underlying earnings decreased by €-48 million (12%) mainly driven by (i) AXA SA (€-69 million) due to an increase in financial charge and a lower income from net participation in BNP Paribas, partly offset by (ii) Other French Holdings (€+11 million) following an increase in operating profit of non consolidated entities.

Group net capital gains attributable to shareholders amounted to €123 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders were down €55 million mainly due to:

(i) €-142 million lower **realized capital gains**, to €+369 million in the first half of 2012, mainly driven by lower realized gains on equities (€-134 million) and real estate (€-102 million), partly offset by higher realized gains on fixed income assets (€+80 million),

(ii) €+58 million lower **impairments** to €-185 million in the first half of 2012, mainly driven by the non repeat of €-92 million net impairment charge on Greece government bonds, partly offset by higher impairments on equities and real estate,

(iii) €+29 million higher intrinsic value related to equity hedging derivatives.

As a result, **adjusted earnings** amounted to €2,427 million. On a constant exchange rate basis, adjusted earnings decreased by €56 million (-2%).

Net Income amounted to €2,586 million. On a constant exchange rate basis, net income decreased by €1,514 million (-38%) mainly as a result of:

(i) Lower exceptional operations: down €1,550 million to €-8 million, mainly due to the non repeat of first half of 2011 exceptional capital gains of €1,440 million relating to the disposal of the stake in Taikang Life as well as Australia and New Zealand operations,

(ii) Lower adjusted earnings : down €56 million, partly offset by

(iii) More favorable change in fair value of financial assets and derivatives: up €114 million to €+291 million which can be analyzed as follows:

   a. €+191 million from decrease in interest rates and corporate spreads,
   b. €+99 million positive performance from private equity, equities and hedge funds,
   c. €+47 million positive change in fair value mainly from Asset Backed Securities mainly in Belgium, partly offset by
   d. €-47 million following foreign exchange rate movements, mainly on JPY.

Consolidated Shareholders' Equity

As of June 30, 2012, consolidated shareholders' equity totaled €48.7 billion. The movements in shareholders' equity since December 31, 2011 are presented in the table below:

(in Euro million)

	FY 2011 published	Change in DAC accounting methodology adopted retrospectively as at 01/01/2012	FY 2011 restated	HY 2012
Shareholders' Equity	48,562	(2,104)	46,458	48,687

	Shareholders' Equity
At December 31, 2011	**46,458**
Share Capital	0
Capital in excess of nominal value	1
Equity-share based compensation	16
Treasury shares sold or bought in open market	17
Deeply subordinated debt (including interests charges)	(148)
Fair value recorded in shareholders' equity	1,788
Impact of currency fluctuations	609
Payment of N-1 dividend	(1,626)
Other	(82)
Net income for the period	2,586
Actuarial gains and losses on pension benefits	(933)
At June 30, 2012	**48,687**

Shareholder Value

EARNINGS PER SHARE ("EPS")

(in Euro million except ordinary shares in million)

	HY 2012		HY 2011 published		HY 2011 restated (a)		FY 2011 published		FY 2011 restated (a)		Var. HY 2012 versus HY 2011 restated (a)	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,340.3**	**2,343.3**	**2,298.4**	**2,302.5**	**2,298.4**	**2,302.5**	**2,301.0**	**2,305.0**	**2,301.0**	**2,305.0**		
Net income (Euro per Ordinary Share)	1.04	1.04	1.68	1.68	1.69	1.68	1.75	1.75	1.69	1.69	-38%	-38%
Adjusted earnings (Euro per Ordinary Share)	0.97	0.97	0.98	0.98	0.98	0.98	1.43	1.43	1.38	1.37	-1%	-1%
Underlying earnings (Euro per Ordinary Share)	0.92	0.92	0.91	0.90	0.91	0.91	1.57	1.57	1.51	1.51	1%	2%

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

RETURN ON EQUITY (“ROE”)

(in Euro million)

	Period ended , June 30, 2012	Period ended , June 30, 2011 published	Period ended , June 30, 2011 restated (c)	Change in % points
ROE	**11.1%**	**17.3%**	**18.0%**	**-7.0 pts**
Net income group share	2,586	3,999	4,013	
Average shareholders' equity	46,620	46,349	44,482	
Adjusted ROE	**13.8%**	**13.5%**	**14.3%**	**-0.6 pts**
Adjusted earnings (a)	2,280	2,253	2,262	
Average shareholders' equity (b)	33,104	33,356	31,572	
Underlying ROE	**13.0%**	**12.5%**	**13.2%**	**-0.2 pts**
Underlying earnings (a)	2,157	2,081	2,088	
Average shareholders' equity (b)	33,104	33,356	31,572	

(a) Including adjustement to reflect net financial charges related to undated debt (recorded through shareholders' equity).
(b) Excluding fair value of invested assets and derivatives and undated debt (both recorded through shareholders' equity).
(c) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

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)

	HY 2012	HY 2011 published	HY 2011 restated (b)	FY 2011 published	FY 2011 restated (b)
Gross revenues (a)	**28,642**	**27,879**	**27,879**	**52,481**	**52,481**
APE (Group share)	*3,075*	*2,948*	*2,948*	*5,733*	*5,733*
Investment margin	1,234	1,248	1,248	2,428	2,428
Fees & revenues	3,623	3,675	3,675	7,160	7,160
Net technical margin	16	645	645	(205)	(205)
Expenses	(3,001)	(3,636)	(3,623)	(6,236)	(6,428)
Amortization of VBI	(37)	(86)	(86)	(239)	(239)
Other	25	22	22	43	43
Underlying earnings before tax	**1,860**	**1,867**	**1,880**	**2,951**	**2,759**
Income tax expenses / benefits	(418)	(495)	(503)	(597)	(536)
Minority interests	(31)	(62)	(61)	(87)	(84)
Underlying earnings Group share	**1,411**	**1,310**	**1,316**	**2,267**	**2,138**
Net capital gains or losses attributable to shareholders net of income tax	145	243	246	(35)	(36)
Adjusted earnings Group share	**1,556**	**1,553**	**1,562**	**2,232**	**2,102**
Profit or loss on financial assets (under FV option) & derivatives	300	171	177	273	269
Exceptional operations (including discontinued operations)	(26)	763	763	745	745
Goodwill and other related intangibles impacts	(19)	(15)	(15)	(1,015)	(1,015)
Integration and restructuring costs	(14)	(16)	(16)	(42)	(42)
Net income Group share	**1,797**	**2,457**	**2,471**	**2,193**	**2,059**

(a) Before intercompany eliminations.
(b) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Consolidated Gross Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011
France	6,754	7,105	13,658
United States	5,567	4,754	9,657
United Kingdom	317	327	651
Japan	3,180	2,865	5,747
Germany	3,290	3,328	7,001
Switzerland	4,838	4,544	6,158
Belgium	1,225	1,111	2,142
Central & Eastern Europe (d)	222	277	514
Mediterranean and Latin American Region (a)	2,258	2,338	4,796
Hong Kong	796	703	1,465
South-East Asia, India and China (c)	140	128	255
Other countries (b)	55	400	436
TOTAL	**28,642**	**27,879**	**52,481**
Intercompany transactions	(35)	(38)	(50)
Contribution to consolidated gross revenues	**28,607**	**27,841**	**52,431**
of which high growth markets	**1,350**	**1,296**	**2,617**
of which mature markets	**27,257**	**26,544**	**49,814**

(a) Mediterranean and Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.
(b) Other countries correspond to Australia / New Zealand, Luxembourg, AXA Global Distributors, AXA Life Europe, Architas and Family Protect .
(c) South-East Asia revenues include Indonesia and Singapore.
(d) Includes Poland, Hungary, Czech Republic and Slovakia.

Underlying earnings

(in Euro million)

	HY 2012	HY 2011 published	HY 2011 restated (b)	FY 2011 published	FY 2011 restated (b)
France	375	379	374	632	620
United States	237	345	375	312	235
United Kingdom	(13)	(8)	(8)	(6)	(6)
Japan	281	133	125	323	303
Germany	66	82	80	192	188
Switzerland	157	125	125	293	293
Belgium	77	82	82	155	155
Central & Eastern Europe (d)	17	7	7	9	9
Mediterranean and Latin American Region (a)	76	56	55	104	102
Hong Kong	119	89	83	224	210
South-East Asia, India and China (c)	35	18	18	50	50
Other countries (e)	(14)	1	1	(19)	(19)
UNDERLYING EARNINGS	**1,411**	**1,310**	**1,316**	**2,267**	**2,138**
of which high growth markets	178	121	115	295	281
of which mature markets	1,234	1,189	1,201	1,973	1,857

(a) Mediterranean and Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.
(b) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(c) South-East Asia earnings include Indonesia, Thailand, Philippines and Singapore.
(d) Includes Poland, Hungary, Czech Republic and Slovakia.
(e) Other countries correspond to Australia / New Zealand, Luxembourg, AXA Golbal Distributors, AXA Life Europe, Architas and Family Protect.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011 published	HY 2011 restated (a)	FY 2011 published	FY 2011 restated (a)
UNDERLYING EARNINGS	**1,411**	**1,310**	**1,316**	**2,267**	**2,138**
Net realized capital gains or losses attributable to shareholders	145	243	246	(35)	(36)
ADJUSTED EARNINGS	1,556	**1,553**	**1,562**	**2,232**	**2,102**
Profit or loss on financial assets (under Fair Value option) & derivatives	300	171	177	273	269
Exceptional operations (including discontinued operations)	(26)	763	763	745	745
Goodwill and related intangible impacts	(19)	(15)	(15)	(1,015)	(1,015)
Integration and restructuring costs	(14)	(16)	(16)	(42)	(42)
NET INCOME	**1,797**	**2,457**	**2,471**	**2,193**	**2,059**

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Life & Savings operations – France

(in Euro million)

	HY 2012	HY 2011 restated (a)	FY 2011 restated (a)
Gross revenues	**6,754**	**7,105**	**13,658**
APE (Group share)	*641*	*664*	*1,340*
Investment margin	554	587	1,111
Fees & revenues	828	749	1,520
Net technical margin	273	253	449
Expenses	(1,170)	(1,106)	(2,209)
Amortization of VBI	-	(7)	(69)
Other	3	4	6
Underlying earnings before tax	**489**	**481**	**808**
Income tax expenses / benefits	(113)	(106)	(187)
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	**375**	**374**	**620**
Net capital gains or losses attributable to shareholders net of income tax	49	146	193
Adjusted earnings Group share	**424**	**520**	**812**
Profit or loss on financial assets (under FV option) & derivatives	77	37	(84)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**501**	**557**	**728**

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Gross revenues decreased by €352 million (-5%) to €6,754 million[1]. On a comparable basis, gross revenues decreased by €348 million (-5%) mainly due to:

- *G/A Savings* sales down €348 million (-11%) mainly driven by Individual Savings (-14%) affected by continued selective sales and negative performance of the French traditional savings market (-14%[2]), partly offset by higher large contracts in Group Retirement (+13%),
- *Unit-Linked* sales down €35 million (-4%) affected by the negative performance of the French Individual Unit-Linked Savings market (down 33%[2]). Unit-Linked share in Savings premiums increased by 1 point to 23% (above market of 13%[2]),
- *G/A Protection and Health* increased by €35 million (+1%) driven by €38 million in Group Protection and €8 million in Individual Protection both reflecting positive portfolio developments. Individual Health decreased by €10 million negatively impacted by the stop of assumed business with Mutuelle Mieux Etre.

APE decreased by € 22 million (-3%) to €641 million. On a comparable basis, APE decreased by €36 million (-5%):

- *G/A Savings* sales down €36 million (-12%) driven down by Individual Savings (-14%) affected by continued selective sales and negative performance of the French traditional savings market, partly offset by higher large contracts in Group Retirement (+12%),
- *Unit-Linked* sales down € 7 million (-7%) affected by the negative performance of the French Individual Unit-Linked Savings market,
- *G/A Protection and Health* increased by €7 million (+3%) driven by €3 million in Group Protection and €4 million in Individual Protection both reflecting new long term care product success.

Investment margin decreased by €32 million (-6%) to €554 million due to lower investment income (€-41 million), partly offset by lower amounts allocated to policyholders.

Fees & revenues increased by €79 million (+11%) to €828 million. Excluding a €+69 million adjustment on URR reserves (fully offset in DAC), fees and revenues increased by €10 million driven by higher loadings on premiums in Group protection (€+25 million), partly offset by lower united-linked management fees due to a lower average asset base.

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[1] *€6,746 million after intercompany eliminations.*

[2] *Source: FFSA as of end of June 2012.*

Net technical margin rose by €20 million (+8%) to €273 million driven by higher positive prior year reserve developments partly offset by lower current year result in Group Protection (€-24 million).

Expenses increased by €64 million (+6%) to €-1,170 million. Excluding a €-69 million adjustment on DAC (fully offset in URR), expenses decreased by €-5 million driven by lower administrative expenses reflecting continuing efforts to contain expenses, while acquisition expenses remained stable.

Amortization of VBI decreased by €7 million (-100%) to €0 million as a result of the accelerated amortization of the remaining balance of VBI in 2011.

As a result, the **underlying cost income ratio** increased by 0.6 point to 70.6%. Excluding the above mentioned adjustment on DAC and URR, the underlying cost income ratio decreased by 0.6 point.

Income tax expenses increased by €7 million (+7%) to €-113 million, mainly due to an increase in corporate tax rate (from 34.43% to 36.10%, enacted in the second half of 2011).

As a result, **underlying earnings** marginally increased by €1 million (0%) to €375 million.

Adjusted earnings decreased by €97 million (-19%), mainly due to lower realized capital gains (€-89 million) mostly on real estate and higher impairments (€-7 million) mainly on equities.

Net income decreased by €56 million (-10%) to €501 million, reflecting lower adjusted earnings and lower foreign exchange rate impact (€-13 million), partly offset by the favorable change in fair value of freestanding derivatives and mutual funds (€+54 million) mainly driven by the credit spread tightening.

Life & Savings operations - United States

(in Euro million)

	HY 2012	HY 2011 restated (a)	FY 2011 restated (a)
Gross revenues	**5,567**	**4,754**	**9,657**
APE (Group share)	*599*	*502*	*1,018*
Investment margin	233	239	474
Fees & revenues	995	1,013	1,931
Net technical margin	(580)	188	(1,192)
Expenses	(315)	(898)	(1,028)
Amortization of VBI	7	1	(5)
Other	-	-	-
Underlying earnings before tax	**340**	**543**	**180**
Income tax expenses / benefits	(103)	(168)	54
Minority interests	-	-	-
Underlying earnings Group share	**237**	**375**	**235**
Net capital gains or losses attributable to shareholders net of income tax	(26)	(9)	(11)
Adjusted earnings Group share	**211**	**365**	**223**
Profit or loss on financial assets (under FV option) & derivatives	97	51	326
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(944)
Integration and restructuring costs	(8)	(12)	(29)
Net income Group share	**300**	**404**	**(424)**
Average exchange rate : 1.00 € = $	*1.2969*	*1.4042*	*1.3867*

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Gross revenues increased by €813 million (+17%) to €5,567 million[1]. On a comparable basis, gross revenues increased by €388 million (+8%):

- *Variable Annuity* revenues (62% of gross revenues) increased by 25% reflecting strong sales results for non GMxB Variable Annuity Structured Capital Strategies and GMxB Accumulator products, as well as additional contributions received for certain old Accumulator contracts prompted by an announced deadline for acceptance of additional contributions,
- *Life* revenues (25% of gross revenues) increased by 1% driven by an increase in sales of the Indexed Universal Life (product launched in August 2010 and represents 43% of the half year 2012 Life sales) and an increase in renewal premiums reflecting strong first year sales last year, partially offset by lower Athena Universal Life and Term sales this year,
- *Fees* on Asset Management business (7% of gross revenues) decreased by 3% driven by lower average assets under management,
- *Mutual Funds* revenues (1% of gross revenues) increased by 5% reflecting higher advisory fees.

APE increased by €96 million (+19%) to €599 million. On a comparable basis, APE increased by €50 million (+10%):

- *Variable Annuity* increased by 24% to €304 million reflecting higher sales of Accumulator mainly through the third party channels and non GMxB Structured Capital Strategies product partially offset by lower sales on GMxB Retirement Cornerstone. The new products launched in 2010, Retirement Cornerstone and Structured Capital Strategies, represented a combined 39% of the half year 2012 Variable Annuity APE,
- *Life* increased by 3% to €118 million reflecting increased sales of Indexed Universal Life primarily in third party channels,
- *Mutual Funds* decreased by 3% to €175 million.

Investment margin decreased by €5 million (-2%) to €233 million. On a constant exchange rate basis, investment margin decreased by €23 million (-10%) driven by a decrease in investment income of €25 million reflecting lower yields on fixed income assets and alternative investments. Interest credited was flat reflecting higher balances offset by lower crediting rates.

[1] *€5,567 million after intercompany eliminations.*

Fees & revenues decreased by €18 million (-2%) to €995 million. On a constant exchange rate basis, fees & revenues decreased by €94 million (-9%) primarily driven by the non repeat of 1H 2011 assumption change on Unearned Revenue Reserve (more than offset in DAC amortization) and by lower unit-linked management fees from lower average Separate Account balances.

Net technical margin decreased by €768 million (-408%) to €-580 million. On a constant exchange rate basis, net technical margin decreased by €724 million (-385%) primarily due to GMxB reserve adjustments for partial withdrawals partially offset by premium suspension on old contracts, other model and assumption refinements, higher GMxB hedge losses resulting from increased volatility and basis losses, and the impact on life products of unfavorable mortality experience.

Expenses decreased by €582 million (-65%) to €-315 million. On a constant exchange rate basis, expenses decreased by €607 million (-68%):

- Expenses, net of capitalization (including commissions and DAC capitalization) decreased by €60 million (-10%) to €592 million mainly due to productivity actions (reduction of FTE, changes to benefit plan and staff relocation savings) implemented in 2011 and 2012,
- DAC amortization decreased by €547 million to €+277 million following higher GMxB losses partially offset by higher baseline amortization.

Amortization of VBI decreased by €6 million to €7 million. On a constant exchange rate basis, amortization of VBI decreased by €5 million following a change in assumption reflecting higher expected margins on MONY in-force contracts.

As a result, the **underlying cost income ratio** decreased by 14.7 points to 47.6%.

Income tax expense decreased by €65 million to €-103 million. On a constant exchange rate basis, income tax expense decreased by €73 million which reflects lower underlying earnings.

Underlying earnings decreased by €138 million (-37%) to €237 million. On a constant exchange rate basis, underlying earnings decreased by €156 million (-42%).

Adjusted earnings decreased by €155 million (-42%) to €211 million. On a constant exchange rate basis, adjusted earnings decreased by €171 million (-47%) mainly reflecting the decrease in underlying earnings and higher impairments on fixed income assets.

Net income decreased by €104 million (-26%) to €300 million. On a constant exchange rate basis, net income decreased by €127 million (-31%). This was primarily driven by lower adjusted earnings partially offset by higher gains on interest related derivatives due to lower interest rates.

Life & Savings operations - United Kingdom

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues	**317**	**327**	**651**
APE (Group share)	*283*	*296*	*535*
Investment margin	2	6	15
Fees & revenues	168	185	375
Net technical margin	1	(0)	23
Expenses	(220)	(219)	(454)
Amortization of VBI	-	(1)	(2)
Other	-	-	-
Underlying earnings before tax	**(49)**	**(31)**	**(43)**
Income tax expenses / benefits	36	23	37
Minority interests	0	0	0
Underlying earnings Group share	**(13)**	**(8)**	**(6)**
Net capital gains or losses attributable to shareholders net of income tax	-	2	2
Adjusted earnings Group share	**(13)**	**(6)**	**(5)**
Profit or loss on financial assets (under FV option) & derivatives	1	3	3
Exceptional operations (including discontinued operations)	(0)	17	(37)
Goodwill and other related intangibles impacts	(4)	(6)	(50)
Integration and restructuring costs	(3)	(0)	(3)
Net income Group share	**(19)**	**7**	**(93)**
Average exchange rate : 1.00 € = £	*0.8226*	*0.8686*	*0.8663*

In the table above, HY 2011 and FY 2011 figures are not restated for scope effects.

For consistency, 2012 figures have been compared to the same scope for 2011, i.e. excluding portfolios transferred to Resolution in November 2011 and Bluefin Corporate Consulting which was sold in April 2012. This is referred to as "comparable scope basis" in the commentary below.

Half-year 2011 underlying earnings amounted to €-8 million, corresponding approximately to €18 million from the sold business and €-26 million from the retained business.

Gross revenues decreased by €11 million (-3%) to €317 million[1]. On a constant exchange rate and comparable scope basis, gross revenues increased by €45 million (+18%) mainly attributable to €42 million premiums from Variable Annuity product sold through AXA Global Distributors, €10 million increased regular premiums on Sun Life Direct Protection business and €8 million increased revenues on the Elevate and Architas funds business. This was partially offset by €7 million lower revenues through the bancassurance channel.

APE decreased by €13 million (-4%) to €283 million. On a constant exchange rate and comparable scope basis, APE was 9% (€-28 million) lower than prior year. New sales through the Elevate platform have increased significantly, up by €10 million (11%) as the platform continues to establish itself as one of the leaders in the growing UK platform market. This platform growth has been more than offset by reductions in sales of individual pensions due in part to the market shift to platforms. In addition economic uncertainty has led to a fall in sales of offshore business.

Investment margin decreased by €4 million (-73%) to €2 million. On a constant exchange rate and on a comparable scope basis, the investment margin decreased by €2 million (-61%).

Fees & revenues decreased by €17 million (-9%) to €168 million. On a constant exchange rate and on a comparable scope basis, fees & revenues increased by €3 million (2%) mainly due to an increase in Elevate revenues due to growth of new business.

[1] *€317 million after intercompany eliminations.*

Net technical margin increased by €2 million to €1 million (384%). On a constant exchange rate and on a comparable scope basis, net technical margin remained stable.

Expenses increased by €1 million (1%) to €220 million. On a constant exchange rate and on a comparable scope basis, expenses increased by €5 million (2%) due to investment in Wealth business growth and inflation, partly offset by expense savings reflecting continued cost management.

As a consequence, the **underlying cost income ratio** increased by 12.8 points to 128.9%. On a constant exchange rate and on a comparable scope basis, the underlying cost income ratio increased by 2.1 points.

Income tax benefits increased by €13 million to €36 million. On a constant exchange rate and on a comparable scope basis, income tax benefits increased by €17 million reflecting decrease in pre-tax underlying earnings as well as €19 million one-off tax benefit in 1H 2012.

Underlying earnings decreased by €5 million to €-13 million. On a constant exchange rate and on a comparable scope basis, underlying earnings increased by €13 million.

Adjusted earnings decreased by €7 million to €-13 million. On a constant exchange rate and on a comparable scope basis, adjusted earnings increased by €13 million due to the underlying earnings movement.

Net income decreased by €26 million to €-19 million. On a constant exchange rate, net income decreased by €3 million.

Life & Savings operations – Japan

(in Euro million)

	HY 2012	HY 2011 restated (a)	FY 2011 restated (a)
Gross revenues	**3,180**	**2,865**	**5,747**
APE (Group share)	*269*	*212*	*463*
Investment margin	(0)	(0)	0
Fees & revenues	765	727	1,456
Net technical margin	44	(55)	(23)
Expenses	(447)	(418)	(890)
Amortization of VBI	(17)	(25)	(56)
Other	-	-	-
Underlying earnings before tax	**345**	**229**	**487**
Income tax expenses / benefits	(61)	(103)	(180)
Minority interests	(3)	(2)	(3)
Underlying earnings Group share	**281**	**125**	**303**
Net capital gains or losses attributable to shareholders net of income tax	67	81	12
Adjusted earnings Group share	**348**	**206**	**315**
Profit or loss on financial assets (under FV option) & derivatives	41	105	19
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**389**	**310**	**335**
Average exchange rate : 1.00 € = Yen	*104.1900*	*112.3500*	*112.9700*

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Gross revenues increased by €315 million (+11%) to €3,180 million[1]. On a comparable basis, revenues increased by €84 million (+3%):

- *Protection* revenues (38% of gross revenues) decreased by €16 million (-2%) mainly due to lower Group Life sales (€-15m), lower Increasing Term Riders (€-44 million) due to a peak in surrenders partly offset by strong new business sales of LTTP (€+26 million) and increase in Whole Life products driven by better retention (€+27 million),
- *Investment & Savings* revenues (33% of gross revenues) increased by €109 million (+13%) mainly due to higher sales of Variable Annuity products driven by a continuous expansion of bank partnerships,
- *Health* revenues (29% of gross revenues) decreased by €8 million (-1%) driven by lower in-force not fully offset by new products notably in Cancer.

APE increased by €57 million (+27%) to €269 million. On a comparable basis, APE increased by €37 million (+17%):

- *Protection* (45% of APE) increased by €17 million (+16%) mainly supported by higher sales of LTTP products,
- *Investment & Savings* (30% of APE) increased by €18 million (+39%) due to strong Variable Annuity sales.
- *Health* (26% of APE) increased by €2 million (+3%) driven by the new Cancer product launched in 2011 and strongly promoted in all sales channels, partly offset by old products with lower profitability,

Investment margin remained stable at €0 million.

Fees & revenues increased by €37 million (+5%) to €765 million. On a constant exchange rate basis, fees & revenues remained stable.

Net technical margin increased by €100 million to €44 million. On a constant exchange rate basis, net technical margin increased by €96 million mainly due to the 2011 impact of the Great East Japan earthquake (€+80 million) and better mortality experience (€+16 million).

[1] *€ 3,180 million after intercompany eliminations.*

Expenses increased by €29 million (+7%) to €-447 million. On a constant exchange rate basis, expenses decreased by €4 million (-1%) mainly due to lower advertising expenses.

Amortization of VBI decreased by €7 million (-29%) to €-17 million. On a constant exchange rate basis, VBI amortization decreased by €8 million (-34%) mainly driven by the natural decline of VBI balance.

As a result, **the underlying cost income ratio** improved by 8.5 points to 57.4%.

Income tax expenses decreased by €40 million to €-61 million. On a constant exchange rate basis, income tax expenses decreased by €46 million due to a 2012 positive tax one-off (€+59 million) and non repeat of a 2011 negative tax one-off (€+15 million) partly offset by higher underlying pre-tax earnings (€-32 million).

Underlying earnings increased by €156 million (+125%) to €281 million or increased by €135 million (+108%) on a constant exchange rate basis.

Adjusted earnings increased by €142 million (+69%) to €348 million or increased by €117 million (+57%) on a constant exchange rate basis, due to higher underlying earnings, partly offset by lower realized capital gains on fixed income assets.

Net income increased by €79 million to €389 million. On a constant exchange rate basis, net income increased by €51 million, due to higher adjusted earnings (€+116 million), partly offset by unfavorable change in mark-to-market of interest rate derivatives (€-14 million) and the Japanese Yen depreciation against major currencies (€-31 million).

