REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT

2014

redefining / standards

AXA

CONTENTS

REGISTRATION DOCUMENT
ANNUAL REPORT 2014

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document was filed with the *Autorité des marchés financiers* (AMF) on March 26, 2015, in accordance with the provisions of Article 212-13 of its General Regulations. It may be used in support of a financial transaction if supplemented by an information memorandum approved by the AMF. This document has been prepared by the issuer, and its signatories are responsible for its content.

This Annual Report also includes (i) all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) as well as in Article 222-3 of the AMF General Regulations (*Règlement Général de l'AMF*) (please refer to the table page 408 of this Annual Report which indicates the relevant sections of this Registration Document corresponding to disclosures required under Article 222-3 of the AMF General Regulations), and (ii) all disclosure matters required to be included in the Board of Directors' Report to AXA's Shareholders' Meeting to be held on April 30, 2015, established pursuant to Articles L.225-100 and L.225-100-2 of the French Commercial Code (*Code de commerce*) (the relevant sections of this Registration Document corresponding to these required disclosures have been approved by AXA's Board of Directors and are presented in the table page 405 of this Annual Report).

CERTAIN PRELIMINARY INFORMATION ABOUT THIS ANNUAL REPORT

Presentation of the information

In this Annual Report unless provided otherwise, (i) the "Company", "AXA" and/or "AXA SA" refer to AXA, a *société anonyme* organized under the laws of France, which is the publicly traded parent company of the AXA Group, and (ii) "AXA Group", the "Group" and/or "we" refer to AXA SA together with its direct and indirect consolidated subsidiaries. The Company's ordinary shares are referred to in this Annual Report as "shares", "ordinary shares" or "AXA ordinary shares". The principal trading market for the Company's ordinary shares is the Compartment A of Euronext Paris, which we refer to in this Annual Report as "Euronext Paris". The Company's American Depositary Shares are referred to in this Annual Report as "ADS". Since the delisting of AXA's ADS from the New York Stock Exchange on March 26, 2010, AXA's ADS are traded on the U.S. over-the-counter market and are quoted on the OTCQX platform under the ticker symbol AXAHY. Each ADS represents one AXA ordinary share.

Unless otherwise specified, various amounts in this document are shown in million for presentation purposes. Such amounts have been rounded. Rounding differences may also exist for percentages.

Exchange rate information

The Company publishes its Consolidated Financial Statements in Euro ("Euro", "euro" or "€"). Unless otherwise stated, all amounts in this Annual Report are expressed in Euro. The currency of the United States will be referred to as "U.S. dollars" or "USD" or "U.S.$" or "$".

The average and closing exchange rates used in the preparation of the Consolidated Financial Statements, to translate into Euro the results of operations of the principal subsidiaries that are not denominated in Euro, are set out in the table below:

	End of Period Exchange Rate		Average Exchange Rate	
	2014 (for €1)	2013 (for €1)	2014 (for €1)	2013 (for €1)
U.S. Dollar	1.21	1.38	1.33	1.33
Japanese Yen	145	145	141	125 (a)
British Sterling Pound	0.78	0.83	0.81	0.85
Swiss Franc	1.20	1.23	1.22	1.23
Russian Ruble	72.60	43.84	47.36	41.36

(a) Yen average exchange rate used for the fifteen months ending December 31, 2013 used for full year 2013 accounts profit or loss.

For a discussion on the impact of foreign currency fluctuations on the AXA Group's financial condition and results of operations, please see Part 1 – "The AXA Group", Section 1.3 "Activity Report" of this Annual Report.

Cautionary statements concerning the use of non-GAAP measures and forward-looking statements

This Annual 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 Section 1.3 in Part 1 – "The AXA Group" of this Annual Report.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of, or indicate, future events, trends, plans or objectives. Undue reliance should not be placed on such statements because they are by nature subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and AXA's plans and objectives to differ materially from those expressed or implied in the forward-looking statements (or from past results). These risks and uncertainties include, without limitation, the risk of future catastrophic events including possible future weather-related catastrophic events or terrorist related incidents. Please refer to Part 3 – "Regulation, risk factors, certain disclosures about market risk and related matters" of this Annual Report for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

1 THE AXA GROUP

1.1 SELECTED CONSOLIDATED FINANCIAL DATA

The selected historical consolidated financial data presented below has been derived from AXA's consolidated financial statements and related notes for the years ended December 31, 2014 and 2013 in accordance with IFRS.

The table of historical data set out below is only a summary. You should read it in conjunction with the consolidated financial statements and related notes for the years ended December 31, 2014 and 2013 included in Part 4 – "Consolidated Financial Statements" of this Annual Report.

Key figures

(In Euro million except per share data)	2014	2013 Restated (a)
Income Statement Data		
Total Revenues	**91,988**	**91,221**
Net investment result excluding financing expenses (b)	29,604	33,953
Income from operating activities before tax	7,505	6,727
Net income from operating activities before tax	7,128	6,249
Result from discontinued operations net of tax	-	-
Net consolidated income	5,337	4,786
Net consolidated income - Group Share	**5,024**	**4,482**
Net income per share (c)		
- basic	1.95	1.76
- diluted	1.94	1.75
Balance Sheet Data		
Total assets	840,069	755,441
Shareholders' equity - Group share	65,219	52,923
Shareholders' equity per share (d)	23.0	18.7
Other Data		
Number of outstanding shares	2,442	2,418
Average share price	18.62	15.98
Share price	19.21	20.21
Dividend per share (e)	0.95	0.81

(a) Restated means comparative informations relative to previous periods was restropectively restated for the application IFRS 10 and 11.

(b) Includes investment income net of investment management costs, impairment, net realized investment gains and losses and net unrealized investment gains and losses on assets with financial risk borne by the policyholders and on assets designated as at fair value through profit & loss.

(c) The calculation of net income per share is based on the weighted average number of outstanding shares for each period presented. The calculation of net income per share from discontinued operations or not is presented in Note 27 "Net Income per Ordinary Share" to AXA's consolidated financial statements.

(d) Shareholders' equity per share is calculated based on the actual number of outstanding shares at each period-end presented. The calculations deduct shares held by AXA and its subsidiaries (i.e. treasury shares) in the calculation of outstanding shares. Undated debt is excluded from shareholders' equity for this calculation.

(e) An annual dividend is generally paid each year in respect of the prior year after the Annual General Shareholders' Meeting (customarily held in April or May) and before September of that year. Dividends are presented in this table in the year to which they relate and not in the year in which they are declared and paid. A dividend of €0.95 per share will be proposed at AXA's Shareholders' Meeting that will be held on April 30, 2015. The dividend will be payed out on May 13, 2015, with an ex-dividend date of May 11, 2015.

Dividends

The Company pays dividends in Euro. Future dividends will depend on a variety of factors including AXA's earnings, consolidated financial condition, applicable capital and solvency requirements, prevailing financial market conditions and the general economic environment. Proposals for dividend payments are made at the discretion of the Board of Directors and are submitted for final approval to the Shareholders' Meeting.

AXA determines its dividend policy on the basis of its adjusted earnings minus interest charges on its outstanding undated debt securities, and, in each of the past several years, with the exception of 2009, AXA has paid aggregate dividends in a general range of 40% to 50% of this amount. The dividend proposed by the Board of Directors in any particular year may vary considerably depending on a variety of factors (as noted above) and, consequently, may fall outside the target 40% to 50% range in any given year. In assessing the dividend to be paid in any given year, Management tries to strike the appropriate balance between (i) prudent capital management, (ii) reinvestment of previous results to support business development and (iii) an attractive dividend for shareholders.

A dividend of €0.95 per share for the 2014 fiscal year will be proposed to the Shareholders' Meeting to be held on April 30, 2015.

The following table sets forth information on the dividends declared and paid in respect of the last five fiscal years:

Fiscal year	Distribution (in Euro million)	Number of shares (on December 31)	Net dividend per share (in Euro)	Dividend per share eligible for a tax relief (in Euro)	Gross dividend per share (in Euro)
2010	1,601	2,320,105,237	0.69 [b]	0.69 [b]	0.69 [b]
2011	1,626	2,357,197,520	0.69 [c]	0.69 [c]	0.69 [c]
2012	1,720	2,388,610,984	0.72 [d]	0.72 [d]	0.72 [d]
2013	1,958	2,417,865,471	0.81 [e]	0.81 [e]	0.81 [e]
2014	2,320 [a]	2,442,276,677	0.95 [f]	0.95 [f]	0.95 [f]

(a) Proposal to be submitted to the Shareholders' Meeting to be held on April 30, 2015.
(b) Individual shareholders who were residents of France for tax purposes were eligible for a tax relief of 40% on the dividend, i.e. €0.28 per share for fiscal year 2010.
(c) Individual shareholders who were residents of France for tax purposes were eligible for a tax relief of 40% on the dividend, i.e. €0.28 per share for fiscal year 2011.
(d) Individual shareholders who were residents of France for tax purposes were eligible for a tax relief of 40% on the dividend, i.e. €0.29 per share for fiscal year 2012.
(e) Individual shareholders who were residents of France for tax purposes were eligible for a tax relief of 40% on the dividend, i.e. €0.32 per share for fiscal year 2013.
(f) Proposal to be submitted to the Shareholders' Meeting to be held on April 30, 2015. Individual shareholders who are residents of France for tax purposes will be eligible for a tax relief of 40% on the dividend, i.e. €0.38 per share for fiscal year 2014.

Dividends not claimed within five years after the payout date become the property of the French Treasury Department.

For further information on AXA's dividend policy, see Part 4 – "Consolidated Financial Statements" and Part 5 – "Certain Additional Information", Section "Dividends" of this Annual Report.

1.2 INFORMATION ON THE COMPANY

Introduction

AXA is a French *société anonyme* (a corporation) existing under the laws of France. The Company's registered office is located at 25 avenue Matignon, 75008 Paris, France and its telephone number is +33 (0) 1 40 75 57 00. AXA was incorporated in 1957 but the origin of its activities goes back to 1852. The Company's corporate existence will continue, subject to dissolution or prolongation, until December 31, 2059. The Company's number in the Paris Trade and Companies Register is 572 093 920.

The following documents may be consulted at the AXA Group Legal Department (21 avenue Matignon, 75008 Paris, France) until the filing of AXA's next Annual Report *(Document de Référence)*: (i) the Charter of the Company, (ii) the reports or other documents prepared by any expert at the Company's request which are (in whole or in part) included or referred to in this Annual Report, and (iii) the parent Company financial statements as well as the consolidated financial statements of the Company for each of the two financial years preceding the publication of this Annual Report.

History and development

AXA originated from several French regional mutual insurance companies: "les Mutuelles Unies".

1982

Takeover of the Groupe Drouot.

1986

Acquisition of the Groupe Présence.

1988

Transfer of the insurance businesses to Compagnie du Midi (which subsequently changed its name to AXA Midi and then AXA).

1992

Acquisition of a controlling interest in The Equitable Companies Incorporated (United States), which subsequently changed its name to AXA Financial, Inc. ("AXA Financial").

1995

Acquisition of a majority interest in National Mutual Holdings (Australia), which subsequently changed its name to AXA Asia Pacific Holdings Ltd. ("AXA APH").

1997

Merger with Compagnie UAP.

2000

Acquisition of (1) Sanford C. Bernstein (United States) by AXA's asset management subsidiary Alliance Capital, which subsequently changed its name to AllianceBernstein; (2) the minority interest in AXA Financial; and (3) Japanese life insurance company, Nippon Dantaï Life Insurance Company.

Sale of Donaldson, Lufkin & Jenrette (United States) to Crédit Suisse Group.

2004

Acquisition of the American insurance group MONY.

2005

FINAXA (AXA's principal shareholder) merged into AXA.

2006

Acquisition of the Winterthur Group.

2008

Acquisition of Seguros ING (Mexico).

2010

Voluntary delisting of AXA SA from the New York Stock Exchange and deregistration with the SEC.

Sale by AXA UK of its primary Life and Pensions businesses to Resolution Ltd.

2011

Sale of (1) AXA's Australian & New Zealand operations and acquisition of the AXA APH Asia Life operations; and (2) AXA Canada to Canadian insurance group Intact.

2012

Launch of ICBC-AXA Life, a new life insurance joint venture in China with ICBC; and

Acquisition of HSBC's non-life insurance operations in Hong Kong and Singapore.

2013

Acquisition of HSBC's non-life insurance operations in Mexico.

Sale by (i) AXA Investment Managers of a majority stake in AXA Private Equity and (ii) AXA Financial of a closed MONY portfolio.

2014

Acquisition of (i) 50% of Tian Ping, a Chinese Property & Casualty insurance company; (ii) 51% stake in the composite insurance operations of Grupo Mercantil Colpatria in Colombia; and (iii) a majority stake in Mansard Insurance plc in Nigeria.

Sale of the mandatory Pension business in Hong Kong to The Principal Financial Group [(1)].

Agreement with Certinvest and SIF Transilvania to sell the Life & Savings insurance operations in Romania [(1)].

Table of principal subsidiaries with Group equity interests and voting rights percentages

For information concerning subsidiaries with Group share of interests and voting rights percentages, please see Note 2 "Scope of consolidation" included in Part 4 – "Consolidated Financial Statements" of this Annual Report.

Ratings

PRINCIPAL RATINGS OF THE GROUP AS AT MARCH 11, 2015

The Company and certain of its insurance subsidiaries are rated by recognized rating agencies. The significance and the meaning of individual ratings vary from agency to agency.

At March 11, 2015, the relevant ratings for the Company and its principal insurance subsidiaries were as follows:

	Agency	Rating	Outlook
Insurer Financial Strength Ratings			
The Company's principal insurance subsidiaries	Standard & Poor's	A+	Positive
	Moody's	Aa3	Stable
	Fitch Ratings	AA-	Stable
Ratings of the Company's Long Term and Short Term Debt			
Counterparty credit rating/Senior Debt	Standard & Poor's	A-	Positive
	Moody's	A2	Stable
	Fitch Ratings	A-	
Short Term Debt	Standard & Poor's	A-2	
	Moody's	P-1	Stable
	Fitch Ratings	F-1	

The ratings set forth above may be subject to revision or withdrawal at any time by the assigning rating agency. None of these ratings is an indication of the historic or potential performance of AXA's ordinary shares, ADSs, ADRs or debt securities and should not be relied upon for purpose of making an investment decision with respect to any of these securities. The Company accepts no responsibility for the accuracy or reliability of the ratings.

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

SRI RATINGS

AXA's social, societal, and environmental and governance performance is rated by a number of specialists, including investors, brokers and rating agencies that focus specifically on the socially responsible investment (SRI) market. AXA is ranked above the average for its industry and is included in the three major global ethical indices:

- DJSI World and DJSI Europe (based on RobecoSAM research);
- World 120, Europe 120 and France 20 (based on Vigeo research);
- FTSE4GOOD (based on FTSE ESG research).

AXA's current ratings, which are subject to change, are set forth below:

Agency	Theme	AXA rating
RobecoSAM (2014)	General score	77% (sector avg.: 47%)
	Economy	84% (sector avg.: 58%)
	Social	65% (sector avg.: 40%)
	Environment	86% (sector avg.: 43%)
	"Sustainability Yearbook" category	Member 2014
Vigeo [(a)] (2014)	General score	62% - Sector leader
	Human Resources	58% (rating: ++)
	Human rights	57% (rating: +)
	Community involvement	71% (rating: ++)
	Environment	74% (rating: ++)
	Business behaviour	57% (rating: +)
	Corporate governance	60% (rating: =)
FTE ESG (2014)	General Score	3.1/5
	Environmental Management Theme	5/5
	Human and Labor Rights Theme	2.8/5
	Corporate governance Theme	2.6/5

(a) Definition of Vigeo ratings:
--: least advanced;
-: companies that fall below the average for their sector;
=: companies that are within the average for their sector;
+: active companies;
++: the most committed companies in the sector.

Business overview

GENERAL INFORMATION

The Company is the holding company for the AXA Group, a worldwide leader in financial protection. Based on available information at December 31, 2014, the AXA Group was one of the world's largest insurance groups, with consolidated gross revenues of €92 billion for the year ended December 31, 2014. The AXA Group was also one of the world's largest asset managers, with total assets under management as at December 31, 2014 of €1,277 billion. Based on available information at December 31, 2014, AXA was the world's 10th largest asset manager [(1)].

AXA operates primarily in Europe, North America, the Asia-Pacific Region and, to a lesser extent, in other regions including the Middle East, Africa, and Latin America.

AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management, and Banking. In addition, various holding companies within the AXA Group conduct certain non-operating activities.

AXA ACTIVITY INDICATORS AND EARNINGS

The table below summarizes certain key financial data by segment for the last two years.

	Years ended December 31,				
			2013 [(a)]		
(In Euro million, except percentages)	2014 [(a)]		Restated [(b)]		Published
Consolidated gross revenues					
– Life & Savings	55,345	60%	55,331	61%	55,331
- Mature markets	52,136	57%	52,447	57%	52,447
- High growth markets	3,209	3%	2,884	3%	2,884
– Property & Casualty	29,460	32%	28,763	32%	28,791
- Mature markets	22,378	24%	21,996	24%	21,996
- Direct	2,361	3%	2,247	2%	2,274
- High growth markets	4,721	5%	4,520	5%	4,520
– International Insurance	3,292	4%	3,143	3%	3,143
– Asset management	3,326	4%	3,461	4%	3,461
– Banking	564	1%	524	1%	524
– Holdings and other companies	0	0%	0	0%	0
Consolidated gross revenues	**91,988**	**100%**	**91,221**	**100%**	**91,249**
Annual Premium Equivalent (APE)	**6,477**		**6,335**		**6,335**
New Business Value (NBV)	**2,220**		**2,193**		**2,193**
Underlying earnings					
– Life & Savings	3,132	62%	2,793	59%	2,793
– Property & Casualty	2,158	43%	2,105	45%	2,105
– International Insurance	208	4%	202	4%	202
– Asset management	403	8%	400	8%	400
– Banking	106	2%	78	2%	78
– Holdings and other companies	(947)	-19%	(851)	-18%	(851)
Underlying earnings	**5,060**	**100%**	**4,728**	**100%**	**4,728**
Net capital gains	442		434		434

(1) Ranking established by AXA based on the information available as of September 30, 2014.

(In Euro million, except percentages)	Years ended December 31, 2014 [a]		2013 [a] Restated [b]		2013 [a] Published
Adjusted earnings	5,503		5,162		5,162
Exceptional operations (including discontinued operations)	(188)		38		38
Goodwill and other related intangible impacts	(345)		(138)		(138)
Profit or loss on financial assets (under fair value option) & derivatives	225		(317)		(317)
Integration and restructuring costs	(170)		(263)		(263)
Net income	**5,024**		**4,482**		**4,482**
– Life & Savings	3,524	60%	2,614	48%	2,614
– Property & Casualty	1,734	29%	2,085	38%	2,085
– International Insurance	261	4%	184	3%	184
– Asset management	419	7%	577	11%	577
– Banking	(49)	-1%	(8)	-0%	(8)
Net income from operating segments	**5,888**	**100%**	**5,451**	**100%**	**5,451**
– Holdings and other companies	(864)		(969)		(969)
NET INCOME	**5,024**		**4,482**		**4,482**

The main indicators disclosed in the table are defined in the glossary in Section 1.3 "Activity Report".
(a) Net of intercompany eliminations.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

AXA'S TOTAL ASSETS UNDER MANAGEMENT

The table below sets forth the total assets managed by AXA's subsidiaries, including assets managed on behalf of third parties:

(In Euro million)	At December 31, 2014	2013 [a]
AXA:		
General Account assets	573,919	511,081
Assets backing contracts with financial risk borne by policyholders (Unit-Linked)	181,082	162,186
Subtotal	755,001	673,267
Managed on behalf of third parties [b]	522,308	438,482
TOTAL ASSETS UNDER MANAGEMENT	**1,277,309**	**1,111,750**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes assets managed on behalf of Mutuelles AXA.

For additional information on AXA's revenues by segment and geographic area, see Note 21 "Information by segment" included in Part 4 "Consolidated Financial Statements" of this Annual Report.

For additional information on AXA's business segments, see Part 1 "The AXA Group", Section 1.3 "Activity Report" and Note 3 "Consolidated statement of income by segment" included in Part 4 "Consolidated Financial Statements" of this Annual Report.

Segment information

Life & Savings segment

AXA offers a broad range of Life & Savings products including Individual and Group savings products, as well as Life and Health products for both individual and commercial clients.

The table below summarizes AXA's Life & Savings consolidated gross revenues and gross insurance liabilities by geographic region for the periods and at the dates indicated:

GROSS REVENUES BY GEOGRAPHIC AREA

(In Euro million, except percentages)	Gross revenues [(a)] Years ended December 31, 2014		2013		Gross insurance liabilities at December 31, 2014
France	15,121	27%	14,115	26%	143,930
United States	11,469	21%	11,303	20%	145,060
Japan	3,801	7%	5,579	10%	33,905
United Kingdom	639	1%	568	1%	25,891
Germany	6,640	12%	6,520	12%	74,677
Belgium	1,813	3%	2,012	4%	32,102
Mediterranean & Latin American Region [(b)]	6,384	12%	5,575	10%	40,026
Switzerland	6,720	12%	7,063	13%	58,009
Others	2,758	5%	2,596	5%	18,723
o/w. Asia excl. Japan	2,280	4%	2,086	4%	14,107
o/w. Central & Eastern Europe [(c)]	320	1%	389	1%	3,746
TOTAL	**55,345**	**100%**	**55,331**	**100%**	**572,324**
o/w. mature markets	52,136	94%	52,447	95%	551,912
o/w. high growth markets	3,209	6%	2,884	5%	20,411
Of which:					
Gross written premiums	*53,806*		*53,861*		
Fees and charges relating to investment contracts with no participating feature	*327*		*323*		
Fees, commissions and others revenues [(d)]	*1,211*		*1,147*		

(a) Net of intercompany eliminations.
(b) Includes Spain, Italy, Portugal, Turkey, Greece, Morocco, Mexico and Colombia.
(c) Includes Poland, Hungary, Czech Republic and Slovakia.
(d) Includes revenues from other activities (mainly commissions and related fees on Mutual funds sales).

MARKETS AND COMPETITION

In the Life & Savings segment, AXA operates primarily in Western Europe, the United States and Asia-Pacific. In addition, AXA offers Investment and Saving products as well as Life and Health products in a number of other jurisdictions including Latin America, Central and Eastern Europe and Middle East. The products in these markets are offered through various distribution channels, as describe in the "Distribution channels" section below.

The nature and level of competition vary among the countries in which AXA operates for all the types of Individual and Group Life & Savings products sold by AXA. Many other insurance companies offer similar products to those offered by AXA, and, in some cases, also use similar marketing techniques and distribution methods.

The principal competitive factors affecting the Life & Savings business include:

- size, strength and quality of the distribution channels, in particular the quality of advisors;
- range of product lines and product quality, feature functionality and innovation;
- price;
- quality of service;
- investment management performance;
- historical levels of bonuses with respect to participating contracts;
- crediting rates on General Account products;
- reputation, visibility and recognition of brand;
- ratings for financial strength and claims-paying ability; and
- changes in regulations that may affect the policy charge structure relating to commission and administrative charges and modify attractiveness to customers.

AXA competes with insurance companies and also with banks, asset management companies, investment advisers and other financial institutions for sales of savings-related investment products and, to a lesser extent, life insurance products.

For additional information on markets, see section "Insurance and Asset Management Markets" included in Section 1.3 "Activity Report" of this Annual Report.