Life & Savings operations – Germany

(in Euro million)

	HY 2012	HY 2011 restated (a)	FY 2011 restated (a)
Gross revenues	**3,290**	**3,328**	**7,001**
APE (Group share)	*258*	*258*	*506*
Investment margin	57	50	113
Fees & revenues	157	150	325
Net technical margin	4	35	77
Expenses	(102)	(111)	(260)
Amortization of VBI	(11)	(10)	(32)
Other	-	-	-
Underlying earnings before tax	**105**	**114**	**223**
Income tax expenses / benefits	(39)	(35)	(34)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**66**	**80**	**188**
Net capital gains or losses attributable to shareholders net of income tax	(8)	(7)	(42)
Adjusted earnings Group share	**57**	**72**	**147**
Profit or loss on financial assets (under FV option) & derivatives	24	8	2
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	(1)
Net income Group share	**81**	**80**	**148**

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Gross revenues decreased by €37 million (-1%) to €3,290 million[1]:

- *Life revenues* (61% of gross revenues) decreased by €95 million (-4%) to €2,017 million due to lower single premiums from G/A short-term investment products and unit-linked Savings as well as lower regular premiums from Protection partly compensated by higher regular premiums from G/A Savings products,
- *Health revenues* (39% of gross revenues) increased by €57 million (+5%) to €1,273 million mainly from higher new business and premium adjustments.

APE increased by €1 million (+0%) to €258 million:

- *Life* decreased by €15 million (-10%) mainly due to lower new business from unit-linked Savings attributable to prevailing market conditions and curtailment of "Twinstar" Variable Annuity product production, as well as decreasing single premiums from G/A short term investment products, partly compensated by higher new business from Pure Protection as well as G/A Savings,
- *Health* increased by €15 million (+14%) driven by strong sales supported by brokers' anticipation of a change in regulation capping their commissions effective from April 1, 2012.

Investment margin increased by €6 million (+13%) to €57 million due to a lower share allocated to policyholders, while investment income remained flat as higher distributions from private equity funds were offset by exceptional coupon payments in the previous year.

Fees & revenues increased by €7 million (+5%) to €157 million mainly due to higher loadings on Health business in line with the portfolio growth.

Net technical margin fell by €30 million (-87%) to €4 million mainly due to a decrease in the hedging margin on GMxB products (€-27 million) largely driven by higher interest rate volatility.

Expenses decreased by €9 million (-8%) to €102 million due to productivity programs and lower amortization of deferred acquisition expenses due to one-off effects deriving from model refinements.

[1] *€3,281 million after intercompany eliminations.*

Amortization of VBI increased by €1 million (+13%) to €-11 million.

As a result, **the underlying cost income ratio** increased by 0.5 point to 52.0%.

Income tax expenses increased by €4 million (+13%) to €-39 million due to higher effective tax rate as a result of a different legal entity mix.

Underlying earnings decreased by €14 million (-18%) to €66 million.

Adjusted earnings decreased by €15 million (-20%) to €57 million mainly due to lower underlying earnings.

Net income increased by €1 million (+1%) to €81 million, as lower adjusted earnings were partly offset by favorable change in fair value of interest rate derivatives notably due to lower interest rates.

Life & Savings operations – Switzerland

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues	**4,838**	**4,544**	**6,158**
APE (Group share)	*256*	*277*	*397*
Investment margin	63	52	118
Fees & revenues	141	131	265
Net technical margin	111	130	270
Expenses	(108)	(106)	(202)
Amortization of VBI	1	(35)	(59)
Other	-	-	-
Underlying earnings before tax	**208**	**172**	**392**
Income tax expenses / benefits	(52)	(47)	(99)
Minority interests	-	-	-
Underlying earnings Group share	**157**	**125**	**293**
Net capital gains or losses attributable to shareholders net of income tax	3	20	(13)
Adjusted earnings Group share	**160**	**145**	**280**
Profit or loss on financial assets (under FV option) & derivatives	15	(1)	100
Exceptional operations (including discontinued operations)	-	749	798
Goodwill and other related intangibles impacts	(3)	(3)	(7)
Integration and restructuring costs	-	-	-
Net income Group share	**172**	**890**	**1,172**
Average exchange rate : 1.00 € = Swiss Franc	*1.2046*	*1.2700*	*1.2366*

Gross revenues increased by €294 million (+6%) to €4,838 million[1]. On a comparable basis, gross revenues increased by €45 million (+1%):

- *Group Life* revenues increased by €23 million (+1%) to €4,402 million as a result of higher regular premiums from full protection schemes contracts (€+111 million) driven by lower surrenders and the strong new business written in prior year,
- *Individual Life* revenues increased by €22 million (+6%) to €437 million as a consequence of higher single premiums (€+25 million) mainly resulting from Protect Invest and the newly launched product Protect Star.

APE decreased by €21 million (-8%) to €256 million. On a comparable basis, APE decreased by €34 million (-12%):

- *Group Life* decreased by €40 million (-17%) mainly due to the decrease of full-protection schemes (€-39 million) after the exceptional growth in prior year,
- *Individual Life* increased by €6 million (+12%) as a result of higher regular premiums mainly resulting from the success of the Protect Plan product.

Investment margin increased by €11 million (+22%) to €63 million. On a constant exchange rate basis, investment margin increased by €8 million (+16%) as a result of a higher investment income mainly driven by income from real estate as well as lower interest credited.

Fees & revenues increased by €10 million (+7%) to €141 million. On a constant exchange rate basis, fees & revenues increased by €2 million (+2%) mainly resulting from both Group Life and Individual Life.

Net technical margin fell by €19 million (-14%) to €111 million. On a constant exchange rate basis, net technical margin decreased by €25 million (-19%) mainly driven by the non-recurrence of 1H 2011 favorable mortality margin in Individual Life as well as a gain of €8 million from the cancellation of a large internal co-insurance contract (offset by a corresponding VBI amortization).

[1] *€4,838 million after intercompany eliminations.*

Expenses increased by €2 million (+2%) to €-108 million. On a constant exchange rate basis, expenses decreased by €3 million (-3%) mainly driven by lower administrative expenses (€-4 million) reflecting ongoing cost management and slightly higher acquisition costs (€+1 million).

Amortization of VBI decreased by €36 million (-102%) to €1 million. On a constant exchange rate basis, amortization of VBI decreased by €36 million (-101%) mainly impacted by updated actuarial assumptions in Group and Individual Life (€+24 million) as well as the cancellation of the above-mentioned internal co-insurance contract in 1H 2011.

As a result, the **underlying cost income ratio** decreased by 11.0 points to 34.0%.

Income tax expenses increased by €5 million (+10%) to €-52 million. On a constant exchange rate basis, income tax expenses increased by €2 million (+4%) mainly due to higher pre-tax underlying earnings, partly offset by a lower withholding tax charge on dividends received from consolidated foreign subsidiaries.

Underlying earnings increased by €31 million (+25%) to €157 million. On a constant exchange rate basis, underlying earnings increased by €23 million (+19%).

Adjusted earnings increased by €15 million (+10%) to €160 million. On a constant exchange rate basis, adjusted earnings increased by €6 million (+4%) mainly driven by higher underlying earnings, partly offset by lower net realized capital gains mainly on equities.

Net income decreased by €718 million (-81%) to €172 million. On a constant exchange rate basis, net income decreased by €727 million (-82%) mainly driven by the non-recurrence of the exceptional gain from the sale of the stake in Taikang Life (€+749 million) in 2011.

Life & Savings operations – Belgium

(in Euro million)

	HY 2012	HY 2011 restated (a)	FY 2011 restated (a)
Gross revenues	**1,225**	**1,111**	**2,142**
APE (Group share)	*119*	*80*	*173*
Investment margin	155	148	288
Fees & revenues	69	65	163
Net technical margin	15	25	34
Expenses	(129)	(131)	(278)
Amortization of VBI	(4)	(3)	(5)
Other	-	-	-
Underlying earnings before tax	**105**	**104**	**203**
Income tax expenses / benefits	(28)	(22)	(48)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**77**	**82**	**155**
Net capital gains or losses attributable to shareholders net of income tax	44	0	(88)
Adjusted earnings Group share	**121**	**82**	**68**
Profit or loss on financial assets (under FV option) & derivatives	59	(24)	(70)
Exceptional operations (including discontinued operations)	(8)	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	(2)	(3)	(7)
Net income Group share	**170**	**56**	**(9)**

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Gross revenues increased by €114 million (+10%) to €1,225 million[1]:

- *Individual Life & Savings* increased by 11% (or €90 million) to €908 million mainly driven by the increase in G/A Investment & Savings products by €129 million (21%) mainly Crest Classic, partly offset by other Crest products,
- *Group Life & Savings* revenues increased by 8% (or €24 million) to €317 million.

APE increased by €40 million (+50%) to €119 million:

- *Individual Life & Savings* APE increased by 36% (or €26 million) mainly driven by Crest Classic as a result of a two-month sales campaign in January and February, partly offset by other Crest products,
- *Group Life & Savings* APE increased by 160% (or €14 million) to €23 million mainly driven by the acquisition of a large contract.

Investment margin increased by €7 million (+5%) to €155 million mainly as a result of a higher asset base.

Fees & revenues increased by €4 million (+6%) to €69 million mainly due to higher fees and loadings (+€3 million).

Net technical margin decreased by €11 million (-43%) to €15 million mainly due to the contribution to the new policyholder protection fund (€-13 million) which was booked in expenses in 1H 2011. Excluding this impact, the net technical margin increased by €2 million due to a more favorable mortality experience.

Expenses decreased by €2 million (-1%) to €-129 million mainly driven by the reclassification to technical margin of the contribution to the new policyholder protection fund (€+13 million). Excluding this impact, expenses increased by €11 million due to higher amortization of deferred acquisition costs following 2H 2011 update of actuarial assumptions (€-8 million) and higher general expenses (€-4 million), partly offset by lower commissions expenses (€+1 million).

Amortization of VBI increased by €1 million to €-4 million.

[1] *€1,225 after intercompany eliminations.*

As a result, **the underlying cost income ratio** improved by 0.4 point to 55.9%.

Income tax expenses increased by €6 million to €-28 million due to lower equities dividends with a more favorable taxation rate.

Underlying earnings decreased by €5 million to €77 million.

Adjusted earnings increased by €38 million to €121 million, due to higher realized capital gains mainly on fixed income assets and a favourable change in intrinsic value of equity hedging derivatives, partly offset by lower underlying earnings.

Net income increased by €114 million to €170 million mainly driven by higher adjusted earnings, a positive change in fair value on fixed income mutual funds and interest rate derivatives, partly offset by €-8 million from the disposal of "Vie Populaire" product portfolio.

Life & Savings operations – Central & Eastern Europe

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues	**222**	**277**	**514**
APE (Group share)	*78*	*129*	*213*
Investment margin	14	14	29
Fees & revenues	56	65	115
Net technical margin	18	16	35
Expenses	(68)	(85)	(162)
Amortization of VBI	(1)	(1)	(2)
Other	-	-	-
Underlying earnings before tax	**19**	**9**	**15**
Income tax expenses / benefits	(2)	(2)	(6)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**17**	**7**	**9**
Net capital gains or losses attributable to shareholders net of income tax	2	1	(0)
Adjusted earnings Group share	**19**	**8**	**8**
Profit or loss on financial assets (under FV option) & derivatives	0	0	(0)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(2)
Integration and restructuring costs	-	-	-
Net income Group share	**18**	**7**	**6**

Gross revenues decreased by €54 million (-20%) to €222 million[1]. On a comparable basis, gross revenues decreased by €42 million (-15%), mainly driven by lower insurance revenues in Czech Republic, Slovakia and Hungary (€-36 million) and by the decrease in Pension Fund products sales in Poland (€-3 million) due to a change in regulation**.**

APE decreased by €51 million (-40%) to €78 million. On a comparable basis, APE decreased by €47 million (-36%) due to the a change in regulation in Poland affecting pension fund new business (€- 32 million or -57%), and lower Life & Savings APE (€-15 million or -20%) primarily in unit-linked (€-11 million or -19%) mainly in Czech Republic and Slovakia as a result of the decision to stop the cooperation with low quality brokers.

Underlying earnings increased by €10 million to €17 million. On a constant exchange rate basis, underlying earnings increased by €11 million mainly due to both positive one-offs and productivity actions, partly offset by lower fees and revenues (€-6 million).

As a result, **the underlying cost income ratio** improved by 12.0 points to 78.1%.

Adjusted earnings increased by €11 million to €19 million. On a constant exchange rate basis, adjusted earnings increased by €11 million driven by higher underlying earnings and higher realized capital gains (€+1 million) mainly in the Czech Pension Fund portfolio.

Net income increased by €11 million to €18 million. On a constant exchange rate basis, net income increased by €11 million driven by higher adjusted earnings.

[1] *€222 million after intercompany eliminations.*

Life & Savings operations – Mediterranean and Latin American Region

(in Euro million)

	HY 2012	HY 2011 restated (a)	FY 2011 restated (a)
Gross revenues	**2,258**	**2,338**	**4,796**
APE (Group share)	*190*	*202*	*432*
Investment margin	144	137	264
Fees & revenues	178	155	320
Net technical margin	73	42	73
Expenses	(235)	(220)	(448)
Amortization of VBI	(7)	(7)	(14)
Other	-	-	-
Underlying earnings before tax	**153**	**106**	**195**
Income tax expenses / benefits	(50)	(29)	(52)
Minority interests	(27)	(22)	(41)
Underlying earnings Group share	**76**	**55**	**102**
Net capital gains or losses attributable to shareholders net of income tax	3	4	(80)
Adjusted earnings Group share	**79**	**59**	**22**
Profit or loss on financial assets (under FV option) & derivatives	(11)	(6)	14
Exceptional operations (including discontinued operations)	(0)	-	(0)
Goodwill and other related intangibles impacts	(10)	(4)	(12)
Integration and restructuring costs	(1)	(1)	(2)
Net income Group share	**56**	**49**	**22**

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Gross revenues decreased by €80 million (-3%) or €75 million (-3%) on a comparable basis to €2,258 million[1]:

- Mature markets were down €81 million (-4%), mainly driven by a decrease of €507 million in G/A Savings products, mainly in Italy, in a context of high competitive environment from banks and the curtailment of Variable Annuity products (€-208 million), partly offset by higher sales in unit-linked Savings products (€+642 million), mainly driven by the success of new “Protected Unit” product at AXA MPS,
- High growth markets increased by €6 million (+3%) mainly driven by higher Group Protection new business in Morocco.

APE decreased by €13 million (-6%) or €12 million (-6%) on a comparable basis to €190 million:

- Mature markets were down €16 million (-9%), mainly reflecting a strong decrease in G/A Savings products (€-36 million), partly offset by a better performance on unit-linked products (€+19 million), mainly at AXA MPS, in line with the strategy to focus on improving the business mix,
- High growth markets increased by €4 million (+15%) mainly driven by unit-linked Protection with Savings in Mexico (€+2 million).

Investment margin increased by €7 million (+5%) or €8 million (+6%) on a comparable basis to €144 million, in both (i) mature markets (€+7 million) driven by non recurring policyholders bonus reserve release at AXA MPS and (ii) high growth markets (€+1 million) thanks to higher asset base.

Fees & revenues increased by €23 million (+15%) or €24 million (+15%) on a comparable basis to €178 million:

- Mature markets up €23 million (+21%) notably at AXA MPS (€+24 million) driven by higher unearned revenues reserves amortization mainly reflecting higher surrenders combined with strong sales of new “Protected Unit” unit-linked product,
- High growth markets up €1 million (+2%) driven by Individual Protection with Savings in Mexico (€+1 million).

Net technical margin rose by €30 million (+72%) or €31 million (+73%) on a comparable basis to €73 million:

[1] *€2,253 million after intercompany eliminations.*

- Mature markets up €22 million mainly driven by higher GMxB margin (€+16 million) due to an improved basis risk as well as by an increase in surrender margin (€+5 million) mainly driven by Greece (€+4 million) due to a non-recurring favorable reserve development,
- High growth markets increased by €9 million reflecting improved mortality margin on Protection business in Mexico (€+5 million) and in Morocco (€+5 million).

Expenses increased by €14 million (+7%) or €16 million (+7%) on a comparable basis to €-235 million:

- Mature markets up €5 million driven by AXA MPS reflecting higher deferred acquisition costs amortization following higher surrenders,
- High growth markets up €11 million mainly due to Mexico reflecting non recurring commission adjustments.

Amortization of VBI decreased by €1 million (-8%) or €1 million (-8%) on a comparable basis to €-7 million, mainly due to the natural decline of VBI balance at AXA MPS.

As a result, **underlying cost income ratio** decreased by 6.9 points to 61.2%.

Income tax expenses increased by €21 million (+72%) or €21 million (+72%) on a comparable basis to €-50 million reflecting higher pre-tax underlying earnings.

Underlying earnings increased by €21 million (+38%) or €21 million (+38%) on a comparable basis to €76 million.

Adjusted earnings increased by €20 million (+33%) or €20 million (+33%) on a comparable basis to €79 million driven by equities due to higher realized capital gains, partly offset by higher impairment.

Net income increased by €8 million (+16%) or €8 million (+16%) on a comparable basis to €56 million, reflecting unfavorable change in fair value of interest rate derivatives and accelerated amortization of the distribution agreement in Greece.

Life & Savings operations – Hong Kong

(in Euro million)

	HY 2012	HY 2011 restated (a)	FY 2011 restated (a)
Gross revenues	**796**	**703**	**1,465**
APE (Group share)	*180*	*166*	*330*
Investment margin	2	6	4
Fees & revenues	214	170	385
Net technical margin	28	14	45
Expenses	(107)	(85)	(185)
Amortization of VBI	(5)	7	9
Other	(4)	-	(7)
Underlying earnings before tax	**128**	**112**	**251**
Income tax expenses / benefits	(9)	(7)	(17)
Minority interests	-	(22)	(24)
Underlying earnings Group share	**119**	**83**	**210**
Net capital gains or losses attributable to shareholders net of income tax	11	4	(13)
Adjusted earnings Group share	**130**	**87**	**197**
Profit or loss on financial assets (under FV option) & derivatives	(5)	(1)	(49)
Exceptional operations (including discontinued operations)	(13)	-	(1)
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**113**	**86**	**147**

(a) Restated means comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

Gross revenues increased by €93 million (+13%) to €796[1] million. On a comparable basis, gross revenues increased by €31 million (+4%) mainly due to higher revenues from G/A Protection & Health products (€+51 million) driven by strong renewal and high agency focus partly offset by lower revenues from unit-linked products (€-12 million) in line with the Hong Kong market trend, as well as G/A Savings products (€-9 million) following the non repeat of some 2011 large cases.

APE increased by €14 million (+8%) to €180 million. On a comparable basis, APE remained stable as the higher demand for G/A Protection & Health products was offset by lower unit-linked sales.

Investment margin decreased by €4 million (-62%) to €2 million. On a constant exchange rate basis, investment margin decreased by €4 million (-65%) as average asset yield decreased while interest crediting rate to policyholders remained stable.

Fees & revenues increased by €43 million (+25%) to €214 million. On a constant exchange rate basis, fees & revenues increased by €26 million (+15%) driven by an increase in loadings on premiums (€+28 million) stemming from new business and growing in-force.

Net technical margin rose by €14 million (+101%) to €28 million. On a constant exchange rate basis, net technical margin increased by €12 million (+85%) mainly due to the non-repeat of 2011 exceptional items:
- a €7 million loss from early termination of an internal co-insurance treaty (offset in amortization of VBI),
- a €4 million GMxB hedge reserve adjustment reflecting better persistency.

Expenses increased by €22 million (+26%) to €-107 million. On a constant exchange rate basis, expenses increased by €13 million (+16%) mainly due to higher investments in business infrastructure and higher acquisition expenses driven by new business and in-force growth.

[1] *€ 796 million after intercompany eliminations.*

Amortization of VBI increased by €11 million to €-5 million. On a constant exchange rate basis, amortization of VBI increased by €11 million due to the non-repeat of 2011 exceptional items:

- the revised projection of future profits (€7 million),
- the early termination of an internal co-insurance treaty (€6 million).

As a consequence, the **underlying cost income ratio** increased by 4.7 points to 46.1%.

Income tax expenses increased by €2 million (+21%) to €-9 million. On a constant exchange rate basis, income tax expenses increased by €1 million (+15%) reflecting a higher taxable income.

Underlying earnings increased by €36 million (+43%) to €119 million. On a constant exchange rate and scope basis, following the AXA APH minority interests buy-out in April 2011, underlying earnings increased by €3 million (+3%).

Adjusted earnings increased by €43 million (+50%) to €130 million. On a constant exchange rate and scope basis, adjusted earnings decreased by €7 million (-6%) as higher underlying earnings were more than offset by lower realized capital gains and higher impairments on equities.

Net income increased by €27 million (+31%) to €113 million. On a constant exchange rate and scope basis, net income decreased by €23 million (-18%) mainly reflecting the closure of two distribution networks (€-12 million) and lower adjusted earnings (€-7 million).

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

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues	**140**	**128**	**255**
APE (Group share)	*201*	*162*	*326*
Underlying earnings Group share	**35**	**18**	**50**
Net capital gains or losses attributable to shareholders net of income tax	(0)	2	2
Adjusted earnings Group share	**35**	**20**	**52**
Profit or loss on financial assets (under FV option) & derivatives	(1)	1	4
Exceptional operations (including discontinued operations)	(4)	(4)	(17)
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**30**	**16**	**39**

Gross Revenue increased by €12 million (+9%) to €140 million[1]. On a comparable basis, gross revenues increased by €7 million (+6%) mainly driven by higher revenues from unit-linked products in Singapore driven by higher new business, partly offset by a temporary slowdown in sales force recruitment in Indonesia.

APE increased by €39 million (+24%) to €201 million. On a comparable basis, APE increased by €29 million (+18%) mainly driven by:

- strong sales of G/A Protection with Savings and Whole Life products in Thailand (€+15 million),
- and higher sales of unit-linked products through the bancassurance channel in Indonesia (€+7 million) and through the broker channel in Singapore (€+4 million).

Underlying earnings increased by €17 million (+97%) to €35 million. On a constant exchange rate and scope basis, following the AXA APH minority interests buy-out in April 2011, underlying earnings increased by €13 million mainly due to:

- Indonesia (€+11 million), Thailand (€+4 million) and Philippines (€+4 million) driven by growth in business,
- India (€+3 million) following lower operational losses,
- China (€-10 million) due to a change in accounting methodology and unfavorable claims experience.

Adjusted earnings increased by €15 million (+77%) to €35 million. On a constant exchange rate and scope basis, adjusted earnings increased by €12 million primarily driven by underlying earnings growth.

Net income increased by €14 million (+89%) to €30 million. On a constant exchange rate and scope basis, net income increased by €11 million mainly reflecting growth in adjusted earnings.

[1] *€140 million after intercompany eliminations.*

Life & Savings Operations - Other Countries

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

Consolidated Gross Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011
Australia / New Zealand	-	352	355
Luxembourg	41	46	78
AXA Global Distributors	13	1	3
Family protect	1	-	0
Other	(0)	(0)	(0)
TOTAL	**55**	**400**	**436**
Intercompany transactions	(12)	(2)	(3)
Contribution to consolidated gross revenues	**44**	**399**	**433**

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011	FY 2011
Australia and New Zealand	-	12	12
Luxembourg	3	3	4
AXA Global Distributors	(7)	(14)	(27)
Family Protect	(9)	-	(7)
Other	(1)	(1)	(2)
UNDERLYING EARNINGS	**(14)**	**1**	**(19)**
Net realized capital gains or losses attributable to shareholders	0	2	2
ADJUSTED EARNINGS	**(13)**	**3**	**(18)**
Profit or loss on financial assets (under Fair Value option) & derivatives	0	5	5
Exceptional operations (including discontinued operations)	-	2	2
Goodwill and related intangible impacts	-	-	-
Integration and restructuring costs	-	-	(0)
NET INCOME	**(13)**	**10**	**(11)**

AXA GLOBAL DISTRIBUTORS[1]

Underlying earnings as well as **adjusted earnings** and **net income** increased by €6 million to €-7 million due to higher commissions received and lower IT expenses.

FAMILY PROTECT

Direct protection activities were launched during the second semester of 2011.

As a consequence, **underlying earnings** as well as **adjusted earnings** and **net income** reached €-9 million 1H 2012, reflecting continued investment in the transversal multi-country platform, progressive ramp-up of activity and direct marketing spend.

[1] AXA Global Distributors was formed in March 2009 and is 100% owned by AXA SA. The AXA Global Distributors' initiative aim is to distribute variable annuity products through third party partnerships, specifically large banks. P&L excluding infrastructure costs are reflected within AXA France and AXA UK Life & Savings segments.
In the tables, AXA Global Distributors notably includes AXA Life Europe.

AUSTRALIA / NEW ZEALAND

Following the disposal of the Australia and New Zealand operations on April 1 , 2011, Australia and New Zealand contributed only to the first quarter of 2011.

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.

Property and Casualty Segment

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**16,391**	**15,540**	**27,286**
Current accident year loss ratio (net)	72.2%	72.4%	72.6%
All accident year loss ratio (net)	70.1%	70.4%	70.9%
Net technical result before expenses	**4,174**	**3,887**	**7,807**
Expense ratio	26.3%	26.8%	27.0%
Net investment result	1,033	1,025	2,034
Underlying earnings before tax	**1,533**	**1,392**	**2,591**
Income tax expenses / benefits	(488)	(404)	(748)
Net income from investments in affiliates and associates	16	21	38
Minority interests	(17)	(20)	(33)
Underlying earnings Group share	**1,044**	**989**	**1,848**
Net capital gains or losses attributable to shareholders net of income tax	45	111	(62)
Adjusted earnings Group share	**1,089**	**1,100**	**1,786**
Profit or loss on financial assets (under FV option) & derivatives	(3)	82	(90)
Exceptional operations (including discontinued operations)	8	93	147
Goodwill and other related intangibles impacts	(37)	(35)	(66)
Integration and restructuring costs	(41)	(29)	(78)
Net income Group share	**1,017**	**1,212**	**1,700**

(a) Before intercompany eliminations.

Consolidated Gross Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011 (a)
France	3,186	3,078	5,596
United Kingdom & Ireland	2,194	1,975	3,772
Germany	2,402	2,271	3,638
Switzerland	2,460	2,309	2,643
Belgium	1,146	1,138	2,100
Central & Eastern Europe (c)	35	28	65
Mediterranean and Latin American Region (a)	3,555	3,402	6,848
Direct (b)	1,085	1,059	2,102
Other countries (d)	329	279	522
TOTAL	**16,391**	**15,540**	**27,286**
Intercompany transactions	(219)	(190)	(240)
Contribution to consolidated gross revenues	**16,173**	**15,350**	**27,046**
of which high growth markets	**1,829**	**1,564**	**3,335**
of which Direct	**1,085**	**1,059**	**2,102**
of which mature markets	**13,259**	**12,726**	**21,609**

(a) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.
(b) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.
(c) Includes Ukraine and Reso (Russia).
(d) Other countries correspond to Luxembourg and Asia.

(in Euro million)

Combined Ratio **Total**	HY 2012	HY 2011	FY 2011
	96.4%	**97.2%**	**97.9%**
France	94.8%	96.5%	95.7%
United Kingdom & Ireland	99.9%	100.0%	98.4%
Germany	97.4%	99.3%	103.2%
Switzerland	89.8%	87.4%	89.2%
Belgium	93.1%	100.2%	99.1%
Central & Eastern Europe	103.2%	98.7%	102.3%
Reso (Russia)	97.0%	103.1%	97.7%
Mediterranean and Latin American Region (a)	97.1%	96.5%	97.6%
Direct (b)	101.8%	102.0%	105.4%
Other countries (c)	95.8%	97.2%	96.3%
Mature	95.7%	97.0%	97.2%
Direct	101.8%	102.0%	105.4%
High growth	97.5%	96.0%	98.2%

(a) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.
(b) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.
(c) Other countries correspond to Luxembourg and Asia.

Underlying earnings

(in Euro million)

	HY 2012	HY 2011	FY 2011
France	247	240	496
United Kingdom & Ireland	94	78	211
Germany	143	145	221
Switzerland	198	209	397
Belgium	114	72	142
Central & Eastern Europe (c)	17	19	37
Mediterranean and Latin American Region (a)	198	202	353
Direct (b)	19	14	(33)
Other countries (d)	14	10	23
UNDERLYING EARNINGS	**1,044**	**989**	**1,848**
of which high growth markets	**109**	**112**	**178**
of which Direct	**19**	**14**	**(33)**
of which mature markets	**916**	**863**	**1,703**

(a) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region, and Mexico.
(b) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, the United Kingdom, South Korea and Japan.
(c) Includes Ukraine and Reso (Russia).
(d) Other countries correspond to Luxembourg and Asia.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011	FY 2011
UNDERLYING EARNINGS	**1,044**	**989**	**1,848**
Net realized capital gains or losses attributable to shareholders	45	111	(62)
ADJUSTED EARNINGS	**1,089**	**1,100**	**1,786**
Profit or loss on financial assets (under Fair Value option) & derivatives	(3)	82	(90)
Exceptional operations (including discontinued operations)	8	93	147
Goodwill and related intangibles impacts	(37)	(35)	(66)
Integration and restructuring costs	(41)	(29)	(78)
NET INCOME	**1,017**	**1,212**	**1,700**

Property & Casualty Operations – France

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**3,186**	**3,078**	**5,596**
Current accident year loss ratio (net)	72.9%	74.0%	73.5%
All accident year loss ratio (net)	70.7%	71.8%	71.1%
Net technical result before expenses	**825**	**759**	**1,609**
Expense ratio	24.1%	24.7%	24.6%
Net investment result	270	282	550
Underlying earnings before tax	**417**	**378**	**791**
Income tax expenses / benefits	(170)	(138)	(294)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(1)
Underlying earnings Group share	**247**	**240**	**496**
Net capital gains or losses attributable to shareholders net of income tax	16	10	(52)
Adjusted earnings Group share	**263**	**250**	**445**
Profit or loss on financial assets (under FV option) & derivatives	(7)	37	(14)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**256**	**287**	**431**

(a) Before intercompany eliminations.

Gross revenues increased by €108 million (+4%) to €3,186 million[1]:

- *Personal lines* (57% of gross revenues) were up 2% to €1,796 million as a consequence of tariff increases, partly offset by negative net new contracts notably in Motor and Household,
- *Commercial lines* (43% of the gross revenues) were up 6% to €1,342 million mainly driven by tariff increases partly offset by lower volumes in a context of selective underwriting.

Net technical result increased by €66 million (+9%) to €825 million:

- *Current accident year loss ratio* decreased by 1.1 points to 72.9% mainly driven by tariff increases and more favorable claims frequency, partly offset by the higher attritional claims ratio due to climatic events, impacting especially Household,
- *All accident year loss ratio* decreased by 1.2 points to 70.7% as a result of the decrease in current accident year loss ratio, while positive prior year reserve developments were stable.

Expense ratio decreased by 0.6 point to 24.1% mainly driven by a contained cost base as well as a higher non-recurring positive impact on tax contribution (€+23 million in 1H 2012 versus €+10 million in 1H 2011).

Enlarged expense ratio was down 1.7 points to 31.1%, driven by the improvement in expense ratio as well as a decrease in claims handling costs which included some seasonality effects.

As a consequence, the **combined ratio** was down 1.8 points to 94.8%.

Net investment result decreased by €12 million (-4%) to €270 million mainly due to lower yields on fixed income assets, partly compensated by higher distribution of dividends from credit funds.

Income tax expenses increased by €32 million (+23%) to €-170 million mainly reflecting higher pre-tax underlying earnings, a higher corporate tax rate (€-7 million) (from 34.43% to 36.10%, enacted in the second half of 2011), as well as a tax one-off of €-11 million.

As a result, **underlying earnings** increased by €7 million (+3%) to €247 million.

[1] *€3,138 million after intercompany eliminations.*

Adjusted earnings increased by €13 million (+5%) to €263 million as a consequence of higher realized capital gains on equities and fixed income assets (€+18 million), and a favorable change of the intrinsic value of equity hedging derivatives (€+10 million), partly offset by higher impairments (€-23 million) of equities and real estate and lower underlying earnings.

Net income decreased by €31 million (-11%) to €256 million mainly due to a lower change in fair value of mutual funds (€-26 million), less favorable foreign exchange impact (€-18 million), partly compensated by higher adjusted earnings.

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**2,194**	**1,975**	**3,772**
Current accident year loss ratio (net)	71.2%	69.2%	67.6%
All accident year loss ratio (net)	71.1%	68.8%	68.0%
Net technical result before expenses	**581**	**567**	**1,181**
Expense ratio	28.9%	31.1%	30.4%
Net investment result	121	108	225
Underlying earnings before tax	**123**	**109**	**284**
Income tax expenses / benefits	(28)	(30)	(73)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**94**	**78**	**211**
Net capital gains or losses attributable to shareholders net of income tax	21	(2)	(26)
Adjusted earnings Group share	**116**	**77**	**184**
Profit or loss on financial assets (under FV option) & derivatives	(17)	(11)	(120)
Exceptional operations (including discontinued operations)	-	-	53
Goodwill and other related intangibles impacts	(1)	(1)	(1)
Integration and restructuring costs	(5)	(7)	(20)
Net income Group share	**93**	**58**	**97**

(a) Before intercompany eliminations.

Gross revenues increased by €218 million (+11%) to €2,194 million[1]. On a comparable basis, gross revenues increased by €109 million (+6 %) mainly driven by:

- *Personal Lines* (50% of the total premiums) were up 3% at €1,093 million. **Motor** was down 7% to €276 million due to a downturn in market conditions in the UK increasing competitiveness and resulting in lower new business volumes, a reduction in retention levels and lower average premiums. **Non-Motor** was up 8% to €817 million. Property was up 19% to €310 million principally due to new schemes, increased volumes and improved retention in the UK. Healthcare was up 2% at €323 million following further expansion of the International business. Personal Other was up 1% to €184 million due to a new travel scheme, partially offset by continuing difficult market conditions,
- *Commercial Lines* (49% of the total premiums) were up 10% to €1,068 million. **Motor** was up 14% to €194 million mainly driven by tariff increases and increased retained business in UK fleet. **Non-Motor** was up 9% to €874 million. Property was up 4% to €280 million reflecting strong performance in a highly competitive market. Health was up 13% to €469 million mainly reflecting continued growth in UK and International Corporate business.

Net technical result increased by €14 million (+2%) to €581 million. On a constant exchange rate basis, net technical result decreased by €13 million (-2%):

- *Current year loss ratio* increased by 2.0 points to 71.2% due to the impact of 1H 2012 Nat Cat charge (+1.3 points) and increased reinsurance costs (+0.5 point) reflecting the change in business mix and increased coverage. Improvements in Motor and Property following tariff increases and underwriting activity were offset by a change in business mix and an increase in bodily injury costs,
- *All accident year loss ratio* increased by 2.2 points to 71.1% mainly reflecting the movement in current year loss ratio.

Expense ratio decreased by 2.3 points to 28.9 %.The administrative expense ratio decreased by 1.4 points to 8.1%, largely due to the sale of Denplan in December 2011 and non repeat of 1H 2011 decommissioning of an IT platform. The acquisition ratio was down 0.9 point to 20.7% driven by efficiency programs and a decrease in commission rate driven by favorable product and business mix effects.

Enlarged expense ratio was down 2.2 points to 32.1%.

[1] *€2,108 million after intercompany eliminations.*

As a result, **the combined ratio** was down 0.1 point to 99.9%.

Net investment result increased by €14 million (+13%) to €121 million. On a constant exchange rate basis, net investment result increased by €9 million (+8%) mainly due to higher bond yields as a result of a portfolio repositioning and increased income from equity funds and other alternative asset classes.

Income tax expenses decreased by €2 million (-6%) to €-28 million. On a constant exchange rate basis, income tax expenses decreased by €3 million (-10%) reflecting higher pre-tax underlying earnings more than offset by a decrease in one-off tax charges (€5 million).

Underlying earnings increased by €16 million (+21%) to €94 million. On a constant exchange rate basis, underlying earnings increased by €14 million (+17%).

Adjusted earnings increased by €39 million (+51%) to €116 million. On a constant exchange rate basis, adjusted earnings increased by €37 million (+48%) reflecting higher underlying earnings (+17%) as well as higher realized capital gains mainly on fixed income assets.

Net Income increased by €34 million (+59%) to €93 million. On a constant exchange rate basis, net income increased by €33 million (+56%) due to the improvement in adjusted earnings and a reduction in restructuring costs (€2 million), partly offset by unfavorable change in fair value of financial assets and derivatives (€-10 million).

Property & Casualty Operations – Germany

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**2,402**	**2,271**	**3,638**
Current accident year loss ratio (net)	70.5%	70.5%	73.4%
All accident year loss ratio (net)	67.8%	71.0%	73.0%
Net technical result before expenses	**606**	**518**	**975**
Expense ratio	29.6%	28.4%	30.2%
Net investment result	162	185	369
Underlying earnings before tax	**211**	**197**	**253**
Income tax expenses / benefits	(68)	(53)	(34)
Net income from investments in affiliates and associates	-	2	2
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**143**	**145**	**221**
Net capital gains or losses attributable to shareholders net of income tax	(0)	19	(49)
Adjusted earnings Group share	**142**	**164**	**172**
Profit or loss on financial assets (under FV option) & derivatives	24	43	25
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(2)	(2)	(4)
Integration and restructuring costs	-	-	(8)
Net income Group share	**164**	**206**	**186**

(a) Before intercompany eliminations.

Gross revenues increased by €130 million (+6%) to €2,402 million[1] :

- *Personal Lines* (57% of gross revenues) increased by 7% to €1,352 million[2] driven by a successful development in Motor (+8 %) and Property (+9%) triggered by tariff increases for both in-force and new business as well as positive net new contracts,
- *Commercial Lines* (37% of gross revenues) rose by 2% to €866 million resulting from new business especially in Motor (+3%) and Property (+3%),
- *Other Lines* (6% of gross revenues) rose by 17% to €152 million, mainly driven by higher assumed business in Legal Protection and other treaty business.

Net technical result: increased by €88 million to €606 million:

- *Current accident year loss ratio* remained stable at 70.5%, as tariff increases were offset by higher average costs in Motor, an increase in freeze claims in Property due to the severe winter, as well as higher large claims,
- *All accident year loss ratio* decreased by 3.2 points to 67.8% mainly due to higher positive prior year reserve developments.

Expense ratio increased by 1.2 points to 29.6% due to the non-recurrence of a positive one-off impact in 1H 2011 as well as a change in the expense pattern over the year.

Enlarged expense ratio was up 0.5 point to 32.7% due to a decrease in claims handling costs driven by productivity programs.

As a result, the **combined ratio** was down 1.9 points to 97.4%.

Net investment result decreased by €23 million (-13%) to €162 million mainly due to a lower distribution from private equity (€ -13 million) as well as the non-recurrence of exceptional coupon payments in the previous year (€5 million).

[1] *€ 2,374 million after intercompany eliminations.*

[2] *On a comparable basis, after reclassification of small and medium enterprises from Commercial lines to Personal lines*

Income tax expenses increased by €15 million (+28%) to €-68 million mainly due to lower tax free investment income in 1H 2012 and lower tax loss carry forward.

Underlying earnings decreased by €3 million (-2%) to €143 million.

Adjusted earnings decreased by €22 million (-13%) to €142 million mainly due to lower realized capital gains on equities.

Net income decreased by €42 million (-20%) to €164 million mainly due to lower adjusted earnings as well as less favorable change in fair value of equity and foreign exchange derivatives.

Property & Casualty Operations – Switzerland

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**2,460**	**2,309**	**2,643**
Current accident year loss ratio (net)	72.2%	69.4%	68.9%
All accident year loss ratio (net)	65.5%	62.1%	63.1%
Net technical result before expenses	**475**	**486**	**976**
Expense ratio	24.4%	25.4%	26.1%
Net investment result	113	104	217
Underlying earnings before tax	**252**	**266**	**503**
Income tax expenses / benefits	(52)	(55)	(103)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(2)	(2)	(3)
Underlying earnings Group share	**198**	**209**	**397**
Net capital gains or losses attributable to shareholders net of income tax	1	18	5
Adjusted earnings Group share	**199**	**227**	**402**
Profit or loss on financial assets (under FV option) & derivatives	10	(5)	2
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(14)	(14)	(29)
Integration and restructuring costs	-	-	-
Net income Group share	**195**	**207**	**375**

(a) Before intercompany eliminations.

Gross revenues increased by €151 million (+7%) to €2,460 million[1]. On a comparable basis, gross revenues increased by €21 million (+1%):

- *Personal lines* (52% of gross revenues) increased by 2% to €1,284 million as a consequence of volume increase in all major business lines,
- *Commercial lines* (48% of gross revenues) slightly decreased to €1,183 million mainly resulting from a focus on profitability.

Net technical result decreased by €11 million (-2%) to €475 million. On a constant exchange rate basis, the net technical result decreased by €36 million (-7%):

- *Current accident year loss ratio* increased by 2.8 points to 72.2% mainly driven by a higher Nat Cat charge (+1.8 points), higher large claims (+0.5 point) and a higher number of freeze claims in Property (+0.6 point),
- *All accident year loss ratio* increased by 3.4 points to 65.5% as a consequence of the current accident year loss ratio development and lower positive prior year reserve developments.

Expense ratio decreased by 1.0 point to 24.4% driven by lower administrative expenses reflecting ongoing strict cost management as well as by lower acquisition expenses.

Enlarged expense ratio was down 1.0 point to 28.2%.

As a result, the **combined ratio** was up 2.4 points to 89.8%.

Net investment result increased by €8 million (+8%) to €113 million. On a constant exchange rate basis, the net investment result increased by €2 million (+2%) mainly driven by higher income from fixed-income funds.

Income tax expenses decreased by €3 million (-6%) to €-52 million. On a constant exchange rate basis, income tax expenses decreased by €6 million (-10%) driven by lower pre-tax underlying earnings.

Underlying earnings decreased by €10 million (-5%) to €198 million. On a constant exchange rate basis, underlying earnings decreased by €21 million (-10%).

[1] *€2,452 million after intercompany eliminations.*

Adjusted earnings decreased by €27 million (-12%) to €199 million. On a constant exchange rate basis, adjusted earnings decreased by €37 million (-17%) mainly driven by lower underlying earnings and lower net realized capital gains mainly on equities.

Net income decreased by €12 million (-6%) to €195 million. On a constant exchange rate basis, net income decreased by €22 million (-11%) mainly driven by lower adjusted earnings, partly offset by higher foreign exchange impacts and a more favorable change in fair value of fixed income funds.

Property & Casualty Operations – Belgium

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**1,146**	**1,138**	**2,100**
Current accident year loss ratio (net)	70.3%	73.6%	73.6%
All accident year loss ratio (net)	63.6%	70.2%	68.5%
Net technical result before expenses	**381**	**307**	**659**
Expense ratio	29.5%	30.1%	30.6%
Net investment result	97	99	185
Underlying earnings before tax	**170**	**96**	**204**
Income tax expenses / benefits	(55)	(24)	(62)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	0	0
Underlying earnings Group share	**114**	**72**	**142**
Net capital gains or losses attributable to shareholders net of income tax	(1)	42	98
Adjusted earnings Group share	**114**	**114**	**240**
Profit or loss on financial assets (under FV option) & derivatives	(19)	7	17
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(2)
Integration and restructuring costs	(5)	(7)	(22)
Net income Group share	**88**	**112**	**233**

(a) Before intercompany eliminations.

Gross revenues increased by €9 million (+1%) to €1,146 million[1]:

- *Personal lines* (47% of the gross revenues) were up +2% to €546 million following tariff increases for both Motor and Household partly offset by negative net new contracts,
- *Commercial lines* (51% of the gross revenues) were stable at €589 million, the decrease in Health (€-8 million) due to the non-renewal of a large portfolio was partly offset by an increase in Workers' Compensation (€+6 million) mainly driven by tariff increases.

Net technical result increased by €74 million (+24%) to €381 million:

- *Current accident year loss ratio* decreased by 3.3 points to 70.3% mainly driven by a tariff increase (-1.6 points) and a lower Nat Cat charge (-1.2 points),
- *All accident year loss ratio* decreased by 6.6 points to 63.6% due to higher positive prior year reserve developments (mainly in Motor and Property personal lines) and an improved current accident year loss ratio.

Expense ratio decreased by 0.6 point to 29.5% due to a non-recurring reclassification from acquisition costs to claims handling costs (-0.3 point) as well as a decrease of commission rates (-0.3 point) following revision of commission schemes.

Enlarged expense ratio decreased by 0.3 point to 36.7% due to the decrease of commission rates.

As a result, the **combined ratio** was down by 7.2 points to 93.1%.

Net investment result decreased by €2 million (-2%) to €97 million mainly due to a lower asset base.

Income tax expenses increased by €31 million (+127%) to €-55 million due to higher pre-tax underlying earnings and the non-recurrence of a 1H 2011 positive tax impact (€6 million).

Underlying earnings increased by €43 million (+59%) to €114 million.

Adjusted earnings were stable at €114 million, as higher underlying earnings were offset by lower realized capital gains on real estate and equities as well as higher realized capital losses on fixed income assets.

Net income decreased by €24 million (-22%) to €88 million mainly reflecting an unfavorable change in fair value of

[1] *€ 1,129 million after intercompany eliminations.*

inflation derivatives mainly on long term business.

Property & Casualty Operations – Central & Eastern Europe

Consolidated Gross Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011
Ukraine	35	28	65
Reso (Russia)	-	-	-
TOTAL	**35**	**28**	**65**
Intercompany transactions	-	-	-
Contribution to consolidated gross revenues	**35**	**28**	**65**

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011	FY 2011
Ukraine	1	0	1
Reso (Russia) (a)	16	19	36
UNDERLYING EARNINGS	**17**	**19**	**37**
Net realized capital gains or losses attributable to shareholders	(5)	(14)	(19)
ADJUSTED EARNINGS	**12**	**6**	**18**
Profit or loss on financial assets (under Fair Value option) & derivatives	5	0	2
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and related intangibles impacts	(2)	(2)	(3)
Integration and restructuring costs	-	-	-
NET INCOME	**15**	**4**	**17**

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

RESO

Underlying earnings decreased by €3 million to €16 million on a constant exchange rate basis, driven by higher acquisition expenses in a strong portfolio growth context (+34% in GWP) and lower investment result, partly offset by a lower all year loss ratio. The combined ratio was down 1.7 points to 97.0%.

Adjusted earnings increased by €6 million to €11 million on a constant exchange rate basis, driven by lower net realized capital losses (€+14 million) mainly on fixed income assets, partly offset by higher impairments (€-5 million) and lower underlying earnings (€-3 million).

Net income increased by €10 million to €15 million on a constant exchange rate basis, mainly due to higher adjusted earnings (€+6 million).

UKRAINE

Gross revenues increased by €7 million (+24%) to €35 million. On a comparable basis, gross revenues increased by €4 million (+15%) driven by the positive development of proprietary network, partly offset by lower premiums in bancassurance channel.

Underlying earnings as well as **adjusted earnings** and **net income** increased by €1 million to €1 million on a constant exchange rate basis, due to a higher net investment result from fixed-income assets while the combined ratio remained stable at 103.2%.

Property & Casualty Operations – Mediterranean and Latin American Region

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**3,555**	**3,402**	**6,848**
Current accident year loss ratio (net)	72.3%	73.4%	73.4%
All accident year loss ratio (net)	71.6%	70.7%	71.6%
Net technical result before expenses	**980**	**957**	**1,884**
Expense ratio	25.5%	25.8%	25.9%
Net investment result	206	192	378
Underlying earnings before tax	**305**	**306**	**540**
Income tax expenses / benefits	(96)	(88)	(162)
Net income from investments in affiliates and associates	-	0	-
Minority interests	(11)	(16)	(24)
Underlying earnings Group share	**198**	**202**	**353**
Net capital gains or losses attributable to shareholders net of income tax	13	34	(17)
Adjusted earnings Group share	**210**	**235**	**336**
Profit or loss on financial assets (under FV option) & derivatives	4	12	14
Exceptional operations (including discontinued operations)	8	-	-
Goodwill and other related intangibles impacts	(15)	(14)	(22)
Integration and restructuring costs	(16)	(14)	(21)
Net income Group share	**192**	**220**	**306**

(a) Before intercompany eliminations.

Gross revenues increased by €153 million (+4%) to €3,555 million[1]. On a comparable basis, gross revenues increased by €186 million (+6%) driven by strong contribution from high growth markets (+18% or €+237 million), partly offset by mature markets (-2% or €-51 million), mainly in Spain and Portugal which suffer from a difficult environment:

- *Personal lines* (59% of the gross revenues) were up 4% to €2,091 million driven by Motor lines (+4% or €+59 million) mainly in high growth markets (€+75 million) coming from a positive volume effect principally in Turkey and Mexico, partly offset by mature markets (€-16 million) mainly in Spain. Non Motor lines (+2% or €+15 million) were mainly driven by tariff increase in Health in Mexico (€+10 million),
- *Commercial lines* (41% of the gross revenues) were up 9% to €1,451 million driven by Motor lines (+23% or €+93 million) in Mexico (€+76 million) and Turkey (€+21 million). Non Motor lines (€+31 million) were driven by an increase in high growth markets (€+52 million) mostly related to new business in Health in Gulf, partly offset by an overall mitigated performance in Spain (€-18 million) and Portugal (€-6 million).

Net technical result increased by €23 million (+2%) to €980 million. On a constant exchange rate basis, net technical result increased by €28 million (+3%), with high growth markets up 6% (or €+23 million) mainly reflecting increase in volumes and mature markets up 1% (or €+5 million):

- *Current accident year loss ratio* decreased by 1.0 point to 72.3%, including a Nat Cat charge of 0.5 point, mainly in Italy and Turkey. Mature markets decreased by 2.2 points while high growth markets increased by +0.4 point. Excluding Nat Cat charge, decrease in mature markets was mainly driven by lower frequency in Motor lines and the decrease of average costs in Health, partly offset by higher large losses.
- *All accident year loss ratio* increased by 0.9 point to 71.6% as less favorable prior year reserve developments (€-63 million) mainly in Spain and Mexico more than offset the improvement in current accident year loss ratio.

Expense ratio decreased by 0.2 point to 25.5% driven by a positive volume effect in high growth markets (-0.5 point). Mature markets expense ratio was flat reflecting benefits from productivity programs offsetting lower volumes.

Enlarged expense ratio was down 0.4 point to 28.5%.

[1] *€3,530 million after intercompany eliminations.*

As a result, the **combined ratio** was up 0.7 point to 97.1%.

Net investment result increased by €13 million (+7%) to €206 million. On a constant exchange rate basis, net investment result increased by €15 million (+8%) driven by higher yields on fixed income assets in Mexico (€+11 million) and Turkey (€+6 million), partly offset by a lower asset base in Spain (€-7 million).

Income tax expenses increased by €8 million (+9%) to €-96 million. On a constant exchange rate basis, income tax expenses increased by €8 million (+9%) due to the increase of effective tax rate reflecting unfavorable country mix, partly offset by lower pre-tax underlying earnings.

Underlying earnings decreased by €4 million (-2%) to €198 million. On a constant exchange rate basis, underlying earnings decreased by €5 million (-2%).

Adjusted earnings decreased by €25 million (-11%) to €210 million. On a constant exchange rate basis, adjusted earnings decreased by €25 million (-11%), reflecting lower realized capital gains mainly on equities, unfavorable change in intrinsic value of equity hedges and lower underlying earnings, partly offset by lower impairments mainly on real estate funds.

Net income decreased by €28 million (-13%) to €192 million. On a constant exchange rate basis, net income decreased by €29 million (-13%) mainly reflecting lower adjusted earnings combined with unfavorable foreign exchange impact (€-5 million), mainly in Turkey and Mexico.

Property & Casualty Operations – Direct business

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**1,085**	**1,059**	**2,102**
Current accident year loss ratio (net)	78.3%	78.7%	80.5%
All accident year loss ratio (net)	79.9%	80.0%	84.2%
Net technical result before expenses	**216**	**197**	**321**
Expense ratio	21.9%	21.9%	21.2%
Net investment result	50	43	86
Underlying earnings before tax	**31**	**23**	**(25)**
Income tax expenses / benefits	(12)	(10)	(8)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	0
Underlying earnings Group share	**19**	**14**	**(33)**
Net capital gains or losses attributable to shareholders net of income tax	(2)	3	(4)
Adjusted earnings Group share	**17**	**16**	**(36)**
Profit or loss on financial assets (under FV option) & derivatives	(1)	(2)	(15)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(2)	(2)	(4)
Integration and restructuring costs	-	-	(7)
Net income Group share	**14**	**13**	**(63)**

(a) Before intercompany eliminations.

Direct business includes operations in France (22% of total Direct gross revenues), the UK (21%), Japan (18%), South Korea (16%), Spain (9%), Italy (5%), Belgium (4%), Poland (3%) and Portugal (1%).

Gross revenues increased by €25 million (+2%) to €1,085 million[1]. On a comparable basis, gross revenues decreased by €12 million (-1%):

- *Personal Motor* (88% of gross revenues) was down €33 million (-4%) to €951 million driven by the UK (€-99 million) as a result of lower volumes and a change in business mix reflecting selective underwriting and portfolio pruning as well as increased competitiveness of the market, partly offset by significant growth in other countries (+10% or €+66 million) supported by higher net new contracts leading to €+45 million in continental Europe with strong growth in France, Italy and Poland, €+14 million in Japan and €+7 million in South Korea,
- *Personal Non-Motor* (12% of gross revenues) was up €21 million (+19 %) to €131 million mainly supported by growth in the UK and in France.

Net technical result increased by €18 million (+9%) to €216 million. On a constant exchange rate basis, net technical result increased by €10 million (+5%):

- *Current accident year loss ratio* decreased by 0.3 point to 78.3% mainly driven by tariff increases in Motor partly offset by unfavorable weather conditions in the UK leading to a higher Nat Cat charge (+0.3 point),
- *All accident year loss ratio* decreased by 0.2 point to 79.9% as a result of the decrease in current accident year loss ratio and broadly stable negative prior year reserve developments.

Expense ratio was stable at 21.9% (with a stable acquisition ratio and an administrative expense ratio up 0.1 point) reflecting operational leverage outside the UK following portfolio growth offset by lower average premium and higher IT costs in the UK.

Enlarged expense ratio was up by 0.3 point to 27.7%.

[1] *€1,085 million after intercompany eliminations.*

As a result, the **combined ratio** was down by 0.2 point to 101.8%. UK combined ratio was up 7.3 points to 108.8%. Other countries combined ratio was down 2.8 points to 99.3%.

Net investment result increased by €7 million (+17%) to €50 million. On a constant exchange rate basis, net investment result increased by €6 million (+14%) mainly reflecting a higher asset base.

Income tax expenses increased by €2 million to €-12 million. On a constant exchange rate basis, income tax expenses increased by €2 million mainly reflecting higher pre-tax underlying earnings.

Underlying earnings increased by €5 million to €19 million. On a constant exchange rate basis, underlying earnings increased by €5 million.

Adjusted earnings increased by €1 million to €17 million. On a constant exchange rate basis, adjusted earnings increased by €1 million mainly due to higher underlying earnings, €2 million lower impairment charges, partly offset by €6 million lower realized capital gains mainly on equities.