PRODUCTS AND SERVICES

AXA's Life & Savings products include a broad range of Investment & Savings products as well as Protection & Health products marketed to individual and commercial clients. The Life & Savings products offered by AXA include Term life, Whole life, Universal life, endowment, deferred annuities, immediate annuities, and other investment-based products. The Health products offered include critical illness and permanent health insurance products. The types and specificities of the products offered by AXA vary from market to market.

The table below presents consolidated gross written premiums (after inter-segment elimination) and gross insurance liabilities by major product:

GROSS WRITTEN PREMIUMS & INSURANCE LIABILITIES PER PRODUCT LINE

(In Euro million, except percentages)	Gross written premiums [(a)] by main product lines-Years ended December 31, 2014		2013		Gross insurance liabilities at December 31, 2014
Investment & Savings	22,365	42%	21,457	40%	288,187
Individual	20,153	37%	17,926	33%	253,741
Group	2,212	4%	3,531	7%	34,446
Life contracts (including endowment contracts)	21,493	40%	22,090	41%	165,365
Health contracts	7,747	14%	7,962	15%	23,075
Other	2,202	4%	2,352	4%	11,575
Sub-Total	**53,806**	**100%**	**53,861**	**100%**	**488,201**
Fees and charges relating to investment contracts with no participating features	327		323		35,727
Fees, commissions and other revenues [(b)]	1,211		1,147		
Liabilities arising from policyholder's participation					48,211
Unearned revenues and unearned fees reserves					3,037
Derivatives relating to insurance and investment contracts					(2,853)
TOTAL WRITTEN PREMIUMS AND LIABILITIES	**55,345**		**55,331**		**572,324**
o/w.					
Contracts with financial risk borne by policyholders (Unit-Linked)	*15,650*	*29%*	*16,016*	*30%*	*181,340*

(a) Net of intercompany eliminations.
(b) Includes revenues from other activities (mainly commissions and related fees on Mutual funds sales).

NEW PRODUCT INITIATIVES

To attract and retain clients, especially in the segments identified as strategic, AXA has developed solutions designed to meet the needs of the targeted customer groups. In addition, new products have been designed to support AXA's cross-selling strategy and thus improve client retention and enhance value for the clients. AXA also aims to reuse across markets successful products and experiences developed for individual country markets.

DISTRIBUTION CHANNELS

AXA distributes its products through exclusive and non-exclusive channels that vary from country to country. Proprietary channels include exclusive agents, salaried sales forces and direct sales. Non-proprietary channels include brokers, independent financial advisors, aligned distributors or wholesale distributors and partnerships.

- Exclusive agents are individuals or firms commissioned by a single insurance company to sell its products exclusively (or principally) on its behalf. Tied agents are generally exclusive agents;
- Salaried sales forces are salespeople employed by a single insurance company (or an affiliated company) to sell the Company's products on an exclusive basis;
- Direct sales relate to all sales made through mail, telephone or internet;
- Brokers are independent firms that negotiate with insurance companies, in return of a commission, on behalf of customers seeking coverage. As opposed to exclusive agents, brokers usually work with different insurance companies;
- Independent Financial Advisors (IFAs) are individuals or firms that provide financial advice to customers and negotiate related policies with insurance companies on behalf of customers. IFAs usually work with different insurance companies;
- Aligned distributors are independent individuals or firms who have chosen AXA to provide them with a full range of dealership services. They negotiate, on behalf of customers, policies of various insurance companies among a range of products selected by AXA;
- Distribution partnerships are generally structured as sales agreements between an insurance company and another company from the financial services industry, especially banks, or from other industries. This may take the form of a joint venture between the insurance company and its partner or an exclusive or non exclusive distribution arrangement.

AXA's distribution strategy focuses on strengthening traditional channels and developing new ones, such as direct selling and partnerships. Staff hiring, retention of veteran staff, professionalism and commercial performance are the main initiatives to strengthen traditional distribution channels. To serve increasingly sophisticated and demanding customers, AXA believes that the diversification of its distribution channels through the development of new channels improves opportunities for increased penetration and more frequent contact with AXA's target customer base.

The split of distribution channels used by AXA's principal Life & Savings operations, based on consolidated gross revenues for the years ended December 31, 2014 and 2013, is presented below:

	Based on gross revenues in 2014		Based on gross revenues in 2013	
	Proprietary Network	Non Proprietary network	Proprietary Network	Non Proprietary network
France	45%	55%	45%	55%
United States	63%	37%	62%	38%
Japan	65%	35%	58%	42%
United Kingdom	36%	64%	36%	64%
Germany	54%	46%	56%	44%
Belgium	0%	100%	0%	100%
Mediterranean & Latin American Region	19%	81%	20%	80%
Switzerland	51%	49%	51%	49%

SURRENDERS AND LAPSES

For most Life & Savings products, fees and revenues accrue over time, while costs to the issuing company in the first year are generally higher than costs in subsequent years due to first year commissions and the costs of underwriting and issuing a contract. Consequently, the rate of policies remaining in-force and not lapsing, also known as the "persistency rate", plays an important role in profitability. The majority of individual Life & Savings products issued by AXA may be surrendered for a cash surrender value. Most of the individual Life & Savings products issued by AXA have front-end charges to the policyholder (or subscription fees), which are assessed at the inception date of the contract and/or surrender charges (charges assessed in the case of early surrender). Both front-end charges and surrender charges are intended to offset a portion of the acquisition costs.

Total surrenders and lapses for 2014 amounted to €28,096 million (2013: €28,296 million) and the ratio of surrenders and lapses was 6.8% (2013: 6.9%).

AXA GLOBAL LIFE

The Group has implemented an organization by Global Business lines since early 2010 to support a new stage of its development. AXA Global Life, as part of its role to define a group-wide strategy has set the following priorities:

- focus on inforce optimization;
- increase productivity and efficiency;
- reshape the Savings business; and
- develop Protection business.

AXA Global Life also provides reinsurance services to some AXA's insurance subsidiaries (please see section "International Insurance segment").

In addition, the Group announced in December 2014 the creation of a third Global Business line dedicated to Health insurance business with the following priorities:

- become a health benchmark in up to 11 countries where AXA is present;
- become a leader in the international health insurance niche; and
- develop a new Health Business Model focused on advice.

Property & Casualty segment

AXA's Property & Casualty segment offers a broad range of products including motor, household property and general liability insurance for both Personal and Commercial customers, targeting mainly small-to medium-sized companies. In certain countries, Health products are classified as Property & Casualty products [1].

The table below summarizes AXA's Property & Casualty consolidated gross revenues (after inter-segment eliminations) and gross insurance liabilities by geographic region for the periods and at the indicated dates.

GROSS REVENUES BY GEOGRAPHIC AREA

	Gross revenues [a] Years ended December 31,				Gross insurance liabilities at December 31, 2014
(In Euro million, except percentages)	2014		2013 restated [b]		
France	6,034	20%	5,853	20%	14,248
Germany	3,779	13%	3,779	13%	6,860
United Kingdom & Ireland	4,034	14%	3,807	13%	5,262
Belgium	2,026	7%	2,025	7%	5,886
Mediterranean & Latin American Region [c]	7,440	25%	7,360	26%	10,234
Switzerland	2,783	9%	2,706	9%	7,265
Direct	2,361	8%	2,247	8%	3,298
Other Countries	1,002	3%	987	3%	1,330
TOTAL	**29,460**	**100%**	**28,763**	**100%**	**54,382**
o/w. mature markets	22,378	76%	21,996	76%	45,004
o/w. direct	2,361	8%	2,247	8%	3,298
o/w. high growth markets	4,721	16%	4,520	16%	6,080
Of which:					
Gross written premiums	*29,397*		*28,706*		
Other revenues	*63*		*57*		

(a) Net of intercompany eliminations.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(c) Includes Spain, Italy, Portugal, Greece, Morocco, Turkey, Mexico, Colombia and the Gulf Region.

(1) *Some countries classify Health activity in the Property & Casualty segment, while other countries classify it in the Life & Savings segment. AXA chooses to follow local classification.*

MARKETS AND COMPETITION

In the Property & Casualty segment, AXA operates mainly in the largest Western European markets. AXA also offers Personal and Commercial Property & Casualty insurance products in other countries in Central and Eastern Europe as well as in Asia (notably Hong Kong, Singapore, Malaysia, China and Thailand), the Middle East and Latin America (Mexico, and Colombia). In addition, AXA operates in Direct insurance mainly in the United Kingdom, France, South Korea, Japan and Spain.

The nature and level of competition vary among the countries where AXA operates. AXA competes with other insurers in each of its Property & Casualty products and in all the markets where it operates. In general, the Property & Casualty insurance industry tends to be cyclical with surplus underwriting capacity leading to lower premium rates.

The principal competitive factors are as follows:

- price;
- quality of service;
- distribution network;
- brand recognition;
- ratings for financial strength and claims-paying ability; and
- changes in regulations, which may affect premium rates charged or claims settlement costs paid.

For additional information on markets, see section "Insurance and Asset Management Markets" included in Section 1.3 "Activity Report" of this Annual Report.

PRODUCTS AND SERVICES

AXA's Property & Casualty insurance operations offer a broad range of products including motor, household, property and general liability insurance for both Personal and Commercial customers (targeting mainly small-to medium-sized companies) and, in certain countries, Health products. In addition, AXA offers engineering services to support prevention policies in companies.

The tables below sets forth gross written premiums and gross insurance liabilities by major product for the periods and as at the dates indicated:

GROSS WRITTEN PREMIUMS & INSURANCE LIABILITIES PER PRODUCT LINE

(In Euro million, except percentages)	Gross Written Premiums [(a)] Years ended December 31, 2014		2013 [(b)]		Gross insurance liabilities at December 31, 2014
Personal lines					
Motor	10,383	35%	10,004	35%	17,669
Homeowners/household	3,870	13%	3,834	13%	3,456
Other	2,963	10%	2,844	10%	4,287
Commercial lines					
Motor	2,623	9%	2,683	9%	4,008
Property damage	3,042	10%	2,986	10%	3,019
Liability	1,668	6%	1,660	6%	7,926
Other	4,338	15%	4,247	15%	12,727
Other	**509**	**2%**	**448**	**2%**	**989**
TOTAL	**29,397**	**100%**	**28,706**	**100%**	**54,080**
Liabilities arising from policyholders' participation					280
Derivatives relating to insurance and investment contracts					22
TOTAL					**54,382**

(a) Net of intercompany eliminations.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

DISTRIBUTION CHANNELS

AXA distributes its Property & Casualty insurance products through a number of channels that vary from country to country, including exclusive agents, brokers, salaried sales forces, direct sales, banks and other partnerships, including car dealers. In Continental Europe, the same distribution channels may be used by both AXA's Life & Savings and Property & Casualty operations. For a description of these distribution channels, please refer to the "Distribution channels" section in the Life & Savings segment of this Section 1.2.

Development of distribution channels is key to reach targeted customers and overall for the profitability of the activity.

The split of distribution channels used by AXA's Property & Casualty operations (excluding Direct), based on gross revenues for the year ended December 31, 2014 and 2013, is presented below:

	Based on gross revenues in 2014		Based on gross revenues in 2013	
	Proprietary network	Non Proprietary network	Proprietary network	Non Proprietary network
France	66%	34%	66%	34%
Germany	50%	50%	51%	49%
United Kingdom [(a)]	25%	75%	25%	75%
Belgium	1%	99%	2%	98%
Mediterranean and Latin American Region	40%	60%	39%	61%
Switzerland	78%	22%	78%	22%

(a) Including Ireland.

AXA GLOBAL PROPERTY & CASUALTY

Since 2010, AXA Global Property & Casualty ("AXA Global P&C") defines the Group-wide Property & Casualty strategy and objectives. AXA Global P&C is responsible for managing activities that have been identified as being critical to the profitability and growth of the Group's Property & Casualty business: cost control, optimized claims management, creation of a professional family made up of Property & Casualty professionals to build up the quality of technical expertise, dedicated offer to small and medium size entities, excellence in underwriting standards and pricing policy. In addition, AXA Global P&C provides reinsurance services to AXA's insurance subsidiaries (see section "International Insurance segment").

International insurance segment

Operations in this segment are principally focused on large risks, reinsurance and assistance.

- **AXA Corporate Solutions Assurance** is the AXA Group subsidiary dedicated to large corporations in terms of Property and Casualty loss prevention, risk management, underwriting and claims handling and to specialty markets (Marine, Aviation, Space) worldwide;
- **AXA Global Life and AXA Global Property & Casualty** are in charge of analysis, structuring and placement of reinsurance treaties on behalf of AXA Group insurance companies to a selection of third party reinsurers. AXA Global P&C activity is mainly driven by its Property pool which provides AXA entities with cover on natural catastrophes;
- **AXA Assistance** is the Group subsidiary committed to helping its customers in difficult situations. AXA Assistance operates through four Business Lines (Vehicle, Travel, Health and Home) to offer customer focused services;
- **AXA Liabilities Managers** is the Group's specialized unit in charge of managing the AXA Group's Property & Casualty run-off portfolios;
- **AXA Corporate Solutions Life Reinsurance Company** is a reinsurance company in the United States, in run-off, notably managing a book of reinsurance contracts of Variable Annuities guarantees.

1

MARKET, PRODUCTS AND SERVICES

AXA Corporate Solutions Assurance: In the global risks market, AXA Corporate Solutions Assurance and its competitors are acting at a worldwide level with multinational clients placing their risks far beyond their countries of origin *via* international programs or in key global market places. AXA Corporate Solutions Assurance underwrites large insurance risks such as property damage, liability, construction risks, motor fleet, marine and aviation. AXA also offers loss-prevention and risk management services.

In this market, AXA Corporate Solutions Assurance ranks amongst the main carriers worldwide [(1)].

AXA Assistance is one of the leading worldwide assistance companies [(1)], in a market where traditional assistance companies are developing their activities outside their home markets, while new players are focusing on limited product lines. AXA Assistance provides services to banking and insurance companies, tour operators, telecommunications operators, gas, water and electricity utilities and automobiles manufacturers.

The table below presents the International Insurance segment's gross written premiums and gross insurance liabilities by major product for the periods and at the dates indicated:

GROSS WRITTEN PREMIUMS & INSURANCE LIABILITIES PER PRODUCT LINE

	Gross written premiums [(a)] Years ended December 31,				Gross insurance liabilities at December 31, 2014
(In Euro million, except percentages)	2014		2013		
Property damage	780	25%	653	22%	1,517
Motor, Marine, Aviation	903	29%	885	30%	2,189
Casualty/Civil Liability	524	17%	521	18%	4,041
Other	857	28%	855	29%	1,210
TOTAL	**3,064**	**100%**	**2,914**	**100%**	**8,957**
Derivatives relating to insurance and investment contracts					(6)
TOTAL					**8,951**

(a) Net of intercompany eliminations.

DISTRIBUTION CHANNELS

AXA Corporate Solutions Assurance mainly distributes its products through international brokers, but also domestic brokers. Marine and aviation business is distributed through specialized brokers.

AXA Assistance mainly operates as a business-to-business company although it also uses direct sales and marketing to sell its products. In countries in which AXA offers Property & Casualty insurance products such as France, Mediterranean and Latin American Region, Belgium, the United Kingdom and Germany, AXA distribution networks offer assistance services among their portfolio of insurance products. AXA Assistance aims at integrating service providers and developing capacities of distribution to final customers.

CEDED REINSURANCE AND RETROCESSION

AXA Corporate Solutions Assurance reviews annually its exposure to ensure that the risks underwritten are diversified geographically and by lines of business in order to manage concentration risk. In 2014, AXA Corporate Solutions Assurance ceded €779 million of premiums (2013: €865 million) to third-party reinsurers.

Also, in 2014, approximately €760 million of premiums were placed externally by **AXA Global Life** and **AXA Global Property & Casualty** on behalf of AXA's insurance subsidiaries (2013: €854 million), mainly for Property & Casualty business but also for Life & Savings business.

(1) Ranking established by AXA based on information available for the year 2014.

Asset management segment

The development of asset management activities is a key part of AXA's financial services strategy, which seeks to capitalize on existing strengths and expand its client base. This strategy is based on the management's belief that its asset management expertise will enable AXA to benefit in the future from the expected growth in savings-related products in the markets where it operates. For the year ended December 31, 2014, the asset management segment accounted for €3.3 billion (2013: €3.5 billion), or 4% of AXA's consolidated gross revenues (2013: 4%).

AXA's principal Asset management companies are AllianceBernstein and AXA Investment Managers.

The table below sets forth the total assets managed by AXA's asset managers, including assets managed on behalf of third parties, and the fees earned by such companies on these assets for the indicated dates and periods.

ASSETS UNDER MANAGEMENT & REVENUES

(In Euro million)	2014	2013
Assets managed by AXA's assets managers at December 31, [(a)]		
Managed on behalf of third parties [(b)]	522,308	438,482
Assets backing contracts with financial risk borne by policyholders (Unit-Linked)	51,999	46,264
Other invested assets	461,269	407,942
TOTAL	**1,035,576**	**892,688**
Of which		
AllianceBernstein	412,568	345,941
AXA Investment Managers	623,008	546,747
Commissions and fees earned for the years ended December 31,		
AllianceBernstein	2,259	2,177
AXA Investment Managers	1,462	1,638
Sub-total	**3,722**	**3,815**
Intercompany eliminations	(396)	(354)
CONTRIBUTION TO AXA'S CONSOLIDATED GROSS REVENUES	**3,326**	**3,461**

(a) Based on estimated fair value at the dates indicated. Assets under management presented in this table are based on asset management companies only. AXA Group (including insurance companies) assets under management amounted to €1,277 billion as of December 31, 2014.

(b) Includes assets managed on behalf of Mutuelles AXA.

MARKET AND COMPETITION, PRODUCTS AND SERVICES, AND DISTRIBUTION CHANNELS

AllianceBernstein

AllianceBernstein, a 62.7% subsidiary, is a leading global investment management firm based in the United States. AllianceBernstein provides diversified investment management and related services to individual investors, private clients and to a variety of institutional clients, including AXA and its insurance subsidiaries (which collectively are AllianceBernstein's largest client). AllianceBernstein Holding L.P., "AB Holding" is listed on the New York Stock Exchange under the ticker symbol "AB".

AllianceBernstein's offering includes:

- diversified investment management services through separately managed accounts, hedge funds, Mutual funds, and other investment vehicles to private clients (such as high net worth (individuals and families), trusts and estates, and charitable foundations);
- management of retail Mutual funds for individual investors;
- management of investments on behalf of institutional clients; and
- fundamental research, quantitative services and brokerage-related services in equities and listed options for institutional investors.

At December 31, 2014, AllianceBernstein had €412.6 billion of assets under management, including €300.0 billion of assets managed on behalf of third party clients (2013: €345.9 billion and €250.8 billion, respectively). AllianceBernstein accounted for €2,175 million or 65% of the asset management segment consolidated gross revenues for the year ended December 31, 2014 (2013: €2,097 million or 61%).

AXA Investment Managers ("AXA IM")

AXA IM, headquartered in Paris, is a significant player in the international asset management business. AXA IM provides its clients with a wide range of global products and expertise principally *via* Mutual funds and dedicated portfolios. AXA IM's clients include (i) institutional investors, (ii) individual investors to whom Mutual funds are distributed through AXA and external distribution networks, and (iii) AXA's insurance subsidiaries both for main fund and Unit-Linked fund backing insurance products. AXA IM's expertises include (i) AXA Fixed Income, (ii) AXA Framlington, (iii) AXA Rosenberg, (iv) AXA Real Estate, (v) AXA Structured Finance and (v) Multi-Asset Client Solutions.

At December 31, 2014, AXA IM had €623.0 billion of assets under management, including €222.3 billion of assets managed on behalf of third party clients (2013: €546.7 billion and €187.7 billion, respectively). AXA IM accounted for €1,151 million or 35% of asset management segment consolidated gross revenues for the year ended December 31, 2014 (2013: €1,363 million or 39%).

Banking segment

The operations in the Banking segment are conducted primarily in Belgium, France and Germany. For the years ended December 31, 2014 the Banking segment accounted for €564 million (2013: €524 million), or less than 1% of AXA's consolidated gross revenues (2013: less than 1%).

This segment's operations principally include the following businesses:

BELGIUM

AXA Bank products and services in Belgium are mainly distributed by a network of 671 exclusive independent [(1)] bank agents. The bank's products and offers are linked with insurance business and are primarily focused on retail products.

FRANCE

AXA Banque had approximately 720,000 registered customers [(1)] at the end of 2014, with a retail banking product offer. Directly linked with the Group's insurance business, banking products are offered to AXA France clients through its distribution networks. AXA Banque also manages direct clients through internet banking relationships.

GERMANY

AXA Bank targets private customers in retail banking and is an important element of pension and asset management business of AXA Germany. The bank had approximately 44,000 clients [(1)] at year-end 2014. The major activities of AXA Bank are loans and deposits. These products are mainly sold through the tied agent network of AXA Germany.

(1) Information established by AXA based on data available for the year 2014.

1.3 ACTIVITY REPORT

Insurance and asset management markets

LIFE & SAVINGS

Mature markets

The Life & Savings market experienced a strong premium income growth in mature markets, driven by both in-force premiums and new business. In Europe, despite the low interest rates environment, the Life & Savings market experienced a strong growth in 2014, notably in France, Italy and the UK, supported by the increased attractiveness of both Unit-Linked products and G/A Savings hybrid products (1) in a strong equity market environment. The US market experienced a more moderate growth, with demand impacted by both higher prices and low income growth. In a declining interest rates environment both in Europe and in the US, insurers tended to shift their investment portfolio mix towards higher-risk assets such as equities and less liquid assets such as infrastructure and private equity.

High growth markets

Growth accelerated significantly in most emerging markets, especially in China, India and most other Asian countries. In China, insurers have expanded into new distribution channels and exploited cross-selling opportunities. In Latin America, the Life & Savings market experienced a deceleration and the growth turned negative in Central and Eastern Europe led by the decline in the single premium business in Poland as a result of regulatory changes and new guidelines in the bancassurance segment.

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

Rankings and market shares

Please find below AXA's ranking and market shares in the main countries where it operates:

	2014		2013		
	Ranking	Market share (%)	Ranking	Market share (%)	Sources
France	3	8.8	3	8.7	FFSA as of December 31, 2014 and 2013.
United States Life	18	1.7	14	2.2	LIMRA Life sales as of September 30, 2014 and 2013.
United Kingdom - Platform funds under management		2.5		2.4	Fundscape and Platforum reports for UK platform market as of September 30, 2014 and Platforum and Pridham reports for UK platform market as of September 30, 2013 (measure on APE individual life in-force business).
Japan	17	1.8	17	1.9	Life Insurance Association of Japan data base and Insurance Research Institute (exc. Kampo Life). For the 12 months ended September 30, 2014 and 2013 (measured on Gross Written Premiums).
Germany Life	-	-	8	3.8	Market Factbook 2013. 2014 information not available.
Germany Health	-	-	5	7.3	Market Factbook 2013. 2014 information not available.
Switzerland	2	28.5	1	30.0	SIA (Swiss Insurance Association) as of December 31, 2014 and 2013; Market share is based on statutory premiums and market estimations by the SIA.
Belgium	3	12.1	3	14.0	Assuralia (Belgium Professional Union of Insurance companies). Based on September 30, 2014 and 2013. Figures measured on gross written premiums.
Spain	11	3.2	12	2.4	Spanish Association of Insurance Companies. ICEA as of September 30, 2014 and 2013.
Portugal	11	1.1	11	1.2	Portuguese Insurance Association as of September 30, 2014 and 2013.
Italy	-	-	6	4.9	Associazione Nazionale Imprese Assicuratrici (ANIA). Ranking and Market Share as of December 2013. 2014 information not available.
Greece	-	-	7	3.8	Hellenic association of Insurance Companies as of December 2013. 2014 information not available.
Hong Kong	5	8.8	5	8.7	Office of Commissioner statistics as of September 30, 2014 and 2013 (measure on gross written premium individual life in-force business).
Indonesia	2	10.5	2	13.5	AAJI Statistic as of September 2014 for 2014 and December 31, 2013 for 2013 (measured on Weighted New Business Premium).
Thailand	3	13.5	4	11.5	TLAA statistics report as of September 2014 and November 30, 2013 (measured on APE).
Singapore	8	2.9	10	2.6	LIA statistics report as of September 30, 2014 and 2013 (measured on APE).
India	14	1.5	14	1.25	IRDA statistics as of September 30, 2014 for 2014 and December 31, 2013 for 2013 data (measured on weighted new business premium).
China	14	1.0	12	0.9	CIRC statistics as of November 30, 2014 and 2013 (measured on total premium income).
Philippines	-	-	3	10.7	Insurance Commission as of December 31, 2013 (measured on total premium income). 2014 information not available.