Net income increased by €1 million to €14 million. On a constant exchange rate basis, net income increased by €1 million due to higher adjusted earnings.

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011
Asia (a)	266	218	425
Luxembourg	63	61	97
TOTAL	**329**	**279**	**522**
Intercompany transactions	(6)	(6)	(6)
Contribution to consolidated gross revenues	**323**	**273**	**516**

(a) Includes Hong Kong, Singapore and Malaysia.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011	FY 2011
Asia (a)	11	5	13
Luxembourg	3	4	10
UNDERLYING EARNINGS	**14**	**10**	**23**
Net realized capital gains or losses attributable to shareholders	1	2	2
ADJUSTED EARNINGS	**15**	**11**	**25**
Profit or loss on financial assets (under Fair Value option) & derivatives	(0)	0	(0)
Exceptional operations (including discontinued operations)	-	93	93
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(14)	-	-
NET INCOME	**0**	**105**	**118**

(a) Includes Hong Kong, Singapore and Malaysia.

ASIA[1]

Gross revenues increased by €48 million (+22%) to €266 million[2]. On a comparable basis, gross revenues increased by €30 million (+14%):

- *Personal lines* (45% of the gross revenues) were up €12 million (+12%) mainly due to new business in personal motor in both Malaysia and Singapore,
- *Commercial lines* (55% of the gross revenues) were up €18 million (+15%) mainly due to growth in commercial motor (€7 million) and health (€7 million) with new large accounts in Malaysia and Singapore as well as in workers compensation (€5 million) in Singapore and Hong Kong mainly due to new large accounts.

Net technical result increased by €16 million (+25%) to €78 million. On a constant exchange rate basis, net technical result increased by €10 million (+17%):

- *Current accident year loss ratio* was stable at 68.3%,
- *All accident year loss ratio* decreased by 1.5 points to 66.7% due to more favorable prior year reserve developments in Hong Kong and Singapore.

Expense ratio decreased by 1.0 point to 28.6% mainly driven by productivity gains with strong increase in volumes across the board as well as lower commission rate in Hong Kong.

Enlarged expense ratio decreased by 0.8 point to 31.2%.

[1] *Includes Hong Kong, Singapore and Malaysia.*

[2] *€260 million after intercompany eliminations.*

As a result, the **combined ratio** was down by 2.4 points to 95.3%.

Net investment result increased by €2 million to €6 million. On a constant exchange rate basis, net investment result increased by €1 million mainly from a higher asset base in Malaysia.

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

Underlying earnings increased by €5 million to €11 million. On a constant exchange rate basis, underlying earnings increased by €5 million.

Adjusted earnings increased by €5 million to €11 million. On a constant exchange rate basis, adjusted earnings increased by €4 million driven by higher underlying earnings partially offset by lower net realized capital gains on equity.

Net income decreased by €10 million to €-4 million. On a constant exchange rate basis, net income decreased by €10 million driven by higher adjusted earnings more than offset by €14 million of costs incurred to date related to the future integration of portfolio transferred from HSBC[1].

[1] *The closing of the transaction is subject to regulatory approvals and is expected in the course of the second half 2012.*

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 2012	HY 2011	FY 2011
AXA Corporate Solutions Assurance	1,339	1,286	2,003
AXA Global Life and AXA Global P&C (a)	53	51	73
AXA Assistance	474	460	911
Other (b)	38	34	70
TOTAL	**1,904**	**1,831**	**3,057**
Intercompany transactions	(79)	(92)	(182)
Contribution to consolidated gross revenues	**1,825**	**1,739**	**2,876**

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011	FY 2011
AXA Corporate Solutions Assurance	80	81	150
AXA Global Life and AXA Global P&C (a)	11	10	55
AXA Assistance	11	11	21
Other (b)	15	42	50
UNDERLYING EARNINGS	**118**	**143**	**276**
Net realized capital gains or losses attributable to shareholders	5	3	17
ADJUSTED EARNINGS	**122**	**146**	**294**
Profit or loss on financial assets (under Fair Value option) & derivatives	15	(7)	(15)
Exceptional operations (including discontinued operations)	-	0	1
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(2)	-	(4)
NET INCOME	**135**	**139**	**276**

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

AXA Corporate Solutions Assurance

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues (a)	**1,339**	**1,286**	**2,003**
Current accident year loss ratio (net)	82.3%	85.9%	84.7%
All accident year loss ratio (net)	82.4%	82.9%	82.1%
Net technical result before expenses	**200**	**183**	**360**
Expense ratio	15.1%	14.5%	15.8%
Net investment result	101	99	199
Underlying earnings before tax	**129**	**128**	**242**
Income tax expenses / benefits	(47)	(46)	(90)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	**80**	**81**	**150**
Net capital gains or losses attributable to shareholders net of income tax	2	(1)	5
Adjusted earnings Group share	**83**	**79**	**155**
Profit or loss on financial assets (under FV option) & derivatives	14	(4)	(13)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**96**	**75**	**142**

(a) Before intercompany eliminations.

Gross revenues increased by €54 million (+4%) to €1,339 million[1]. On a comparable basis, gross revenues increased by €25 million (+2%) mainly driven by Construction (+22% mainly driven by portfolio development and tariff increases), Property (+6%) and Marine (+4%), partly offset by a decrease in Liability (-12% mainly due to the non-renewal of a large contract) and Aviation (-4% mainly due to tariff decrease following favorable trend on large claims).

Net technical result increased by €17 million (+9%) to €200 million. On a constant exchange rate basis, net technical result increased by €16 million (+9%):

- *Current accident year loss ratio* improved by 3.6 points to 82.3%. Excluding a change in cost allocation from claims handling costs to commissions (-0.8 point), current accident year loss ratio improved by 2.8 points mainly driven by lower Nat Cat charges and positive price effect in all lines of business (except Aviation).
- *All accident year loss ratio* improved by 0.5 point to 82.4% as a result of improvement in the current year loss ratio partly offset by lower prior year reserve developments.

Expense ratio increased by 0.7 point to 15.1% explained by the above mentioned change in cost allocation from claims handling costs to commissions. On a comparable basis, expense ratio decreased by 0.1 point.

Enlarged expense ratio was down 1.0 point to 18.2%.

As a result, the **combined ratio** was up 0.2 point to 97.5%.

Net investment result increased by €2 million (+2%) to €101 million. On a constant exchange rate basis, net investment result increased by €1 million (+1%) mainly driven by higher income from real estate and higher distributions from mutual funds, partly offset by lower income from fixed income assets.

Income tax expenses increased by €1 million (+2%) to €-47 million mainly due to higher corporate tax rate in France (€-2 million).

Underlying earnings remained stable at €80 million.

[1] *€1.334 million after intercompany eliminations.*

Adjusted earnings increased by €4 million (+5%) to €83 million. On a constant exchange rate basis, adjusted earnings increased by €3 million (+4%) mainly driven by a favorable effect on intrinsic value of equity hedging derivatives.

Net income increased by €21 million (+29%) to €96 million. On a constant exchange rate basis, net income increased by €21 million (+28%) driven by positive foreign exchange impact (€+8 million), higher adjusted earnings and favorable change in fair value on mutual funds (€+6 million).

AXA Global Life and AXA Global P&C[1]

Underlying earnings increased by €2 million to €11 million as a result of higher technical result in AXA Motor cover as well as higher result in AXA Global Life, partly offset by higher expenses.

Adjusted earnings increased by €1 million to €11 million as a result of higher underlying earnings.

Net income increased by €4 million to €13 million mainly due to higher adjusted earnings and a €3 million more favorable change in fair value of financial assets and derivatives.

AXA Assistance

Gross revenues increased by €13 million to €474 million[2]. On a comparable basis, gross revenues increased by €16 million (+4%) mainly driven by strong development in Travel activities, higher revenues from a large contract in Spain as well as growth in France, partly offset by lower revenues from a large contract in Mexico.

Underlying earnings remained stable at €11 million mainly driven by positive developments in France and Spain and improvement on Travel business offset by higher development costs.

Adjusted earnings remained stable at €10 million.

Net income decreased by €4 million (-37%) to €6 million mainly due to €3 million lower realized capital gains on foreign exchange rates and €2 million restructuring costs in the first half 2012.

Other international activities

Underlying earnings decreased by €26 million (-63%) to €15 million. On a constant exchange rate basis, underlying earnings decreased by €26 million (-63%) driven by lower gains on the P&C run-off portfolio, partly offset by lower losses on the Life run-off portfolio.

Adjusted earnings decreased by €27 million (-60%). On a constant exchange rate basis, adjusted earnings decreased by €27 million (-60%) as a consequence of lower underlying earnings.

Net income decreased by €26 million, (-57%). On a constant exchange rate basis, net income decreased by €26 million (-57%) reflecting lower adjusted earnings.

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

[2] *€401 million after intercompany eliminations.*

Asset Management Segment

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

Consolidated Gross Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011
AllianceBernstein	1,004	1,064	2,038
AXA Investment Managers	730	759	1,563
TOTAL	**1,734**	**1,823**	**3,601**
Intercompany transactions	(159)	(165)	(332)
Contribution to consolidated gross revenues	**1,575**	**1,658**	**3,269**

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011	FY 2011
AllianceBernstein	74	57	106
AXA Investment Managers	85	99	215
UNDERLYING EARNINGS	**159**	**157**	**321**
Net realized capital gains or losses attributable to shareholders	(1)	(2)	(2)
ADJUSTED EARNINGS	**159**	**154**	**318**
Profit or loss on financial assets (under Fair Value option) & derivatives	3	6	(25)
Exceptional operations (including discontinued operations)	(0)	(0)	(3)
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(10)	(0)	(137)
NET INCOME	**152**	**160**	**153**

AllianceBernstein

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues	**1,004**	**1,064**	**2,038**
Net investment result	0	(6)	(27)
Total revenues	**1,004**	**1,058**	**2,011**
General expenses	(826)	(892)	(1,738)
Underlying earnings before tax	**178**	**166**	**272**
Income tax expenses / benefits	(40)	(44)	(68)
Minority interests	(64)	(64)	(98)
Underlying earnings Group share	**74**	**57**	**106**
Net capital gains or losses attributable to shareholders net of income tax	0	0	0
Adjusted earnings Group share	**74**	**57**	**106**
Profit or loss on financial assets (under FV option) & derivatives	2	(0)	(7)
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Integration and restructuring costs	(9)	0	(136)
Net income Group share	**67**	**57**	**(38)**
Average exchange rate :	*1.297*	*1.404*	*1.387*

Assets under Management ("AUM") increased by €11 billion from year-end 2011 to €346 billion at June 30, 2012 as a result of €13 billion market appreciation and a €+8 billion favorable foreign exchange rate impact, partly offset by net outflows of €-5 billion (€5 billion net inflows from Retail clients offset by €-7 billion net outflows from Institutional clients and €-3 billion net outflows from Private Clients), and €-5 billion unfavorable change in scope due to the sale of AXA Australia and AXA Canada.

Gross revenues decreased by €60 million (-6%) to €1,004 million[1]. On a comparable basis, gross revenues decreased by €133 million (-13%) primarily due to lower investment management fees resulting from a 9% decrease in average AUM combined with lower average bps (-3.6bps) reflecting a change in business mix from equity services to fixed income services.

Net investment result increased by €6 million (+103%) to €0 million. On a constant exchange rate basis, net investment result increased by €6 million (+103%) due to higher unrealized gains related to deferred compensation obligations offset in general expenses, combined with a decrease in financing debt expenses.

General expenses decreased by €67 million (-7%) to €-826 million. On a constant exchange rate basis, general expenses decreased by €130 million (-15%) due to lower compensation expenses resulting from lower revenues and staff reductions.

As a result, **the underlying cost income ratio** improved by 2.8 points to 79.4%.

Income tax expenses decreased by €4 million (-10%) to €-40 million. On a constant exchange rate basis, income tax expenses decreased by €8 million (-17%) due to a tax one-off of €8 million from a release of deferred taxes.

Underlying and adjusted earnings increased by €17 million (+29%) to €74 million. On a constant exchange rate basis, underlying earnings increased by €11 million (+19%).

AXA ownership of AllianceBernstein at June 30, 2012 is 63.5%, down 1.1% from December 31, 2011 due to the granting of units in 2012 for 2011 deferred compensation offset by repurchases of AllianceBernstein units during 2012 to fund deferred compensation plans.

Net income increased by €9 million (+16%) to €67 million. On a constant exchange rate basis, net income increased by €4 million (+7%) due to the increase in adjusted earnings partly offset by restructuring costs (€-9 million).

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[1] *965 million after intercompany eliminations.*

AXA Investment Managers ("AXA IM")

(in Euro million)

	HY 2012	HY 2011	FY 2011
Gross revenues	**730**	**759**	**1,563**
Net investment result	(11)	(7)	(20)
Total revenues	**718**	**751**	**1,543**
General expenses	(579)	(601)	(1,239)
Underlying earnings before tax	**139**	**150**	**304**
Income tax expenses / benefits	(50)	(46)	(79)
Minority interests	(4)	(5)	(10)
Underlying earnings Group share	**85**	**99**	**215**
Net capital gains or losses attributable to shareholders net of income tax	(1)	(2)	(2)
Adjusted earnings Group share	**85**	**97**	**212**
Profit or loss on financial assets (under FV option) & derivatives	1	6	(18)
Exceptional operations (including discontinued operations)	(0)	(0)	(3)
Goodwill and other related intangibles impacts	0	0	0
Integration and restructuring costs	(0)	(0)	(1)
Net income Group share	**85**	**103**	**191**

Assets under Management ("AUM") increased by €30 billion from year-end 2011 to €542 billion at the end of June 2012 as a result of €28 billion favorable market impact and €4 billion favorable foreign exchange impact, partly offset by €2 billion net outflows. Net outflows amounted to €-2 billion in the first half of 2012 mainly driven by the voluntary exit from unprofitable employee shareholding plan schemes (€-4 billion), and AXA Main Fund short term investments (€-2 billion), partly offset by net inflows on Retail (€+3 billion) and Institutional (€+1 billion) notably from AXA Fixed Income, AXA Framlington and AXA Private Equity.

Gross revenues decreased by €29 million (-4%) to €730 million[1]. On a constant exchange rate basis and excluding distribution fees (retroceded to distributors), net revenues decreased by €31 million (-6%) to €541 million mainly due to lower performance fees (€-23 million) driven by AXA Private Equity, and lower AXA Real Estate transaction fees (€-12 million).

Net investment result decreased by €4 million to €-11 million. On a constant exchange rate basis, net investment result decreased by €6 million mainly driven by higher interest charges.

General expenses decreased by €22 million to €-579 million. On a constant exchange rate basis and excluding distribution fees, general expenses decreased by €21 million (-5%) mainly due to lower variable compensations triggered by lower profits.

As a result, the **underlying cost income** ratio increased by 0.8 point to 73.7%.

Income tax expenses increased by €4 million (+8%) to €-50 million. On a constant exchange rate basis, income tax expenses increased by €2 million (+4%) mainly due to a less favorable country mix contributing to pre-tax underlying earnings.

Underlying earnings decreased by €14 million (-14%) to €85 million. On a constant exchange rate basis, underlying earnings decreased by €17 million (-17%).

Adjusted earnings decreased by €12 million (-13%) to €85 million. On a constant exchange rate basis, adjusted earnings decreased by €15 million (-16%) due to lower underlying earnings and €2 million lower impairment charge.

Net income decreased by €17 million (-17%) to €85 million. On a constant exchange rate basis, net income decreased by €20 million (-20%) mainly driven by lower adjusted earnings and a less favorable interest rate impact on internal derivatives.

[1] *€610 million after inter-company eliminations.*

Banking

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

Consolidated Gross Revenues

(in Euro million)

	HY 2012	HY 2011	FY 2011
AXA Banks (a)	**233**	**272**	**523**
o/w Belgium (b)	167	169	328
o/w France	36	63	116
o/w Hungary	15	27	54
o/w Germany	12	12	23
o/w Switzerland	-	(0)	0
o/wOthers (c)	2	1	1
Others	**2**	**3**	**6**
TOTAL	**236**	**275**	**529**
Intercompany transactions	(9)	(26)	(44)
Contribution to consolidated gross revenues	**226**	**248**	**485**

(a) Of which AXA Bank Europe and its branches: €184 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 2012	HY 2011	FY 2011
AXA Banks (a)	**7**	**10**	**36**
o/w Belgium (b)	27	27	55
o/w France	(16)	(0)	1
o/w Hungary	-	(9)	-
o/w Germany	2	2	4
o/w Switzerland	-	(5)	(11)
o/w Others (c)	(6)	(5)	(12)
Others	**(2)**	**(2)**	**(4)**
UNDERLYING EARNINGS	**5**	**8**	**32**
Net realized capital gains or losses attributable to shareholders	(11)	(3)	(5)
ADJUSTED EARNINGS	**(6)**	**5**	**27**
Profit or loss on financial assets (under Fair Value option) & derivatives	10	1	(13)
Exceptional operations (including discontinued operations)	(11)	-	(144)
Goodwill and related intangibles impacts	-	(0)	(86)
Integration and restructuring costs	(2)	(7)	(21)
NET INCOME	**(9)**	**(1)**	**(237)**

(a) of which AXA Bank Europe and its branches: €21 million.
(b) Includes commercial activities in Belgium for €7 million and shared services of AXA Bank Europe (treasury and support functions) for €20 million.
(c) Includes Slovakia and Czech Republic.

AXA Banks

Belgium

Net banking revenues decreased by €2 million (-1%) to €167 million. On a comparable basis[1], net banking revenues increased by €17 million (+13%) mainly due to higher realized capital gains (€+20 million) and a lower funding cost (€+5 million), partly offset by higher impairments on fixed income assets (€-8 million). Revenues in retail banking activities remained stable at €169 million.

Underlying earnings remained stable at €27 million with a lower commission margin from an internal business unit transfer (€-16 million) and higher taxes (€-8 million) compensating higher realized capital gains (€+20 million) and lower expenses (€+5 million).

Adjusted earnings decreased by €8 million (-34%) to €16 million mainly due to above mentioned higher impairments on fixed income assets (€-8 million).

Net income increased by €15 million (+78%) to €35 million mainly driven by higher foreign exchange result (€+11 million), deconsolidation of Switzerland (€ +8 million reflecting the transfer of the client portfolio to bank zweiplus on January 1, 2012) and lower restructuring costs (€+5 million), partly offset by lower adjusted earnings (€-8 million).

France

Net banking revenues decreased by €27 million (-42%) to €36 million. On a comparable basis[1], net banking revenues decreased by €26 million (-43%) mainly due to higher interests paid to customers on savings accounts as a result of a promotional campaign during the first half of 2012 which led to a positive net new money collection of €1.0 billion, partly mitigated by higher interest revenues on mortgages as a result of an increase in new credit production despite a declining market trend.

Underlying and adjusted earnings decreased by €15 million to €-16 million, following the decrease in net banking revenues, in a context of stable administrative expenses and cost of risk.

Net income decreased by €17 million to €-19 million due to lower adjusted earnings and to unfavorable impact from interest-rate hedging instruments in a context of interest rates decrease.

Hungary

The Hungarian government enacted legislation in September 2011 allowing customers to redeem foreign currency denominated mortgages at non-market rates. In this context, Hungarian credit production has been stopped.

Net banking revenues decreased by €12 million to €15 million. On a comparable basis[1], net banking revenues decreased by €11 million mainly driven by lower interest income following the discontinuation of the lending activity and higher funding cost.

Net income decreased by €11 million to €-20 million. On a constant exchange rate basis, net income decreased by €13 million mainly due to lower interest margin (€-9 million) following the discontinuation of the lending activities leading to a declining loan portfolio, higher provisions for loan losses (€-2 million) and lower foreign exchange result (€-2 million).

The discontinuation of the lending activities together with new measures from the Hungarian government are expected to continue to negatively impact the Hungarian revenues and earnings.

Germany

Net banking revenues increased by €1 million (+4%) to €12 million. On a comparable basis[1], net banking revenues increased by €2 million (+18%) especially due to an improved commercial margin mainly driven by lower interest paid for deposits and term accounts.

Underlying earnings, adjusted earnings and **net income** remained stable at €2 million.

[1] *In banking segment, for net banking revenues, "on a comparable basis" means after intercompany eliminations, and other scope effects.*

CZECH REPUBLIC

Underlying earnings as well as **adjusted earnings** and **net income** remained stable at €-3 million on a constant exchange rate basis mainly driven by higher commercial margin (€+1 million) offset by higher administrative expenses (€-1 million).

SLOVAKIA

Underlying earnings as well as **adjusted earnings** and **net income** decreased by €1 million to €-3 million on a constant exchange rate basis mainly driven by higher expenses following marketing campaigns to support business growth.

SWITZERLAND

AXA Bank Switzerland closed its operations on January 1, 2012 following the transfer of its customer portfolio to bank zweiplus. The one-off costs associated with the closure of the Swiss branch booked in FY2011 amounted to €4 million.

Holdings and other companies

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2012	HY 2011	FY 2011
AXA	(279)	(214)	(561)
Other French holdings companies	(33)	(38)	(47)
Foreign holdings companies	(122)	(134)	(238)
Others	1	1	2
UNDERLYING EARNINGS	**(433)**	**(384)**	**(843)**
Net realized capital gains or losses attributable to shareholders	(60)	(180)	(224)
ADJUSTED EARNINGS	**(493)**	**(565)**	**(1,067)**
Profit or loss on financial assets (under Fair Value option) & derivatives	(34)	(89)	(17)
Exceptional operations (including discontinued operations)	21	687	1,324
Goodwill and related intangibles impacts	0	0	0
Integration and restructuring costs	(0)	(1)	(0)
NET INCOME	**(506)**	**33**	**240**

AXA[1]

Underlying earnings decreased by €65 million to €-279 million mainly due to an increase in financial charge driven by €-32 million due to lower income on the net participation in BNP Paribas and by €-28 million as a result of the on-going amendment of the foreign currency hedging policy.

Adjusted earnings increased by €26 million to €-339 million. Excluding the €92 million net impairment charge booked in 1H 2011 on Greece government bonds held by operational entities, adjusted earnings decreased by €66 million mainly driven by underlying earnings evolution.

Net income decreased by €480 million to €-305 million. Excluding the €+682 million exceptional gain related to the disposal of the Australia & New Zealand operations in 1H 2011, net income increased by €202 million mainly driven by:

- €+68 million linked to the sale of Canadian operations in respect of contingent consideration based on profitability metrics,
- €+68 million change of the mark to market on interest rate and foreign exchange derivatives which are not eligible to hedge accounting,
- €+38 million on time value related to equity derivatives,
- €+26 million increase in adjusted earnings.

The foreign currency hedging policy has been amended balancing various objectives between net asset value protection, financial charge, liquidity and solvency positions. This new policy was implemented for US dollar and Swiss Franc and is currently being implemented for other currencies hedging (mainly Yen). The impact of this new policy was €-80 million after tax in 1H 2012 net income.

[1] *All the figures are after tax.*

Other French holding companies

AXA France Assurance

Underlying earnings, adjusted earnings and net income decreased by €6 million to €-24 million mainly due to higher tax expenses resulting from higher inter-company dividends received.

Other French holdings

Underlying earnings increased by €10 million to €-9 million mainly due to an increase in operating profits from non consolidated entities.

Adjusted earnings increased by €10 million to €-9 million mainly driven by underlying earnings evolution.

Net income increased by €4 million to €-15 million. Excluding the €+9 million exceptional gain related to the disposal of the Australia & New Zealand operations in 1H 2011, net income increased by €13 million mainly driven by adjusted earnings evolution.

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings decreased by €5 million (-7%) to €-77 million. On a constant exchange rate basis, underlying earnings increased by €1 million (+2%).

Adjusted earnings decreased by €5 million (-7%) to €-77 million. On a constant exchange rate basis, adjusted earnings increased by €1 million (+2%), in line with the underlying earnings evolution.

Net income decreased by €38 million (-60%) to €-101 million. On a constant exchange rate basis, net income decreased by €30 million (-48%) driven by an unfavorable change in the fair value of the cross currency swaps.

AXA UK Holdings

Underlying earnings increased by €2 million (+85%) to €5 million. On a constant exchange rate basis, underlying earnings increased by €2 million (+75%) mainly due to a decrease in pension costs (€10 million) offset by lower investment income (€-9 million) following a loan restructuring in 2H 2011.

Adjusted earnings increased by €3 million (+85%) to €5 million. On a constant exchange rate basis, adjusted earnings increased by €2 million (+75%) due to the improvement in underlying earnings.

Net income increased by €26 million to €15 million. On a constant exchange rate basis, net income increased by €25 million due to the improvement in adjusted earnings (€+2 million), favorable movement on derivatives (€+10 million) and non-repeat of a 1H 2011 tax one-off of €15 million.

German Holding companies

Underlying earnings remained stable.

Adjusted earnings increased by €23 million (+48%) to €-24 million mainly due to a lower impairment charge.

Net income increased by €14 million (+31%) to €-30 million mainly due to higher adjusted earnings, partly compensated by an unfavorable change in fair value of derivatives.

Belgian Holding company

Underlying earnings increased by €1 million (+17%) to €-6 million.

Adjusted earnings increased by €1 million (+18%) to €-6 million.

Net income increased by €1 million (+9%) to €-5 million.

Mediterranean and Latin American Region Holdings

Underlying and adjusted earnings increased by €5 million (+13%) to €-30 million. On a constant exchange rate basis, underlying and adjusted earnings increased by €5 million (+13%) reflecting lower financial charges.

Net income increased by €3 million (+8%) to €-32 million. On a constant exchange rate basis, net income increased by €3 million (+8%) driven by the increase in adjusted earnings, partly offset by unfavorable change in financing hedges.

Other

CFP

Underlying earnings, adjusted earnings and **net income** were stable at €1 million driven by stable positive run-off developments.

Outlook

The macro economic environment will likely remain uncertain in the coming months and should continue to drive financial markets performance across the board. In this context, the Ambition AXA plan continues to be relevant despite the current market environment and AXA will continue to focus on its execution. Building on its financial strength and strong underlying fundamentals, AXA will continue to increase its exposure to the less market sensitive segments of Property & Casualty and Protection & Health.

For the remainder of 2012, the business mix in Life & Savings will continue to shift towards more profitable segments, the favorable pricing environment will continue to support the Property & Casualty activity and the focus in Asset Management will be on further improving the investment performance. The delivery of the cost savings plan will also remain a priority, as well as the acceleration in high growth and direct markets.

Glossary

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

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

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

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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

ADJUSTED EARNINGS

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

(i) Exceptional operations (primarily change in scope and discontinued operations)

(ii) Integration and restructuring costs related to material newly acquired companies as well as restructuring and associated costs related to productivity improvement plans

(iii) Goodwill and other related intangibles, and

(iv) Profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets.

Derivatives related to invested assets:

- include all foreign exchange derivatives, except the ones related to currency options in earnings hedging strategies which are included in underlying earnings,
- exclude derivatives related to insurance contracts evaluated according to the "selective unlocking" accounting policy,
- and also exclude derivatives involved in the economic hedging of realized gains and impairments of equity securities and real estate backing general account and shareholders' funds, for which cost at inception, intrinsic value and pay-off flow though 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 perpetual debt ("Super Subordinated Debts" TSS / "Perpetual 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 perpetual 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):

(i) Gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees and Revenues" and "Net Technical Margin".

(ii) Policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, i.e. primarily "Investment Margin" and "Net Technical Margin".

(iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees and Revenues".

(iv) Change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.

- For investment contracts without DPF:

(i) Deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross consolidated revenues on a separate line, and in Margin analysis in the lines "Fees & Revenues" and "Net Technical margin".