PROPERTY & CASUALTY

In 2014, the global Property & Casualty (P&C) market experienced a more moderate growth than in 2012 and in 2013. In mature countries, the P&C market experienced a limited slowdown, with growth sustained by moderate tariff increases in both Individual and Commercial lines, especially in Germany, France and the UK. In Southern Europe however, premium income has fallen significantly driven by a shrinking demand for motor insurance as car sales reached multi-year lows. In high growth markets, growth remained robust in Asia, especially in China and India, sustained by an expanding motor market, while a significant deceleration was observed in Central and Eastern Europe and Latin America. Underwriting profitability remained globally at a relatively high level, but profitability was impacted by lower investment yield in most economies.

Rankings and market shares

Please find below AXA's ranking and market shares in the main countries where it operates:

	2014		2013		
	Ranking	Market share (%)	Ranking	Market share (%)	Sources
France	2	15.1	2	14.9	FFSA as of December 31, 2014 and 2013.
United Kingdom	-	-	4	5.9	Based on 2013 FSA Returns. 2014 information not available.
Ireland	-		1		Central Bank of Ireland Statistical Review 2013. 2014 information not available.
Germany	-	-	4	5.9	Market Factbook 2013. 2014 information not available.
Switzerland	1	13.0	1	13.0	SIA (Swiss Insurance Association) estimation for 2014 and as of December 31, 2013 for 2013; Market share is based on statutory premiums and market estimations by the SIA.
Belgium	1	18.3	1	18.7	Assuralia (Belgium Professional Union of Insurance companies). Based on September 30, 2014 and 2013. Figures (measured on gross written premiums).
Spain	4	6.3	4	6.6	Spanish Association of Insurance Companies. ICEA as of September 30, 2014 and 2013.
Portugal	4	7.5	4	7.6	Portuguese Insurance Association as of September 30, 2014 and 2013.
Italy	-	-	5	4.8	Associazione Nazionale Imprese Assicuratrici (ANIA). Ranking and Market Share as of December 31, 2013. 2014 information not available.
Greece	-	-	9	4.8	Hellenic Association of Insurance Companies as of December 2013. 2014 information not available.
Mexico	1	13.3	1	13	AMIS (Asociacion Mexicana de instituciones de Seguros) as of September 30, 2014 and 2013.
Turkey	2	12.8	1	14.9	Turkish Association of Insurance Companies as of September 30, 2014 and 2013.
Morocco	-	-	3	15.4	Moroccan Association of Insurance Companies as of December 31, 2013. 2014 information not available.
The Gulf Region	-	-	4	4.1	Regulator report as of December 31, 2013. 2014 information not available.
Singapore	2	12.1	2	12.0	General Insurance Association as of September 2014 and June 2013.
Malaysia	5	6.8	7	5.0	ISM (Insurance Services Malaysia Berhad) as of end of October 2014 and December 2013.
Hong Kong	1	-	1	6.0	Office of the Commissioner of Insurance (OCI) as of September 2014 and as of December 2014. Market share not available as of September 2014.

INTERNATIONAL INSURANCE

Players in the global risks market are acting at a worldwide level with multinational clients placing their risks far beyond their countries of origin *via* international programs or in key global market places.

In this market, AXA Corporate Solutions, AXA's subsidiary dedicated to worldwide Property, Liability, Aviation, Marine and Space insurance, prevention and claims management of large national and multinational corporations, ranks amongst the main carriers worldwide [1].

After several years of soft underwriting conditions, corporate risks insurance pricing conditions continued to tighten in 2014, across all business lines.

ASSET MANAGEMENT

2014 was marked by a strong performance of fixed income markets. Sovereign bonds performed very well as (i) interest rate increases in the US and in the UK were further postponed, (ii) falling commodity prices drove inflation and inflation expectations substantially lower and (iii) expectations grew that the ECB would finally embark on a quantitative easing programme. This led to a performance of respectively +6% and +13% for US Treasuries and German Bunds.

Risky assets witnessed a year of mixed performance. Growing optimism marked the first half with a decent performance of just below +10%. However, the Ukrainian crisis unsettled markets, in particular after the summer recess as growth angst rose due to weaker than expected Eurozone macro data and the subsequent downward revisions of growth forecasts by the IMF in early October which were received negatively by the markets. Hopes that the monetary policy would again 'save the day' helped stock markets recover and end the year on a positive note returning +10% for global investors, roughly +13% at Wall Street while European equities underperformed with a total return of +1% (EUROSTOXX 50 index).

In this context, retail investors have turned their attention to US equities, Euro and emerging market bonds, flexible multi-asset products, while institutional investors continued to pursue the implementation of risk-mitigating strategies as well as the credit diversification of their portfolios.

In the global asset management market, AXA Investment Managers ranked 20th [2] and AllianceBernstein 27th [2] based on the volume of assets under management. On a combined basis, AXA ranked 10th [2].

Financial market conditions in 2014

Stock markets posted mixed performance in 2014 with positive returns in the US, supported by strong economic recovery and low levels of unemployment, while anemic economic growth and fear of deflation in Europe and Japan weighted on investor sentiment despite intense activity of Central Banks in both areas. Performance in the UK was weak, despite a robust economic recovery, due to growing concerns over falling prices. Emerging markets posted mix results, as good economic results in South-East Asia and improving investor sentiment in India were countered by weak economic data in China, Russia and Brazil.

Fixed income markets saw government bonds move higher, driven by their status of "safe haven" during regular bouts of uncertainty (including the Ukrainian crisis) and postponement to 2015, at the earliest, of expected interest rate increases in the US and in the UK. Investment grade corporate bonds also performed strongly, supported by solid corporate fundamentals and investors' hunt for yield. Similarly, high yield credit markets experienced a strong demand despite periods of heightened uncertainty.

In currency markets, the dominant theme over the year remained the US Dollar appreciation against most major currencies. After having completed five successive quarters of gains against the US Dollar, the sterling weakened in the end of the year as falling prices caused concerns, while the Euro lost ground against the US dollar, sterling and yen as a result of the ECB's continuous monetary easing policy. The Japanese yen weakened against the US dollar after a rally at the beginning of year. The Russian rouble spiralled downward driven by falling oil prices, the Ukrainian crisis and resulting economic sanctions.

European Central Bank (ECB) announced on January 22, 2015 an extension of its asset (sovereign bonds, covered bonds and ABS) purchase programme in order to stimulate the economy by encouraging credit creation and risk taking. This decision is expected to impact sovereign and corporate yields across the Eurozone and foreign currency exchange rates against the Euro.

(1) Ranking established by AXA based on information available at the end of 2014.

(2) Ranking established by AXA based on information available at the end of September 2014.

STOCK MARKETS

Equity markets had strong performance in 2014 overall reflecting a significant recovery in all the major economies. The MSCI World Index increased by 7.7%.

The Dow Jones Industrial Average Index in New York increased by 7.5% and the S&P 500 index increased by 11.4% in 2014. The FTSE 100 Index in London decreased by 2.7% in 2014. The EUROSTOXX 50 index in Eurozone increased by 1.2% and the Nikkei index in Tokyo increased by 7.1%.

The MSCI G7 Index increased by 7.9% and the MSCI Emerging Index increased by 2.5%. The S&P 500 implied volatility Index increased from 13.7% on December 31, 2013 to 19.2% on December 31, 2014.

The S&P 500 realized volatility index increased from 10.3% to 13.8% between December 31, 2013 and December 31, 2014.

BOND MARKETS

The US 10-year T-bond ended 2014 at 2.17%, a decrease of 87 bps compared to December 31, 2013. The 10-year German Bund yield decreased by 139 bps to 0.54%. The French 10-year government bond yield decreased by 172 bps to 0.84%. The 10-year Japanese government bond ended 2014 at 0.33%, a decrease of 41 bps compared to December 31, 2013. The 10-year Belgium government bond ended 2014 at 0.82% (174 bps decrease compared to December 31, 2013).

The 10-year government bonds in Eurozone peripheral countries decreased sharply: Italy ended 2014 at 1.88% (a decrease of 225 bps compared to December 31, 2013), Spain ended 2014 at 1.61% (a decrease of 254 bps compared to December 31, 2013), Greece ended 2014 at 9.6% (an increase of 118 bps compared to December 31, 2013), Ireland ended 2014 at 1.24% (a decrease of 223 bps compared to December 31, 2013), and Portugal ended 2014 at 2.69% (a decrease of 344 bps compared to December 31, 2013).

In Europe, the iTRAXX Main spreads decreased by 7 bps to 63 bps compared to December 31, 2013 while the iTRAXX Crossover increased by 59 bps to 346 bps. In the United States, the CDX Main spread Index increased by 4 bps to 66 bps.

EXCHANGE RATES

In this context, Euro depreciated against main currencies compared to 2013, as shown below:

	End of Period Exchange Rate		Average Exchange Rate	
	December 31, 2014 (for €1)	December 31, 2013 (for €1)	December 31, 2014 (for €1)	December 31, 2013 (for €1)
U.S. Dollar	1.21	1.38	1.33	1.33
Japanese Yen	145	145	141	125 [a]
British Sterling Pound	0.78	0.83	0.81	0.85
Swiss Franc	1.20	1.23	1.22	1.23
Russian Ruble	72.60	43.84	47.36	41.36

(a) Yen average exchange rate used for the fifteen months ending December 31, 2013 used for full year 2013 accounts profit or loss.

Operating highlights

SIGNIFICANT ACQUISITIONS

AXA completed the acquisition of 50% of Tian Ping

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

On February 20, 2014, AXA announced the completion of the acquisition. The acquired operations have been integrated in the scope of the Asian Region and accounted for using the

(1) Source: CIRC, December 2013.

equity method since February 20, 2014. The final acquisition cost was RMB 4.1 billion (or €495 million [1]), corresponding to a 50% stake. AXA and Tian Ping's current shareholders jointly control Tian Ping. AXA's previously existing Chinese P&C operations have been integrated within the new joint venture.

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

AXA completed the acquisition of 51% of colpatria's insurance operations in Colombia

On November 11, 2013, AXA announced it had entered into an agreement with **Grupo Mercantil Colpatria** to acquire a 51% stake in its composite insurance operations in Colombia ("Colpatria Seguros") [2].

On April 2, 2014, AXA announced it had completed the acquisition. The acquired operations have been integrated in the scope of the Mediterranean & Latin American Region and fully consolidated since April 2, 2014. Taking into consideration a price adjustment paid by AXA on August 26, 2014, the final acquisition cost was COP 683 billion (or €256 million [3]).

Colpatria Seguros is the #4 [4] insurance player in Colombia (7% market share), with operations in both Property & Casualty and Life & Savings. It benefits from a strong position in Property & Casualty (#2 with 9% market share), Workers Compensation (#3 with 15% market share) and Capitalization (#1 with 65% market share).

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

AXA to reinforce its presence in Poland through a partnership with mBank

On September 12, 2014, AXA announced that it has entered into a partnership with **mBank** whereby AXA would benefit from 10-year exclusive distribution agreements with mBank in Poland, for Property & Casualty and Life Protection insurance. In addition, AXA would acquire 100% of mBank's Property & Casualty subsidiary in Poland, BRE Insurance [5].

The cash consideration would amount to PLN 570 million upfront (or €136 million [6]), subject to price adjustment at completion, and an additional deferred consideration of up to PLN 31 million (or €7 million), subject to achieving certain targets and meeting certain conditions.

This transaction would allow AXA to strengthen materially its distribution reach in Poland through access to mBank's innovative and fast-growing multi-channel distribution model, while shifting its business mix towards more Property & Casualty and Life Protection products in line with its Ambition AXA strategy.

mBank is the #4 retail bank [7] in Poland, servicing around 4 million customers. In recent years, it has built a strong competitive advantage by developing a multi-channel approach through its internet and mobile platforms and more than 250 outlets. As the leader in electronic banking innovation in Poland and beyond, mBank was named as top digital model bank in Europe in 2014 by Celent Research. Therefore, mBank represents a unique partner for AXA in Poland as it takes another step further in its digital journey.

BRE Insurance is mBank's Property & Casualty captive insurance subsidiary which underwrites mainly Motor, Payment Protection and Household Insurance. It is a fast-growing company with 17% annual premium growth from 2010 to 2014. With most of its motor policies sold online, it would allow AXA to strengthen materially its presence in the Direct Motor channel in Poland.

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to take place in the first half of 2015.

AXA has completed the acquisition of a majority stake in Mansard Insurance plc in Nigeria

On December 8, AXA announced that it had completed the acquisition of 100% of Assur Africa Holdings [8] ("AAH") which held a 77% stake in the composite insurance company **Mansard Insurance plc**, for a total consideration of €198 million [9]. The acquired operations have been included within the Mediterranean & Latin American Region.

(1) EUR 1 = RMB 8.342.

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

(3) EUR 1 = COP 2,667.

(4) Based on information furnished by Colpatria and on Superintendencia Financiera de Colombia publicly available information.

(5) BRE Ubezpieczenia Towarzystwo Ubezpieczen I Reasekuracji S.A.

(6) EUR 1 = PLN 4.1936 as of September 10, 2014.

(7) Source: SNL Financial.

(8) AAH is a holding company whose only assets are its shares in Mansard. This consortium was led by DPI, Africinvest, DEG, FMO and PROPARCO.

(9) EUR 1 = NGN 217.9.

Mansard is the #4 insurance provider in Nigeria with operations in both Property & Casualty (#4 with 5% market share) and Life & Savings (#5 with 4% market share) [(1)]. The company is well established in commercial lines [(2)], which represent nearly two thirds of its revenues, and has been developing successfully its retail business, achieving a growth of ca. 40% *per annum* on average over the past three years. Mansard has built a strong competitive advantage through its multi-channel approach, with a strong focus on proprietary networks.

This transaction allowed AXA to enter the highly attractive Nigerian market through a very reputable local company, led by a talented management team. Moreover, Mansard will be able to capitalize on AXA's extended distribution knowledge, unique product skills and actuarial know-how, to accelerate further its development and leverage its competitive advantages.

SIGNIFICANT DISPOSALS

AXA completed the sale of its Hungarian Life & Savings insurance operations

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

This transaction triggered an exceptional capital loss of €50 million, which was accounted for in Net Income in 2013.

AXA to sell its mandatory Pension business in Hong Kong to The Principal Financial Group

On November 7, 2014, AXA announced it had entered into an agreement with **The Principal Financial Group** ("The Principal") to sell its Mandatory Provident Fund (MPF) and Occupational Retirement Schemes Ordinance (ORSO) businesses in Hong Kong. In conjunction, The Principal would enter into an exclusive distribution agreement with AXA proprietary networks in Hong Kong, for relevant MPF and ORSO mandatory schemes, for 15 years. Under the terms of the agreement, the total cash consideration payable at closing would amount to HKD 2.6 billion (or €270 million) [(4)].

This transaction would enable AXA to sell its Hong Kong MPF and ORSO operations, in line with the Group's in-force management approach of reviewing non-strategic portfolios, and to increase AXA Hong Kong's focus on Protection & Health and Retirement businesses, in line with Ambition AXA objectives. It would create a unique opportunity for AXA to maximize value through market consolidation while ensuring that existing scheme members will continue to benefit from a high quality of service. Moreover, the distribution agreement with The Principal, a leading provider of Retirement solutions in Hong Kong, would allow AXA to continue offering high quality mandatory Pension products to its customers.

AXA's MPF and ORSO operations in Hong Kong have been successfully developed since 2000 and 1988 respectively. AXA is the #10 MPF player [(5)] in Hong Kong. The total Assets under Management amounted to HKD 23.2 billion (or €2.2 billion) [(6)] as of December 31, 2013 and the total fees amounted to HKD 253 million (or €25 million) [(7)] in 2013.

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to take place in the third quarter of 2015.

AXA to sell its Romanian operations

On December 18, 2014, AXA announced it had entered into an agreement with **Certinvest** and **SIF Transilvania** to sell its Life & Savings insurance operations in Romania and exit the Romanian market. Under the terms of the agreement, Certinvest would acquire a stake of 70% in AXA's Romanian subsidiary, AXA Life Insurance S.A., while SIF Transilvania would acquire the remaining stake of 30%.

Certinvest is a leading independent asset manager in Romania. SIF Transilvania is a financial investment company listed on the Bucharest Stock Exchange.

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

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

Termination of the sale and purchase agreement between AXA and Astra Asigurari

On September 19, 2014, the agreement with **Astra Asigurari** to sell AXA's Life & Savings insurance operations in Romania, which was announced on November 29, 2013, has lapsed.

(1) *Source: NAICOM, based on 2012 gross written premiums.*
(2) *Group Life and commercial P&C.*
(3) *AXA Insurance Company and AXA Money & More.*
(4) *EUR 1 = HKD 9.6200 as of November 6, 2014.*
(5) *Source: Industry research, MPF Market Shares Report for December 2013.*
(6) *EUR 1 = HKD 10.6918 as of December 31, 2013.*
(7) *Using 2013 yearly average Forex rate.*

CAPITAL OPERATION

Shareplan 2014

For several years, the AXA Group has been offering its employees in and outside France, the opportunity to subscribe to shares issued by way of capital increase reserved for employees. In 2014, employees invested a total of EUR 314 million that led to a total of approximately 19 million newly-issued shares.

Employee shareholders represented 6.66% of the outstanding share capital as of December 31, 2014. As of December 31, 2014, AXA total share capital amounted to 2,442,276,677 shares.

OTHER

Placement of GBP 750 million subordinated notes

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

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

Placement of EUR 1 billion undated subordinated notes

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

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

Liability management initiative

On October 29, 2014, AXA launched a liability management exercise and offered to eligible holders of four series of existing notes the possibility to exchange them for new undated deeply subordinated resettable notes. This transaction was part of AXA's active management of its refinancing program aiming to ensure adequate visibility and optimum terms for the renewal of its outstanding debt maturing in the coming years.

The exchange offer was successfully completed on November 7 with a 58% average take-up rate and resulted in the issuance of €984 million undated deeply subordinated resettable notes (initial coupon set at 3.941% per annum until the first call date in 2024) and £724 million undated deeply subordinated resettable notes (initial coupon set at 5.453% *per annum* until the first call date in 2026). Impact was €-105 million post tax on shareholder's equity in 2014 due to the premium offered to the holders.

AXA Ratings

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

On October 15, 2014, S&P reaffirmed the financial strength ratings on AXA Group core subsidiaries at 'A+' with the outlook revised to Positive from Stable.

On November 4, 2014, Fitch reaffirmed all AXA entities' Insurer Financial Strength ratings at 'AA-' with a stable outlook.

Events subsequent to December 31, 2014

SWISS NATIONAL BANK'S DECISION TO DISCONTINUE MINIMUM EXCHANGE RATE

Following the Swiss National Bank (SNB)'s decision of January 15, 2015 to discontinue the minimum exchange rate of 1.20 franc per euro and lower interest rate on sight deposit balances to -0.75%, the Swiss franc increased sharply against the euro. This appreciation, if durable, is expected to have a mechanical effect on the translation reserve included in the shareholders' equity of AXA in Switzerland and on earnings translation in 2015. In addition, the decisions of the SNB are expected to affect significantly the financial and economic environment of AXA Winterthur including long term government bond yields, stock market performance and economic growth in Switzerland.

ECB'S DECISION TO EXTEND ITS ASSET PURCHASE PROGRAMME

European Central Bank (ECB) announced on January 22, 2015 an extension of its asset (sovereign bonds, covered bonds and ABS) purchase programme in order to stimulate the economy by encouraging credit creation and risk taking. This decision is expected to impact sovereign and corporate yields across the Eurozone and foreign currency exchange rates against the Euro.

Revenues & earnings summary

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

CONSOLIDATED GROSS REVENUES

(In Euro million)	December 31, 2014	December 31, 2013 published	December 31, 2013 restated [a]	December 31, 2014/ December 31, 2013 restated [b]
Life & Savings	55,345	55,331	55,331	3.2%
o/w. gross written premiums	*53,806*	*53,861*	*53,861*	-
o/w. fees and revenues from investment contracts with no participating feature	*327*	*323*	*323*	-
Property & Casualty	29,460	28,791	28,763	1.5%
International Insurance	3,292	3,143	3,143	3.4%
Asset Management	3,326	3,461	3,461	4.0%
Banking [c]	564	524	524	7.0%
Holdings and other companies	0	0	0	n/a
TOTAL	**91,988**	**91,249**	**91,221**	**2.7%**

Revenues are disclosed net of intercompany eliminations.

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS 10 and 11.

(b) Changes are on a comparable basis.

(c) Excluding (i) net realized capital gains or losses and (ii) change in fair value of assets under fair value and of options and derivatives, net banking revenues and total consolidated revenues would respectively amount to €559 million and €91,982 million for 2014 and €518 million and €91,244 million for 2013.

Consolidated gross revenues in 2014 reached €91,988 million, up 3% compared to 2013 on a comparable basis.

The comparable basis mainly consisted in the adjustment of: (i) the alignment of closing dates in Japan [(1)] (€+1.2 billion or +1.4 points), (ii) the foreign exchange rate movements in 2014 (€+0.5 billion or +0.6 point), mainly Euro appreciation against JPY, (iii) the closed MONY portfolio transaction in 2013 (€+0.2 billion or +0.2 point), (iv) the disposal of AXA Private Equity in 2013 (€+0.2 billion or +0.2 point), (v) the acquisition of Colpatria's insurance operations in Colombia in 2014 (€-0.6 billion or -0.7 point) and (vi) the restatement of the retrospective application of IFRS 10 and 11 in 2013 as mentioned above.

LIFE & SAVINGS ANNUAL PREMIUM EQUIVALENT [(2)]

(In Euro million)	December 31, 2014	December 31, 2013	December 31, 2014/ December 31, 2013 [(a)]
TOTAL	**6,477**	**6,335**	**5.6%**
G/A Protection & Health	2,395	2,489	2.9%
G/A Investment & Savings	999	904	10.6%
Unit-Linked	2,298	2,165	8.6%
Funds & other	786	778	-0.1%
Mature markets	**5,341**	**5,265**	**4.0%**
High growth markets	**1,136**	**1,070**	**13.9%**

(a) Changes are on a comparable basis.

Total Life & Savings New Business APE amounted to €6,477 million, up 2% on a reported basis or up 6% on a comparable basis, with significant growth in all main business lines. The increase in sales in Unit-Linked and G/A Savings products was mainly driven by the success of hybrid products [(3)] in Continental Europe as well as exceptional deals in France, while the growth in Protection & Health products was primarily due to higher sales in France, Thailand, Hong Kong and China, partially offset by lower volumes in Switzerland following the repositioning of the Group Life product mix.