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

Underlying Investment margin includes the following items:

(i) Net investment income

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

Underlying Fees & Revenues include:

(i) Revenues derived from mutual fund sales (which are part of consolidated revenues),

(ii) Loadings charged to policyholders on premiums / deposits and fees on funds under management for separate account (unit-linked) business,

(iii) Loadings on (or contractual charges included in) premiums / deposits received on all general account product lines,

(iv) Deferral income such as capitalization net of amortization of URR (Unearned Revenue Reserve) and UFR (Unearned Fee Reserve),

(v) Other fee revenues, e.g., fees received on financial planning or sales of third party products.

Underlying Net Technical margin includes the following components:

(i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefits and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits. This margin does not include the claims handling costs and change in claims handling cost reserves,

(ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination,

(iii) GMxB (Variable Annuity guarantees) active financial risk management is the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedge. It also includes the unhedged business result,

(iv) Policyholder bonuses if the policyholder participates in the risk margin,

(v) Ceded reinsurance result,

(vi) Other changes in insurance reserves are all the reserves strengthening or release coming from changes in valuation assumptions, additional reserves for mortality risk and other technical impacts such as premium deficiency net of derivative if any.

Underlying Expenses are:

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

(ii) Capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,

(iii) Amortization of acquisition expenses on current year and prior year new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,

(iv) Administrative expenses,

(v) Claims handling costs,

(vi) Policyholder bonuses if the policyholder participates in the expenses of the company.

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

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

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

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

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

(i) Earned premiums, gross of reinsurance,

(ii) Claims charges, gross of reinsurance,

(iii) Change in claims reserves, including claims handling costs reserves, gross of reinsurance, excluding the recurring interests credited to insurance annuity reserves,

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

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

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

(ii) Earned revenues, gross of reinsurance.

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

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

(ii) Earned revenues, gross of reinsurance.

Underlying expense ratio is the ratio of:

(i) Underlying expenses (excluding claims handling costs), to

(ii) Earned revenues, gross of reinsurance.

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

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

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

ASSET MANAGEMENT

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

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

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

BANKING

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

Consolidated financial statements

Half Year 2012

Contents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in Euro million)

Notes		June 30, 2012 (a)	December 31, 2011 Restated (a) (b)	January 1, 2011 Restated (a) (b)
	Goodwill	16,094	15,855	16,741
	Value of purchased business in force (c)	3,026	3,074	3,105
	Deferred acquisition costs and equivalent (b)	19,873	18,688	16,829
	Other intangible assets	3,305	3,382	3,648
	Intangible assets	**42,298**	**40,999**	**40,322**
	Investments in real estate properties	16,208	16,061	15,751
	Financial investments	432,239	418,765	409,630
	Assets backing contracts where the financial risk is borne by policyholders (d)	142,850	134,230	137,757
5	**Investments from insurance activities**	**591,296**	**569,056**	**563,137**
5	**Investments from banking and other activities**	**38,154**	**35,264**	**31,416**
	Investments in associates - Equity method	**1,258**	**1,139**	**1,168**
	Reinsurers' share in insurance and investment contracts liabilities	**10,857**	**10,698**	**11,096**
	Tangible assets	1,638	1,410	1,517
	Deferred policyholders' participation assets	749	1,247	636
	Deferred tax assets (b)	3,443	3,332	4,370
	Other assets	**5,831**	**5,990**	**6,524**
	Receivables arising from direct insurance and inward reinsurance operations	15,988	13,346	13,468
	Receivables arising from outward reinsurance operations	789	671	1,008
	Receivables - current tax	2,094	2,347	1,851
	Other receivables	16,642	16,325	13,917
	Receivables	**35,514**	**32,689**	**30,244**
4	**Assets held for sale including discontinued operations**	**480**	**360**	**22,848**
	Cash and cash equivalents	**30,417**	**31,072**	**22,095**
	TOTAL ASSETS	**756,105**	**727,268**	**728,851**

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

(a) AXA Japan closes its full year accounts at September 30 and its half year accounts at March 31. Given significant movement in foreign exchange rates between September 30, 2010 and December 31, 2010, September 30, 2011 and December 31, 2011 and between March 31, 2012 and June 30, 2012, balance sheet items have been translated using respectively December 31, and June 30, exchange rates.

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

(c) Amounts gross of tax.

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

(in Euro million)

Notes		June 30, 2012 (a)	December 31, 2011 Restated (a) (b)	January 1, 2011 Restated (a) (b)
	Share capital and capital in excess of nominal value	25,206	25,188	24,723
	Reserves and translation reserve (b)	20,895	17,080	23,065
	Net consolidated income - Group share (b)	2,586	4,190	0
	Shareholders' equity – Group share	**48,687**	**46,458**	**47,788**
	Minority interests	**2,479**	**2,367**	**4,167**
6	**TOTAL SHAREHOLDERS' EQUITY**	**51,166**	**48,825**	**51,955**
	Subordinated debt	7,301	7,108	7,066
	Financing debt instruments issued	2,492	2,506	2,500
	Financing debt owed to credit institutions	833	807	887
7	**Financing debt**	**10,627**	**10,421**	**10,454**
	Liabilities arising from insurance contracts	368,470	358,146	342,559
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders (c)	111,248	104,642	108,587
	Total liabilities arising from insurance contracts	**479,718**	**462,788**	**451,146**
	Liabilities arising from investment contracts with discretionary participating features	37,159	37,858	37,233
	Liabilities arising from investment contracts with no discretionary participating features	403	380	720
	Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	3,803	3,621	4,700
	Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	28,180	26,336	25,006
	Total liabilities arising from investment contracts	**69,546**	**68,195**	**67,659**
	Unearned revenue and unearned fee reserves	2,993	2,975	2,757
	Liabilities arising from policyholders' participation	22,597	17,938	15,897
	Derivative instruments relating to insurance and investment contracts	(2,514)	(2,056)	(742)
	LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS	**572,340**	**549,841**	**536,717**
	Liabilities arising from banking activities	**35,721**	**34,023**	**27,532**
	Provisions for risks and charges	**12,150**	**10,760**	**10,495**
	Deferred tax liabilities (b)	**4,096**	**3,817**	**3,473**
	Minority interests of controlled investment funds and puttable instruments held by minority interest holders	5,406	3,896	4,855
	Other debts instruments issued, notes and bank overdrafts (d)	6,126	6,272	6,504
	Payables arising from direct insurance and inward reinsurance operations	7,040	7,212	7,472
	Payables arising from outward reinsurance operations	5,449	5,179	5,916
	Payables – current tax	1,454	1,194	1,348
	Collateral debts relating to investments under a lending agreement or equivalent	26,349	27,509	23,399
	Other payables	17,857	18,130	18,562
	Payables	**69,680**	**69,391**	**68,058**
4	**Liabilities held for sale including discontinued operations**	**325**	**189**	**20,168**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**756,105**	**727,268**	**728,851**

(a) AXA Japan closes its full year accounts at September 30 and its half year accounts at March 31. Given significant movement in foreign exchange rates between September 30, 2010 and December 31, 2010, September 30, 2011 and December 31, 2011 and between March 31, 2012 and June 30, 2012, balance sheet items have been translated using respectively December 31, and June 30, exchange rates.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(c) Also includes liabilities arising from contracts where the financial risk is borne by policyholders with Guaranteed Minimum features.
(d) Amounts are shown net of related derivative instruments impact.

(in Euro million)

	June 30, 2012 (a)	December 31, 2011 (a)	January 1, 2011 (a)
Liabilities arising from insurance contracts where the financial risk is borne by policyholders (b)	111,248	104,642	108,587
Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	3,803	3,621	4,700
Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	28,180	26,336	25,006
Total Liabilities arising from contracts where the financial risk is borne by policyholders	**143,231**	**134,599**	**138,293**
Liabilities arising from insurance contracts	368,470	358,146	342,559
Liabilities arising from investment contracts with discretionary participating features	37,159	37,858	37,233
Liabilities arising from investment contracts with no discretionary participating features	403	380	720
Total Liabilities arising from other insurance and investment contracts	**406,032**	**396,384**	**380,512**

(a) AXA Japan closes its full year accounts at September 30 and its half year accounts at March 31. Given significant movement in foreign exchange rates between September 30, 2010 and December 31, 2010, September 30, 2011 and December 31, 2011 and between March 31, 2012 and June 30, 2012, balance sheet items have been translated using respectively December 31, and June 30, exchange rates.
(b) Also includes liabilities arising from contracts where the financial risk is borne by policyholders with Guaranteed Minimum features.

CONSOLIDATED STATEMENT OF INCOME

(in Euro million, except EPS in Euro)

Notes		June 30, 2012	June 30, 2011 Restated (a)
	Gross written premiums	45,749	43,959
	Fees and charges relating to investment contracts with no participating features	164	182
	Revenues from insurance activities	**45,913**	**44,141**
	Net revenues from banking activities	224	246
	Revenues from other activities	2,268	2,449
	Revenues (b)	**48,405**	**46,836**
	Change in unearned premiums net of unearned revenues and fees	**(3,962)**	**(3,727)**
	Net investment income (c)	8,023	7,582
	Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity (d) (e)	770	2,360
	Net realized gains and losses and change in fair value of investments at fair value through profit and loss (f)	6,550	3,588
	of which change in fair value of assets with financial risk borne by policyholders (g)	*6,224*	*3,257*
	Change in investments impairment (h)	(390)	(380)
	Net investment result excluding financing expenses	**14,953**	**13,149**
	Technical charges relating to insurance activities (g)	(45,696)	(40,577)
	Net result from outward reinsurance	(572)	(571)
	Bank operating expenses	(64)	(44)
	Acquisition costs (a)	(4,293)	(4,373)
	Amortization of the value of purchased business in force	(47)	(113)
	Administrative expenses	(4,630)	(5,045)
	Change in tangible assets impairment	(0)	(1)
	Change in goodwill impairment and other intangible assets impairment	(67)	(57)
	Other income and expenses	(175)	(91)
	Other operating income and expenses	**(55,544)**	**(50,872)**
	Income from operating activities before tax	**3,852**	**5,387**
	Income arising from investments in associates - Equity method	42	31
	Financing debts expenses (i)	(289)	(320)
	Net income from operating activities before tax	**3,605**	**5,098**
	Income tax (a)	(919)	(976)
	Net operating income	**2,687**	**4,122**
4	Result from discontinued operations net of tax	-	99
	Net consolidated income after tax	**2,687**	**4,221**
	Split between :		
	Net consolidated income - Group share	2,586	4,013
	Net consolidated income - Minority interests	101	208
8	**Earnings per share (j)**	**1.04**	**1.69**
8	**Fully diluted earnings per share (j)**	**1.04**	**1.68**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(b) Gross of reinsurance.
(c) Net of investment management costs.
(d) Includes impairment releases on investments sold.
(e) As of June 30, 2011, notably includes net realized gains on sale of Autralian and New Zealand operations (€695 million gross or €691 million net) and stake in Taikang Life (€779 million gross or €749 million net).
(f) Includes realized and unrealized forex gains and losses relating to investments at cost and at fair value through shareholders' equity.
(g) Change in fair value of assets with financial risk borne by policyholders is offset by a balancing entry in technical charges relating to insurance activities.
(h) Excludes impairment releases on investments sold.
(i) Includes net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives).
(j) Refer to Note 8 for the split of earnings per share between continuing and discontinued operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in Euro million)

	June 30, 2012 (a)	June 30, 2011 Restated (a) (b)
Reserves relating to changes in fair value through shareholders' equity	1,810	(1,816)
Translation reserves	647	(1,737)
Employee benefits actuarial gains and losses	(935)	12
Net gains and losses recognized directly through shareholders' equity	**1,522**	**(3,541)**
Net consolidated income	2,687	4,221
TOTAL COMPREHENSIVE INCOME (CI)	**4,209**	**680**
Split between :		
CI - Group share	**4,051**	**873**
CI - Minority interests	**158**	**(193)**

(a) AXA Japan closes its half year accounts at March 31. Given significant movement in foreign exchange rates since end of March, balance sheet items have been translated using June 30, 2012 exchange rates. As of June 30, 2011, Axa Japan's balance sheet was translated using March 31, 2011 exhange rates.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Attributable to shareholders											
	Share Capital					Other reserves						
	Number of shares (in thousands)	**Nominal value (in Euros)**	**Share Capital**	**Capital in excess of nominal value**	**Treasury shares**	**Reserves relating to the change in fair value of financial instruments available for sale**	**Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)**	**Other (a)**	**Translation reserves**	**Undistributed profits and other reserves**	**Shareholders' Equity Group share**	**Minority interests**
Shareholders 'equity opening January 1,2012 Restated (b)	**2,357,198**	**2.29**	**5,398**	**20,471**	**(385)**	**4,838**	**50**	**6,059**	**(2,296)**	**12,323**	**46,458**	**2,367**
Capital	**103**	**2.29**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**-**
Capital in excess of nominal value	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**
Equity - share based compensation	**-**	**-**	**-**	**16**	**-**	**-**	**-**	**-**	**-**	**-**	**16**	**-**
Treasury shares	**-**	**-**	**-**	**-**	**17**	**-**	**-**	**-**	**-**	**-**	**17**	**-**
Others reserves - transaction on treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16)**	**-**	**-**	**(16)**	**-**
Equity component of compound financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undated subordinated debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial expenses - Undated subordinated debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(148)**	**-**	**-**	**(148)**	**-**
Others (including impact on change in scope) (c)	**-**	**-**	**-**	**-**	**-**	**(0)**	**-**	**-**	**0**	**(66)**	**(66)**	**(47)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,626)**	**(1,626)**	**-**
Impact of transactions with shareholders	**103**	**2.29**	**0**	**17**	**17**	**(0)**	**-**	**(164)**	**0**	**(1,692)**	**(1,822)**	**(47)**
Reserves relating to changes in fair value through shareholders' equity	**-**	**-**	**-**	**-**	**-**	**1,725**	**62**	**-**	**-**	**-**	**1,788**	**23**
Translation reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**135**	**474**	**-**	**609**	**37**
Employee benefits actuarial gains and losses (d)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(933)**	**(933)**	**(3)**
Net consolidated income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,586**	**2,586**	**101**
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**	**1,725**	**62**	**135**	**474**	**1,653**	**4,051**	**158**
Shareholders' equity closing June 30, 2012	**2,357,301**	**2.29**	**5,398**	**20,488**	**(368)**	**6,563**	**112**	**6,031**	**(1,822)**	**12,284**	**48,687**	**2,479**

NB : amounts are presented net of impacts of shadow accounting and its effects on policyholders' participation, deferred acquisition costs, and value of business in force.
(a) Mainly undated subordinated debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds) (see Note 6.1.1.c).
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(c) Including changes in ownership interest in consolidated subsidiaries without losing control.
(d) Actuarial gains and losses accrued since opening January 1, 2012.

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

	Attributable to shareholders											
	Share Capital					Other reserves						
	Number of shares (in thousands)	**Nominal value (in Euros)**	**Share Capital**	**Capital in excess of nominal value**	**Treasury shares**	**Reserves relating to the change in fair value of financial instruments available for sale**	**Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)**	**Other (a)**	**Translation reserves**	**Undistributed profits and other reserves**	**Shareholders' Equity Group share**	**Minority interests**
Shareholders 'equity opening January 1, 2011 Restated (b)	**2,320,105**	**2.29**	**5,313**	**20,192**	**(495)**	**6,272**	**33**	**6,208**	**(2,075)**	**12,341**	**47,788**	**4,167**
Capital	**327**	**2.29**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**
Capital in excess of nominal value	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**-**
Equity - share based compensation	**-**	**-**	**-**	**22**	**-**	**-**	**-**	**-**	**-**	**-**	**22**	**-**
Treasury shares	**-**	**-**	**-**	**-**	**107**	**-**	**-**	**-**	**-**	**-**	**107**	**-**
Others reserves - transaction on treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(35)**	**-**	**-**	**(35)**	**-**
Equity component of compound financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undated subordinated debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**-**	**-**	**0**	**-**
Financial expenses - Undated subordinated debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(140)**	**-**	**-**	**(140)**	**-**
Others (including impact on change in scope) (c)	**-**	**-**	**-**	**-**	**-**	**152**	**(0)**	**-**	**(478)**	**(2,093)**	**(2,419)**	**(1,501)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,601)**	**(1,601)**	**-**
Impact of transactions with shareholders	**327**	**2.29**	**1**	**24**	**107**	**152**	**(0)**	**(175)**	**(478)**	**(3,693)**	**(4,062)**	**(1,501)**
Reserves relating to changes in fair value through shareholders' equity	**-**	**-**	**-**	**-**	**-**	**(1,800)**	**13**	**-**	**-**	**-**	**(1,787)**	**(29)**
Translation reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(249)**	**(1,117)**	**-**	**(1,365)**	**(372)**
Employee benefits actuarial gains and losses (d)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**12**	**0**
Net consolidated income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,013**	**4,013**	**208**
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**	**(1,800)**	**13**	**(249)**	**(1,117)**	**4,026**	**873**	**(193)**
Shareholders' equity closing June 30, 2011 Restated (b)	**2,320,432**	**2.29**	**5,314**	**20,216**	**(387)**	**4,623**	**46**	**5,784**	**(3,669)**	**12,673**	**44,600**	**2,473**

NB : amounts are presented net of impacts of shadow accounting and its effects on policyholders' participation, deferred acquisition costs, and value of business in force.
(a) mainly undated subordinated debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds) (see Note 6.1.1.c).
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(c)Including changes in ownership interest in consolidated subsidiaries without losing control.
Notably include €2.5 billion reduction in shareholders' equity related to the buy-out of minority interests in AXA APH Asian operation.
(d) Actuarial gains and losses accrued since opening January 1, 2011.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in Euro million)

	June 30, 2012 (a)	June 30, 2011 Restated (a) (b)
Operating income including discontinued operation before tax	**3,605**	**5,098**
Net amortization expense (c)	305	261
Change in goodwill impairment and other intangible assets impairment (d)	12	3
Net change in deferred acquisition costs and equivalent	(1,219)	(584)
Net increase / (write back) in impairment on investments, tangible and other intangible assets	427	394
Change in fair value of investments at fair value through profit or loss	(8,265)	(581)
Net change in liabilities arising from insurance and investment contracts (e)	14,193	10,337
Net increase / (write back) in other provisions (f)	(59)	(140)
Income arising from investments in associates – Equity method	(42)	(29)
Adjustment of non cash balances included in the operating income before tax	**5,353**	**9,661**
Net realized investment gains and losses	859	(5,342)
Financing debt expenses	287	325
Adjustment for reclassification to investing or financing activities	**1,146**	**(5,018)**
Dividends recorded in profit or loss during the period	(1,595)	(1,618)
Investment income & expense recorded in profit or loss during the period	(6,959)	(6,429)
Adjustment of transactions from accrued to cash basis	**(8,553)**	**(8,047)**
Net cash impact of deposit accounting	130	(240)
Dividends and interim dividends collected	1,797	1,742
Investment income	8,961	8,221
Investment expense (excluding interests on financing and undated subordinated debts, margin calls and others)	(1,279)	(1,333)
Change in operating receivables and payables and net operating cash from banking activities	(3,322)	(2,100)
Net cash provided by other assets and liabilities (g)	(804)	(1,759)
Tax expenses paid	(563)	(339)
Other operating cash impact and non cash adjustment	(1,599)	(1,360)
Net cash impact of transactions with cash impact not included in the operating income before tax	**3,322**	**2,831**
NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	**4,873**	**4,526**
Purchase of subsidiaries and affiliated companies, net of cash acquired	(13)	220
Disposal of subsidiaries and affiliated companies, net of cash ceded	178	1,293
Net cash related to changes in scope of consolidation	**165**	**1,512**
Sales of debt instruments (g)	34,363	40,985
Sales of equity instruments and non controlled investment funds (g) (h)	9,077	10,073
Sales of investment properties held directly or not (g)	182	392
Sales and/or repayment of loans and other assets (g) (i)	13,445	14,360
Net cash related to sales and repayments of investments (g) (h) (i)	**57,067**	**65,809**
Purchases of debt instruments (g)	(36,603)	(45,367)
Purchases of equity instruments and non controlled investment funds (g) (h)	(9,806)	(8,026)
Purchases of investment properties held direct or not (g)	(545)	(467)
Purchases and/or issues of loans and other assets (g) (i)	(14,357)	(12,735)
Net cash related to purchases and issuance of investments (g) (h) (i)	**(61,310)**	**(66,595)**
Sales of tangible and intangible assets	3	8
Purchases of tangible and intangible assets	(230)	(166)
Net cash related to sales and purchases of tangible and intangible assets	**(226)**	**(159)**
Increase in collateral payable / Decrease in collateral receivable	29,894	37,655
Decrease in collateral payable / Increase in collateral receivable	(29,881)	(35,861)
Net cash impact of assets lending / borrowing collateral receivables and payables	**13**	**1,794**
Other investing cash impact and non cash adjustment	**-**	**-**
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	**(4,291)**	**2,362**
Issuance of equity instruments	266	(14)
Repayments of equity instruments	(88)	(314)
Transactions on treasury shares	(8)	35
Dividends payout	(1,688)	(1,682)
Interests on undated subordinated debts paid	(115)	(112)
Acquisition / sale of interests in subsidiaries without change in control	(76)	(3,291)
Net cash related to transactions with shareholders	**(1,708)**	**(5,378)**

Cash provided by financial debts issuance	0	26
Cash used for financial debts repayments	(24)	(67)
Interests on financing debt paid (j)	(238)	(352)
Net cash related to Group financing	**(262)**	**(392)**
Other financing cash impact and non cash adjustment	**-**	**-**
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	**(1,970)**	**(5,770)**
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	**(0)**	**(68)**
CASH AND CASH EQUIVALENT AS OF JANUARY 1 (k)	**30,033**	**21,097**
Net cash provided by operating activities	4,873	4,526
Net cash provided by investing activities	(4,291)	2,362
Net cash provided by financing activities	(1,970)	(5,770)
Net cash provided by discontinued operations	(0)	(68)
Impact of change in consolidation method and of reclassifications as held for sale	(322)	(0)
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	358	(320)
CASH AND CASH EQUIVALENT AS OF JUNE 30 (k)	**28,680**	**21,827**

(a) AXA Japan closes its half year accounts at March 31. Given significant movement in foreign exchange rates since end of March, balance sheet items have been translated using June 30, 2012 exchange rates. As of June 30, 2011, Axa Japan's balance sheet was translated using March 31, 2011 exhange rates.
(b) As described in note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(c) Includes premiums/discounts capitalization and relating amortization, amortization of investment and owner occupied properties (held directly).
(d) Includes impairment and amortization of intangible assets booked during business combinations.
(e) Includes impact of reinsurance and change in liabilities arising from contracts where the financial risk is borne by policyholders.
(f) Mainly includes change in provisions for risks & charges, for bad debts/doubtful receivables and change in impairment of assets held for sale.
(g) Includes related derivatives.
(h) Includes equity instruments held directly or by controlled investment funds as well as non controlled investment funds.
(i) Includes sales/purchases of assets backing insurance & investment contracts where the financial risk is borne by policyholders.
(j) Includes net cash impact of interest margin relating to hedging derivatives on financing debt.
(k) Net of bank overdrafts.

(in Euro million)

	June 30, 2012	June 30, 2011 Restated (a)
Cash and cash equivalent	30,417	22,656
Bank overdrafts (b)	(1,737)	(829)
Cash and cash equivalent as of December 31 (c)	**28,680**	**21,827**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(b) Included in "Other debt instruments issued and bank overdrafts".
(c) The "Cash and cash equivalents" balances shown in the statement of consolidated cash flows do not include cash balances of consolidated investment funds from the Satellite Investment Portfolio (see Note 1.7.2). The "Cash and cash equivalents" item in the Statement of Consolidated Cash Flows excludes cash backing contracts where the financial risk is borne by policyholders (unit-linked contracts).

Note 1 : **Accounting principles**

1.1. General information

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

AXA operates in the following primary business segments:
- Life & Savings,
- Property & Casualty,
- International Insurance,
- Asset Management,
- Banking.

AXA is listed on Euronext Paris Compartiment A.

These consolidated interim financial statements including all notes were finalized by the Board of Directors on August 2, 2012.

1.2. General accounting principles

1.2.1. **Basis for preparation**

AXA's consolidated interim financial statements are prepared as of June 30. However, certain entities within AXA have a different reporting half year end, in particular AXA Life Japan, which has a March 31 financial half year end.

The consolidated interim financial statements are prepared in compliance with IFRS standards according to IAS 34 – Interim Financial Reporting and interpretations of the IFRS Interpretations Committee that are definitive and effective as of June 30, 2012, as adopted by the European Union before the balance sheet date. However, the Group does not use the "carve out" option allowing not to apply all hedge accounting principles required by IAS 39. In addition, the adoption of the new IFRS 9 standard published by the IASB in November 2009, amended in October 2010 and December 2011, has not been yet formally submitted to the European Union. However, the Group would not have used the earlier adoption option as of today. As a consequence, the consolidated interim financial statements also comply with IFRS as issued by the International Accounting Standards Board (IASB).

Voluntary change in accounting policy on deferred acquisition costs (DAC)

Deliberations at joint meetings of IASB and FASB regarding the Insurance Contracts Phase II project as well as change in USGAAP (ASU-2010-26) applicable as at January 1, 2012 for companies applying US GAAP indicate that accounting standards are moving to lower capitalization and therefore deferral of acquisition expenses. In this context, the Group changed its accounting policy on deferred acquisition costs as of January 1, 2012 and retrospectively restated comparative information related to previous periods. The change applied is in line with the updated draft wording provided at the IASB Insurance Working Group on October 24, 2011 around direct costs of acquiring a portfolio of insurance contracts which so far differs from ASU-2010-26 by not limiting the deferral to expenses from successful efforts only and in the detail of how that principle is applied (incremental direct cost of acquisition and specifying some other costs). The Group was seeking for better alignment with US GAAP applicants starting when the ASU-2010-26 change was applicable for such companies while conscious that the Group would be submitted to IFRS 4 Phase II whenever applicable. The impact of this change led to a reduction of total shareholders' equity of €1, 913 million (of which €1,910 million group share) as of January 1, 2011. The adjustments on previous periods affected the following line items of the financial statements:

Consolidated statement of financial position

In Euro million	January 1, 2011 Published amounts	January 1, 2011 Effect of the change	January 1, 2011 Restated amounts	December 31, 2011 Published amounts	December 31, 2011 Effect of the change	December 31, 2011 Restated amounts
Deferred acquisition costs and equivalents (a)	19,641	(2,813)	16,829	21,785	(3,097)	18,688
Deferred tax assets	4,097	273	4,370	3,052	280	3,332
Deferred tax liabilities	(4,098)	626	(3,473)	(4,526)	709	(3,817)
NET EFFECT		**(1,913)**			**(2,108)**	

(a) Corresponds to group Gross DAC amount. DAC assets should be looked at in conjunction with unearned revenues and reserves (URR: Revenues received at inception to cover furture services - see note 1.6.4), policyholder participation and tax. Life and Savings DAC net of URR, PB and tax amounted to €8,509 million as at December 31, 2011.