In high growth markets, APE grew by 14% mainly driven by Hong Kong (+17% or €+74 million), South-East Asia, India and China (+16% or €+66 million), partly offset by a slowdown in Central & Eastern Europe (-18% or €-19 million). In mature markets, growth was mainly driven by France (+11% or €+153 million) and AXA MPS (+37% or €+81 million), partly offset by Switzerland (-24% or €-105 million), Belgium (-17% or €-26 million) and Germany (-3% or €-12 million).

- **Protection & Health APE (37% of total)** was up 3% (or €+69 million) driven by (i) France (+10% or €+63 million) following a strong increase in Group business reflecting positive developments in both international and traditional French businesses, (ii) Thailand (+29% or €+42 million) as a result of higher sales of short term Protection with Savings products and the successful launch of a new whole life product, (iii) Hong Kong (+17% or €+37 million) due to successful marketing campaigns and the launch of new products, (iv) China (+31% or €+22 million) resulting from an increase in sales of individual regular and single premium participation endowment products and (v) Mexico (+46% or €+17 million) as a result of two large Government contracts underwritten in August 2014, partly offset by (vi) Switzerland (-25% or €-102 million) following the strategic shift from full protection schemes to semi-autonomous employee benefit solutions, (vii) Germany (-14% or €-29 million) mainly due to the non-repeat of strong sales in Health in 2013 resulting

(1) AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. In the comparable basis, 2013 contribution was restated to cover January 1, 2013 to December 31, 2013 period.

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

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

from the anticipation of a change in regulation and (viii) the United States (-17% or €-20 million) with lower sales in Term and Indexed Universal Life products due to increased competition.

- **Unit-Linked APE (35% of total)** was up 9% (or €+183 million) mainly driven by (i) the United Kingdom (+13% or €+47 million) mainly as a result of strong sales in the Corporate Pension Investment business, (ii) Hong Kong (+28% or €+46 million) mainly due to accelerated sales before the implementation of significant regulatory changes in 2015, (iii) Germany (+60% or €+38 million) and (iv) AXA MPS (+15% or €+26 million) both due to the successful launch of new hybrid products [1], (v) the United States (+4% or €+29 million) reflecting the continued success of the floating roll up rate GMxB product, partly offset by (vi) Belgium (-28% or €-18 million) due to a decrease in Structured products and Oxylife hybrid products [1] and (vii) Indonesia (-12% of €-10 million) due to lower productivity in the Bancassurance channel.
- **General Account Savings APE (15% of total)** was up 11% (or €+96 million) mainly driven by (i) France (+15% or €+79 million) and (ii) AXA MPS (+131% or €+52 million) both from higher sales of hybrid products [1], partially offset by (iii) Germany (-23% or €-21 million) as a result of a voluntary shift in business mix towards Unit-Linked products.

PROPERTY & CASUALTY REVENUES

(In Euro million)	December 31, 2014	December 31, 2013	December 31, 2014/ December 31, 2013 [a]
TOTAL	**29,460**	**28,763**	**1.5%**
Mature Markets	22,378	21,996	0.9%
Direct	2,361	2,247	5.2%
High Growth Market	4,721	4,520	2.4%

(a) Changes are on a comparable basis.

Property & Casualty gross revenues were up 2% on a reported basis and up 1% on a comparable basis to €29,460 million in 2014. Personal lines increased by 1%, primarily in Direct, France and Switzerland. Overall, average tariff increases amounted to 2%. Commercial lines increased by 2% mainly driven by the United Kingdom & Ireland, France and Asia.

Personal lines (58% of P&C gross revenues) increased by 1% on a comparable basis.

Motor revenues grew by €77 million or +1% as a result of tariff increases in mature markets and higher volumes in Direct business and Asia, partly offset by lower volumes in the Mediterranean and Latin American Region.

- **Direct** (+5%) driven by a competitive pricing positioning in Japan and France, improved retention in the United Kingdom and in South Korea, partly offset by a slowdown in Spain in a difficult market environment;

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

- **France** (+3%) driven by both tariff increases and higher volumes;
- **Germany** (+2%) driven by tariff increases;
- **Switzerland** (+1%) driven by higher volumes;

partly offset by **Mediterranean and Latin American Region** (-3%) primarily driven by Turkey (-9%) due to increased competition combined with a decrease in new private car sales and by Spain (-3%) reflecting tariff decreases and a lower average premium.

Non-Motor revenues increased by €136 million or +2% mainly driven by tariff increases across the board and higher volumes in high growth markets and Direct business, partly offset by lower volumes in mature markets.

- **France** (+4%) mainly driven by tariff increases in Household and Property;
- **Mediterranean and Latin American Region** (+3%) stemming from strong new business and tariff increases in Health in Mexico and in the Gulf Region;
- **Switzerland** (+5%) reflecting tariff increases in Property and Liability;
- **Direct** (+7%) mainly attributable to Personal Accident and Health in South Korea and Household in France;

partly offset by **the United Kingdom & Ireland** (-2%) reflecting difficult market conditions and exit from unprofitable schemes and partnerships in the second half of 2013.

Commercial lines (41% of P&C gross revenues) increased by 2% on a comparable basis mainly driven by tariff increases across the board as well as volume increases in high growth markets.

Non-Motor revenues increased by €249 million or +3% mainly driven by:

- **Mediterranean and Latin American Region** (+5%) mainly driven by both positive portfolio developments and tariff increases in Health in the Gulf Region and in Mexico and by positive portfolio developments in Turkey;
- the **United Kingdom & Ireland** (+4%) as a result of tariff increases and new business development in Property and Liability;
- **France** (+2%) following positive developments in the international Creditor business and tariff increases in Property;
- **Asia** (+9%) mainly driven by Health in Malaysia and Singapore and Property in Hong Kong, Singapore and Malaysia.

Motor revenues decreased by €14 million or -1%, mainly driven by:

- **Mediterranean and Latin American Region** (-7%) mainly due to lower volumes in Mexico and Turkey and lower renewals in Spain;

partly offset by the **United Kingdom & Ireland** (+9%) principally due to higher new business and a better retention;

- **France** (+5%) mainly due to tariff increases.

INTERNATIONAL INSURANCE REVENUES

International insurance revenues were up 3% on comparable basis to €3,292 million, mainly driven by (i) **AXA Assistance** up 9% to €1,155 million driven by higher volumes, (ii) **AXA Global P&C and AXA Global Life** up 67% to €102 million mainly due to new quota share and excess reinsurance treaties with AXA entities in emerging markets, partly offset by (iii) **AXA Corporate Solutions Assurance** down 1% to €2,131 million as a consequence of lower volumes in Liability, Aviation & Space and Marine, partly offset by positive portfolio developments in Motor and Property.

ASSET MANAGEMENT REVENUES AND ASSETS UNDER MANAGEMENT

Asset Management revenues decreased by 4% on reported basis or increased by 4% on a comparable basis to €3,326 million, mainly driven by higher management fees at both AllianceBernstein and AXA IM as a result of higher average Assets Under Management (AUM).

AllianceBernstein revenues were up 4% (or €+86 million) on a comparable basis to €2,175 million mainly driven by higher management fees (€+77 million) resulting from higher average AUM (+5%), as well as higher institutional research fees (+8%).

AllianceBernstein AUM increased by 19% (or €+67 billion) from year-end 2013 to €413 billion, mainly driven by (i) €+50 billion favourable foreign exchange rate impact (ii) €+12 billion market appreciation primarily on Fixed Income assets, (iii) €+3 billion net inflows and (iv) €+2 billion change in scope related to the acquisition of a Danish global equity asset management firm (CPH Capital).

AXA Investment Managers revenues decreased by 16% (or €-212 million) on a reported basis to €1,151 million following the sale of the private equity business in 2013. Excluding distribution fees (retroceded to distributors) and on a comparable basis, gross revenues increased by €70 million (+7%) mainly driven by higher management fees (€+85 million) resulting from higher average AUM (+5%), partly offset by lower performance fees (€-17 million) mainly from structured finance.

AXA Investment Managers AUM increased by 14% (or €+76 billion) from year-end 2013 to €623 billion, mainly driven by (i) €+45 billion market appreciation mainly on AXA's insurance companies assets as a result of the decrease in interest rates, rising stock markets since end of 2013 and reinvestment of dividends, (ii) €+19 billion net inflows and (iii) €+13 billion favorable foreign exchange rate impact.

NET BANKING REVENUES

Net banking revenues increased by 8% on a reported basis or by 7% on a comparable basis to €564 million driven by higher net revenues from banking activities.

Consolidated underlying earnings, adjusted earnings and net income

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

(In Euro million)	December 31, 2014	December 31, 2013 published	December 31, 2013 restated [(a)]
Gross written premiums	86,267	85,509	85,481
Fees and revenues from investment contracts without participating feature	327	323	323
Revenues from insurance activities	**86,595**	**85,832**	**85,804**
Net revenues from banking activities	452	517	517
Revenues from other activities	**4,834**	**4,900**	**4,900**
TOTAL REVENUES	**91,880**	**91,248**	**91,220**
Change in unearned premium reserves net of unearned revenues and fees	**(289)**	**(296)**	**(298)**
Net investment result excluding financing expenses [(b)]	**27,917**	**33,254**	**33,249**
Technical charges relating to insurance activities [(b)]	(92,229)	(96,098)	(96,087)
Net result of reinsurance ceded	(762)	(1,209)	(1,205)
Bank operating expenses	(78)	(80)	(80)
Insurance acquisition expenses	(9,605)	(9,902)	(9,899)
Amortization of value of purchased life business in force	(120)	(167)	(167)
Administrative expenses	(9,030)	(9,231)	(9,227)
Valuation allowances on tangible assets	-	(0)	(0)
Change in value of *goodwill*	(3)	(0)	(0)
Other	(220)	(240)	(240)
Other operating income and expenses	**(112,047)**	**(116,928)**	**(116,906)**
OPERATING EARNINGS BEFORE TAX	**7,462**	**7,277**	**7,265**
Net income from investments in affiliates and associates	164	119	127
Financing expenses	(519)	(601)	(601)
UNDERLYING EARNINGS BEFORE TAX	**7,107**	**6,794**	**6,790**
Income tax expenses	(1,726)	(1,761)	(1,757)
Minority interests	(321)	(305)	(305)
UNDERLYING EARNINGS	**5,060**	**4,728**	**4,728**
Net realized capital gains or losses attributable to shareholders	442	434	434
ADJUSTED EARNINGS	**5,503**	**5,162**	**5,162**
Profit or loss on financial assets (under fair value option) & derivatives	225	(317)	(317)
Exceptional operations (including discontinued operations)	(188)	38	38
Goodwill and other related intangible impacts	(345)	(138)	(138)
Integration and restructuring costs	(170)	(263)	(263)
NET INCOME	**5,024**	**4,482**	**4,482**

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS 10 and 11.

(b) For the periods ended December 31, 2014 and December 31, 2013, "the change in fair value of assets backing contracts with financial risk borne by policyholders" impacted the net investment result for respectively €+9,520 million and €+22,180 million, and benefits and claims by the offsetting amounts respectively.

GROUP UNDERLYING EARNINGS

(In Euro million)	December 31, 2014	December 31, 2013
Life & Savings	3,132	2,793
Property & Casualty	2,158	2,105
International Insurance	208	202
Asset Management	403	400
Banking	106	78
Holdings and other companies	(947)	(851)
UNDERLYING EARNINGS	**5,060**	**4,728**

Group underlying earnings amounted to €5,060 million, up 7% on a reported basis, and up 8% on a constant exchange rate basis driven by growth across all segments.

Life & Savings underlying earnings amounted to €3,132 million. On a reported basis, Life & Savings underlying earnings increased by €339 million (+12%). On a comparable scope basis (restated for the alignment to Group closing dates in Japan in 2013 and the closed MONY portfolio transaction in 2013) Life & Savings underlying earnings were up €532 million (+20%) mainly attributable to the United States (€+248 million), France (€+60 million), Japan (€+52 million), South-East Asia, India and China (€+39 million) and the United Kingdom (€+39 million) mainly resulting from:

- **lower investment margin** (€-49 million or -2%) primarily attributable to (i) Japan (€-123 million) mainly due to the non-repeat of 2013 high dividends from equity and private equity funds following Japanese stock market rally, partly offset by (ii) Germany (€+46 million) due to a change in regulation in Life leading to a change in allocation of policyholders' participation towards technical margin, (iii) France (€+16 million) driven by lower policyholders' crediting rates and (iv) the United States (€+11 million) primarily due to lower corporate interest expense following the repayment of surplus notes;
- **higher Fees and Revenues** (€+310 million or +4%):
  - **Unit-Linked management fees** were up €173 million mainly driven by (i) the United States (€+87 million) and (ii) France (€+56 million) as a consequence of higher average Separate Account balances,
  - **loadings on premiums and Mutual funds** were up €102 million mainly driven by (i) Hong Kong (€+68 million) driven by new business and inforce growth, (ii) Japan (€+66 million) from business mix improvement and inforce growth in G/A Protection & Health, (iii) Mediterranean and Latin American Region (€+50 million) from higher Unearned Revenues Reserves amortization as a result of higher surrenders at AXA MPS and (iv) Germany (€+29 million) mainly due to a lower share of policyholders' participation notably in Health, partly offset by (v) the United States (€-112 million) driven by the non-repeat of assumption updates that resulted in a favorable impact on Unearned Revenues Reserves amortization in 2013,
  - **other revenues** were up €36 million mainly driven by higher Mutual funds fees in the United States;
- **higher net technical margin** (€+84 million or +13%) mainly attributable to (i) Japan (€+151 million) driven by the non-repeat of 2013 unfavorable model and assumption changes, (ii) France (€+131 million) mainly stemming from higher positive prior year reserve developments in the Individual Protection & Health business and (iii) Hong Kong (€+27 million) due to both higher surrender margin from Unit-Linked products and a better claims experience for G/A Protection & Health products, partly offset by (iv) the United States (€-242 million) primarily from lower GMxB margin reflecting the non-repeat of 2013 model and assumption changes including the GMxB buyout;

- **lower expenses** (€+226 million or -3%) as a result of:
  - **lower acquisition expenses** (€+345 million) primarily driven by (i) the United States (€+421 million) and (ii) France (€+39 million) both due to lower DAC amortization (partly offset in Unearned Revenues Reserves), partly offset by higher acquisition expenses in (iii) Hong Kong (€-41 million), (iv) Germany (€-34 million) and (v) Mediterranean and Latin American Region (€-28 million) mainly due to higher DAC amortization,
  - **higher administrative expenses** (€-119 million) primarily in (i) France (€-71 million) mainly due to higher commissions on savings driven by business growth and higher non commission expenses due to the non-repeat of 2013 favorable tax one-offs and (ii) Japan (€-28 million) driven by the non-repeat of 2013 one-off effects;
- **higher tax expenses and minority interests** (€-82 million or +9%) driven by higher pre-tax underlying earnings, partly offset by more favorable tax one-offs (€+115 million vs. 2013 mainly in the United States).

Property & Casualty underlying earnings amounted to €2,158 million. On a constant exchange rate basis and excluding the contribution of Colombia, Property & Casualty underlying earnings increased by €37 million (+2%) mainly attributable to Germany (€+52 million), Direct (€+38 million) and the United Kingdom & Ireland (€+23 million), partly offset by France (€-60 million) and Switzerland (€-12 million) mainly resulting from:

- **lower net technical result** (€-97 million or -10%) driven by:
  - **current year loss ratio** deteriorated by 0.3 point mainly as a result of higher Nat Cat charges (+1.1 points) that amounted to €561 million largely as a result of Ela hailstorm (€-271 million) in Europe and Odile hurricane (€-256 million) in Mexico, both impacting most entities through the Group Nat Cat risks pool program in 2014 whereas 2013 was impacted by Bavaria and Saxony floods (€-53 million charge at Group level) as well as several other hailstorms and windstorms, in particular Norbert (€69 million) and Andreas (€29 million) mainly in Germany,
  - **lower positive prior year reserve developments** by 0.6 point to -0.6 point (compared to -1.2 points in 2013),
  - **lower expense ratio by 0.5 point to 26% with** (i) 0.3 point reduction in the acquisition expense ratio driven by both productivity gains and decrease in commission ratio and (ii) 0.2 point decrease in the administrative expense ratio benefitting from various efficiency programs,
  - as a result, the **combined ratio** deteriorated by 0.4 point to 96.9% while current year combined ratio improved by 0.2 point to 97.6%;
- **higher investment result** (€+87 million or +4%) mainly driven by (i) France (€+67 million) driven by higher exceptional distributions from Mutual funds and (ii) the Mediterranean and Latin American Region (€+52 million) mainly in Turkey reflecting higher interest rates and increased average asset base;
- **lower tax expenses and minority interests** (€+33 million or -3%) mainly driven by lower pre-tax underlying earnings in France, Mexico and Switzerland.

International insurance underlying earnings amounted to €208 million. On a constant exchange rate basis, underlying earnings increased by €4 million (or +2%) mainly attributable to (i) favorable developments on run-off portfolios at AXA Corporate Solutions Life Reinsurance and (ii) higher new business in AXA Assistance, partly offset by (iii) higher staff costs and lower technical result at AXA Global P&C and AXA Global Life.

Asset Management underlying earnings amounted to €403 million. On a constant exchange rate basis, underlying earnings were stable. On a comparable scope basis, restated for the sale of AXA Private Equity, Asset Management underlying earnings were up €43 million (+12%) attributable to AXA IM (€+35 million) and AllianceBernstein (€+9 million) , both due to higher revenues mainly reflecting higher average AUM.

Banking underlying earnings amounted to €106 million. On a constant exchange rate basis, underlying earnings increased by €28 million (+36%) mainly attributable to (i) Belgium (€+19 million) as a result of increased interest margin and fee income and (ii) France (€+3 million) due to the decrease in general administrative expenses.

Holdings and other companies underlying earnings amounted to €-947 million. On a constant exchange rate basis, underlying earnings decreased by €97 million mainly attributable to AXA SA (€-91 million) mainly reflecting (i) Group investments to support brand advertising campaigns and increase digital capabilities, (ii) lower dividends received from non-consolidated entities and (iii) an increase in the French tax on dividends of 3% due to higher dividend paid by the Company.

GROUP ADJUSTED EARNINGS TO NET INCOME

Group net realized capital gains attributable to shareholders amounted to €442 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders increased by €7 million mainly due to:

- €-43 million **lower realized capital gains** to €760 million mainly driven by lower realized gains on equities (€-52 million) following the non-repeat of the sale of a 3.9% equity stake in BNP Paribas and on real estate (€-30 million);
- €+6 million **lower impairments** to €-296 million mainly driven by real estate (€+85 million), partly offset by higher impairments of equities (€-78 million) mainly on BMPS;
- €+45 million less unfavorable **intrinsic value** to €-22 million related to equity hedging derivatives.

As a result, **adjusted earnings** amounted to €5,503 million. On a constant exchange rate basis, adjusted earnings increased by €386 million (+7%).

Net income amounted to €5,024 million. On a constant exchange rate basis, net income increased by €536 million (+12%) mainly as a result of:

- higher adjusted earnings (€+386 million);
- a favorable change in fair value of financial assets and derivatives in 2014 compared to an unfavorable change in 2013; up €540 million to €225 million which can be analyzed as follows:
  - €+182 million following foreign exchange rate movements notably driven by a favorable change in fair value of economic hedge derivatives not eligible for hedge accounting under IAS 39,
  - €+226 million from the change in fair value of hedging derivatives not eligible for hedge accounting under IAS 39, mainly attributable to interest rates decrease,
  - €-183 million from the change in fair value of assets accounted for under fair value option;
- lower restructuring costs (€+93 million) to €-170 million mainly driven by the non-repeat of 2013 real estate lease write-off in the United States;
- higher negative impact from exceptional operations (€-232 million) to €188 million mainly driven by the non-repeat of the 2013 realized gain from the disposal of AXA Private Equity (€-165 million) as well as a one-off provision in Hungary Bank (€-101 million) as a result of the law voted in July 2014 which retroactively corrected the bid-ask spreads applied to retail loans denominated in foreign currency and obliged all banks to compensate clients for past variable interest rate changes;
- higher negative impact from goodwill and other intangibles (€-251 million) to €-345 million mainly reflecting the impairment of part of the value of Reso (subsidiary consolidated under the equity method) due to deteriorated economic perspectives in Russia (€-251 million).

Consolidated shareholders' equity

As of December 31, 2014, consolidated shareholders' equity totalled €65.2 billion. The movements in shareholders' equity since December 31, 2013 are presented in the table below:

	Shareholders' Equity
At December 31, 2013	**52,923**
Share Capital	56
Capital in excess of nominal value	311
Equity-share based compensation	35
Treasury shares sold or bought in open market	24
Deeply subordinated debt (including interests charges)	649
Fair value recorded in shareholders' equity	7,077
Impact of currency fluctuations	2,432
Payment of N-1 dividend	(1,960)
Other	(122)
Net income for the period	5,024
Actuarial gains and losses on pension benefits	(1,230)
At December 31, 2014	**65,219**

Shareholder value

EARNINGS PER SHARE ("EPS")

(In Euro million except ordinary shares in million)	December 31, 2014		December 31, 2013 published		Var. December 31, 2014 versus December 31, 2013 published	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,420.5**	**2,432.2**	**2,383.9**	**2,397.2**		
Net income (Euro per Ordinary Share)	*1.95*	*1.94*	*1.76*	*1.75*	*11%*	*11%*
Adjusted earnings (Euro per Ordinary Share)	*2.15*	*2.14*	*2.05*	*2.03*	*5%*	*5%*
Underlying earnings (Euro per Ordinary Share)	*1.96*	*1.95*	*1.86*	*1.85*	*5%*	*5%*

RETURN ON EQUITY ("ROE")

(In Euro million)	December 31, 2014	December 31, 2013 published	Change in % points
ROE	**9.0%**	**8.9%**	**0.1 pts**
Net income Group share	5,024	4,482	
Average shareholders' equity	56,100	50,601	
Adjusted ROE	**14.5%**	**14.8%**	**-0.3 pts**
Adjusted earnings [(a)]	5,196	4,878	
Average shareholders' equity [(b)]	35,827	32,997	
Underlying ROE	**13.3%**	**13.5%**	**-0.2 pts**
Underlying earnings [(a)]	4,754	4,444	
Average shareholders' equity [(b)]	35,827	32,997	

(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).

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)	December 31, 2014	December 31, 2013
GROSS REVENUES [(a)]	**55,469**	**55,433**
APE (Group share)	*6,477*	*6,335*
Investment margin	2,609	2,710
Fees & revenues	7,461	7,706
Net technical margin	769	726
Expenses	(6,726)	(7,274)
Amortization of VBI	(120)	(167)
Other	111	85
UNDERLYING EARNINGS BEFORE TAX	**4,105**	**3,787**
Income tax expenses/benefits	(887)	(905)
Minority interests	(86)	(89)
UNDERLYING EARNINGS GROUP SHARE	**3,132**	**2,793**
Net capital gains or losses attributable to shareholders net of income tax	292	332
ADJUSTED EARNINGS GROUP SHARE	**3,424**	**3,125**
Profit or loss on financial assets (under FV option) & derivatives	114	(270)
Exceptional operations (including discontinued operations)	30	(70)
Goodwill and other related intangibles impacts	(13)	(65)
Integration and restructuring costs	(31)	(107)
NET INCOME GROUP SHARE	**3,524**	**2,614**

(a) Before intercompany eliminations.

CONSOLIDATED GROSS REVENUES

(In Euro million)	December 31, 2014	December 31, 2013
France	15,148	14,131
United States	11,470	11,304
United Kingdom	645	569
Japan	3,801	5,579
Germany	6,670	6,542
Switzerland	6,726	7,067
Belgium	1,813	2,012
Central & Eastern Europe [a]	320	389
Mediterranean and Latin American Region [b]	6,389	5,581
Hong Kong	1,972	1,849
South-East Asia, India and China [c]	336	268
Other [d]	180	141
TOTAL	**55,469**	**55,433**
Intercompany transactions	(124)	(103)
Contribution to consolidated gross revenues	**55,345**	**55,331**
o/w. high growth markets	3,209	2,884
o/w. mature markets	52,136	52,447

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

UNDERLYING EARNINGS

(In Euro million)	December 31, 2014	December 31, 2013
France	768	708
United States	760	559
United Kingdom	28	(12)
Japan	363	447
Germany	162	138
Switzerland	307	277
Belgium	156	167
Central & Eastern Europe [a]	40	32
Mediterranean and Latin American Region [b]	193	174
Hong Kong	282	251
South-East Asia, India and China [c]	119	92
Other [d]	(45)	(41)
Underlying earnings	**3,132**	**2,793**
o/w. high growth markets	459	394
o/w. mature markets	2,673	2,399

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

LIFE & SAVINGS OPERATIONS – FRANCE

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**15,148**	**14,131**
APE (Group share)	*1,584*	*1,431*
Investment margin	1,195	1,179
Fees & revenues	1,624	1,583
Net technical margin	586	455
Expenses	(2,317)	(2,285)
Amortization of VBI	-	-
Other	11	11
Underlying earnings before tax	**1,098**	**943**
Income tax expenses/benefits	(328)	(232)
Minority interests	(2)	(2)
Underlying earnings Group share	**768**	**708**
Net capital gains or losses attributable to shareholders net of income tax	108	295
Adjusted earnings Group share	**876**	**1,003**
Profit or loss on financial assets (under FV option) & derivatives	6	47
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(4)	(9)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**878**	**1,042**

(a) Before intercompany eliminations. Gross Revenues amounted to € 15,121 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €1,017 million (+7%) to €15,148 million:

- *Unit-Linked* revenues (16% of gross revenues) rose by €225 million (+10%), mainly as a result of increased commercial efforts. The Unit-Linked share in Individual Savings premiums increased by 3 points to 31%, above the market average of 17% [(1)];
- *G/A Savings* revenues (41% of gross revenues) increased by €587 million (+11%), mainly as a result of two large contracts underwritten in Group Retirement (+26%), and growth in hybrid products [(2)] sales in Individual Savings (+8%);
- *G/A Protection & Health* revenues (43% of gross revenues) increased by €195 million (+3%) mainly driven by a €136 million increase in Group Protection & Health, from both tariff and volume increases, and a €36 million increase in Individual Protection reflecting positive portfolio developments. Individual Health increased by €22 million driven by tariff increases.

APE increased by €153 million (+11%) to €1,584 million:

- *Unit-Linked* sales (18% of APE) rose by €10 million (+4%) mainly driven by Individual Savings (+17%) as a result of increased commercial efforts, partly offset by the non-repeat of exceptional deals in Group Retirement in 2013 (-58%);
- *G/A Savings* sales (38% of APE) increased by €79 million (+15%), mainly as a result of two large contracts underwritten in Group Retirement (+46%) and from growth in hybrid products [(2)] sales in Individual Savings (+10%);

(1) Source FFSA December 2014.

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

- *G/A Protection & Health* sales (44% of APE) increased by €63 million (+10%) mainly driven by a €74 million increase in Group Protection & Health reflecting positive developments in both international (Employee Benefits and Mortgages) and traditional French businesses. Individual Protection sales rose by €6 million (+8%), reflecting volume growth and increase in average premiums. Individual Health decreased by €16 million (-13%), ahead of a change in regulation (implementation of the Accord National Interprofessionnel starting January 1st, 2016).

Investment margin increased by €16 million (+1%) to €1,195 million as the decrease in investment income, driven by the low interest rates environment, was more than offset by the decrease in interest credited to policyholders as well as the non-repeat of the increase in the unallocated policyholders' reserve in 2013.

Fees & revenues increased by €41 million (+3%) to €1,624 million mainly due to higher fees on both Unit-Linked (€+56 million), driven by a higher average asset base and Group Protection & Health (€+64 million), driven by revenues growth, partly offset by a €-93 million change in Unearned Revenues Reserves mainly due to a €-78 million exceptional adjustment (offset in deferred acquisition costs).

Net technical margin rose by €131 million (+29%) to €586 million mainly due to higher positive prior year reserve developments in the Individual Protection & Health business and favorable one-offs in the Group Retirement and Individual Savings businesses.

Expenses increased by €32 million (+1%) to €-2,317 million:

- acquisition expenses fell by €39 million (-3%) to €-1,397 million, mainly driven by €+126 million of change of deferred acquisition costs mainly due to a €+80 million exceptional adjustment (offset in Unearned Revenues Reserves) and an increase in deferred acquisition costs capitalization, partly offset by higher commissions (€-94 million) in the Group Protection & Health and Individual Savings businesses, in line with business growth;
- administrative expenses rose by €71 million (+8%) to €-920 million, mainly due to higher commissions on Savings (€-39 million) driven by business growth and higher average asset base, as well as €-32 million higher non commission expenses mainly due to unfavorable tax one-offs in 2014 (mainly "CVAE").

As a result, **the underlying cost income ratio** decreased by 3.0 points to 68.1%.

Income tax expenses increased by €96 million (+41%) to €-328 million driven by the increase in pre-tax underlying earnings combined with lower level of non taxable revenues and a less favorable corporate tax rate mix.

Underlying earnings increased by €60 million (+8%) to €768 million.

Adjusted earnings decreased by €127 million (-13%) to €876 million, as the increase in underlying earnings was more than offset by lower realized capital gains (€-216 million) mainly due to the sale of a 3.9% equity stake in BNP Paribas in 2013 (€-195 million).

Net income decreased by €164 million (-16%) to €878 million driven by the decrease in adjusted earnings, an unfavorable change in the fair value of economic hedge derivatives not eligible for hedge accounting mainly as a consequence of the impact of lower interest rates on swaptions (€-61 million), and a negative change in fair value of forex derivatives not eligible to hedge accounting (€-17 million), partly offset by a more favorable change in the fair value of Mutual funds (€+38 million).

LIFE & SAVINGS OPERATIONS – UNITED STATES

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**11,470**	**11,304**
APE (Group share)	*1,355*	*1,322*
Investment margin	493	502
Fees & revenues	2,185	2,211
Net technical margin	(425)	(113)
Expenses	(1,403)	(1,833)
Amortization of VBI	(9)	(20)
Other	-	-
Underlying earnings before tax	**842**	**746**
Income tax expenses/benefits	(81)	(187)
Minority interests	(0)	-
Underlying earnings Group share	**760**	**559**
Net capital gains or losses attributable to shareholders net of income tax	(14)	(47)
Adjusted earnings Group share	**746**	**511**
Profit or loss on financial assets (under FV option) & derivatives	19	(301)
Exceptional operations (including discontinued operations)	26	(11)
Goodwill and other related intangibles impacts	(1)	(1)
Integration and restructuring costs	(9)	(65)
NET INCOME GROUP SHARE	**782**	**133**
Average exchange rate : €1.00 = $	*1.332*	*1.327*

(a) Before intercompany eliminations. Gross Revenues amounted to € 11,469 million net of intercompany eliminations as of December 31, 2014.

On October 1, 2013, AXA Financial completed the closed MONY portfolio transaction. In 2013, MONY generated €193 million of Gross Revenues and €43 million of underlying earnings. Commentary below on a comparable basis reflects the exclusion of MONY and a constant exchange rate.

Gross revenues increased by €166 million (+1%) to €11,470 million. On a comparable basis, gross revenues increased by €402 million (+4%):

- *Variable Annuity* revenues (71% of gross revenues) increased by €371 million (+5%) reflecting strong sales of floating roll up rate GMxB and Employer Sponsored products;
- *life* revenues (20% of gross revenues) decreased by €24 million (-1%) primarily driven by lower sales of Protection products and lower renewal premiums in Unit-Linked;
- *asset management* fees (7% of gross revenues) increased by €33 million (+4%), reflecting improved market conditions and sales;
- *Mutual fund* revenues (2% of gross revenues) increased by €22 million (+13%), reflecting higher advisory fees received and increase in sale volumes.

APE increased by €33 million (+2%) to €1,355 million. On a comparable basis, APE increased by €39 million (+3%):

- *Variable Annuity* sales (56% of APE) increased by €28 million (+4%). The increase is mainly due to sales growth in floating rate GMxB products as well as the success of the non-GMxB investment only individual product launched in November 2013. Non-GMxB investment only and floating rate GMxB products launched since 2010 represented a combined 63% of full year 2014 Variable Annuity sales;

- *life* sales (12% of APE) decreased by €18 million (-10%) driven by a decrease in G/A Protection products (-20%), partly reflecting product re-pricing and the adverse interest rate environment impacting the competitiveness of products;
- *Mutual fund* sales (33% of APE) increased by €30 million (+7%), reflecting increased advisory account sales.

Investment margin decreased by €9 million (-2%) to €493 million. On a comparable basis, investment margin increased by €11 million (+2%) mainly explained by (i) lower corporate interest expense following the repayment of surplus notes and (ii) higher income from indexed products due to higher balances, partially offset by (iii) lower yields.

Fees & revenues decreased by €26 million (-1%) to €2,185 million. On a comparable basis, fees & revenues increased by €8 million mainly driven by higher fees (€+94 million) reflecting higher average Separate Account balances, partly offset by the non-repeat of assumption updates that resulted in a favorable impact on Unearned Revenue Reserves in 2013.

Net technical margin decreased by €312 million to €-425 million. On a comparable basis, net technical margin decreased by €242 million primarily due to the non-repeat of one time positive impacts of model and assumption updates including the GMxB buyout in 2013 and unfavorable GMxB attribution results in 2014.

Expenses decreased by €430 million (-23%) to €-1,403 million. On a comparable basis, expenses decreased by €403 million (-22%):

- expenses excluding DAC amortization increased by €32 million mainly due to higher asset based compensation as a result of higher balances and mutual fund product sales, partially offset by lower general and administrative expenses driven by continued expense management;
- DAC amortization decreased by €435 million to €153 million, primarily driven by DAC reactivity to a lower margin on the GMxB business and by the non-repeat of unfavorable changes in expected future margins on variable and interest-sensitive life products due to updated mortality assumptions in 2013.

Amortization of VBI decreased by €11 million to €-9 million. On a comparable basis, amortization of VBI decreased by €7 million.

As a result, the **underlying cost income ratio** decreased by 10.3 points to 62.7%.

Income tax expenses decreased by €105 million to €-81 million. On a comparable basis, income tax expenses decreased by €74 million, reflecting a €128 million benefit from a tax settlement in 2014, partially offset by higher pre-tax underlying earnings.

Underlying earnings increased by €201 million (+36%) to €760 million. On a comparable basis, underlying earnings increased by €248 million (+48%).

Adjusted earnings increased by €235 million (+46%) to €746 million. On a comparable basis, adjusted earnings increased by €286 million (+62%) driven by the increase in underlying earnings and lower impairments on fixed income assets.

Net income increased by €649 million to €782 million. On a comparable basis, net income increased by €701 million due to (i) higher adjusted earnings, (ii) a favorable change in the fair value of economic hedge derivatives not eligible for hedge accounting mainly attributable to lower interest rates and (iii) the non-repeat of 2013 real estate lease write-offs.

LIFE & SAVINGS OPERATIONS – UNITED KINGDOM

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [a]	**645**	**569**
APE (Group share)	*704*	*647*
Investment margin	4	4
Fees & revenues	316	296
Net technical margin	(1)	2
Expenses	(310)	(326)
Amortization of VBI	-	-
Other	-	-
Underlying earnings before tax	**9**	**(24)**
Income tax expenses/benefits	19	13
Minority interests	(0)	0
Underlying earnings Group share	**28**	**(12)**
Net capital gains or losses attributable to shareholders net of income tax	1	0
Adjusted earnings Group share	**29**	**(11)**
Profit or loss on financial assets (under FV option) & derivatives	3	(2)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(0)	-
Integration and restructuring costs	(4)	(25)
NET INCOME GROUP SHARE	**28**	**(38)**
Average exchange rate : €1.00 = £	*0.809*	*0.846*

(a) Before intercompany eliminations. Gross Revenues amounted to € 639 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €76 million (+13%) to €645 million. On a comparable basis, gross revenues increased by €42 million (+7%), driven by higher sales of Variable Annuity products (+36%) due to new business growth and higher recurring revenues from the investment business as a result of a 11% growth in funds under management, partially offset by the one-off impact of exiting the Bancassurance channel in 2013.

APE increased by €57 million (+9%) to €704 million. On a comparable basis, APE was up 4% compared to prior year, mainly driven by higher sales in the Corporate Pension Investment business (+19%) due to increased regular premium and a significant new scheme in 2014, partially offset by the exit from the Bancassurance channel in 2013 and by stable volumes in other products in the face of challenging market conditions.

Investment margin was in line with prior year at €4 million.

Fees & revenues increased by €21 million (+7%) to €316 million. On a constant exchange rate basis, fees & revenues increased by €7 million (+2%). The growth of regular fees from Elevate business and revenues on the SunLife protection business has been partially offset by the reduction in initial revenues following the exit from the Bancassurance channel and the impact of the industry Retail Distribution Review.

Net technical margin decreased by €4 million to €-1 million. On a constant exchange rate basis, net technical margin decreased by €4 million mainly driven by an unfavorable update of lapse assumption.

Expenses decreased by €16 million (-5%) to €-310 million. On a constant exchange rate basis, expenses decreased by €30 million due to recurring savings and a reduction in costs following the exit from the Bancassurance channel, partly offset by increases due to business growth.

As a consequence, the **underlying cost income ratio** improved significantly, decreasing by 10.9 points to 97.2%.

Income tax benefits increased by €7 million (+51%) to €19 million. On a constant exchange rate basis, income tax benefits increased by €6 million (+44%) due to a €14 million increase in one-off tax benefits.

Underlying earnings increased by €40 million to €28 million. On a constant exchange rate basis, underlying earnings increased by €39 million.

Adjusted earnings increased by €40 million to €29 million. On a constant exchange rate basis, adjusted earnings increased by €39 million mainly due to higher underlying earnings.

Net income increased by €66 million to €28 million. On a constant exchange rate basis, net income increased by €65 million as a result of higher adjusted earnings and lower restructuring costs.

LIFE & SAVINGS OPERATIONS – JAPAN

(In Euro million)	December 31, 2014	December 31, 2013 [(a)]
Gross revenues [(b)]	**3,801**	**5,579**
APE (Group share)	*361*	*504*
Investment margin	0	153
Fees & revenues	1,264	1,696
Net technical margin	69	(92)
Expenses	(729)	(998)
Amortization of VBI	(48)	(82)
Other	-	-
Underlying earnings before tax	**556**	**677**
Income tax expenses/benefits	(189)	(226)
Minority interests	(4)	(4)
Underlying earnings Group share	**363**	**447**
Net capital gains or losses attributable to shareholders net of income tax	(5)	0
Adjusted earnings Group share	**358**	**447**
Profit or loss on financial assets (under FV option) & derivatives	(13)	(9)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**344**	**438**
Average exchange rate: €1.00 = Yen	*140.509*	*124.765*

(a) The contribution of AXA Life Japan to the AXA consolidated result for 2013 annual accounts exceptionally covered a period of fifteen months.
(b) Before intercompany eliminations. Gross Revenues amounted to € 3,801 million net of intercompany eliminations as of December 31, 2014.

AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. Therefore, its contribution to the AXA consolidated result for 2013 annual accounts exceptionally covered a period of fifteen months.

For consistency reasons, a twelve months period in 2013 adjusted for foreign exchange rates movement has been compared with 2014. This is referred to as the “comparable basis” in the comments below.

Gross revenues decreased by €1,778 million (-32%) to €3,801 million. On a comparable basis, revenues decreased by €59 million (-1%):

- *Protection* revenues (45% of gross revenues) increased by €31 million (+2%) reflecting a steady in-force growth in Term & Term Rider and Whole Life products (€+73 million), partially offset by a decrease in the in-force run-off portfolio of Increasing Term products (€-42 million);

- *Health* revenues (39% of gross revenues) increased by €48 million (+3%) driven by higher revenues from the in-force portfolio, partly offset by lower new business sales;
- *Investment & Savings* revenues (16% of gross revenues) decreased by €137 million (-17%) mainly due to lower sales of Variable Annuity products (€-131 million) following product redesign in 2013 in line with the strategy.

APE decreased by €144 million (-28%) to €361 million. On a comparable basis, APE increased by €13 million (+3%):

- *Protection* sales (54% of APE) increased by €44 million (+25%) driven by the newly launched Simple Underwriting Long Term Life product (€+21 million), strong sales of Unit-Linked Protection product (€+13 million) reflecting client appetite, and increase in Term Rider (€+12 million) reflecting strong promotion, partly offset by a strong shift of sales from Long Term Life products (€-20 million) to the Low Cash Value Whole Life product (€+15 million) following a repricing driven by a change in regulation;
- *Health* sales (41% of APE) decreased by €18 million (-10%) mainly reflecting the non-repeat of the successful launch of the Disability product in 2013 (€-15 million);
- *Investment and Savings* sales (5% of APE) decreased by €14 million (-40%) due to lower sales of Variable Annuity products in the bancassurance channel following the above-mentioned product redesign.

Investment margin decreased by €153 million to €0 million. On a comparable basis, investment margin decreased by €123 million mainly due to the non-repeat of exceptional dividends in 2013 from equity and private equity funds following the Japanese stock market rally.

Fees & revenues decreased by €432 million (-25%) to €1,264 million. On a comparable basis, fees & revenues increased by €67 million (+5%) mainly due to higher loadings driven by a better business mix and increased retention in G/A Protection & Health business (€+55 million).

Net technical margin increased by €161 million to €69 million. On a comparable basis, net technical margin increased by €151 million mainly driven by the non-repeat of 2013 unfavorable effect of model and assumption changes notably driven by a change in longevity assumptions.

Expenses decreased by €269 million (-27%) to €-729 million. On a comparable basis, expenses increased by €23 million (+3%) mainly due to the non-repeat of 2013 positive one-off effects.

Amortization of VBI decreased by €34 million (-41%) to €-48 million. On a comparable basis, VBI amortization decreased by €11 million (-17%) mainly driven by various assumption changes.

As a result, the **underlying cost income ratio** improved by 3.2 points to 58.3%.

Income tax expenses decreased by €37 million to €-189 million. On a comparable basis, income tax expenses increased by €32 million (+18%) due to lower positive tax one-offs (€-16 million) and higher pre-tax underlying earnings (€-16 million).

Underlying earnings decreased by €84 million (-19%) to €363 million or increased by €52 million (+14%) on a comparable basis.

Adjusted earnings decreased by €89 million (-20%) to €358 million or increased by €46 million (+13%) on a comparable basis, due to higher underlying earnings.

Net income decreased by €93 million (-21%) to €344 million. On a comparable basis, net income increased by €38 million (+11%) mainly due to higher adjusted earnings.

LIFE & SAVINGS OPERATIONS – GERMANY

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**6,670**	**6,542**
APE (Group share)	*373*	*385*
Investment margin	116	69
Fees & revenues	303	270
Net technical margin	43	41
Expenses	(211)	(158)
Amortization of VBI	(21)	(33)
Other	-	-
Underlying earnings before tax	**230**	**190**
Income tax expenses/benefits	(68)	(51)
Minority interests	0	(0)
Underlying earnings Group share	**162**	**138**
Net capital gains or losses attributable to shareholders net of income tax	19	4
Adjusted earnings Group share	**181**	**142**
Profit or loss on financial assets (under FV option) & derivatives	51	11
Exceptional operations (including discontinued operations)	11	0
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(1)	(2)
NET INCOME GROUP SHARE	**242**	**152**

(a) Before intercompany eliminations. Gross Revenues amounted to € 6,640 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €128 million (+2%) to €6,670 million:

- *Life* revenues (59% of gross revenues) increased by €34 million (+1%) to €3,953 million driven by Unit-Linked single premiums, due to the successful launch of a new hybrid savings product [(1)]. This was partly offset by lower G/A regular premiums;
- *Health* revenues (41% of gross revenues) increased by €94 million (+4%) to €2,718 million due to tariff increases to cover medical inflation and the strong new business in prior year.

APE decreased by €12 million (-3%) to €373 million:

- *Life* sales (70% of APE) increased by €12 million (+5%) to €260 million due to the above mentioned launch of a new hybrid savings product [(1)], partly compensated by decreasing G/A regular premiums;
- *Health* sales (30% of APE) decreased by €24 million (-18%) to €114 million due to the non-repeat of strong sales in 2013 driven by the introduction of unisex tariffs.

Investment margin increased by €46 million (+67%) to €116 million mainly due to a change in regulation in Life leading to a change in allocation of policyholder participation from investment margin to net technical margin.

Fees & revenues increased by €33 million (+12%) to €303 million due to a lower share of policyholder participation mainly in Health.

Net technical margin rose by €2 million (+5%) to €43 million mainly due to a higher mortality margin and lower hedge losses on GMxB products, partly offset by a higher share of policyholder participation due to the above-mentioned change in regulation.

Expenses increased by €53 million (+34%) to €-211 million mainly from lower DAC amortization in 2013 as a result of model refinements, partly offset by lower general acquisition and administrative expenses due to the cost savings program.

Amortization of VBI decreased by €12 million (-37%) to €-21 million due to negative impact in 2013 from lower interest rate assumptions.

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

As a result, the **underlying cost income ratio** was stable at 50.1%.

Income tax expenses increased by €17 million (+34%) to €-68 million due to higher underlying earnings.

Underlying earnings increased by €24 million (+17%) to €162 million.

Adjusted earnings increased by €39 million (+28%) to €181 million due to the increase in underlying earnings and higher realized capital gains mainly on equities.

Net income increased by €91 million (+60%) to €242 million due to higher adjusted earnings as well as a favorable change in the fair value of fixed income securities and economic hedge derivatives not eligible for hedge accounting.

LIFE & SAVINGS OPERATIONS – SWITZERLAND

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**6,726**	**7,067**
APE (Group share)	*329*	*430*
Investment margin	187	193
Fees & revenues	305	288
Net technical margin	162	143
Expenses	(271)	(264)
Amortization of VBI	(7)	(7)
Other	-	-
Underlying earnings before tax	**376**	**353**
Income tax expenses/benefits	(69)	(76)
Minority interests	0	-
Underlying earnings Group share	**307**	**277**
Net capital gains or losses attributable to shareholders net of income tax	43	41
Adjusted earnings Group share	**351**	**318**
Profit or loss on financial assets (under FV option) & derivatives	50	(21)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(7)	(7)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**394**	**290**
Average exchange rate : €1.00 = Swiss Franc	*1.215*	*1.229*

(a) Before intercompany eliminations. Gross Revenues amounted to € 6,720 million net of intercompany eliminations as of December 31, 2014.

Gross revenues decreased by €342 million (-5%) to €6,726 million. On a comparable basis, gross revenues decreased by €417 million (-6%):

- *Group Life* revenues (83% of gross revenues) decreased by €513 million (-8%) to €5,590 million driven by lower single premiums from full protection scheme contracts (€-575 million) due to the strategic shift from full protection schemes to semi-autonomous employee benefit solutions;
- *Individual Life* revenues (17% of gross revenues) increased by €98 million (+10%) to €1,136 million mainly due to higher single premiums (€+88 million) as a consequence of strong sales of G/A Protection with Savings products.