Consolidated statement of income

In Euro million	June 30, 2011 Published amounts	June 30, 2011 Effect of the change	June 30, 2011 Restated amounts	December 31, 2011 Published amounts	December 31, 2011 Effect of the change	December 31, 2011 Restated amounts
Acquisition costs	(4,398)	25	(4,373)	(8,184)	(199)	(8,383)
Income tax	(963)	(12)	(976)	(1,074)	63	(1,011)
NET EFFECT		**13**			**(136)**	

Standards, amendments and interpretations published but not yet effective

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

The amendment to IFRS 7 – Disclosures – Transfers of Financial Assets published on October 7, 2010, increases the disclosure requirements for transactions involving transfers of financial assets. The amendment is intended to provide additional information regarding risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure to the asset. The amendment also requires disclosure where transfers of financial assets are not evenly distributed throughout the period. The disclosure amendment is effective for annual periods beginning on or after July 1, 2011. It is not expected to have a material impact on the Group's consolidated financial statements as of December 31, 2012.

The amendment to IAS 12 – Income Taxes, published on 20 December 2010 addresses the measurement of deferred tax liabilities and deferred tax assets, which depends on whether an entity expects to recover an asset by using the asset or by selling the asset. In some cases, it is difficult and subjective to assess whether recovery will be through use or through sale. The amendment provides a practical approach in such cases, by introducing a presumption that an asset is recovered entirely through sale unless the entity has clear evidence that recovery will occur in another manner. The presumption would apply when investment properties, property, plant and equipment or intangible assets are remeasured at fair value or revalued at fair value. The amendment is effective for annual periods beginning on or after January 1, 2012 and is not expected to have a material impact on the Group's consolidated financial statements as of December 31, 2012.

A package of five new and revised standards were published on May 12, 2011 addressing the accounting for consolidation, involvement in joint arrangements and disclosure of involvements with other entities. Each of the five standards have an effective date for annual periods beginning on or after January 1, 2013, with earlier application permitted so long as each of the other standards in the package is also early applied. The analysis of the potential impact on the Group's consolidated financial statements with regard to the package of five new and revised standards is currently underway.

- IFRS 10 – Consolidated Financial Statements replaces the consolidation guidance in IAS 27 – Consolidation and Separate Financial Statements and SIC-12 – Special Purpose Entities, by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee. Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns.
- IFRS 11 – Joint Arrangements introduces new accounting requirements for joint arrangements and replaces IAS 31 – Interests in Joint Ventures. IFRS 11 eliminates the option to apply the proportional consolidation method when accounting for jointly controlled entities and focuses on the rights and obligations of the arrangement, rather than the legal form. The application of the equity method instead of the proportional consolidation is not expected to have a material impact on the Group's consolidated financial statements.
- IFRS 12 – Disclosures of Interests in Other Entities requires enhanced disclosures for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- Amended IAS 27 – Separate Financial Statements sets out the unchanged requirements relating to separate financial statements. The other portions of IAS 27 are replaced by IFRS 10.
- Amended IAS 28 – Investments in Associates and Joint Ventures includes amendments for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

IFRS 13 – Fair Value Measurement, published on May 12, 2011, defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early application permitted, and it is not expected to have a material impact on the Group's consolidated financial statements.

The amendment to IAS 1 – Presentation of Financial Statements, published June 16, 2011, requires entities to group together items presented within other comprehensive income based on whether they are potentially reclassifiable to profit or loss in a subsequent period. The amendment also preserves the requirement that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. The amendment is effective for annual periods beginning on or after July 1, 2012, with early application permitted, and it is not expected to have a material impact on the Group's consolidated financial statements.

The amendment to IAS 19 – Employee Benefits, published June 16, 2011, addresses the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income. The amendment also eliminates the corridor method deferral of recognition of gains and losses, which is not applied by the Group. The amendment is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The analysis of the potential impact on the Group's consolidated financial statements is currently underway.

The amendments to IAS 32 – Financial Instruments: Presentation, and the amendments to IFRS 7 – Financial Instruments Disclosure published December 16, 2011, provide clarifications of the application of the offsetting rules and amend the related disclosure requirements. The amendments to IAS 32 clarify that to result in offset of a financial asset and a financial liability, a right to set-off must be available today rather than be contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy. Additional clarifications are presented regarding the settlement process. The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014 and the IFRS 7 disclosure amendments are required for annual periods beginning on or after January 1, 2013. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Annual Improvements 2009 – 2011 Cycle, published on May 17, 2012, includes amendments to IFRSs that are not part of a major project. They are presented in a single document rather than as a series of piecemeal changes. They are applicable for annual periods beginning on or after January 1, 2013. These amendments are not expected to have a material impact on the Group's consolidated financial statements.

Preparation of financial statements

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

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

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

1.2.2. **First time adoption of IFRS**

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

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

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

AXA chose not to restate past business combinations based on the option available in IFRS 1. As a result, past business combinations prior to January 1, 2004 are accounted for on a previous GAAP basis in the IFRS financial statements, except:
Goodwill has been denominated in the functional currency of the acquired entity under IFRS since January 1, 2004 (transition to IFRS), and

- Any item recognized under previous GAAP that did not qualify for recognition as an asset or liability under IFRS was reclassified into goodwill.

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

Currency Translation Differences

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

Pension accounting

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

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

1.3. Consolidation

1.3.1. **Scope and basis of consolidation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Goodwill

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

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

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

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

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

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

Purchase and sale of minority interests in a controlled subsidiary

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

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

Put over minority interests

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

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

Intra-group transactions

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

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

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

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

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

1.4. Foreign currency translation of financial statements and transactions

The consolidated financial statements are presented in Euro million, the Euro being the Group's presentational currency.

The results and financial position of all Group entities that have a functional currency (i.e. the currency of the primary economic environment in which the entity operates) different from the Group presentational currency are translated as follows:

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

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

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

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

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

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

1.5. Segment reporting

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

1.6. Intangible assets

1.6.1. Goodwill and impairment of goodwill

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

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

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

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

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

The variable costs of writing insurance contracts and investment contracts with discretionary participating features, primarily related to the underwriting of new business, are deferred by recognizing an asset. In Property and Casualty, DAC are amortized over the terms of the policies, as premium is earned. In Life, the asset is amortized based on the estimated gross profits emerging over the life of the contracts. In conjunction to the liability adequacy test (see section 1.13.2) this asset is tested for recoverability: any amount above future estimated gross profits is not deemed recoverable and expensed.

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

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

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

1.6.4. Unearned revenues reserves

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

1.6.5. Other intangible assets

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

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

1.7. Investments from insurance, banking and other activities

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

1.7.1. **Investment in real estate properties**

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

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

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

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

1.7.2. **Financial instruments classification**

Depending on the intention and ability to hold the invested assets, financial instruments are classified in the following categories:
- assets held to maturity, accounted for at amortized cost;
- assets held for trading and assets designated as at fair value with change in fair value through profit or loss;
- available-for-sale assets accounted for at fair value with changes in fair value recognized through shareholders' equity;
- loans and receivables (including some debt instruments not quoted in an active market) accounted for at amortized cost.

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

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

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

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

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

Impairment of financial instruments

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

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

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

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

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

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

1.7.3. Repurchase agreements and security lending

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

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

1.8. Assets backing liabilities arising from contracts where the financial risk is borne by policyholders

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

1.9. Derivative instruments

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

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

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

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

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

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

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

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

1.10. Assets / liabilities held for sale and assets / liabilities including discontinued operations

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

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

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

1.11. Cash and cash equivalents

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

1.12. Share capital and shareholders' equity

1.12.1. **Share capital**

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

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

1.12.2. **Undated subordinated debt**

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

1.12.3. **Compound financial instruments**

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

1.12.4. **Treasury shares**

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

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

1.13. Liabilities arising from insurance and investment contracts

1.13.1. **Contracts classification**

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

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

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

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

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

The Group classifies its insurance and investment contracts into six categories:
- liabilities arising from insurance contracts,
- liabilities arising from insurance contracts where the financial risk is borne by policyholders,
- liabilities arising from investment contracts with discretionary participating features,
- liabilities arising from investment contracts with no discretionary participating features,
- liabilities arising from investment contracts with discretionary participating features where the financial risk is borne by policyholders; these relate to unit-linked contracts or multi-funds contracts containing a non-unit-linked fund with discretionary participating features,
- liabilities arising from investment contracts with no discretionary participating features where the financial risk is borne by policyholders.

1.13.2. **Insurance contracts and investment contracts with discretionary participating features**

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

The main characteristics of the accounting principles applied prior to IFRS and retained after the conversion to IFRS are as follows:
- Reserves must be sufficient,
- Life reserves cannot be discounted using a discount rate higher than prudently estimated expected assets yield,
- Acquisition costs are deferred to the extent recoverable and amortized based on the estimated gross profits emerging over the life of the contracts,
- Claims reserves represent estimated ultimate costs. Post claims reserves are generally not discounted, except in limited cases.

Pre-claims reserves

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

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

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

Future policy benefits reserves relating to investment contracts with discretionary participation features (previously called “savings contracts” in AXA’s accounting principles) that carry low mortality and morbidity risk are calculated using a prospective approach based on discount rates set at inception (similar to the retrospective approach, i.e. “account balance” methodology).
The discount rates used by AXA are less or equal to the expected future investment yields (assessed on prudent basis).

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

For insurance and investment contracts with discretionary participating features, if the contracts include a minimum guaranteed rate, any potential reserve deficiency caused by insufficient future investment return is immediately booked.

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

Some guaranteed benefits such as Guaranteed Minimum Death or Income Benefits (GMDB or GMIB), or certain guarantees on return proposed by reinsurance treaties, are covered by a risk management program using derivative instruments. In order to minimize the accounting mismatch between liabilities and hedging derivatives, AXA has chosen to use the option allowed under IFRS 4.24 to re-measure its provisions: this revaluation is carried out at each accounts closing based on guarantee level projections and takes into account interest rates and other market assumptions. The liabilities revaluation impact in the current period is recognized through income, symmetrically with the impact of the change in value of hedging derivatives. This change in accounting principles was adopted on the first time application of IFRS on January 1, 2004 for contracts portfolios covered by the risk management program at that date. Any additional contracts portfolios covered by the risk management program after this date are valued on the same terms as those that applied on the date the program was first applied.

Post claims reserves

Claims reserves (life and non life contracts)
The purpose of claims reserves is to cover the ultimate cost of settling an insurance claim. Claims reserves are not discounted, except when relating to disability annuities.

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

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

The estimated discretionary participating feature of such contracts is fully recognized in the liabilities. As a consequence, there is no component recognized as an equity component and AXA does not need to ensure the liability recognized for the whole contract is not less than the amount that would result from applying IAS 39 to the guaranteed element.
When a net unrealized loss (unrealized change in fair value, impairment, expense related, …) is accounted, a deferred participating asset (DPA) may be recognized only to the extent that it is highly probable that it can be charged to policyholders, by entity, in the future. This could be the case if the DPA can be offset against future participation either directly through deduction of the DPL from future capital gains or the DPL netted against value of businesses in force or indirectly through deduction of future fees on premiums or margins.

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

Recoverability tests and liability adequacy test (LAT)

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

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

- such tests are based on the intention and capacity of entities to hold financial assets according to various sets of scenarios, excluding the value of new business;

- they include projections of future investments sales according to estimated surrender patterns;
- and the extent to which resulting gains/losses may be allocated/charged to policyholders, i.e. profit sharing between policyholders and shareholders.

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

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

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

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

Embedded derivatives in insurance and investment contracts with discretionary participating features

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

1.13.3. Investment contracts with no discretionary participating features

In accordance with IAS 39, these contracts are accounted for using “deposit accounting”, which mainly results in not recognizing the cash flows corresponding to premiums, benefits and claims in the statement of income (see “Revenue recognition” section below). These cash flows shall rather be recognized as deposits and withdrawals.

This category includes mainly unit-linked contracts that do not meet the definition of insurance or investment contracts with discretionary participating features. For these unit-linked contracts, the liabilities are valued at current unit value, i.e. on the basis of the fair value of the financial investments backing those contracts at the balance sheet date together with Rights to future management fees, also known as Deferred origination costs (DOC, described in section 1.6.3).

Unearned fees reserves

Fees received at inception of an investment contract with no discretionary participating features to cover future services are recognized as liabilities and accounted in the income statement based on the same amortization pattern as the one used for deferred origination costs.

1.14. Reinsurance

Transactions relating to reinsurance assumed and ceded are accounted in the balance sheet and income statement in a similar way to direct business transactions provided that these contracts meet the insurance contracts classification requirements and in agreement with contractual clauses.

1.15. Financing debt

Financing debts issued to finance the solvency requirements of operational entities or to acquire a portfolio of contracts are isolated in a specific aggregate of the statement of financial position.

1.16. Other liabilities

1.16.1. Income taxes

The half year income tax charge is based on the best estimate of the expected full year tax rate (if progressive tax rates, based on income levels) for each Group entity and for each tax category. Deferred tax assets and liabilities emerge from temporary differences between the accounting and fiscal values of assets and liabilities, and when applicable from tax loss carry forwards.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset the temporary differences. The recoverability of deferred tax assets recognized in previous periods is re-assessed at each closing.

In particular, a deferred tax liability is recognized for any taxable temporary difference relating to the value of shares in a consolidated company held, unless the Group controls at what date the temporary difference will reverse and it is probable that the temporary difference will not reverse in the foreseeable future. If a group company decides to sell its stake in another consolidated entity, the difference between the carrying value and the tax value of these shares for the company that holds them leads to the recognition of a deferred tax (including as part of a business combination when the Group as the buyer intends to sell or carry out internal restructuring of the shares following the acquisition). The same approach applies to dividend payments that have been voted or deemed likely, to the extent that a tax on dividends will be due.

Deferred taxes for taxable temporary differences relating to tax deductible goodwill are recognized to the extent they do not arise from the initial recognition of goodwill. These deferred taxes are only released if the goodwill is impaired or if the corresponding consolidated shares are sold.

The measurement of deferred tax liabilities and deferred tax assets reflects the expected tax impact, at the balance sheet date. That would follow the way the Group expects to recover or settle the carrying amount of its assets and liabilities. When income taxes are calculated at a different rate if dividends are paid, deferred taxes are measured at the tax rate applicable to undistributed profits. The income tax consequences of dividends are only accounted when a liability to pay the dividend is recognized.

1.16.2. **Pensions and other post-retirement benefits**

Pensions and other post-retirement benefits include the benefits payable to AXA Group employees after they retire (retirement compensation, additional pension benefit, health insurance). In order to meet those obligations, some regulatory framework have allowed or enforced the set up of dedicated funds (plan assets).

Defined contribution plans: payments are made by the employer to a third party (e.g. pension trusts). These payments free the employer of any further commitment, and the obligation to pay acquired benefits to the employees is transferred. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be recorded once contributions are made.

Defined benefit plans: an actuarial assessment of the commitments based on each plan's internal rules is performed. The present value of the future benefits paid by the employer, known as the DBO (Defined Benefit Obligation), is calculated annually on the basis of long-term projections of rate of salary increase, inflation rate, mortality, staff turnover, pension indexation and remaining service lifetime. The amount recorded in the balance sheet for employee benefits is the difference between the Defined Benefit Obligation and the market value at the balance sheet date of the corresponding invested plan assets after adjustment at fair value. If the net result is negative, a provision is recorded under the provision for risks and charges heading. If the net result is positive, a prepaid asset is recorded in the balance sheet. **Actuarial gains and losses** arising from experience adjustments and changes in actuarial assumptions are recognized in shareholders' equity (in the Statement of Comprehensive Income) in full in the period in which they occur. Similarly, any adjustment arising from the asset ceiling is recognized in shareholders' equity. Unrecognized past service cost represents non-vested benefits on the date of a change in the amount of benefits following an amendment to the plan. It is amortized on a straight-line basis over the average vesting period. The impact in the income statement mainly relates to the service cost (annually accruing employee benefit) and the interest cost (unwinding of discount applied to the liability), reduced by the expected return on assets dedicated to the plan. Past service costs, settlements and curtailments also have an impact in the income statement.

1.16.3. **Share-based compensation plans**

Group's share-based compensation plans are predominantly equity-settled plans.

All equity-settled share-based compensation plans granted after November 7, 2002 and not fully vested as of January 1, 2004 are accounted for at fair value at the date they were granted and the fair value is expensed over the vesting period.

Cash-settled share-based compensation plans are recognized at fair value, which is remeasured at each balance sheet date with any change in fair value recognized in the statement of income.

The AXA Shareplan issued under specific French regulatory framework includes two options: traditional and leveraged options (with an application subject to specific local regulations within the Group).

The cost of the traditional option Shareplan is valued according to the specific guidance issued in France by the ANC *(Autorité des Normes Comptables)*. The cost of the leveraged option plan is valued by taking into account the five-year lock-up period for the employees (as in the traditional plan) but adding the value of the advantage granted to the employees by enabling them to benefit from an institutional derivatives-based pricing instead of a retail pricing.

1.17. Provisions for risks, charges and contingent liabilities

1.17.1. **Restructuring costs**

Restructuring provisions other than those that may be recognized on the balance sheet of an acquired company on the acquisition date are recorded when the Group has a present obligation evidenced by a binding sale agreement or a detailed formal plan whose main features are announced to those affected or to their representatives.

1.17.2. **Other provisions and contingencies**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when the provision can be reliably estimated. Provisions are not recognized for future operating losses. The same applies to contingent liabilities, except if identified at the time of a business combination (see section 1.3.2).

Provisions are measured at management's best estimate, at the balance sheet date, of the expenditure required to settle the obligation.

1.18. Revenue recognition

1.18.1. **Gross written premiums**

Gross written premiums correspond to the amount of premiums written by insurance and reinsurance companies on business incepted in the year with respect to both insurance contracts and investment contracts with discretionary participating features, net of cancellations and gross of reinsurance ceded. For reinsurance, premiums are recorded on the basis of declarations made by the ceding company, and may include estimates of gross written premiums.

1.18.2. **Fees and revenues from investment contracts with no discretionary participating features**

Amounts collected as premiums from investment contracts with no discretionary participating features are reported as deposits net of any loadings and policy fees. Revenues from these contracts consist of loadings and policy fees relating to underwriting, investment management, administration and surrender of the contracts during the period. Front-end fees collected corresponding to fees for future services are recognized over the estimated life of the contract (see "Unearned fees reserves" section 1.13.3).

1.18.3. **Deposit accounting**

Investment contracts with no discretionary participating features fall within the scope of IAS 39. Deposit accounting applies to these contracts, which involves the following:
- the Group directly recognizes the consideration received as a deposit financial liability rather than as revenues,
- claims paid are recognized as withdrawals with no posting in the income statement apart from potential fees.

1.18.4. **Unbundling**

The Group unbundles the deposit component of contracts when required by IFRS 4, i.e. when both the following conditions are met:
- the Group can measure separately the "deposit" component (including any embedded surrender option, i.e. without taking into account the "insurance" component);
- the Group accounting methods do not otherwise require to recognize all obligations and rights arising from the "deposit" component.

No such situation currently exists within the Group. In accordance with IFRS 4, the Group continues to use the accounting principles previously applied by AXA to insurance contracts and investment contracts with discretionary participating features. According to these principles, there are no situations in which all rights and obligations related to contracts are not recognized.

1.18.5. Change in unearned premiums reserves net of unearned revenues and fees

Changes in unearned premium reserves net of unearned revenues and fees include both the change in the unearned premiums reserve reported as a liability (see "Unearned premiums reserves" in section 1.13.2) and the change in unearned revenues and fees. Unearned revenues and fees correspond to upfront charges for future services recognized over the estimated life of insurance and investment contracts with discretionary participating features (see "Unearned revenues reserves" in section 1.6.4) and investment contracts with no discretionary participating features (see section 1.13.3 "Unearned fees reserves").

1.18.6. Net revenues from banking activities

Net revenues from banking activities include all revenues and expenses from banking operating activities, including interest expenses not related to financing, banking fees, capital gains and losses on sales of financial assets, change in fair value of assets under fair value option and related derivatives.

They exclude bank operating expenses and change in bad debts provisions, doubtful receivables or loans, which are recorded in the item "Bank operating expenses".

1.18.7. Revenues from other activities

Revenues from other activities mainly include:
- commissions received and fees for services relating to asset management activities
- insurance companies revenues from non insurance activities, notably commissions received on sales or distribution of financial products, and
- rental income received by real estate management companies.

1.18.8. Policyholders' participation

The half year policyholders' participation charge is based on the best estimate of the planned full year distribution rate for each portfolio of contracts at each Group entity level.

1.18.9. Net investment result excluding financing expenses

The net investment result includes:
- investment income from investments from non banking activities, net of depreciation expense on real estate investments (depreciation expense relating to owner occupied properties is included in the "administrative expenses" aggregate); this item includes interest received calculated using the effective interest method for debt instruments and dividends received on equity instruments,
- investment management expenses (excludes financing debt expenses),
- realized investment gains and losses net of releases of impairment following sales,
- the change in unrealized gains and losses on invested assets measured at fair value through profit or loss,
- the change in impairment of investments (excluding releases of impairment following sales).

In respect of banking activities, interest income and expenses are included in the "Net revenue from banking activities" item (see section 1.18.6).

1.19. Subsequent events

Subsequent events relate to events that occur between the balance sheet date and the date when the financial statements are authorized for issue:
- such events lead to an adjustment of the consolidated financial statements if they provide evidence of conditions that existed at the balance sheet date,
- such events result in additional disclosures if indicative of conditions that arose after the balance sheet date, and if relevant and material.

Note 2 : **Scope of consolidation**

2.1. Consolidated companies

2.1.1. Main fully consolidated companies

Parent and Holding Companies	Change in scope	June 30, 2012		December 31, 2011	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
AXA		Parent company		Parent company	
AXA Asia		100.00	100.00	100.00	100.00
AXA China		100.00	100.00	100.00	100.00
AXA France Assurance		100.00	100.00	100.00	100.00
Oudinot Participation		100.00	100.00	100.00	100.00
Société Beaujon		100.00	100.00	100.00	100.00
AXA Technology Services		99.99	99.99	99.99	99.99
United States					
AXA Financial, Inc.		100.00	100.00	100.00	100.00
AXA America Holding Inc.		100.00	100.00	100.00	100.00
United Kingdom					
Guardian Royal Exchange Plc		100.00	99.98	100.00	99.98
AXA UK Plc		100.00	99.98	100.00	99.98
AXA Equity & Law Plc		99.96	99.96	99.96	99.96
Asia/Pacific (excluding Japan)					
National Mutual International Pty Ltd		100.00	100.00	100.00	100.00
AXA Financial Services (Singapore)		100.00	100.00	100.00	100.00
AXA India Holding		100.00	100.00	100.00	100.00
Japan					
AXA Japan Holding		98.95	98.95	98.94	98.94
Germany					
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	100.00	100.00
AXA Konzern AG		100.00	100.00	100.00	100.00
AXA Beteiligungsgesellschaft mbH		100.00	100.00	100.00	100.00
Belgium					
AXA Holdings Belgium		100.00	100.00	100.00	100.00
Luxembourg					
AXA Luxembourg SA		100.00	100.00	100.00	100.00
Finance Solutions SARL		100.00	100.00	100.00	100.00
The Netherlands					
Vinci BV		100.00	100.00	100.00	100.00
Mediterranean and Latin American Region					
AXA Mediterranean Holding SA		100.00	100.00	100.00	100.00
AXA Italia S.p.A.		100.00	100.00	100.00	100.00
AXA Holding Maroc S.A.		100.00	100.00	100.00	100.00
AXA Turkey Holding A.S.		100.00	100.00	100.00	100.00

Life & Savings and Property & Casualty	Change in scope	June 30, 2012		December 31, 2011	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
AXA France IARD		99.92	99.92	99.92	99.92
AXA France Vie		99.77	99.77	99.77	99.77
AXA Protection Juridique		98.51	98.51	98.51	98.51
United States					
AXA Equitable Life Insurance Company		100.00	100.00	100.00	100.00
Mony Life Insurance Company		100.00	100.00	100.00	100.00
AXA Financial (Bermuda) Ltd		100.00	100.00	100.00	100.00
United Kingdom					
AXA Insurance UK Plc		100.00	99.98	100.00	99.98
AXA PPP Healthcare Limited		100.00	99.98	100.00	99.98
Bluefin Group Limited		100.00	99.98	100.00	99.98
AXA Isle of Man Limited		100.00	99.98	100.00	99.98
AXA Wealth Limited		100.00	99.98	100.00	99.98
Architas Multi-Manager Limited		100.00	99.98	100.00	99.98
Ireland					
AXA Insurance Limited		100.00	99.98	100.00	99.98
AXA Life Europe Limited		100.00	100.00	100.00	100.00
AXA Reinsurance Ireland Limited		100.00	100.00	100.00	100.00
Asia/Pacific (excluding Japan)					
AXA Life Insurance Singapore		100.00	100.00	100.00	100.00
AXA China Region Limited		100.00	100.00	100.00	100.00
AXA General Insurance Hong Kong Ltd.		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
PT AXA Life Indonesia		100.00	100.00	100.00	100.00
MLC Indonesia		100.00	100.00	100.00	100.00
AXA Affin General Insurance Berhad (a)		42.41	42.41	42.41	42.41
Japan					
AXA Life Insurance		100.00	98.95	100.00	98.94
Germany					
AXA Versicherung AG		100.00	100.00	100.00	100.00
AXA Art		100.00	100.00	100.00	100.00
AXA Lebenversicherung AG		100.00	100.00	100.00	100.00
Pro Bav Pensionskasse		100.00	100.00	100.00	100.00
Deutsche Aerzteversicherung		100.00	100.00	100.00	100.00
AXA Krankenversicherung AG		100.00	100.00	100.00	100.00
DBV-Winterthur Lebensversicherung AG		100.00	99.74	100.00	99.74
Winsecura Pensionskasse AG		100.00	99.74	100.00	99.74
Rheinisch-Westfälische Sterbekasse Lebensversicherung AG		100.00	100.00	100.00	100.00
DBV Deutsche Beamten-Versicherung AG		100.00	100.00	100.00	100.00
Belgium					
Ardenne Prévoyante		100.00	100.00	100.00	100.00
AXA Belgium SA		100.00	100.00	100.00	100.00
Servis SA		100.00	100.00	100.00	100.00
Servis Life SA	Merged with AXA Belgium SA	-	-	100.00	100.00
Les Assurés Réunis		99.93	99.93	99.93	99.93
Luxembourg					
AXA Assurances Luxembourg		100.00	100.00	100.00	100.00
AXA Assurances Vie Luxembourg		100.00	100.00	100.00	100.00
Mediterranean and Latin American Region					
AXA Vida, S. A. de Seguros (Spain)		99.82	99.82	99.82	99.82
AXA Aurora Vida, S.A. de Seguros (Spain)		99.96	99.78	99.82	99.82
AXA Seguros Generales, S. A. (Spain)		99.90	99.90	99.90	99.90
AXA Salud, S. A. (Spain)		99.90	99.90	99.90	99.90
AXA Interlife (Italy)		100.00	99.99	100.00	99.99
AXA Assicurazioni e Investimenti (Italy)		100.00	99.99	100.00	99.99
AXA MPS Vita (Italy)		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA MPS Danni (Italy)		50.00 + 1 voting right	50.00	50.00 + 1 voting right	50.00
AXA Portugal Companhia de Seguros SA		99.73	99.49	99.73	99.49
AXA Portugal Companhia de Seguros de Vida SA		95.09	94.89	95.09	94.89
AXA Assurance Maroc		100.00	100.00	100.00	100.00
AXA Al Amane Assurance (Morocco)		100.00	100.00	100.00	100.00
AXA Hayat ve Emeklilik A.S. (Turkey)		100.00	100.00	100.00	100.00
AXA Sigorta AS (Turkey)		72.59	72.59	72.59	72.59
AXA Cooperative Insurance Company (Gulf)		50.00	34.00	50.00	34.00
AXA Insurance (Gulf) B.S.C.c.		50.00	50.00	50.00	50.00
AXA Insurance A.E. (Greece)		99.98	99.98	99.89	99.89
AXA Seguros S.A. de C.V. (Mexico)		99.94	99.94	99.94	99.94
Switzerland					
AXA Life (previously Winterthur Life)		100.00	100.00	100.00	100.00
AXA-ARAG Legal Assistance		66.67	66.67	66.67	66.67
AXA Insurance (previously Winterthur Swiss Insurance P&C)		100.00	100.00	100.00	100.00
Central and Eastern Europe					
AXA Czech Republic Pension Funds		99.99	99.99	99.99	99.99
AXA Czech Republic Insurance		100.00	100.00	100.00	100.00
AXA Hungary		100.00	100.00	100.00	100.00
AXA Poland		100.00	100.00	100.00	100.00
AXA Poland Pension Funds		100.00	100.00	100.00	100.00
AXA Slovakia		100.00	100.00	100.00	100.00
AXA Ukraine		50.17	50.17	50.00	50.00
Direct (b)					
Avanssur (France and Poland)		100.00	100.00	100.00	100.00
Kyobo AXA General Insurance Co. Ltd. (South Korea)	Minority interests buyout	98.67	98.67	94.13	94.13
AXA Non Life Insurance Co. Ltd. (Japan)		100.00	98.95	100.00	98.94
Touring Assurances SA (Belgium)		100.00	100.00	100.00	100.00

Hilo Direct SA de Seguros y Reaseguros (Spain)		100.00	100.00	100.00	100.00
Quixa S.p.A (Italy)		100.00	99.99	100.00	99.99
Seguro Directo Gere Companhia de Seguros SA (Portugal)		100.00	100.00	100.00	100.00

(a) AXA Group has a full control given the shareholders' agreements.
(b) UK Direct activities are held by AXA Insurance UK Plc.