APE decreased by €101 million (-24%) to €329 million. On a comparable basis, APE decreased by €105 million (-24%):

- *Group Life* sales (66% of APE) decreased by €114 million (-35%) driven by the strategic shift from full protection schemes to semi-autonomous employee benefit solutions;
- *Individual Life* sales (34% of APE) increased by €9 million (+9%) driven by the strong sales of G/A Protection with Savings products.

Investment margin decreased by €6 million (-3%) to €187 million. On a constant exchange rate basis, investment margin decreased by €9 million (-4%) mainly due to an increase in the policyholder participation reserve mainly in Individual Life, partially offset by higher fixed income driven by a higher asset base.

Fees & revenues increased by €17 million (+6%) to €305 million. On a constant exchange rate basis, fees & revenues increased by €14 million (+5%) mainly resulting from higher loadings on regular premiums and higher Individual Life revenues.

Net technical margin rose by €19 million (+14%) to €162 million. On a constant exchange rate basis, net technical margin increased by €18 million (+12%) mainly due to a favorable development of disability claims experience, both in Individual and Group Life.

Expenses increased by €7 million (+3%) to €-271 million. On a constant exchange rate basis, expenses increased by €4 million (+1%) mainly due to higher acquisition expenses driven by the success of the G/A Protection with Savings products in Individual Life and the distribution partnerships.

Amortization of VBI increased by €1 million (+9%) to €-7 million. On a constant exchange rate basis, amortization of VBI remained stable.

As a result, the **underlying cost income ratio** decreased by 0.9 point to 42.5%.

Income tax expenses decreased by €7 million (-10%) to €-69 million. On a constant exchange rate basis, income tax expenses decreased by €8 million (-11%) driven by non-recurring tax charges from participation dividends in previous years, partly offset by an increase in pre-tax underlying earnings.

Underlying earnings increased by €30 million (+11%) to €307 million. On a constant exchange rate basis, underlying earnings increased by €27 million (+10%).

Adjusted earnings increased by €33 million (+10%) to €351 million. On a constant exchange rate basis, adjusted earnings increased by €29 million (+9%) mainly resulting from higher underlying earnings.

Net income increased by €104 million (+36%) to €394 million. On a constant exchange rate basis, net income increased by €100 million (+35%) mainly driven by higher adjusted earnings as well as a positive change in the fair value of forex hedging instruments not eligible for hedge accounting and in the fair value of economic interest rate hedge derivatives not eligible for hedge accounting.

LIFE & SAVINGS OPERATIONS – BELGIUM

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**1,813**	**2,012**
APE (Group share)	*125*	*151*
Investment margin	342	339
Fees & revenues	139	132
Net technical margin	16	18
Expenses	(268)	(249)
Amortization of VBI	(9)	(4)
Other	-	-
Underlying earnings before tax	**220**	**237**
Income tax expenses/benefits	(64)	(69)
Minority interests	(0)	(0)
Underlying earnings Group share	**156**	**167**
Net capital gains or losses attributable to shareholders net of income tax	111	22
Adjusted earnings Group share	**266**	**190**
Profit or loss on financial assets (under FV option) & derivatives	27	(15)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(7)	(7)
NET INCOME GROUP SHARE	**287**	**168**

(a) Before intercompany eliminations. Gross Revenues amounted to € 1,813 million net of intercompany eliminations as of December 31, 2014.

Gross revenues decreased by €199 million (-10%) to €1,813 million:

- *G/A Protection & Health* revenues (45% of gross revenues) decreased by €19 million (-2%) mainly due to a decrease in run-off products in Individual Life Protection (€-11 million) and lower renewals in Group Life Protection (€-9 million);
- *Unit-Linked* revenues (25% of gross revenues) decreased by €144 million (-24%) mainly due to a decrease in sales of structured products (€-79 million), Oxylife hybrid products [(1)] (€-41 million) and variable annuities (€-21 million);
- G/A Savings revenues (30% of gross revenues) decreased by €37 million (-6%) mainly due to lower sales of the Oxylife hybrid product [(1)] (€-20 million) as well as the run-off of the Crest product line (€-13 million).

APE decreased by €26 million (-17%) to €125 million:

- G/A Protection & Health sales (20% of APE) increased by €3 million (+11%) driven higher sales in Group Life Protection;
- Unit-Linked sales (37% of APE) decreased by €18 million (-28%) mainly due to a decrease in structured products (€-8 million) and Oxylife hybrid products [(1)] (€-8 million);
- G/A Savings sales (43% of APE) decreased by €10 million (-16%) mainly due to lower new business of pension and Oxylife hybrid products [(1)].

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

Investment margin increased by €2 million (+1%) to €342 million.

Fees & revenues increased by €7 million (+5%) to €139 million driven by an increase in Unit-Linked fees as a result of higher assets under management.

Net technical margin decreased by €3 million (-14%) to €16 million.

Expenses increased by €19 million (+8%) to €-268 million:

- acquisition expenses rose by €16 million (+15%) to €-120 million mainly as a result of higher net amortization of deferred acquisition costs, partly offset by lower acquisition overhead costs;
- administrative expenses increased by €3 million (+2%) to €-148 million mainly as a result of higher overhead costs driven by salary inflation, partly offset by continued costs management actions.

Amortization of VBI increased by €5 million (+102%) to €-9 million as a result of unfavorable financial assumptions update.

As a result, the **underlying cost income ratio** increased by 4.0 points to 55.8%.

Income tax expenses decreased by €5 million (-7%) to €-64 million due to the decrease in pre-tax underlying earnings.

Underlying earnings decreased by €12 million (-7%) to €156 million.

Adjusted earnings increased by €76 million (+40%) to €266 million as lower underlying earnings were more than offset by higher realized capital gains (€+64 million) principally on equities and on fixed income assets and lower impairments (€+25 million) mainly on real estate.

Net income increased by €119 million (+71%) to €287 million due to (i) higher adjusted earnings (€+76 million), (ii) a favorable change in the fair value of interest rate hedging derivatives not eligible for hedge accounting (€+38 million) and (iii) a favorable change in the fair value of Mutual funds and other assets (€+11 million) mainly driven by a decrease in corporate spreads.

LIFE & SAVINGS OPERATIONS – CENTRAL & EASTERN EUROPE

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [a]	**320**	**389**
APE (Group share)	*82*	*108*
Investment margin	6	6
Fees & revenues	143	175
Net technical margin	39	50
Expenses	(138)	(192)
Amortization of VBI	(1)	(2)
Other	-	-
Underlying earnings before tax	**48**	**37**
Income tax expenses/benefits	(8)	(6)
Minority interests	0	(0)
Underlying earnings Group share	**40**	**32**
Net capital gains or losses attributable to shareholders net of income tax	1	0
Adjusted earnings Group share	**40**	**32**
Profit or loss on financial assets (under FV option) & derivatives	(0)	(0)
Exceptional operations (including discontinued operations)	-	(52)
Goodwill and other related intangibles impacts	(1)	(35)
Integration and restructuring costs	(1)	(3)
NET INCOME GROUP SHARE	**38**	**(58)**

(a) Before intercompany eliminations. Gross Revenues amounted to € 320 million net of intercompany eliminations as of December 31, 2014.

Gross revenues decreased by €69 million (-18%) to €320 million. On a comparable basis, gross revenues decreased by €16 million (-5%) mainly driven by lower Unit-Linked new business sales in Czech Republic (€-19 million) resulting from a declining market environment and in Poland (€-12 million) due to the implementation of a pension fund reform in February 2014, partly offset by strong sales in G/A Protection & Health in Czech Republic and in Poland (€+12 million).

APE decreased by €26 million (-24%) to €82 million. On a comparable basis, APE decreased by €19 million (-18%) mainly driven by Czech Republic (-36% or €-22 million) stemming from (i) the non-repeat of accelerated sales in G/A Savings in 2013 in anticipation of the Pension Funds reform (€-18 million) and (ii) lower Unit-Linked sales (€-2 million) due to difficult market conditions, partly offset by higher sales in G/A Protection & Health in Poland (€+2 million) due to higher inflows from Bancassurance partnerships.

Underlying earnings increased by €8 million (+26%) to €40 million. On a constant exchange rate basis and excluding the Hungarian Life & Savings operations sold in 2014, underlying earnings increased by €5 million (+13%) mainly driven by the one-off partial release of the guaranteed fund following a change of regulation in the Polish Pension Funds, partly offset by lower fees & revenues from Unit-Linked business.

Adjusted earnings increased by €9 million (+27%) to €40 million. On a constant exchange rate basis, adjusted earnings increased by €9 million (+28%) mainly driven by higher underlying earnings.

Net income increased by €96 million to €38 million. On a constant exchange rate basis, net income increased by €97 million mainly driven by the non-repeat of the realized loss (€-50 million) on the disposal of the Hungarian Life & Savings operations and of the accelerated amortization of intangible assets in Poland in 2013 (€-33 million).

LIFE & SAVINGS OPERATIONS – MEDITERRANEAN & LATIN AMERICAN REGION

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**6,389**	**5,581**
APE (Group share)	*570*	*443*
Investment margin	242	245
Fees & revenues	506	449
Net technical margin	198	159
Expenses	(576)	(509)
Amortization of VBI	(11)	(12)
Other	-	-
Underlying earnings before tax	**359**	**331**
Income tax expenses/benefits	(86)	(75)
Minority interests	(80)	(83)
Underlying earnings Group share	**193**	**174**
Net capital gains or losses attributable to shareholders net of income tax	29	17
Adjusted earnings Group share	**222**	**191**
Profit or loss on financial assets (under FV option) & derivatives	(23)	3
Exceptional operations (including discontinued operations)	(0)	(1)
Goodwill and other related intangibles impacts	(0)	(1)
Integration and restructuring costs	(2)	(2)
NET INCOME GROUP SHARE	**196**	**190**

(a) Before intercompany eliminations. Gross Revenues amounted to € 6,384 million net of intercompany eliminations as of December 31, 2014.

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

In the comments below, the comparable basis for gross revenues includes April to December 2013 contribution of Colombia.

Gross revenues increased by €808 million (+14%) or €601 million (+10%) on a comparable basis to €6,389 million:

- *mature markets* revenues (90% of gross revenues) were up €609 million (+12%) with higher sales of G/A Savings products (€+1,168 million) mainly driven by increased volumes in both hybrid and traditional products at AXA MPS, as well as lower competition from bank deposit products in Spain and Italy, partly offset by lower Unit-Linked products sales (€-569 million) mainly due to lower "Protected Unit" product sales at AXA MPS;
- *high growth markets* revenues (10% of gross revenues) decreased by €8 million (-1%) mainly due to lower sales of Individual Protection products in Turkey, partly offset by higher sales of Individual Protection products in Mexico and growth in the newly consolidated entity in Colombia.

APE increased by €127 million (+29%) or €132 million (+30%) on a constant exchange rate basis to €570 million:

- *mature markets* sales (87% of APE) were up €110 million (+28%) to €497 million driven by G/A Savings (€+70 million) from both hybrid and traditional products at AXA MPS as well as lower competition from bank deposit products in Spain and Italy, and Unit-Linked products (€+32 million) from both traditional and hybrid products [(1)], partly offset by a decrease of "Protected Unit" product sales at AXA MPS;
- *high growth* markets sales (13% of APE) increased by €22 million (+39%) to €73 million mainly driven by new large Group Protection accounts in Mexico (€+18 million) and the Pension business in Turkey.

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

Investment margin decreased by €4 million (-2%) to €242 million. Excluding Colombia and on a constant exchange rate basis, investment margin decreased by €2 million (-1%) mainly due to AXA MPS driven by a lower average asset base as a consequence of 2013 high level of surrenders.

Fees & revenues increased by €57 million (+13%) to €506 million. Excluding Colombia and on a constant exchange rate basis, fees & revenues increased by €61 million (+14%) largely driven by AXA MPS from higher Unearned Revenues Reserve amortization (partly offset in deferred acquisition costs) mainly reflecting higher surrenders.

Net technical margin rose by €40 million (+25%) to €198 million. Excluding Colombia and on a constant exchange rate basis, net technical margin increased by €17 million (+11%) mainly driven by a positive one-off reserve adjustment at AXA Italy and higher mortality and morbidity margin in high growth markets.

Expenses increased by €67 million (+13%) to €-576 million. Excluding Colombia and on a constant exchange rate basis, expenses increased by €43 million (+8%):

- mature markets expenses increased by €33 million mainly driven by AXA MPS reflecting higher deferred acquisition costs amortization in line with increased surrenders;
- high growth markets expenses increased by €10 million primarily due to lower deferred acquisition costs capitalization in Mexico.

Amortization of VBI decreased by €1 million (-6%) to €-11 million. Excluding Colombia and on a constant exchange rate basis, amortization of VBI decreased by €1 million (-5%).

As a result, the **underlying cost income ratio** increased by 1 point to 62.1%. Excluding Colombia and on constant exchange rate basis, the underlying cost income ratio decreased by 0.4 point to 60.7%.

Income tax expenses increased by €11 million (+15%) to €-86 million. On a constant exchange rate basis, income tax expenses increased by €11 million (+15%) mainly due to higher pre-tax underlying earnings at AXA MPS.

Underlying earnings increased by €19 million (+11%) to €193 million. On a constant exchange rate basis, underlying earnings increased by €19 million (+11%).

Adjusted earnings increased by €31 million (+16%) to €222 million. On a constant exchange rate basis, adjusted earnings increased by €31 million (+16%) driven by higher underlying earnings and higher net realized capital gains mainly in Spain.

Net income increased by €6 million (+3%) to €196 million. On a constant exchange rate basis, net income increased by €6 million (+3%) due to higher adjusted earnings partly offset by an unfavorable change in the fair value of interest rate derivatives not eligible for hedge accounting mainly at AXA MPS and in Spain.

LIFE & SAVINGS OPERATIONS – HONG KONG

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [a]	**1,972**	**1,849**
APE (Group share)	*515*	*443*
Investment margin	3	6
Fees & revenues	541	478
Net technical margin	70	44
Expenses	(301)	(264)
Amortization of VBI	(13)	(6)
Other	-	-
Underlying earnings before tax	**300**	**257**
Income tax expenses/benefits	(19)	(6)
Minority interests	0	-
Underlying earnings Group share	**282**	**251**
Net capital gains or losses attributable to shareholders net of income tax	-	0
Adjusted earnings Group share	**282**	**251**
Profit or loss on financial assets (under FV option) & derivatives	(10)	18
Exceptional operations (including discontinued operations)	(1)	0
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**270**	**269**
Average exchange rate : €1.00 = Hong Kong Dollar	*10.328*	*10.291*

(a) Before intercompany eliminations. Gross Revenues amounted to € 1,944 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €123 million (+7%) to €1,972 million. On a comparable basis, gross revenues increased by €133 million (+7%) mainly due to higher revenues from G/A Protection & Health products (€+136 million) driven by strong new business sales from agency channel, and Unit-Linked products (€+38 million) due to strong IFA sales more than offsetting the exit from a bancassurance partnership, partly offset by lower revenues from G/A Savings products (€-38 million) mainly due to a decrease in retirement product sales driven by the planned divestment of the retirement business.

APE increased by €72 million (+16%) to €515 million. On a comparable basis, APE increased by €74 million (+17%) due to (i) Unit-Linked products (€+46 million) from accelerated sales before the implementation of significant regulatory changes both impacting product features and reducing commission levels starting from January 1st, 2015, more than offsetting the exit from a bancassurance partnership, (ii) G/A Protection & Health products (€+37 million) driven by successful marketing campaigns and the launch of new Pure Protection & Health products, partly offset by (iii) lower Mutual funds retirement products sales (€-9 million) mainly due to the above mentioned divestment.

Investment margin decreased by €4 million (-57%) to €3 million. On a constant exchange rate basis, investment margin decreased by €4 million (-57%) mainly driven by steady in-force growth in participating products, partially offset by a higher investment income boosted by higher average assets.

Fees & revenues increased by €63 million (+13%) to €541 million. On a constant exchange rate basis, fees & revenues increased by €65 million (+14%) driven by an increase in loadings on premiums stemming from both new business and in-force growth.

Net technical margin rose by €27 million (+60%) to €70 million. On a constant exchange rate basis, net technical margin increased by €27 million (+61%) driven by better claims experience for G/A Protection & Health products and higher surrender margin from Unit-Linked products driven by a strong portfolio growth in recent years.

Expenses increased by €37 million (+14%) to €-301 million. On a constant exchange rate basis, expenses increased by €38 million (+14%) mainly driven by higher DAC amortization in line with the volume growth as well as assumption changes.

Amortization of VBI increased by €7 million to €-13 million. On a constant exchange rate basis, amortization of VBI increased by €7 million mainly due to assumption changes.

As a result, the **underlying cost income ratio** decreased by 0.1 point to 51.1%.

Income tax expenses increased by €13 million to €-19 million. On a constant exchange rate basis, income tax expenses increased by €13 million mainly due to the non-repeat of 2013 tax benefits (€10 million) from the change in the tax base for a block of insurance business in the context of the merger of two insurance entities.

Underlying earnings increased by €30 million (+12%) to €282 million. On a constant exchange rate basis, underlying earnings increased by €31 million (+12%).

Adjusted earnings increased by €30 million (+12%) to €282 million. On a constant exchange rate basis, adjusted earnings increased by €31 million (+12%) due to higher underlying earnings.

Net income increased by €1 million (0%) to €270 million. On a constant exchange rate basis, net income increased by €2 million (+1%) driven by higher adjusted earnings (€+31 million), partly offset by an unfavorable change in the fair value of interest rate hedging derivatives not eligible for hedge accounting (€-28 million).

LIFE & SAVINGS OPERATIONS – SOUTH-EAST ASIA, INDIA & CHINA

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**336**	**268**
APE (Group share)	*466*	*463*
Underlying earnings Group share	**119**	**92**
Net capital gains or losses attributable to shareholders net of income tax	(0)	0
Adjusted earnings Group share	**118**	**92**
Profit or loss on financial assets (under FV option) & derivatives	2	(1)
Exceptional operations (including discontinued operations)	(6)	(5)
Goodwill and other related intangibles impacts	-	(13)
Integration and restructuring costs	(6)	(3)
NET INCOME GROUP SHARE	**108**	**70**

(a) Before intercompany eliminations. Gross Revenues amounted to € 336 million net of intercompany eliminations as of December 31, 2014.

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

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

Gross Revenues increased by €68 million (+25%) to €336 million. On a comparable basis, gross revenues increased by €84 million (+31%) driven by higher revenues from G/A Protection & Health (€+47 million) mainly in Singapore reflecting a full year consolidation of the employee benefits business acquired from HSBC in the last quarter of 2013, as well as higher renewals. Unit-Linked business recorded a growth of €+37 million primarily from strong single premium sales and renewals in Singapore.

APE increased by €3 million (+1%) to €466 million. On a comparable basis, APE increased by €66 million (+16%) mainly driven by:

- strong performance in Thailand (€+42 million), in particular from G/A Protection & Health products;
- China (€+20 million) with continued momentum in G/A Protection & Health business;
- higher sales in Singapore (€+10 million) and Philippines (€+4 million) driven by both Unit-Linked and G/A Protection & Health products;

- partly offset by a decrease in Unit-Linked sales in Indonesia (€-10 million).

Underlying earnings increased by €27 million (+29%) to €119 million. On a comparable basis, underlying earnings increased by €39 million (+43%) mainly due to:

- inforce portfolio growth and higher investment earnings in Thailand (€+17 million) and Indonesia (€+9 million);
- improved business mix towards longer term G/A Protection & Health business as well as continuous expense management in India (€+6 million);
- business growth in China (€+3 million), Singapore (€+2 million) and Philippines (€+2 million).

Adjusted earnings increased by €26 million (+28%) to €118 million. On a comparable basis, adjusted earnings increased by €38 million (+42%) mainly driven by underlying earnings growth.

Net income increased by €38 million (+54%) to €108 million. On a comparable basis, net income increased by €50 million (+72%) mainly due to higher adjusted earnings.

LIFE & SAVINGS OPERATIONS – OTHER

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

Consolidated Gross Revenues

(In Euro million)	December 31, 2014	December 31, 2013
Luxembourg	143	112
AXA Life Invest Services	23	22
Family Protect	14	7
Other	1	
TOTAL	**180**	**141**
Intercompany transactions	(22)	(21)
Contribution to consolidated gross revenues	**159**	**121**

Underlying, Adjusted earnings and Net Income

(In Euro million)	December 31, 2014	December 31, 2013
Luxembourg	7	7
AXA Life Invest Services	(18)	(17)
Family Protect	(34)	(31)
Other	(0)	(1)
Underlying earnings	**(45)**	**(41)**
Net realized capital gains or losses attributable to shareholders	0	0
Adjusted earnings	**(45)**	**(41)**
Profit or loss on financial assets (under Fair Value option) & derivatives	1	0
Exceptional operations (including discontinued operations)	(0)	(1)
Goodwill and related intangible impacts	-	-
Integration and restructuring costs	-	(0)
NET INCOME	**(44)**	**(41)**

Family Protect

Underlying earnings as well as **adjusted earnings** and **net income** reached €-34 million in 2014 mainly due to higher direct marketing expenditures and FTE increase associated with business growth.

AXALife Invest Services [1]

Underlying earnings as well as **adjusted earnings** decreased by €1 million (-9%) to €-18 million.

Net income decreased by €1 million (-4%) to €-18 million.

Property & Casualty segment

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

(In Euro million)	December 31, 2014	December 31, 2013 published	December 31, 2013 restated [(a)]
Gross revenues [(b)]	**29,762**	**29,079**	**29,052**
Current accident year loss ratio (net)	71.5%	71.2%	71.3%
All accident year loss ratio (net)	70.9%	70.1%	70.1%
Net technical result before expenses	**8,660**	**8,625**	**8,610**
Expense ratio	26.0%	26.5%	26.5%
Net investment result	2,133	2,042	2,037
Underlying earnings before tax	**3,044**	**3,028**	**3,016**
Income tax expenses/benefits	(883)	(911)	(907)
Net income from investments in affiliates and associates	47	29	37
Minority interests	(50)	(41)	(41)
Underlying earnings Group share	**2,158**	**2,105**	**2,105**
Net capital gains or losses attributable to shareholders net of income tax	142	108	108
Adjusted earnings Group share	**2,300**	**2,213**	**2,213**
Profit or loss on financial assets (under FV option) & derivatives	(128)	46	46
Exceptional operations (including discontinued operations)	(3)	20	20
Goodwill and other related intangibles impacts	(332)	(73)	(73)
Integration and restructuring costs	(104)	(121)	(121)
NET INCOME GROUP SHARE	**1,734**	**2,085**	**2,085**

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS 10 and 11.
(b) Before intercompany eliminations. Gross Revenues amounted to € 29,460 million net of intercompany eliminations as of December 31, 2014.

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

CONSOLIDATED GROSS REVENUES

(In Euro million)	December 31, 2014	December 31, 2013 published	December 31, 2013 restated [(a)]
France	6,101	5,942	5,942
United Kingdom & Ireland	4,132	3,907	3,907
Germany	3,824	3,807	3,807
Switzerland	2,795	2,714	2,714
Belgium	2,051	2,050	2,050
Central & Eastern Europe - Luxembourg [(b)]	149	171	171
Mediterranean and Latin American Region [(c)]	7,486	7,391	7,391
Direct [(d)]	2,361	2,274	2,247
Asia [(e)]	862	822	822
TOTAL	**29,762**	**29,079**	**29,052**
Intercompany transactions	(303)	(288)	(288)
Contribution to consolidated gross revenues	**29,460**	**28,791**	**28,763**
o/w. high growth markets	4,721	4,520	4,520
o/w. Direct	2,361	2,274	2,247
o/w. mature markets	22,378	21,996	21,996

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS 10 and 11.
(b) Central & Eastern Europe includes Ukraine.
(c) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region, Mexico and Colombia.
(d) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.
(e) Asia includes Hong Kong, Malaysia, Singapore.