International Insurance (entities having worldwide activities)	Change in scope	June 30, 2012		December 31, 2011	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Corporate Solutions Assurance (sub-group)		98.75	98.75	98.75	98.75
AXA Global P&C (previously AXA Cessions)		100.00	100.00	100.00	100.00
AXA Global Life (previously Saint-Georges Ré)		100.00	100.00	100.00	100.00
AXA Assistance SA (sub group)		100.00	100.00	100.00	100.00
Portman Insurance Ltd. (previously AXA Global Risks UK)		100.00	100.00	100.00	100.00
Colisée RE (previously AXA RE)		100.00	100.00	100.00	100.00
AXA Corporate Solutions Life Reinsurance Company		100.00	100.00	100.00	100.00

Asset Management (entities having worldwide activities)	Change in scope	June 30, 2012		December 31, 2011	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Investment Managers (sub group)		95.83	95.82	95.55	95.54
AllianceBernstein (sub group) (a)		63.49	63.49	64.60	64.60

(a) AXA also holds indirectly 100% of the general partner of AllianceBernstein L.P.

Banking	Change in scope	June 30, 2012		December 31, 2011	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
AXA Banque		100.00	99.89	100.00	99.89
AXA Banque Financement		65.00	64.93	65.00	64.93
Germany					
AXA Bank AG		100.00	100.00	100.00	100.00
Belgium					
AXA Bank Europe (sub group)		100.00	100.00	100.00	100.00

Other	Change in scope	June 30, 2012		December 31, 2011	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
CFP Management (a)		100.00	100.00	100.00	100.00

(a) Formerly Compagnie Financière de Paris

Consolidated investments and investment funds

As of June 30, 2012, consolidated investment funds represented total invested assets of €104 billion (€96 billion at the end of 2011), corresponding to 236 investment funds mainly in France, Japan and Germany and in majority relating to the Life & Savings segment.

As of June 30, 2012, the 21 consolidated real estate companies corresponded to total invested assets of €6,448 million (€6,689 million at the end of 2011), mainly in France and Germany.

In most investment funds (particularly open-ended investment funds), minority interests do not meet the definition of shareholders' equity. They are therefore presented as liabilities under "Minority interests of controlled investment funds and puttable instruments held by minority interest holders". As of June 30, 2012, minority interests in controlled investment funds amounted to €5,406 million (€3,896 million as of December 31, 2011).

2.1.2. Proportionately consolidated companies

Life & Savings and Property & Casualty	Change in scope	June 30, 2012 Voting rights percentage	June 30, 2012 Group share of interests	December 31, 2011 Voting rights percentage	December 31, 2011 Group share of interests
France					
Natio Assurances		50.00	49.96	50.00	49.96

2.1.3. Main investments in companies accounted for using the equity method

Companies accounted for using the equity method listed below exclude investment funds and real estate entities:

	Change in scope	June 30, 2012 Voting rights percentage	June 30, 2012 Group share of interests	December 31, 2011 Voting rights percentage	December 31, 2011 Group share of interests
France					
Neuflize Vie (previously NSM Vie)		39.98	39.98	39.98	39.98
Asia/Pacific					
Philippines AXA Life Insurance Corporation		45.00	45.00	45.00	45.00
Krungthai AXA Life Insurance Company Ltd		50.00	50.00	50.00	50.00
AXA Minmetals Assurance Co Ltd (a)		51.00	51.00	51.00	51.00
PT AXA Mandiri Financial Services		49.00	49.00	49.00	49.00
Bharti AXA Life		26.00	26.00	26.00	26.00
Russia					
Reso Garantia (RGI Holdings B.V.) (b)		39.34	39.34	39.34	39.34
Asset Management					
Kyobo AXA Investment Managers Company Limited		50.00	47.91	50.00	47.77

(a) "AXA Minmetals Assurance Co Ltd" is accounted for using the equity method as its shareholders' agreements don't provide the Group with controlling power.
(b) AXA's group share of interest in operating unit of Reso Garantia is 36.68%

Investment funds and real estate entities accounted for using the equity method.
As of June 30, 2012, real estate companies accounted for using the equity method represented total assets of €281 million (€306 million at the end of 2011) and investment funds accounted for using the equity method represented total assets of €3,697 million (€3,829 million at the end of 2011), mainly in the United States, Germany, Belgium, Switzerland and the United Kingdom.

2.2. Consolidated entities relating to specific operations

Acacia
The Acacia SPV was consolidated within the operations of AXA France Life & Savings. This structure was set up in order to improve AXA France Life & Savings assets / liabilities adequacy ratio by ceding receivables resulting from eligible insurance operations against cash. This program was stopped in April 2012 and is no longer consolidated in AXA France Life & Savings operations.

Arche Finance
In 2008, AXA France invested in Arche Finance, an investment vehicle dedicated to credit investment, which entered the scope of consolidation in June 2008 with a loan of €200 million. Held assets amounted to €1,202 million as of June 30, 2012.

Hordle
In 2009, AXA set up a Group financing and cash management company which benefited from a loan of £673 million.

Note 3 : **Segment information**

Given the activities of AXA, the operating results are presented on the basis of five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking. An additional "Holding companies" segment includes all non-operational activities. The financial information relating to AXA's business segments and holding company activities reported to the Board of Directors twice a year is consistent with the presentation provided in the consolidated financial statements. The AXA's Chief Executive Officer and the Deputy Chief Executive Officer are both members of the Board of Directors. They are assisted by a Management Committee in the day-to-day operational management of the Group and by an Executive Committee to consider Group strategy.

The Group has built up an organization by Global business lines for both Life & Savings and Property & Casualty in order to improve the speed and effectiveness of the organization and further leverage its size.

The Life & Savings Global business line, as part of its role to define a common strategy has set the following priorities:

- accelerate diversification into Protection and Health;
- enhance profitability in Savings business;
- prioritize investments for growth;
- foster business efficiency.

The Property & Casualty Global business line is responsible for:

- defining common Property & Casualty strategy;
- accelerating efficiency gains;
- building common platforms;
- leveraging global technical expertise.

Life & Savings: AXA offers a broad range of Life & Savings products including individual and group savings retirement products, life and health products. They comprise traditional term and whole life insurance, immediate annuities and investment products (including endowments, savings-related products, such as variable life and variable annuity products). The Life & Savings segment aggregates nine geographical operating components: France, the United States, the United Kingdom, Japan, Germany, Switzerland, Belgium, the Mediterranean and Latin American Region, and other countries.

Property & Casualty: This segment includes a broad range of products including mainly motor, household, property and general liability insurance for both personal and commercial customers (commercial customers being mainly small to medium-sized companies). In some countries, this segment includes health products. The Property & Casualty segment aggregates seven geographical operating components (France, Germany, the United Kingdom and Ireland, Switzerland, Belgium, the Mediterranean and Latin American Region, and Other countries) and one operating component for the Direct business (previously included within countries and regions and now reported as a separate reporting unit).

International Insurance: This segment’s operations include insurance products that specifically relate to AXA Corporate Solutions Assurance. These products provide coverage to large national and international corporations. This segment also includes assistance activities, life reinsurance activities in run-off primarily AXA Corporate Solutions Life Reinsurance Company, and the group Property & Casualty run-off managed by AXA Liabilities Managers, including risks underwritten by Colisée RE (ex AXA RE) relating to 2005 and prior accident years. Years after 2005 are covered by a treaty ceding 100% of the reinsurance business to PartnerRe (ex Paris Ré). It also includes reinsurance activity managed by AXA Global Life and AXA Global P&C (ex AXA Cessions), which write reinsurance treaties of AXA entities after a selection of reinsurers. AXA Global P&C activity is mainly driven by its Property pool which provides AXA entities with cover on natural catastrophes. Activities from both global lines of business are reported in International Insurance.

The **Asset Management** segment includes diversified asset management (including investment fund management) and related services offered by AXA Investment Managers and AllianceBernstein entities, which are provided to a variety of institutional investors and individuals, including AXA’s insurance companies.

The **Banking** segment includes banking activities (mainly retail banking, mortgages loans, savings) conducted primarily in France, Belgium, Switzerland, Germany and Central & Eastern Europe (Hungary, Slovakia and the Czech Republic).

The **Holding companies** segment (that includes all non-operational activities), also includes some investment vehicles including certain Special-Purpose Entities (SPE).

The inter-segment eliminations include only operations between entities from different segments. They mainly relate to reinsurance treaties, assistance guarantees recharging, asset management fees and interests on loans within the Group.

In this document, “Insurance” covers the three insurance segments: Life & Savings, Property & Casualty and International Insurance. The term “Financial Services” includes both the Asset Management segment and the Banking segment.

3.1. Segmental consolidated statement of income

(in Euro million)

	June 30, 2012							
	Life & Savings	**Property & Casualty**	**International Insurance**	**Asset Management**	**Banking**	**Holding companies (a)**	**Inter-segment eliminations**	**TOTAL**
Gross written premiums	27,903	16,363	1,759	-	-	-	(276)	45,749
Fees and charges relating to investment contracts with no participating features	164	-	-	-	-	-	-	164
Revenues from insurance activities	**28,067**	**16,363**	**1,759**	**-**	**-**	**-**	**(276)**	**45,913**
Net revenues from banking activities	-	-	-	-	233	0	(10)	224
Revenues from other activities	575	28	146	1,734	2	-	(215)	2,268
Revenues	**28,642**	**16,391**	**1,904**	**1,734**	**236**	**0**	**(501)**	**48,405**
Change in unearned premiums net of unearned revenues and fees	**(1,353)**	**(2,427)**	**(276)**	**-**	**-**	**-**	**94**	**(3,962)**
Net investment income	7,036	1,034	96	1	(1)	265	(408)	8,023
Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity	496	189	7	(2)	-	80	0	770
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss (b)	6,659	(19)	27	21	-	(139)	2	6,550
of which change in fair value of assets with financial risk borne by policyholders	*6,227*	-	-	-	-	-	*(3)*	*6,224*
Change in investments impairment	(269)	(102)	(5)	(1)	-	(14)	-	(390)
Net investment result excluding financing expenses	**13,922**	**1,103**	**125**	**19**	**(1)**	**192**	**(406)**	**14,953**
Technical charges relating to insurance activities	(35,397)	(9,272)	(1,163)	-	-	-	135	(45,696)
Net result from outward reinsurance	(106)	(538)	5	-	-	-	66	(572)
Bank operating expenses	-	-	-	-	(64)	(0)	-	(64)
Acquisition costs	(1,712)	(2,402)	(189)	-	-	-	10	(4,293)
Amortization of the value of purchased business in force	(47)	-	-	-	-	-	-	(47)
Administrative expenses	(1,386)	(1,308)	(198)	(1,305)	(205)	(379)	152	(4,630)
Change in tangible assets impairment	-	-	(0)	-	-	-	-	(0)
Change in goodwill impairment and other intangible assets impairment	(20)	(47)	-	(0)	-	-	-	(67)
Other income and expenses	(79)	4	5	(128)	22	64	(64)	(175)
Other operating income and expenses	**(38,747)**	**(13,563)**	**(1,539)**	**(1,433)**	**(247)**	**(316)**	**300**	**(55,544)**
Income from operating activities before tax	**2,464**	**1,504**	**215**	**319**	**(12)**	**(124)**	**(514)**	**3,852**
Income arising from investments in associates – Equity method	26	15	0	(0)	-	2	-	42
Financing debts expenses	(77)	(3)	(1)	(22)	(9)	(658)	481	(289)
Net income from operating activities before tax	**2,413**	**1,516**	**213**	**297**	**(21)**	**(780)**	**(33)**	**3,605**
Income tax	(595)	(483)	(77)	(84)	12	274	33	(919)
Net operating income	**1,818**	**1,033**	**137**	**213**	**(8)**	**(506)**	**-**	**2,687**
Result from discontinued operations net of tax	-	-	-	-	-	-	-	-
Net consolidated income after tax	**1,818**	**1,033**	**137**	**213**	**(8)**	**(506)**	**-**	**2,687**
Split between :								
Net consolidated income - Group share	1,797	1,017	135	152	(9)	(506)	-	2,586
Net consolidated income - Minority interests	21	16	1	61	1	(0)	-	101

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

(in Euro million)

	June 30, 2011 Restated (a)							
	Life & Savings	**Property & Casualty**	**International Insurance**	**Asset Management**	**Banking**	**Holding companies (b)**	**Inter-segment eliminations**	**TOTAL**
Gross written premiums	27,037	15,502	1,695	-	-	-	(276)	43,959
Fees and charges relating to investment contracts with no participating features	182	-	-	-	-	-	-	182
Revenues from insurance activities	**27,220**	**15,502**	**1,695**	**-**	**-**	**-**	**(276)**	**44,141**
Net revenues from banking activities	-	-	-	-	272	0	(26)	246
Revenues from other activities	659	38	136	1,823	3	-	(209)	2,449
Revenues	**27,879**	**15,540**	**1,831**	**1,823**	**275**	**0**	**(511)**	**46,836**
Change in unearned premiums net of unearned revenues and fees	**(1,190)**	**(2,393)**	**(241)**	**-**	**-**	**-**	**97**	**(3,727)**
Net investment income	6,396	1,041	134	16	(1)	348	(351)	7,582
Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity	1,317	258	9	(4)	-	780	0	2,360
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss (c)	3,777	55	(6)	(3)	-	(249)	15	3,588
of which change in fair value of assets with financial risk borne by policyholders	*3,261*	-	-	-	-	-	*(5)*	*3,257*
Change in investments impairment	(151)	(91)	(4)	-	-	(134)	-	(380)
Net investment result excluding financing expenses	**11,338**	**1,263**	**132**	**9**	**(1)**	**744**	**(336)**	**13,149**
Technical charges relating to insurance activities	(30,875)	(8,785)	(1,029)	-	-	-	113	(40,577)
Net result from outward reinsurance	(65)	(469)	(111)	-	-	-	74	(571)
Bank operating expenses	-	-	-	-	(44)	0	-	(44)
Acquisition costs (a)	(1,889)	(2,319)	(176)	-	-	-	11	(4,373)
Amortization of the value of purchased business in force	(113)	-	-	-	-	-	-	(113)
Administrative expenses	(1,869)	(1,235)	(190)	(1,391)	(238)	(283)	160	(5,045)
Change in tangible assets impairment	(1)	0	-	(0)	-	-	-	(1)
Change in goodwill impairment and other intangible assets impairment	(16)	(40)	-	-	(1)	-	-	(57)
Other income and expenses	(9)	0	2	(104)	15	41	(35)	(91)
Other operating income and expenses	**(34,836)**	**(12,848)**	**(1,504)**	**(1,496)**	**(269)**	**(241)**	**322**	**(50,872)**
Income from operating activities before tax	**3,191**	**1,561**	**218**	**337**	**5**	**503**	**(428)**	**5,387**
Income arising from investments in associates – Equity method	26	6	0	(0)	-	-	-	31
Financing debts expenses	(48)	(3)	(4)	(17)	(9)	(676)	437	(320)
Net income from operating activities before tax	**3,168**	**1,564**	**213**	**320**	**(4)**	**(173)**	**9**	**5,098**
Income tax (a)	(620)	(429)	(73)	(91)	3	243	(9)	(976)
Net operating income	**2,549**	**1,135**	**140**	**229**	**(0)**	**69**	**-**	**4,122**
Result from discontinued operations net of tax	6	93	-	-	-	-	-	99
Net consolidated income after tax	**2,555**	**1,228**	**140**	**229**	**(0)**	**69**	**-**	**4,221**
Split between :								
Net consolidated income - Group share	2,471	1,212	139	160	(1)	33	-	4,013
Net consolidated income - Minority interests	83	17	1	69	1	37	-	208

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(b) Includes SPEs.
(c) Includes realized and unrealized forex gains and losses relating to investments at cost and at fair value through shareholders'equity.

Note 4 : **Assets and liabilities held for sale including discontinued operations**

4.1. Main Half Year 2012 transactions

AXA BANK SWITZERLAND

AXA Bank Switzerland closed its operations on February, 29 2012 following the transfer of its customer portfolio to Bank zweiplus on January 1, 2012. The one-off costs associated with the closure of the Swiss branch booked as of December 31, 2011 amounted to €4 million. The costs of the 2012 residual activity were €1 million.
Related assets and liabilities (€189 million) were classified as held for sale at December 31, 2011.

"VIE POPULAIRE" PORTFOLIO

Belgium Life & Savings agreed to sell its "Vie Populaire" portfolio to DELA. The deal, which is subject to regulatory approvals from the Netherland National Bank and the Belgium National Bank, is expected to be closed before the end of 2012. Related assets and liabilities (€325 million) are classified as held for sale at June 30, 2012.

4.2. Main 2011 transactions

CANADA

On September 23, 2011, AXA completed the disposal of its Canadian operations in Property & Casualty and Life & Savings insurance to Intact Financial Corporation for a total cash consideration of CAD 2.6 billion (or ca. €1.9 billion). In addition, AXA is entitled to receive up to CAD 100 million (or ca. €72 million) in contingent considerations based on profitability metrics over a period of 5 years.

The disposal of the Canadian operations led to a net capital gain of €902 million (or €956 million gross of tax) in AXA Group's net income as of December 31, 2011.

At June 30, 2012, the Company received €+68 million linked to the sale of Canadian operations in respect of contingent consideration based on profitability metrics.

The statement of income of the Canadian operations disposed was as follows as of June 30, 2011:

(in Euro million)

	June 30, 2011
Revenues	828
Change in unearned premiums net of unearned revenues and fees	(44)
Net investment result excluding financing expenses	96
Other operating income and expenses	(756)
Income from operating activities before tax	**125**
Income arising from investments in associates - Equity method	0
Financing debts expenses	(0)
Income from operating activities before tax	**125**
Income tax	(26)
Net operating income	**99**
Split between :	
Net consolidated income - Group share	99
Net consolidated income - Minority interests	0

The statement of cash flows of the Canadian operations disposed was as follows as of June 30, 2011:

(in Euro million)

	June 30, 2011
Net cash provided / (used) by operating activities	62
Net cash provided / (used) by investing activities	(42)
Net cash provided / (used) by financing activities	(7)
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	**14**

Note 5 : **Investments**

Certain investment properties (see Note 1), available-for-sale investments, trading assets, instruments designated as at fair value through P&L and all derivatives are measured at fair value in the financial statements. In addition, this note also discloses the fair value of investment properties and financial assets held at cost. Principles applied in measuring fair value generally described in Note 1 are further detailed in Note 5.2 (investment in real estate properties) and 5.5 (financial assets recognized at fair value).

5.1. Breakdown of investments

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

(in Euro million)

	June 30, 2012								
	Insurance			Other activities			Total		
	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost	19,393	14,936	2.53%	3,246	2,443	6.40%	22,639	17,379	2.76%
Investment in real estate properties designated as at fair value through profit or loss (a)	1,272	1,272	0.22%	-	-	-	1,272	1,272	0.20%
Macro hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	**20,665**	**16,208**	**2.74%**	**3,246**	**2,443**	**6.40%**	**23,911**	**18,651**	**2.96%**
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	335,507	335,507	56.74%	7,137	7,137	18.71%	342,645	342,645	54.44%
Debt instruments designated as at fair value through profit or loss (a) (b)	29,559	29,559	5.00%	55	55	0.14%	29,615	29,615	4.70%
Debt instruments held for trading	293	293	0.05%	209	209	0.55%	502	502	0.08%
Debt instruments (at cost) that are not quoted in an active market (c)	5,940	5,831	0.99%	7,121	7,121	18.66%	13,061	12,952	2.06%
Debt instruments	**371,300**	**371,190**	**62.78%**	**14,523**	**14,523**	**38.06%**	**385,823**	**385,713**	**61.28%**
Equity instruments available for sale	11,647	11,647	1.97%	2,024	2,024	5.31%	13,671	13,671	2.17%
Equity instruments designated as at fair value through profit or loss (a)	6,063	6,063	1.03%	418	418	1.09%	6,480	6,480	1.03%
Equity instruments held for trading	40	40	0.01%	-	-	-	40	40	0.01%
Equity instruments	**17,750**	**17,750**	**3.00%**	**2,442**	**2,442**	**6.40%**	**20,192**	**20,192**	**3.21%**
Non controlled investment funds available for sale	6,468	6,468	1.09%	189	189	0.50%	6,657	6,657	1.06%
Non controlled investment funds designated as at fair value through profit or loss (a)	4,638	4,638	0.78%	149	149	0.39%	4,787	4,787	0.76%
Non controlled investment funds held for trading	-	-	-	373	373	0.98%	373	373	0.06%
Non controlled investment funds	**11,106**	**11,106**	**1.88%**	**711**	**711**	**1.86%**	**11,817**	**11,817**	**1.88%**
Other assets designated as at fair value through profit or loss, held by controlled investment funds	**5,598**	**5,598**	**0.95%**	**1**	**1**	**0.00%**	**5,598**	**5,598**	**0.89%**
Macro hedge and other derivatives	**1,206**	**1,206**	**0.20%**	**(2,094)**	**(2,094)**	**-5.49%**	**(888)**	**(888)**	**-0.14%**
Financial investments	**406,959**	**406,850**	**68.81%**	**15,583**	**15,583**	**40.84%**	**422,542**	**422,433**	**67.11%**
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	0	0	0.00%	-	-	-	0	0	0.00%
Loans designated as at fair value through profit or loss (a)	0	0	0.00%	-	-	-	0	0	0.00%
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (d)	26,770	25,388	4.29%	21,300	20,120	52.73%	48,070	45,508	7.23%
Macro hedge and other derivatives	-	-	-	8	8	0.02%	8	8	0.00%
Loans	**26,771**	**25,389**	**4.29%**	**21,308**	**20,128**	**52.75%**	**48,079**	**45,517**	**7.23%**
Assets backing contracts where the financial risk is borne by policyholders	**142,850**	**142,850**	**24.16%**	**-**	**-**	**-**	**142,850**	**142,850**	**22.69%**
INVESTMENTS	**597,245**	**591,296**	**100.00%**	**40,137**	**38,154**	**100.00%**	**637,382**	**629,450**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**454,395**	**448,446**	**75.84%**						
Life & Savings	390,749	385,515	65.20%						
Property & Casualty	55,438	54,718	9.25%						
International Insurance	8,209	8,214	1.39%						

(a) Use of fair value option.
(b) Includes notably assets measured at fair value under the fair value option
(c) Eligible to the IAS 39 Loans and Receivables measurement category
(d) Mainly relates to mortgage loans and policy loans.

(in Euro million)

	December 31, 2011								
	Insurance			Other activities			Total		
	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost	19,087	14,818	2.60%	3,329	2,574	7.30%	22,417	17,392	2.88%
Investment in real estate properties designated as at fair value through profit or loss (a)	1,243	1,243	0.22%	-	-	-	1,243	1,243	0.21%
Macro hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment in real estate properties	**20,330**	**16,061**	**2.82%**	**3,329**	**2,574**	**7.30%**	**23,660**	**18,635**	**3.08%**
Debt instruments held to maturity	-	-	-	-	-	-	-	-	-
Debt instruments available for sale	325,510	325,510	57.20%	8,045	8,045	22.81%	333,554	333,554	55.19%
Debt instruments designated as at fair value through profit or loss (a) (b)	25,775	25,775	4.53%	72	72	0.20%	25,847	25,847	4.28%
Debt instruments held for trading	188	188	0.03%	29	29	0.08%	217	217	0.04%
Debt instruments (at cost) that are not quoted in an active market (c)	6,740	6,789	1.19%	4,364	4,364	12.37%	11,104	11,153	1.85%
Debt instruments	**358,213**	**358,262**	**62.96%**	**12,510**	**12,510**	**35.47%**	**370,723**	**370,772**	**61.35%**
Equity instruments available for sale	11,649	11,649	2.05%	1,903	1,903	5.40%	13,552	13,552	2.24%
Equity instruments designated as at fair value through profit or loss (a)	5,391	5,391	0.95%	425	425	1.21%	5,816	5,816	0.96%
Equity instruments held for trading	35	35	0.01%	-	-	-	35	35	0.01%
Equity instruments	**17,075**	**17,075**	**3.00%**	**2,328**	**2,328**	**6.60%**	**19,404**	**19,404**	**3.21%**
Non controlled investment funds available for sale	6,672	6,672	1.17%	179	179	0.51%	6,851	6,851	1.13%
Non controlled investment funds designated as at fair value through profit or loss (a)	5,010	5,010	0.88%	166	166	0.47%	5,176	5,176	0.86%
Non controlled investment funds held for trading	-	-	-	374	374	1.06%	374	374	0.06%
Non controlled investment funds	**11,682**	**11,682**	**2.05%**	**719**	**719**	**2.04%**	**12,401**	**12,401**	**2.05%**
Other assets designated as at fair value through profit or loss, held by controlled investment funds	**5,413**	**5,413**	**0.95%**	**1**	**1**	**0.00%**	**5,413**	**5,413**	**0.90%**
Macro hedge and other derivatives	**1,283**	**1,283**	**0.23%**	**(2,500)**	**(2,500)**	**-7.09%**	**(1,218)**	**(1,218)**	**-0.20%**
Financial investments	**393,666**	**393,715**	**69.19%**	**13,057**	**13,057**	**37.03%**	**406,723**	**406,772**	**67.31%**
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-	-
Loans designated as at fair value through profit or loss (a)	0	0	0.00%	-	-	-	0	0	0.00%
Loans held for trading	-	-	-	-	-	-	-	-	-
Loans at cost (d)	26,107	25,050	4.40%	21,406	19,621	55.64%	47,512	44,672	7.39%
Macro hedge and other derivatives	-	-	-	12	12	0.03%	12	12	0.00%
Loans	**26,107**	**25,050**	**4.40%**	**21,418**	**19,634**	**55.68%**	**47,525**	**44,684**	**7.39%**
Assets backing contracts where the financial risk is borne by policyholders	**134,230**	**134,230**	**23.59%**	**-**	**-**	**-**	**134,230**	**134,230**	**22.21%**
INVESTMENTS	**574,333**	**569,056**	**100.00%**	**37,804**	**35,264**	**100.00%**	**612,137**	**604,321**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**440,103**	**434,826**	**76.41%**						
Life & Savings	378,060	373,471	65.63%						
Property & Casualty	53,759	53,070	9.33%						
International Insurance	8,285	8,285	1.46%						

(a) Use of fair value option.
(b) Includes notably assets measured at fair value under the fair value option
(c) Eligible to the IAS 39 Loans and Receivables measurement category
(d) Mainly relates to mortgage loans and policy loans.