COMBINED RATIO

(In Euro million)	December 31, 2014	December 31, 2013 published	December 31, 2013 restated [(a)]
Total	**96.9%**	**96.6%**	**96.6%**
France	97.2%	94.7%	94.7%
United Kingdom & Ireland	98.4%	98.5%	98.5%
Germany	95.6%	98.2%	98.2%
Switzerland	89.1%	88.9%	88.9%
Belgium	93.8%	93.7%	93.7%
Central & Eastern Europe - Luxembourg [(b)]	104.6%	103.9%	103.9%
Mediterranean and Latin American Region [(c)]	100.1%	99.3%	99.3%
Direct [(d)]	98.2%	99.1%	99.5%
Asia [(e)]	93.9%	93.1%	93.1%
Mature	96.1%	96.0%	96.0%
Direct	98.2%	99.1%	99.5%
High growth	100.2%	98.1%	98.1%

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS 10 and 11.
(b) Excluding RESO – RESO combined ratio amounted to 97.0% for 2014.
(c) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region, Mexico and Colombia.
(d) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.
(e) Asia includes Hong Kong, Singapore and Malaysia.

UNDERLYING EARNINGS

(In Euro million)	December 31, 2014	December 31, 2013
France	471	531
United Kingdom & Ireland	234	202
Germany	347	295
Switzerland	397	405
Belgium	215	222
Central & Eastern Europe - Luxembourg [a]	29	25
Mediterranean and Latin American Region [b]	279	281
Direct [c]	124	85
Asia [d]	61	58
Underlying earnings	**2,158**	**2,105**
o/w. high growth markets	199	225
o/w. Direct	124	85
o/w. mature markets	1,835	1,796

(a) Central & Eastern Europe includes Ukraine and Reso (Russia).
(b) Mediterranean and Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region, Mexico, Lebanon and Colombia.
(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, the United Kingdom, South Korea and Japan.
(d) Asia includes India, Hong Kong, TianPing, Malaysia, Singapore and Thailand.

PROPERTY & CASUALTY OPERATIONS – FRANCE

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [a]	**6,101**	**5,942**
Current accident year loss ratio (net)	74.1%	73.7%
All accident year loss ratio (net)	74.2%	70.9%
Net technical result before expenses	**1,557**	**1,710**
Expense ratio	23.0%	23.7%
Net investment result	589	522
Underlying earnings before tax	**756**	**836**
Income tax expenses/benefits	(284)	(304)
Net income from investments in affiliates and associates	-	-
Minority interests	(1)	(1)
Underlying earnings Group share	**471**	**531**
Net capital gains or losses attributable to shareholders net of income tax	56	32
Adjusted earnings Group share	**528**	**563**
Profit or loss on financial assets (under FV option) & derivatives	(69)	20
Exceptional operations (including discontinued operations)	-	24
Goodwill and other related intangibles impacts	-	(3)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**458**	**604**

(a) Before intercompany eliminations. Gross Revenues amounted to € 6,034 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €159 million (+3%) to €6,101 million:

- *Personal lines* (57% of gross revenues) were up 3% to €3,445 million mainly driven by tariff increases in all segments and reflecting positive net new contracts in Motor while the portfolio remained stable in Household;
- *Commercial lines* (43% of gross revenues) were up 3% to €2,589 million mainly driven by tariff increases, partly offset by lower volumes notably in Construction in a context of selective underwriting.

Net technical result decreased by €153 million (-9%) to €1,557 million:

- the *current accident year loss ratio* increased by 0.4 point to 74.1% mainly driven by a higher claims ratio due to higher NatCat charge (€140 million or +2.3 points including participation to the Group pool related to Ela hailstorm and Odile hurricane in Mexico) and a less favorable frequency in Bodily Injury in Personal Motor, partly offset by a lower frequency in Household;
- the *all accident year loss ratio* increased by 3.3 points to 74.2% due to an increase of the current accident year loss ratio, as well as lower prior year reserve developments notably in Construction, partly offset by positive developments in Liability.

Expense ratio decreased by 0.7 point to 23.0%, mainly driven by a lower cost base reflecting continuous efforts to reduce expenses.

As a result, the **enlarged expense ratio** was stable at 29.4% driven by an improved expense ratio offset by an increase in claims handling costs reserve.

As a consequence, the **combined ratio** was up by 2.6 points to 97.2%.

Net investment result increased by €67 million (+13%) to €589 million mainly driven by €+71 million exceptional distributions from Mutual funds.

Income tax expenses decreased by €20 million (-7%) to €-284 million mainly due to lower pre-tax underlying earnings (€+29 million), partly offset by a €-9 million non-recurring tax adjustment.

As a result, **underlying earnings** decreased by €60 million (-11%) to €471 million.

Adjusted earnings decreased by €36 million (-6%) to €528 million driven by lower underlying earnings (€-60 million), partly offset by €+24 million higher net realized capital gains mostly on real estate and equities, and despite higher impairments mainly on BMPS.

Net income decreased by €146 million (-24%) to €458 million driven by lower adjusted earnings (€-36 million), a negative change in the fair value of Mutual funds (€-78 million), a negative change in the fair value of foreign exchange rate hedging derivatives not eligible for hedge accounting (€-39 million) and the non-repeat of the integration of AXA Caraibes into the scope of consolidation in 2013 (€-24 million), partly offset by a more favorable change in the fair value of interest rates strategies (€+28 million).

PROPERTY & CASUALTY OPERATIONS – UNITED KINGDOM & IRELAND

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**4,132**	**3,907**
Current accident year loss ratio (net)	69.4%	67.2%
All accident year loss ratio (net)	69.1%	67.9%
Net technical result before expenses	**1,284**	**1,264**
Expense ratio	29.3%	30.6%
Net investment result	223	208
Underlying earnings before tax	**290**	**267**
Income tax expenses/benefits	(56)	(65)
Net income from investments in affiliates and associates	-	-
Minority interests	(0)	(0)
Underlying earnings Group share	**234**	**202**
Net capital gains or losses attributable to shareholders net of income tax	(2)	10
Adjusted earnings Group share	**231**	**212**
Profit or loss on financial assets (under FV option) & derivatives	(9)	17
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(2)	(2)
Integration and restructuring costs	(11)	(12)
NET INCOME GROUP SHARE	**210**	**216**
Average exchange rate : €1.00 = £	*0.809*	*0.846*

(a) Before intercompany eliminations. Gross Revenues amounted to € 4,034 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €226 million (+6%) to €4,132 million. On a constant exchange rate basis, gross revenues increased by €63 million (+2%):

- *Personal lines* (47% of gross revenues) were down 2% at €1,928 million as a result of the ongoing strategy to focus on profitable growth. **Motor** was stable at €537 million with lower new business volumes within Northern Ireland as a result of strict pricing discipline in a softening market, partially offset by AXA's improved competitiveness in Great Britain (GB). **Non-Motor** was down 2% to €1,390 million: **Property** was down 6% to €465 million due to unfavorable market conditions and exiting of unprofitable schemes within GB. **Health** was up 5% at €684 million following growth in the UK and internationally. **Personal Other** was down 12% to €242 million following the continued withdrawal from unprofitable schemes and the exit from the Pet insurance market in 2013;
- *Commercial lines* (52% of gross revenues) were up 5% to €2,140 million**. Motor** was up 9% to €446 million principally due to strong retention and increased new business volumes in GB. **Non-Motor** was up 4%: **Property** was up 5% to €536 million due to an increase in new business volumes. **Health** was down 1% to €792 million due to the transfer of Asia business to the local AXA entity (fully offset at Group level). **Other** was up 13% at €366 million due to higher new business sales and strong retention in Liability and Workers Compensation.

Net technical result increased by €20 million (+2%) to €1,284 million. On a constant exchange rate basis, net technical result decreased by €31 million (-2%).

- the *current year loss ratio* increased by 2.3 points to 69.4% mainly due to an increased Nat Cat charge (+2.5 points) from Odile hurricane in Mexico and Ela hailstorm (€-106 million) as well as increased natural weather events in Property (+0.1 point). Further increases in both Personal and Commercial Motor due to softening markets and increases in damage claims in the UK (overall impact +0.7 point) were partly offset by a reduction in non Nat Cat costs, improvements in the mix of Travel business and a decrease in the Healthcare loss ratio;
- the *all accident year loss ratio* increased by 1.2 points to 69.1% reflecting the increase in current year loss ratio partly offset by higher positive prior year reserve developments.

Expense Ratio decreased by 1.3 points to 29.3% mainly driven by a 0.9 point decrease in the acquisition ratio to 20.6% reflecting a decrease in commission ratio, as well as a 0.4 point decrease in the administrative ratio to 8.8% reflecting savings from cost efficiency programmes.

As a result the **enlarged expense ratio** was down 1.2 points at 32.4%.

As a consequence, the **combined ratio** was down 0.1 point to 98.4%.

Net investment result increased by €15 million (+7%) to €223 million. On a constant exchange rate basis, net investment result increased by €6 million (+3%) due to an increase in income from Mutual funds, alternative assets and real estate assets.

Income tax expenses decreased by €8 million (-13%) to €-56 million. On a constant exchange rate basis, income tax expenses decreased by €11 million (-16%) as higher pre-tax underlying earnings were more than offset by a more favourable corporate tax country mix and lower one-off tax charges (€+8 million).

Underlying earnings increased by €31 million (+15%) to €234 million. On a constant exchange rate basis, underlying earnings increased by €23 million (+12%).

Adjusted earnings increased by €19 million (+9%) to €231 million. On a constant exchange rate basis, adjusted earnings increased by €12 million (+5%) mainly driven by the increase in underlying earnings, partly offset by a decrease in net realised capital gains (€-12 million) mainly driven by an impairment of BMPS.

Net Income decreased by €6 million (-3%) to €210 million. On a constant exchange rate basis, net income decreased by €13 million (-6%) as higher adjusted earnings were more than offset by an unfavourable change in the fair value of foreign exchange hedging derivatives.

PROPERTY & CASUALTY OPERATIONS – GERMANY

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**3,824**	**3,807**
Current accident year loss ratio (net)	66.8%	70.3%
All accident year loss ratio (net)	66.7%	69.0%
Net technical result before expenses	**1,274**	**1,179**
Expense ratio	28.9%	29.2%
Net investment result	326	360
Underlying earnings before tax	**494**	**429**
Income tax expenses/benefits	(146)	(133)
Net income from investments in affiliates and associates	-	-
Minority interests	(1)	(0)
Underlying earnings Group share	**347**	**295**
Net capital gains or losses attributable to shareholders net of income tax	8	24
Adjusted earnings Group share	**356**	**320**
Profit or loss on financial assets (under FV option) & derivatives	(9)	(25)
Exceptional operations (including discontinued operations)	-	3
Goodwill and other related intangibles impacts	(4)	(4)
Integration and restructuring costs	(11)	(23)
NET INCOME GROUP SHARE	**332**	**271**

(a) Before intercompany eliminations. Gross Revenues amounted to € 3,779 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €17 million (0%) to €3,824 million:

- *Personal lines* (57% of gross revenues) were up 1% to €2,175 million driven by tariff increases partly offset by lower volumes;
- *Commercial lines* (34% of gross revenues) were down 1% to €1,305 million, due to selective underwriting in Motor whereas the development in Property and Liability was stable;
- *Other lines* (9% of gross revenues) were stable at €344 million.

Net technical result increased by €96 million (+8%) to €1,274 million:

- the *current accident year loss ratio* decreased by 3.5 points to 66.8% reflecting improved attritional claims experience resulting from tariff increases and a mild winter, as well as a lower impact of large losses and Nat Cat events as 2014 was impacted by Ela hailstorm (€-64 million) and Odile hurricane in Mexico (€-30 million) including participation to the Group pool, while 2013 was impacted by floods in Bavaria and Saxony (€50 million) and by the storms Norbert (€39 million) and Andreas (€29 million);
- the *all accident year loss ratio* decreased by 2.3 points to 66.7% as the decrease in current accident year loss ratio was partly offset by reserve strengthening in Commercial Liability and Personal non-Motor business lines.

Expense ratio decreased by 0.3 point to 28.9% with an acquisition expense ratio down by 0.2 point reflecting an improved business mix and an administrative expense ratio down by 0.1 point as a result of the cost savings program.

Enlarged expense ratio was down by 0.6 point to 32.2%.

As a result, the **combined ratio** was down by 2.6 points to 95.6%.

Net investment result decreased by €34 million (-9%) to €326 million mainly due to a lower reinvestment yield on fixed income assets as well as the non-repeat of exceptional distributions from credit funds in 2013.

Income tax expenses increased by €13 million (+10%) to €-146 million mainly due to higher pre-tax underlying earnings.

As a result **underlying earnings** increased by €52 million (+18%) to €347 million.

Adjusted earnings increased by €36 million (+11%) to €356 million as the increase in underlying earnings was partly offset by lower net realized capital gains mainly on equities.

Net income increased by €61 million (+22%) to €332 million due to the increase in adjusted earnings and the favorable change in the fair value of fixed income funds due to decreasing interest rates and tightening of corporate spreads.

PROPERTY & CASUALTY OPERATIONS – SWITZERLAND

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**2,795**	**2,714**
Current accident year loss ratio (net)	68.3%	69.1%
All accident year loss ratio (net)	64.3%	64.0%
Net technical result before expenses	**996**	**972**
Expense ratio	24.8%	24.9%
Net investment result	196	207
Underlying earnings before tax	**500**	**506**
Income tax expenses/benefits	(100)	(98)
Net income from investments in affiliates and associates	-	-
Minority interests	(3)	(3)
Underlying earnings Group share	**397**	**405**
Net capital gains or losses attributable to shareholders net of income tax	43	6
Adjusted earnings Group share	**441**	**411**
Profit or loss on financial assets (under FV option) & derivatives	(0)	(5)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(25)	(26)
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**416**	**379**
Average exchange rate : €1.00 = Swiss Franc	*1.215*	*1.229*

(a) Before intercompany eliminations. Gross Revenues amounted to € 2,783 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €81 million (+3%) to €2,795 million. On a constant exchange rate basis, gross revenues increased by €50 million (+2%):

- *Personal lines* (55% of gross revenues) were up 3% to €1,540 million as a consequence of volume growth in all major business lines and tariff increases in Household and Liability;
- *Commercial lines* (45% of gross revenues) were up 1% to €1,264 million mainly driven by the Workers Compensation business.

Net technical result increased by €24 million (+2%) to €996 million. On a constant exchange rate basis, net technical result increased by €13 million (+1%):

- the *current accident year loss ratio* improved by 0.9 point to 68.3% mainly driven by lower charges from Nat Cat losses due to a lower frequency and severity of severe hail storms compared to 2013, partially offset by impacts from Odile hurricane in Mexico and Ela hailstorm including participation to the Group pool (€-16 million);
- the *all accident year loss ratio* slightly increased by 0.2 point to 64.3% as the lower positive prior year reserve development was partly offset by the improvement in the current year loss ratio.

Expense ratio slightly improved by 0.1 point to 24.8%. The administration expense ratio was down 0.3 point while the acquisition expense ratio was up 0.2 point. Expense ratio improvement was driven by continuing cost management discipline, partly offset by the non-repeat of the positive one-off impact in 2013 resulting from changes in the valuation of employee pension liabilities.

Enlarged expense ratio remained stable at 28.8%.

As a result, the **combined ratio** was up by 0.1 point to 89.1%.

Net investment result decreased by €12 million (-6%) to €196 million. On a constant exchange rate basis, net investment result decreased by €14 million (-7%) mainly driven by lower income from loans as well as lower reinvestment yields on fixed income assets.

Income tax expenses increased by €2 million (+2%) to €100 million. On a constant exchange rate basis, income tax expenses increased by €1 million (+1%).

Underlying earnings decreased by €8 million (-2%) to €397 million. On a constant exchange rate basis, underlying earnings decreased by €12 million (-3%).

Adjusted earnings increased by €30 million (+7%) to €441 million. On a constant exchange rate basis, adjusted earnings increased by €25 million (+6%) mainly driven by higher net realized capital gains on equities and private equity investments, partly offset by lower underlying earnings.

Net income increased by €37 million (+10%) to €416 million. On a constant exchange rate basis, net income increased by €32 million (+8%) mainly driven by higher adjusted earnings and by the positive change in the fair value of private equity and hedge funds.

PROPERTY & CASUALTY OPERATIONS – BELGIUM

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**2,051**	**2,050**
Current accident year loss ratio (net)	67.7%	66.9%
All accident year loss ratio (net)	63.1%	63.4%
Net technical result before expenses	**759**	**756**
Expense ratio	30.7%	30.3%
Net investment result	193	199
Underlying earnings before tax	**321**	**329**
Income tax expenses/benefits	(106)	(106)
Net income from investments in affiliates and associates	-	-
Minority interests	-	-
Underlying earnings Group share	**215**	**222**
Net capital gains or losses attributable to shareholders net of income tax	34	44
Adjusted earnings Group share	**249**	**266**
Profit or loss on financial assets (under FV option) & derivatives	(64)	(10)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(2)	(2)
Integration and restructuring costs	(20)	(21)
NET INCOME GROUP SHARE	**163**	**233**

(a) Before intercompany eliminations. Gross Revenues amounted to € 2,026 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €1 million (0%) to €2,051 million:

- *Personal lines* (50% of gross revenues) were down €4 million to €1,025 million driven by negative net new contracts, partially offset by tariff increases in both Motor and Household;
- *Commercial lines* (49% of gross revenues) were up €3 million to €996 million mainly due to an increase in Workers' Compensation driven by tariff increases on small business enterprises and a more favorable economic environment;
- *Other lines* (1% of gross revenues) were up €2 million to €30 million due to fronting business for the AXA Group.

Net technical result increased by €3 million to €759 million:

- the *current accident year loss ratio* increased by 0.8 point to 67.7% driven by higher Nat Cat events (+3.5 points) mainly due to the Ela hailstorm (€-54 million) and Odile hurricane in Mexico (€-17 million) including participation to the Group pool, partially offset by an improvement of attritional claims (-2.4 points) as a result of tariff increases and lower frequency;
- the *all accident year loss ratio* decreased by 0.3 point to 63.1% as a result of higher positive prior year reserve developments, partially compensated by the evolution of the current accident year loss ratio.

Expense ratio was up 0.3 point to 30.7% driven by higher overhead costs due to salary inflation, partially offset by continued cost management actions.

Enlarged expense ratio up 0.1 point to 38.4%.

As a result, the **combined ratio** was up by 0.1 point to 93.8%.

Net investment result decreased by €6 million (-3%) to €193 million mainly driven by lower income from fixed income assets, partially offset by higher dividends on equities and Mutual funds.

Income tax expenses were stable at €-106 million.

Underlying earnings decreased by €8 million to €215 million.

Adjusted earnings decreased by €17 million (-7%) to €249 million due to lower underlying earnings, lower realized capital gains (€-6m) mainly as a result of a decrease in real estate gains due to the non-repeat of an exceptional sale in 2013, and higher impairments (€-5m) mainly on equities.

Net income decreased by €70 million (-30%) to €163 million mainly driven by lower adjusted earnings as well as an unfavorable change in the fair value of inflation derivatives.

PROPERTY & CASUALTY OPERATIONS – CENTRAL & EASTERN EUROPE AND LUXEMBOURG

Consolidated Gross Revenues

(In Euro million)	December 31, 2014	December 31, 2013
Luxembourg	101	100
Ukraine	48	71
Reso (Russia)	-	-
TOTAL	**149**	**171**
Intercompany transactions	-	-
Contribution to consolidated gross revenues	**149**	**171**

Underlying, Adjusted earnings and Net Income

(In Euro million)	December 31, 2014	December 31, 2013
Luxembourg	3	3
Ukraine	0	2
Reso (Russia) [(a)]	26	20
Underlying earnings	**29**	**25**
Net realized capital gains or losses attributable to shareholders	5	1
Adjusted earnings	**34**	**26**
Profit or loss on financial assets (under Fair Value option) & derivatives	3	15
Exceptional operations (including discontinued operations)	-	-
Goodwill and related intangibles impacts	(270)	(1)
Integration and restructuring costs	-	(0)
NET INCOME	**(233)**	**39**

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

Ukraine

Gross revenues decreased by €23 million (-33%) to €48 million. On a constant exchange rate basis, gross revenues decreased by €2 million (-3%) mainly driven by the political unrest in Ukraine and its consequences on the economic environment in the country.

Underlying earnings and adjusted earnings decreased by €2 million to €0 million due to lower technical result and lower net investment result. As a result, the **combined ratio** deteriorated by 3.2 points to 110%.

Net income decreased by €20 million to €-18 million. On a constant exchange rate basis, net income decreased by €24 million driven by a full write-off of the goodwill (€-18 million) as a consequence of deteriorated economic perspectives.

Reso (Russia)

Underlying earnings increased by €6 million to €26 million. On a constant exchange rate basis, underlying earnings increased by €10 million mainly driven by lower expenses (€+5 million), higher net technical result (€+2 million) and higher investment income (€+2 million). As a result, the **combined ratio** was down 1.9 points to 97.0%.

Adjusted earnings increased by €10 million to €30 million. On a constant exchange rate basis, adjusted earnings increased by €14 million mainly driven by higher underlying earnings and higher net realized capital gains.

Net income decreased by €252 million to €-218 million. On a constant exchange rate basis, net income decreased by €284 million as higher adjusted earnings were more than offset by a €-251 million (or €-288 million on a constant exchange rate basis) impairment of part of the value of Reso (subsidiary consolidated under the equity-method) due to deteriorated economic perspectives in Russia, as well as an unfavorable change in the fair value of hedging derivatives.

PROPERTY & CASUALTY OPERATIONS – MEDITERRANEAN & LATIN AMERICAN REGION

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**7,486**	**7,391**
Current accident year loss ratio (net)	73.6%	72.7%
All accident year loss ratio (net)	74.7%	73.8%
Net technical result before expenses	**1,924**	**1,901**
Expense ratio	25.5%	25.5%
Net investment result	455	404
Underlying earnings before tax	**445**	**453**
Income tax expenses/benefits	(134)	(150)
Net income from investments in affiliates and associates	3	2
Minority interests	(35)	(24)
Underlying earnings Group share	**279**	**281**
Net capital gains or losses attributable to shareholders net of income tax	(2)	(9)
Adjusted earnings Group share	**277**	**272**
Profit or loss on financial assets (under FV option) & derivatives	14	28
Exceptional operations (including discontinued operations)	(3)	(4)
Goodwill and other related intangibles impacts	(17)	(19)
Integration and restructuring costs	(26)	(31)
NET INCOME GROUP SHARE	**246**	**245**

(a) Before intercompany eliminations. Gross Revenues amounted to € 7,440 million net of intercompany eliminations as of December 31, 2014.

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

In the comments below, the comparable basis for gross revenues includes April to December 2013 contribution of Colombia.