The exposure as of June 30, 2012 and December 31, 2011 to sovereign debt securities issued by governments and related in Greece, Ireland, Italy, Portugal and Spain, and classified as available for sale was as follows:

(in Euro million)	June 30, 2012				December 31, 2011			
Issuer	**Fair Value**	**Amortized Cost / Carrying value**	**Unrealized losses (Gross value)**	**Unrealized losses (Net value)**	**Fair Value**	**Amortized Cost / Carrying value**	**Unrealized losses (Gross value)**	**Unrealized losses (Net value)**
Greece (a)	-	-	-	-	300	300	-	-
Ireland	945	1,014	(69)	(6)	970	1,112	(142)	(24)
Italy	13,339	14,679	(1,341)	(227)	13,883	16,136	(2,253)	(400)
Portugal	573	942	(369)	(54)	1,215	2,037	(822)	(188)
Spain	6,470	7,729	(1,259)	(308)	7,885	8,478	(592)	(105)
Total	**21,327**	**24,364**	**(3,038)**	**(594)**	**24,255**	**28,064**	**(3,809)**	**(716)**

(a) for controlled entities as of June 30, 2012

Net amounts correspond to amounts after the related impacts of deferred tax and shadow accounting on policyholders' participation, deferred acquisition cost and value of purchased business in force and are presented at 100% share. Net amounts may evolve depending on the timing of realization of these potential losses and on the local regulatory environment.

Greek government bonds that were subject to Private Sector Initiatives to support Greece were exchanged on March 12, 2012 against new Greek bonds representing 31.5% of initial nominal value, PSI notes, accrued interest notes and GDP-linked notes. The new Greek government bonds were disposed by the Group with no significant impacts.

In addition debt securities issued by government and related in Greece, Ireland, Italy, Portugal and Spain classified under Fair value option amounted to €398 million as of June 30, 2012 and €737 million as of December 31, 2011.

5.2. Investment in real estate properties

Investment in real estate properties include buildings owned directly and through real estate subsidiaries.

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

(in Euro million)

	June 30, 2012					December 31, 2011				
	Gross value	Amortization	Impairment	Carrying value	Fair value	Gross value	Amortization	impairment	Carrying value	Fair value
Investment in real estate properties at amortized cost										
Insurance	17,211	(1,741)	(534)	14,936	19,394	16,957	(1,656)	(483)	14,818	19,088
Banking and other activities	3,011	(207)	(361)	2,443	3,246	3,103	(191)	(339)	2,574	3,329
All activities	20,223	(1,948)	(895)	17,379	22,640	20,061	(1,847)	(822)	17,392	22,417

Fair value is generally based on valuations performed by qualified property appraisers. They are based on a multi-criteria approach and their frequency and terms are often based on local regulations.

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

(in Euro million)

	Impairment - Investment in real estate properties		Amortization - Investment in real estate properties	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Opening value	**822**	**668**	**1,847**	**1,737**
Increase for the period	73	163	123	248
Write back following sale or reimbursement	(21)	(0)	(8)	(143)
Write back following recovery in value	(10)	(11)		
Others (a)	30	2	(13)	4
Closing value	**895**	**822**	**1,948**	**1,847**

(a) Includes change in scope and the effect of changes in exchange rates.

5.3. Unrealized gains and losses on financial investments

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

(in Euro million)

INSURANCE	June 30, 2012					December 31, 2011				
	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments available for sale	316,677	337,000	337,000	26,279	5,956	313,472	326,306	326,306	20,749	7,915
Debt instruments (at cost) that are not quoted in an active market	5,860	5,970	5,860	187	77	6,791	6,742	6,791	97	146
Equity instruments available for sale	9,011	10,848	10,848	1,958	121	8,988	10,886	10,886	2,010	111
Non controlled investment funds available for sale	5,645	6,503	6,503	982	124	6,020	6,820	6,820	895	96

(in Euro million)

BANKING AND OTHER ACTIVITIES	June 30, 2012					December 31, 2011				
	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments available for sale	7,432	7,240	7,240	78	269	8,489	8,184	8,184	36	340
Debt instruments (at cost) that are not quoted in an active market	7,121	7,121	7,121	-	-	4,364	4,364	4,364	-	-
Equity instruments available for sale	2,795	2,838	2,838	288	244	2,762	2,750	2,750	281	293
Non controlled investment funds available for sale	187	189	189	2	0	175	180	180	5	0

(in Euro million)

TOTAL	June 30, 2012					December 31, 2011				
	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt instruments available for sale	324,109	344,240	344,240	26,356	6,226	321,961	334,490	334,490	20,785	8,255
Debt instruments (at cost) that are not quoted in an active market	12,981	13,091	12,981	187	77	11,155	11,106	11,155	97	146
Equity instruments available for sale	11,805	13,686	13,686	2,246	365	11,749	13,636	13,636	2,291	404
Non controlled investment funds available for sale	5,832	6,692	6,692	984	124	6,195	7,000	7,000	900	96

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment (details in Note 5.4).

See also table 5.4.1 Breakdown of financial assets subject to impairment.

5.4. Financial assets subject to impairment

5.4.1. Breakdown of financial assets subject to impairment (excluding investment in real estate properties)

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

(in Euro million)

	June 30, 2012					December 31, 2011				
	Cost before impairment and revaluation to fair value (a)	Impairment	Cost after impairment but before revaluation to fair value (b)	Revaluation to fair value	Carrying value	Cost before impairment and revaluation to fair value (a)	Impairment	Cost after impairment but before revaluation to fair value (b)	Revaluation to fair value	Carrying value
Debt instruments available for sale	324,723	(1,386)	323,337	19,308	342,645	323,801	(2,474)	321,327	12,227	333,554
Debt instruments (at cost) that are not quoted in an active market	12,957	-	12,957	(5)	12,952	11,144	-	11,144	9	11,153
Debt instruments	**337,680**	**(1,386)**	**336,294**	**19,302**	**355,596**	**334,945**	**(2,474)**	**332,471**	**12,237**	**344,707**
Equity instruments available for sale	**14,524**	**(2,716)**	**11,808**	**1,863**	**13,671**	**14,635**	**(2,883)**	**11,752**	**1,800**	**13,552**
Non controlled investment funds available for sale	**6,938**	**(1,106)**	**5,832**	**825**	**6,657**	**7,336**	**(1,141)**	**6,195**	**656**	**6,851**
Loans Held To Maturity	-	-	-	-	-	-	-	-	-	-
Loans Available For Sale	-	-	-	0	0	-	-	-	-	-
Loans at cost (c)	46,600	(583)	46,017	(509)	45,508	45,658	(610)	45,048	(377)	44,672
Loans	**46,600**	**(583)**	**46,017**	**(509)**	**45,508**	**45,658**	**(610)**	**45,048**	**(377)**	**44,672**
TOTAL	**405,742**	**(5,791)**	**399,951**	**21,482**	**421,432**	**402,575**	**(7,108)**	**395,467**	**14,316**	**409,783**

(a) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.
(b) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.
(c) Including policy loans.

5.4.2. Change in impairment on invested assets (excluding investment in real estate properties)

(in Euro million)

	January 1, 2012	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (a)	June 30, 2012
Impairment - Debt instruments	2,474	59	(1,160)	(1)	14	1,386
Impairment - Equity instruments	2,883	276	(438)	-	(5)	2,716
Impairment - Non controlled investment funds	1,141	35	(48)	-	(22)	1,106
Impairment - Loans	610	115	(3)	(99)	(41)	583
TOTAL	**7,108**	**485**	**(1,649)**	**(99)**	**(54)**	**5,791**

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

(in Euro million)

	January 1, 2011	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (a)	December 31, 2011
Impairment - Debt instruments	1,567	1,175	(240)	(43)	15	2,474
Impairment - Equity instruments	2,848	773	(764)	-	26	2,883
Impairment - Non controlled investment funds	1,107	87	(76)	-	23	1,141
Impairment - Loans	521	239	(13)	(87)	(50)	610
TOTAL	**6,043**	**2,273**	**(1,092)**	**(130)**	**14**	**7,108**

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

5.5. Financial assets recognized at fair value

Among invested financial investments measured at fair value in the consolidated statement of financial position (excluding derivatives, investment funds consolidated by equity method and contracts where the financial risk is borne by policyholders), i.e. €414.1 billion as of June 30, 2012 (€400.2 billion as of December 31, 2011):
- €216.2 billion were determined directly by reference to an active market (€192.4 billion at the end of 2011), i.e. level 1 assets and
- €197.9 billion related to assets not quoted in an active market/no active market (€207.8 billion at the end of 2011), i.e. level 2 and level 3 assets, of which level 3 assets amounted to €10.6 billion (€10.2 billion at the end of 2011).

Fair values determined in whole directly by reference to an active market relate to prices which are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis, i.e. the market is still active. Such assets are categorized in the level 1 of the IAS 39 fair value hierarchy.

Fair values for level 2 and 3 assets include:

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

For all assets not quoted in an active market/no active market, the classification between level 2 and level 3 depends on the proportion of assumptions used supported by market transactions and observable data:

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

As of June 30, 2012, some assets were reclassified out of level 2 into level 1. This was mainly related to some corporate bonds for which bid ask spreads further narrowed throughout the period.

Since June 30, 2010, some government bonds have been transferred out of level 1 into level 2 because of an increased illiquidity observed in the market for such instruments. The Long Term Refinancing Operation launched in December 2011 by European Central Bank brought liquidity in the market. However, since it is a temporary policy, the classification as of June 30, 2012 of those government bonds was maintained similar to the one as of December 31, 2011, although the quantitative market indications have shown an improved liquidity. Therefore, government bonds issued by Ireland, Portugal, Spain, Italy and Belgium remained classified as level 2 as of June 30, 2012.

Note 6 : **Shareholders' equity and minority interests**

6.1. Impact of transactions with shareholders

The Consolidated Statement of Changes in Equity is presented as a primary financial statement following the amendment to IAS 1 as described in Note 1.

6.1.1. Change in shareholders' equity Group share for the first half of 2012

a) Share capital and capital in excess of nominal value

During the first half of 2012, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- Share-based payment for €+16 million

b) Treasury shares

As of June 30, 2012, the Company and its subsidiaries owned approximately 16 million AXA shares, representing 0.7% of the share capital, a decrease of 1 million shares compared to December 31, 2011.

As of June 30, 2012, the carrying value of treasury shares and related derivatives was €368 million. This figure included €1.0 million relating to AXA shares held by consolidated mutual funds (81,965 shares) not backing contracts where financial risk is borne by policyholders.

As of June 30, 2012, 2.0 million treasury shares backing contracts where financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €43 million and their market value €21 million at the end of June 2012.

c) Undated subordinated debt and related financial expenses

As described in Note 1.12.2 of the accounting principles, undated subordinated debts issued by the Group do not qualify as liabilities under IFRS.

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

During the first half of 2012, the change in other reserves was due to €-148 million in interest expense related to the undated subordinated debt (net of tax), and €+135 million in exchange rate differences.

As of June 30, 2012 and December 31, 2011, undated subordinated debt recognized in shareholders' equity broke down as follows:

(in Euro million)

	June 30, 2012		December 31, 2011	
	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt in Euro million	Value of the undated subordinated debt in currency of issuance	Value of the undated subordinated debt in Euro million
October 29, 2004 - 375 M€ 6.0%	375	375	375	375
December 22, 2004 - 250 M€ 6.0%	250	250	250	250
January 25, 2005 - 250 M€ 6.0%	250	250	250	250
July 6, 2006 - 1000 M€ 5.8%	1,000	994	1,000	994
July 6, 2006 - 500 M£ 6.7%	500	614	500	593
July 6, 2006 - 350 M£ 6.7%	350	434	350	419
October 26, 2006 - 600 M A$ (of which 300M A$ 7.5%)	600	483	600	469
November 7, 2006 - 150 M A$ 7.5%	150	121	150	117
December 14, 2006 - 750 M US$ 6.5%	750	593	750	577
December 14, 2006 - 750 M US$ 6.4%	750	593	750	577
October 5, 2007 - 750 M€ 6.2 %	750	746	750	746
October 16, 2007 - 700 M£ 6.8 %	700	865	700	835
Undated notes - variables rates in €	660	660	660	660
Undated notes - 3.3% in JPY	27,000	270	27,000	269
Undated notes - (of which 500 M US$ at 7.1%) in US$	875	695	875	676
Sub-Total undated subordinated debt	-	**7,944**		**7,809**
Equity component of convertible debt (2017)	95	95	95	95
TOTAL	-	**8,038**	-	**7,903**

In addition to the nominal amounts shown above, shareholders' equity included net accumulated financial expenses of:

- €-1,982 million as of June 30, 2012;
- €-1,834 million as of December 31, 2011.

Undated subordinated debt often contains the following features:

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

d) *Dividends paid*

At the shareholders' meeting held on April 25, 2012, shareholders approved a dividend distribution of €1,626 million with respect to the 2011 financial year.

6.1.2. *Change in shareholders' equity Group share for the first half of 2011*

a) *Share capital and capital in excess of nominal value*

During the first half of 2011, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- Share-based payment for €+22 million

b) *Treasury shares*

As of June 30, 2011, the Company and its subsidiaries owned approximately 18 million AXA shares, representing 0.8% of the share capital, a decrease of 8 million shares compared to December 31, 2010, impacting shareholders' equity by €+107 million.

As of June 30, 2011, the carrying value of treasury shares and related derivatives was €388 million. This figure included €0.8 million relating to AXA shares held by consolidated mutual funds (51,158 shares) not backing contracts where financial risk is borne by policyholders.

As of June 30, 2011, 2.3 million treasury shares backing contracts where financial risk is borne by policyholders held in controlled investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €48 million and their market value €35 million at the end of June 2011.

c) Undated subordinated debt and related financial expenses

During the first half of 2011, the change in other reserves was due to €-140 million in interest expense related to the undated subordinated debt (net of tax), and €-249 million in exchange rate differences.

d) Dividends paid

At the shareholders' meeting held on April 27, 2011, shareholders approved a dividend distribution of €1,601 million with respect to the 2010 financial year.

e) Transaction AXA APH

On April 1, 2011, AXA announced that it has successfully completed the AXA APH transaction, whereby it has disposed of its Australian & New Zealand operations and acquired the AXA APH Asia Life operations. This transaction had an impact on AXA Group of €0.7 billion realized capital gains recorded in net income regarding the sale of its Australian and New Zealand operations and €2.5 billion reduction in shareholders' equity mainly related to the buy-out of minority interests in AXA APH Asian operations in accordance with the application of the new accounting principles on Business Combinations. The ownership increase in a controlled company while maintaining the control is accounted for in shareholders' equity and no additional goodwill is recognized.

6.2. Comprehensive income for the period

The Statement of Comprehensive Income, presented as primary financial statements, includes net income for the period, the reserve relating to the change in fair value of available for sale financial instruments, the translation reserve, and actuarial gains and losses on employee benefit obligations.

6.2.1. Comprehensive income for the first half of 2012

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The increase of gross unrealized gains and losses on assets available for sale totaled €+7,650 million, of which €+7,601 million higher unrealized capital gains on debt securities was mainly driven by interest rates and corporate spreads decrease.

The following table shows reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding reserve recognized in shareholders' equity:

(in Euro million)

	June 30, 2012	December 31, 2011 Restated (a)
Gross unrealized gains and losses (b)	**22,872**	**15,221**
Less unrealized gains and losses attributable to:		
Shadow accounting on policyholders' participation	(11,611)	(6,855)
Shadow accounting on Deferred Acquisition Costs (c)	(633)	(416)
Shadow accounting on Value of purchased Business In force	(579)	(554)
Unallocated unrealized gains and losses before tax	**10,049**	**7,396**
Deferred tax	(3,026)	(2,157)
Unrealized gains and losses (net of tax) - Assets available for sale	**7,023**	**5,239**
Unrealized gains and losses (net of tax) - Equity accounted companies (d)	(15)	(21)
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% - TOTAL	**7,008**	**5,218**
Minority interests' share in unrealized gains and losses (e)	(16)	3
Translation reserves (f)	(428)	(384)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) (d)	**6,563**	**4,838**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(b) Unrealized gains on total available for sale invested assets including loans.
(c) Net of shadow accounting on unearned revenues and fees reserves.
(d) Including unrealized gains and losses on assets from discontinued operations
(e) Including foreign exchange impact attributable to minority interests.
(f) Group share.

In the half year leading up to June 30, 2012, most of the unrealized gains on assets available for sale related to the Life & Savings segment, leading to significant movements in shadow policyholders' participation. In jurisdictions where participating business represents an important portion of contracts in force and where required minimum local policyholders' share in the entities' results (limited to investment or not) are significant, the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding net reserve recognized in shareholders' equity were as follows as of June 30, 2012:

(in Euro million)

	June 30, 2012		
	France Life & Savings	Germany Life & Savings	Switzerland Life & Savings
Gross unrealized gains and losses (a)	**6,471**	**3,943**	**2,753**
Less unrealized gains and losses attributable to:			
Shadow accounting on policyholders' participation	(4,151)	(3,436)	(2,250)
Shadow accounting on Deferred Acquisition Costs (b)	(81)	-	(10)
Shadow accounting on Value of purchased Business In force	-	-	(61)
Unallocated unrealized gains and losses before tax	**2,238**	**507**	**432**
Deferred tax	(450)	(162)	(91)
Unrealized gains and losses (net of tax) - Assets available for sale	**1,788**	**344**	**341**
Unrealized gains and losses (net of tax) - Equity accounted companies	4	-	-
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% - TOTAL	**1,792**	**344**	**341**
Minority interests' share in unrealized gains and losses (c)	**(5)**	**0**	**-**
Translation reserves (d)	-	-	(174)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE)	**1,787**	**345**	**167**

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

The change in reserves related to changes in fair value of available for sale financial instruments included in shareholders' equity relating to changes in fair value of assets in June 30, 2012 and December 31, 2011 broke down as follows:

(in Euro million)

	June 30, 2012	December 31, 2011 Restated (a)
Unrealized gains and losses (net of tax) 100%, opening	**5,218**	**6,736**
Transfer in the income statement on the period (b)	(189)	(742)
Investments bought in the current accounting period and changes in value	1,924	(533)
Foreign exchange impact	51	59
Change in scope and other changes	4	(302)
Unrealized gains and losses (net of tax) 100%, closing	**7,008**	**5,218**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(b) Transfer induced by disposal of financial assets, impairment write-back following reevaluation, or transfer of expenses following impairment charge during the period, and debt instruments discount premium impacts.

b) Translation reserve

The total impact of foreign exchange rate movement was €+647 million (of which €+609 million from group share and €+37 million from minority interest rates) as of June 30, 2012.
The group share translation reserves movement (€+609 million) was mainly driven by the United States (€+222 million), the United Kingdom (€+126 million), Switzerland (€+87 million), Mexico (€+67 million) and Hong Kong (€+54 million), partly offset by Japan (€-99m) and the Company (€-89 million) driven by change in fair value of derivatives and debts hedging net investments in foreign operations.

c) Employee benefits actuarial gains and losses

The total impact of employee benefits actuarial gains and losses for the first half year 2012 amounted to €-933 million net group share mostly due to the drop in discount rates.

6.2.2. Comprehensive income for the first half of 2011

As described in Note 1.2.1, comprehensive income for the first half of 2011 was retrospectively restated for the voluntary change in accounting policy of deferred acquisition costs.

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The decrease of gross unrealized gains and losses on assets available for sale totaled €-4,915 million, mainly driven by:

- €-1,516 million lower unrealized capital gains on equity securities, mainly from the sale of Taikang Life stake, as well as other realized capital gains;
- €-3,484 million on debt instruments primarily due to interest rates increase mainly impacting Japan, France, and Belgium.

b) Translation reserve

The total impact of foreign exchange rate movement was €-1,737 million (of which €-1,365 million from group share and €-372 million from minority interest rates) as of June 30, 2011.
The group share translation reserves movement (€-1,365 million) was mainly driven by the United States (€-699 million), Japan (€-506 million), the United Kingdom (€-211 million), partly offset by the Company (€+410 million) driven by change in fair value of derivatives and debts hedging net investments in foreign operations.

c) Employee benefits actuarial gains and losses

The total impact of employee benefits actuarial gains and losses for the first half year 2011 amounted to €+12 million net group share.

6.3. Change in minority interests

Under IFRS, minority interests in most investment funds in which the Group invests consist of instruments that holders can redeem at will at fair value, and qualify as a liability rather than shareholders' equity items. The same is true for puttable instruments held by minority interest holders.

6.3.1. Change in minority interests for the first half of 2012

Minority interests increased by €112 million to €2,479 million driven by:

- Movements in the comprehensive income for the period, mainly:
  - Net income attributable to minority interests for €+101 million;
  - Change in translation reserves for €+37 million;
  - Reserves relating to changes in fair value through shareholders' equity for €+23 million.

- Transaction with minority interests' holders, mainly:
  - Dividend payout to minorities for €-72 million.

6.3.2. Change in minority interests for the first half of 2011

The €1,694 million decrease in minority interests to €2,473 million was due to transactions with shareholder for €-1,501 million mainly related to AXA APH transaction and comprehensive income for €-193 million.

The comprehensive income for the period notably included the following:

- Net income attributable to minority interests for €+208 million;
- Change in translation reserves for €-372 million;
- Reserves relating to changes in fair value through shareholders' equity for €-29 million.

Note 7 : **Financing debt**

(in Euro million)

	Carrying value	
	June 30, 2012	December 31, 2011
AXA	**6,646**	**6,452**
Debt component of subordinated notes, 2.5% due 2014 (€)	2,007	1,970
Debt component of subordinated convertible notes, 3.75% due 2017 (€)	1,450	1,419
Subordinated Notes, 5.25% due 2040 (€)	1,300	1,300
U.S. registered redeemable subordinated debt, 8.60% 2030 (US$)	951	923
U.S. registered redeemable subordinated debt, 7.125% 2020 (£)	403	389
Derivatives relating to subordinated debts (a)	536	451
AXA Financial	**159**	**155**
Surplus Notes, 7,70 %, due 2015	158	154
MONY Life 11,25% Surplus Notes due 2024	1	1
AXA Bank Europe	**360**	**364**
Subordinated debt maturity below 10 years fixed rate	139	143
Undated Subordinated debt fixed rate	221	221
AXA-MPS Vita and Danni	**108**	**108**
Subordinated Notes, euribor 6 months + 81bp	108	108
Other subordinated debt (under €100 million)	**28**	**28**
Subordinated debt	**7,301**	**7,108**
AXA	**1,850**	**1,866**
Euro Medium term Notes, 6.0% due through 2013, and BMTN	850	866
Euro Medium term Notes, due through 2015	1,000	1,000
AXA Financial	**275**	**268**
Senior notes , 7%, due 2028	275	268
AXA UK Holdings	**188**	**183**
GRE : Loan Notes, 6.625%, due 2023	188	183
Other financing debt instruments issued (less than €100 million)	**176**	**189**
Other financing debts instruments issued under euro 100 million	148	137
Derivatives relating to other financing debts instruments issued (a)	27	52
Financing debt instruments issued	**2,489**	**2,506**
AXA	**832**	**806**
Other financing debts owed to credit institutions (under €100 million)	**1**	**2**
Financing debt owned to credit institutions	**833**	**807**
TOTAL FINANCING DEBT (b)	**10,624**	**10,421**

(a) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.
(b) Excluding accrued interest on derivatives.

Note 8 : **Net income per ordinary share**

The Group calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- The calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of outstanding ordinary shares during the period.
- The calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average stock price of the AXA share over the period.

(in Euro million) (a)

		June 30, 2012	June 30, 2011 Restated (b)
Net income Group share		**2,586**	**4,013**
Undated subordinated debt financial charge		(148)	(140)
Net income including impact of undated subordinated debt	**A**	**2,438**	**3,873**
Weighted average number of ordinary shares (net of treasury shares) - opening		2,340	2,294
Increase in capital (excluding stock options exercised) (c)		0	0
Stock options exercised (c)		0	0
Treasury shares (c)		0	4
Share purchase program (c)		-	-
Weighted average number of ordinary shares	**B**	**2,340**	**2,298**
BASIC NET INCOME PER ORDINARY SHARE	**C = A / B**	**1.04**	**1.69**
Potentially dilutive instruments :			
- Stock options		1	3
- Other		2	1
Fully diluted - weighted average number of shares (d)	**D**	**2,343**	**2,303**
FULLY DILUTED NET INCOME PER ORDINARY SHARE	**E = A / D**	**1.04**	**1.68**

(a) Except for number of shares (million of units) and earnings per share (Euro).
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the voluntary change in accounting policy on deferred acquisition costs.
(c) Weighted average.
(d) Taking into account the impact of potentially dilutive instruments.

In 2012, net income per ordinary share stood at €1.04 on a basic calculation, as well as on a fully diluted basis.

In 2011, net income per ordinary share stood at €1.69 on a basic calculation, of which €1.64 attributable to continuing operations and €0.04 from discontinued operations. Fully diluted net income per share stood at €1.68, of which at €1.64 and €0.04 respectively.

Before the voluntary change in accounting policy on deferred acquisition costs, 2011 net income per ordinary share stood at €1.68 on a basic calculation, of which €1.64 attributable to continuing operations and €0.04 from discontinued operations. Fully diluted net income per share stood at €1.68, of which at €1.63 and €0.04 respectively.

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Statutory auditors' review report on the 2012 Half Year Financial Information

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STATUTORY AUDITORS' REVIEW REPORT ON THE 2012 HALF-YEAR FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders
AXA S.A.
25 avenue Matignon
75008 Paris

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of AXA SA, for the six months ended June 30, 2012 ;
- the verification of the information contained in the half-year management report.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements

Neuilly sur Seine and Courbevoie, August 3, 2012

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		Mazars	
Michel Laforce	Pierre Coll	Philippe Castagnac	Gilles Magnan

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Statement

of the person responsible

for the Half Year Financial Report

redefining / standards AXA

Statement of the person responsible for the Half Year Financial Report

I, the undersigned, hereby certify that, to the best of my knowledge, the consolidated summarized financial statements for the first half of the fiscal year 2012 have been drawn up in accordance with applicable accounting standards and give an accurate view of the assets and liabilities, the financial position and the profit or loss of the Company and of all businesses and firms included within the scope of the consolidated Group and that the half year activity report, to be found in the first part of this Report, accurately reflects the significant events which occurred during the first six months of the fiscal year as well as their impact on the financial statements, the main related-parties transactions and the principal risks and uncertainties for the remaining six months of the fiscal year.

Paris, August 6, 2012.

Henri de Castries
Chairman & Chief Executive Officer

Person responsible for financial information

Denis Duverne
Deputy Chief Executive Officer,
in charge of Finance, Strategy and Operations