Gross revenues increased by €94 million (+1%) to €7,486 million. On a comparable basis, gross revenues decreased by €24 million (0%) due to a decline in mature markets (-3% or €-99 million), partly offset by high growth markets (+2% or €+75 million) principally in the Gulf region and the newly consolidated entity in Colombia:

- *Personal lines* (56% of gross revenues) were down 1% to €4,168 million driven by Motor (-3% or €-95 million) mainly reflecting a decline in Turkey (€-60 million) reflecting increased market competition and change in mix towards lower average premium products, Spain (€-21 million) and Italy (€-16 million) from average premium decrease, partly offset by Health (+8% or €+48 million) predominantly from high growth markets (€+35 million) mainly driven by tariff increases in Mexico;
- *Commercial lines* (44% of gross revenues) were up 1% to €3,309 million driven by (i) Health (+14% or €+87 million) especially in the Gulf Region (€+72 million) mainly driven by a favorable renewal timing effect and volume effect and Mexico (€+13 million) from tariff increase, (ii) Workers' Compensation (€+22 million) mainly in Colombia from volume effect, partly offset by (iii) Motor (-7% or €-82 million) mainly due to Mexico (€-78 million) especially from decreased contribution of partnerships;
- *Other lines* (0% of gross revenues) were down 5% to €9 million.

Net technical result increased by €22 million (+1%) to €1,924 million. Excluding Colombia and on a constant exchange rate basis, net technical result decreased by €42 million (-2%) driven by high growth markets (€-53 million), partly offset by mature markets (€+12 million):

- the *current accident year loss ratio* increased by 1.0 point to 73.6% including a higher Nat Cat charge (+0.8 point) mainly related to Odile hurricane in Mexico (€-55 million) and Ela hailstorm (€-23 million) including contribution to Group pool. Excluding Nat Cat charge, loss ratio in high growth markets remained stable while it deteriorated by 0.2 point in mature markets. In high growth markets, the lower large losses impact was offset mainly by a premium adjustment in Morocco and higher average claims cost in Property in Mexico. Deterioration in mature markets was mainly due to Portugal with an increase of frequency in Motor and higher average cost in Workers' Compensation;
- the *all accident year loss ratio* increased by 1.2 point to 74.7% with deteriorating prior year reserve development mainly due to Turkey reflecting less reinsurance recoveries, partly offset by Spain reflecting less unfavourable prior year reserve development.

Expense ratio decreased by 0.1 point to 25.5%. Excluding Colombia, expense ratio decreased by 0.1 point to 25.5% with a stable acquisition expense ratio and a slightly improving administrative expense ratio down 0.1 point. High growth markets improved by 0.3 point driven by a positive volume effect while mature markets deteriorated by 0.3 point due to a negative volume effect.

Enlarged expense ratio was down by 0.4 point to 28.0%. Excluding Colombia, enlarged expense ratio was down by 0.3 point to 28.1%.

As a result, the **combined ratio** was up by 1.0 point to 100.1%. Excluding Colombia the combined ratio was up by 1.1 point to 100.3%.

Net investment result increased by €52 million (+13%) to €455 million. On a constant exchange rate basis, net investment result increased by €70 million (+17%) or €52 million excluding Colombia, mainly driven by Turkey as a result of both higher interest rates and average asset base.

Income tax expenses decreased by €16 million (-11%) to €-134 million. On a constant exchange rate basis, income tax expenses decreased by €16 million (-11%) mainly from the non-repeat of additional corporate income tax in Italy in 2013 as well as a positive country mix.

Underlying earnings decreased by €2 million (-1%) to €279 million. On a constant exchange rate basis, underlying earnings increased by €3 million (+1%).

Adjusted earnings increased by €6 million (+2%) to €277 million. On a constant exchange rate basis, adjusted earnings increased by €10 million (+4%) mainly driven by a favorable change in intrinsic value of equity hedging derivatives.

Net income was stable at €246 million. On a constant exchange rate basis, net income increased by €5 million (+2%) mainly driven by the increase in adjusted earnings.

PROPERTY & CASUALTY OPERATIONS – DIRECT BUSINESS

(In Euro million)	December 31, 2014	December 31, 2013 published	December 31, 2013 restated (a)
Gross revenues (b)	**2,361**	**2,274**	**2,247**
Current accident year loss ratio (net)	78.2%	76.9%	77.1%
All accident year loss ratio (net)	76.7%	76.8%	77.2%
Net technical result before expenses	**539**	**512**	**497**
Expense ratio	21.5%	22.3%	22.3%
Net investment result	115	105	100
Underlying earnings before tax	**157**	**124**	**112**
Income tax expenses/benefits	(41)	(39)	(35)
Net income from investments in affiliates and associates	8	-	8
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**124**	**85**	**85**
Net capital gains or losses attributable to shareholders net of income tax	(3)	3	3
Adjusted earnings Group share	**121**	**88**	**88**
Profit or loss on financial assets (under FV option) & derivatives	6	7	7
Exceptional operations (including discontinued operations)	-	(2)	(2)
Goodwill and other related intangibles impacts	(2)	(4)	(4)
Integration and restructuring costs	(8)	(4)	(4)
NET INCOME GROUP SHARE	**117**	**84**	**84**

(a) Restated means comparative information related to previous periods was retrospectively restated for the application of IFRS 10 and 11.
(b) Before intercompany eliminations. Gross Revenues amounted to € 2,361 million net of intercompany eliminations as of December 31, 2014.

Direct business includes operations in the UK (23% of total Direct gross revenues), France (22%), South Korea (21%), Japan (14%), Spain (7%), Italy (5%), Belgium (4%), Poland (3%) and Portugal (1%).

Gross revenues increased by €115 million (+5%) to €2,361 million. On a comparable basis, gross revenues increased by €116 million (+5%):

- *Personal Motor* (86% of gross revenues) was up €89 million (+5%) to €2,033 million mainly driven by improved retention in the UK (+8% or €+32 million) and in South Korea (+7% or €+27 million) as well as new business growth in Japan (+9% or €+27 million) and France (+6% or €+20 million), partly offset by Spain (-8% or €-15 million) following tariff increases and selective underwriting to improve the profitability;
- *Personal Non-Motor* (14% of gross revenues) was up €23 million (+7%) to €335 million mainly supported by higher new business in Household in France and Health in South Korea.

Net technical result increased by €42 million (+8%) to €539 million. On a constant exchange rate basis, net technical result increased by €42 million (+8%):

- the *current accident year loss ratio* increased by 1.0 point to 78.2% due to (i) higher Nat Cat charge (+0.1 point) following unfavorable weather conditions in France, Belgium and Japan, (ii) a deterioration of the attritional and large loss ratio (+0.4 point) mainly driven by South Korea due to higher frequency in line with market trends;
- the *all accident year loss ratio* decreased by 0.6 point to 76.7% mainly as a result of favorable prior year reserve developments in France, South Korea and the UK.

Expense ratio decreased by 0.8 point to 21.5% mainly driven by higher volumes.

Enlarged expense ratio decreased by 0.7 point to 27.1%.

As a result, the **combined ratio** was down by 1.4 points to 98.2%.

Net investment result increased by €15 million (+14%) to €115 million. On a constant exchange rate basis, net investment result increased by €12 million (+12%) mainly driven by a higher average asset base.

Income tax expenses increased by €5 million (+15%) to €-41 million. On a constant exchange rate basis, income tax expenses increased by €6 million (+16%) reflecting higher pre-tax underlying earnings, partly offset by a positive country mix effect and a positive tax one-off in the UK.

Underlying earnings increased by €39 million (+47%) to €124 million. On a constant exchange rate basis, underlying earnings increased by €38 million (+45%).

Adjusted earnings increased by €34 million (+39%) to €121 million. On a constant exchange rate basis, adjusted earnings increased by €33 million (+38%) due to higher underlying earnings and realized capital gains, partly offset by impairment of BMPS.

Net income increased by €33 million (+40%) to €117 million. On a constant exchange rate basis, net income increased by €33 million (+39%) mainly due to higher adjusted earnings.

PROPERTY & CASUALTY OPERATIONS – ASIA

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**862**	**822**
Current accident year loss ratio (net)	68.4%	68.0%
All accident year loss ratio (net)	66.2%	66.0%
Net technical result before expenses	**281**	**270**
Expense ratio	27.7%	27.0%
Net investment result	23	19
Underlying earnings before tax	**74**	**75**
Income tax expenses/benefits	(13)	(13)
Net income from investments in affiliates and associates	10	7
Minority interests	(10)	(10)
Underlying earnings Group share	**61**	**58**
Net capital gains or losses attributable to shareholders net of income tax	2	(3)
Adjusted earnings Group share	**63**	**55**
Profit or loss on financial assets (under FV option) & derivatives	(1)	0
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(9)	(12)
Integration and restructuring costs	(28)	(30)
NET INCOME GROUP SHARE	**26**	**13**

(a) Before intercompany eliminations. Gross Revenues amounted to € 853 million net of intercompany eliminations as of December 31, 2014.

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

In the comments below, the comparable basis includes the restated 10-month (March-December) earnings in 2013 for China (AXA Tian Ping).

Gross revenues increased by €40 million (+5%) to €862 million. On a comparable basis, gross revenues increased by €57 million (+7%):

- *Personal lines* (48% of gross revenues) were up €19 million (+5%) to €416 million driven by (i) Motor (€+11 million) as a result of net inflows notably reflecting the increase in private car sales in Malaysia and by (ii) Non-Motor (€+8 million) due to a growth in the Health business in Hong Kong;
- *Commercial lines* (52% of gross revenues) were up €38 million (+9%) to €447 million mainly driven by (i) Health (€+12 million) resulting from volume increase in Malaysia and tariff increase in Singapore, (ii) Property (€+12 million) mainly driven by higher new business volume in Hong Kong, Singapore and Malaysia, (iii) Motor (€+7 million) mainly driven by volume increase in Malaysia and (iv) Workers Compensation (€+4 million) mainly from tariff and volume increases in Hong Kong.

Net technical result increased by €11 million (+4%) to €281 million. On a comparable basis, net technical result increased by €16 million (+6%):

- the *current accident year loss ratio* deteriorated by 0.4 point to 68.4% mainly due to a higher Nat Cat charge in Hong Kong and Singapore mainly due to Odile hurricane in Mexico and Ela hailstorm (participation to Group pool), partly offset by improvements in attritional loss ratio in (i) Commercial Health driven by favorable portfolio mix and improved reinsurance result in Malaysia and tariff increases in Singapore, (ii) Personal Motor from lower frequency in Singapore and Malaysia and (iii) Commercial Motor from lower frequency in Malaysia;
- the *all accident year loss ratio* deteriorated by 0.2 point to 66.2% mainly due to the deterioration of the current accident year loss ratio, partly offset by higher positive prior year reserve developments.

Expense ratio deteriorated by 0.6 point to 27.7%. On a comparable basis, expense ratio deteriorated by 0.6 point mainly driven by higher acquisition expenses (+0.5 point) reflecting an increase in both commissions in Singapore and non-commission expenses in Malaysia.

Enlarged expense ratio deteriorated by 0.7 point to 30.5% on a comparable basis.

As a result, the **combined ratio** deteriorated by 0.8 point to 93.9% on a comparable basis.

Net investment result increased by €4 million (+20%) to €23 million. On a comparable basis, the net investment result increased by €4 million benefitting mainly from a better asset mix in Singapore as well as a higher yield on fixed income assets in Malaysia.

Income tax expenses remained stable at €-13 million. On a comparable basis, income tax expenses remained stable, in line with pre-tax underlying earnings.

Underlying earnings increased by €3 million to €61 million. On a comparable basis, underlying earnings increased by €7 million, including a €7 million increase from investments in affiliates and associates, mainly driven by AXA Tian Ping, with an improvement in the current accident year loss ratio and a higher investment income. Overall, the contribution from AXA Tian Ping amounted to €7 million in 2014 on a group share basis.

Adjusted earnings increased by €8 million to €63 million. On a comparable basis, adjusted earnings increased by €11 million driven by higher underlying earnings and higher net realized capital gains.

Net income increased by €12 million to €26 million. On a comparable basis, net income increased by €16 million driven by the increase in adjusted earnings andlower integration costs in Hong Kong and Singapore, partly offset by integration costs related to AXA Tian Ping.

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)	December 31, 2014	December 31, 2013
AXA Corporate Solutions Assurance	2,131	2,099
AXA Global Life and AXA Global P&C	102	56
AXA Assistance	1,155	1,065
Other [(a)]	52	57
TOTAL	**3,440**	**3,277**
Intercompany transactions	(148)	(134)
Contribution to consolidated gross revenues	**3,292**	**3,143**

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

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(In Euro million)	December 31, 2014	December 31, 2013
AXA Corporate Solutions Assurance	147	149
AXA Global Life and AXA Global P&C	(1)	16
AXA Assistance	23	20
Other [(a)]	39	17
Underlying earnings	**208**	**202**
Net realized capital gains or losses attributable to shareholders	35	25
Adjusted earnings	**244**	**228**
Profit or loss on financial assets (under Fair Value option) & derivatives	23	(7)
Exceptional operations (including discontinued operations)	(2)	(32)
Goodwill and related intangibles impacts	-	-
Integration and restructuring costs	(4)	(4)
NET INCOME	**261**	**184**

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

AXA CORPORATE SOLUTIONS ASSURANCE

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**2,131**	**2,099**
Current accident year loss ratio (net)	86.1%	85.5%
All accident year loss ratio (net)	81.4%	81.9%
Net technical result before expenses	**386**	**381**
Expense ratio	16.5%	15.8%
Net investment result	181	193
Underlying earnings before tax	**225**	**242**
Income tax expenses/benefits	(76)	(91)
Net income from investments in affiliates and associates	-	-
Minority interests	(2)	(2)
Underlying earnings Group share	**147**	**149**
Net capital gains or losses attributable to shareholders net of income tax	31	11
Adjusted earnings Group share	**178**	**160**
Profit or loss on financial assets (under FV option) & derivatives	24	(11)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
NET INCOME GROUP SHARE	**201**	**150**

(a) Before intercompany eliminations. Gross Revenues amounted to € 2,118 million net of intercompany eliminations as of December 31, 2014.

Gross revenues increased by €32 million (+2%) to €2,131 million. On a comparable basis, gross revenues decreased by €20 million (-1%) notably in Liability (-5%) mainly due to a change in payment pattern of a large contract, Aviation (-10%) primarily driven by the continuing decrease of market tariffs and Marine (-3%). These negative developments were partly offset by Motor (+12%) and Property (+4%), mainly due to higher new business sales.

Net technical result increased by €5 million (+1%) to €386 million. On a constant exchange rate basis, net technical result increased by €3 million (+1%):

- the *current accident year loss ratio* increased by 0.6 point to 86.1% driven by higher large losses in Property and Construction, partly offset by lower large losses in Liability;
- the *all accident year loss ratio* decreased by 0.4 point to 81.4% mainly driven by higher positive prior year reserve developments in Property and Motor partly offset by a negative prior reserve development in Liability.

Expense ratio rose by 0.7 point to 16.5% due to a higher acquisition expense ratio resulting from a higher commission rate following a change in portfolio mix and to a higher administrative expense ratio due to investments in growth initiatives and non-recurrent expenses.

Enlarged expense ratio increased by 1.0 point to 20.9%.

As a result, the **combined ratio** was up by 0.3 point to 97.9%.

Net investment result decreased by €12 million (-6%) to €181 million. On a constant exchange rate basis, net investment result decreased by €13 million (-7%) mainly due to lower income from fixed income assets in a low interest rates environment, partly offset by higher dividends on equities.

Income tax expenses decreased by €14 million (-16%) to €-76 million. On a constant exchange rate basis, income tax expenses decreased by €15 million (-16%) driven by lower taxes on prior year reserve developments.

As a result, **underlying earnings** decreased by €3 million (-2%) to €147 million. On a constant exchange rate basis, underlying earnings decreased by €4 million (-3%).

Adjusted earnings increased by €17 million (+11%) to €178 million. On a constant exchange rate basis, adjusted earnings increased by €15 million (+10%) as the lower underlying earnings were more than offset by higher net realized capital gains mainly on equities.

Net income increased by €52 million (+34%) to €201 million. On a constant exchange rate basis, net income increased by €50 million (+33%) mainly driven by higher adjusted earnings and a positive foreign exchange rate impact (versus a negative impact in 2013).

AXA GLOBAL LIFE AND AXA GLOBAL P&C (1)

Underlying earnings decreased by €17 million to €-1 million mainly due to lower technical result in AXA Global P&C and higher expenses related to the development of AXA Global Life.

Adjusted earnings decreased by €17 million to €-1 million mainly as a result of lower underlying earnings.

Net income decreased by €18 million to €2 million mainly due to lower adjusted earnings.

AXA ASSISTANCE

Gross revenues increased by €90 million (+8%) to €1,155 million. On a comparable basis, primarily adjusted from the disposals of Cours Legendre and Domiserve and change of consolidation method for Mauritius & Algeria, gross revenues increased by €92 million (+10%) mainly driven by strong developments in Ecommerce Business, Motor, Home and Travel activities combined with growth of the in-force base.

Underlying earnings increased by €3 million (+15%) to €23 million mainly driven by strong growth of business and tight control of expenses in Europe.

Adjusted earnings increased by €3 million (+17%) to €24 million mainly driven by higher underlying earnings.

Net income increased by €36 million to €17 million primarily reflecting the non-repeat of 2013 exceptional capital losses following the disposal of above-mentioned France-based companies.

OTHER INTERNATIONAL ACTIVITIES

Underlying earnings increased by €22 million to €39 million. On a constant exchange rate basis, underlying earnings increased by €22 million mainly driven by favorable developments on run-off portfolios.

Adjusted earnings increased by €12 million to €43 million. On a constant exchange rate basis, adjusted earnings increased by €11 million driven by higher underlying earnings, partly offset by lower net realized capital gains on corporate debt instruments and on real estate.

Net income increased by €7 million to €40 million. On a constant exchange rate basis, net income increased by €7 million driven by higher adjusted earnings.

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

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)	December 31, 2014	December 31, 2013
AllianceBernstein	2,259	2,177
AXA Investment Managers	1,462	1,638
TOTAL	**3,722**	**3,815**
Intercompany transactions	(396)	(354)
Contribution to consolidated gross revenues	**3,326**	**3,461**

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(In Euro million)	December 31, 2014	December 31, 2013
AllianceBernstein	193	185
AXA Investment Managers	211	216
Underlying earnings	**403**	**400**
Net realized capital gains or losses attributable to shareholders	-	(1)
Adjusted earnings	**403**	**399**
Profit or loss on financial assets (under Fair Value option) & derivatives	25	13
Exceptional operations (including discontinued operations)	(2)	180
Goodwill and related intangibles impacts	-	-
Integration and restructuring costs	(7)	(15)
NET INCOME	**419**	**577**

ALLIANCEBERNSTEIN

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [(a)]	**2,259**	**2,177**
Net investment result	(7)	2
Total revenues	**2,252**	**2,179**
General expenses	(1,771)	(1,719)
Underlying earnings before tax	**481**	**460**
Income tax expenses/benefits	(116)	(114)
Minority interests	(172)	(161)
Underlying earnings Group share	**193**	**185**
Net capital gains or losses attributable to shareholders net of income tax	0	0
Adjusted earnings Group share	**193**	**185**
Profit or loss on financial assets (under FV option) & derivatives	(2)	1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Integration and restructuring costs	(2)	(9)
NET INCOME GROUP SHARE	**188**	**176**
Average exchange rate : €1.00 = $	*1.332*	*1.327*

(a) Before intercompany eliminations. Gross Revenues amounted to € 2,175 million net of intercompany eliminations as of December 31, 2014.

Assets under Management ("AUM") increased by €67 billion from year-end 2013 to €413 billion at December 31, 2014 as a result of €50 billion favorable foreign exchange rate impact, €12 billion market appreciation, net inflows of €3 billion (mainly from Institutional clients), and change in scope of €2 billion. The positive change in scope related to an increase in AUM from the acquisition in June 2014 of CPH Capital Fondsmaeglerselskab A/S, a Danish global equity asset management firm.

Gross revenues increased by €82 million (+4%) to €2,259 million. On a comparable basis, gross revenues increased by €86 million (+4%) primarily due to higher investment management fees (+6%) resulting from a 5% increase in average AUM and higher Institutional Research Services fees (+8%), partly offset by lower distribution fees (-4%) due to outflows leading to lower average AUM in Retail Mutual funds which charge these fees.

Net investment result decreased by €9 million to €-7 million. On a constant exchange rate basis, net investment result decreased by €9 million.

General expenses increased by €52 million (+3%) to €-1,771 million. On a constant exchange rate basis, general expenses increased by €59 million (+3%) due to higher employee compensation expenses resulting from increased revenues.

The **underlying cost income ratio** was stable at 74.8%.

Income tax expenses increased by €2 million (+2%) to €-116 million. On a constant exchange rate basis, income tax expenses increased by €3 million (+2%) due to higher pre-tax underlying earnings, partly offset by a more favourable country mix.

Underlying and adjusted earnings increased by €8 million (+4%) to €193 million. On a constant exchange rate basis, underlying and adjusted earnings increased by €9 million (+5%).

AXA ownership of AllianceBernstein at December 31, 2014 was 62.7%, compared to 63.7% at December 31, 2013. The decrease was mainly due to the exercise of options.

Net income increased by €12 million (+7%) to €188 million. On a constant exchange rate basis, net income increased by €13 million (+7%) due to the increase in adjusted earnings and lower restructuring costs.

AXA INVESTMENT MANAGERS ("AXA IM")

(In Euro million)	December 31, 2014	December 31, 2013
Gross revenues [a]	**1,462**	**1,638**
Net investment result	(12)	(12)
Total revenues	**1,450**	**1,626**
General expenses	(1,123)	(1,281)
Underlying earnings before tax	**328**	**345**
Income tax expenses/benefits	(108)	(119)
Minority interests	(10)	(11)
Underlying earnings Group share	**211**	**216**
Net capital gains or losses attributable to shareholders net of income tax	0	(1)
Adjusted earnings Group share	**211**	**214**
Profit or loss on financial assets (under FV option) & derivatives	27	12
Exceptional operations (including discontinued operations)	(2)	180
Goodwill and other related intangibles impacts	0	0
Integration and restructuring costs	(5)	(6)
NET INCOME GROUP SHARE	**231**	**401**

(a) Before intercompany eliminations. Gross Revenues amounted to € 1,151 million net of intercompany eliminations as of December 31, 2014.

In order to provide a consistent analysis following the sale of AXA Private Equity ("AXA PE") on September 30, 2013, comments are based on restated figures with all P&L aggregates from revenues to net income excluding AXA PE contribution in 2013 as well as other transaction-related impacts.

AXA PE net revenues and underlying earnings Group Share amounted to €187 million and €44 million respectively in 2013.

Comparable basis in the comments below refers to AXA PE exclusion in 2013, constant foreign exchange rate restatement, exclusion of distribution fees retroceded and inclusion of expenses incurred in funds.

Assets under Management ("AUM") increased by €76 billion from year-end 2013 to €623 billion at the end of December 2014, mainly as a result of €58 billion combined market and foreign exchange rate impact and €19 billion net inflows. Net inflows of €19 billion were driven by inflows both on (i) Third party (€+14 billion) mainly from Asian Joint Ventures and (ii) Main Fund (€+4 billion) mainly from Real Estate.

Gross revenues decreased by €176 million (-11%) to €1,462 million. On a comparable basis, net revenues increased by €70 million (+7%) to €1,113 million, mainly driven by higher management fees (€+85 million or +10%) as a result of higher average assets (+5%) and higher management fee bps (+0.7 bp), owing to a better product and client mix, partly offset by lower performance fees (€-17 million or -23%) due to the non-repeat of a high level of performance fees in 2013.

Net investment result remained stable at €-12 million. On a comparable basis, net investment result also remained stable.

General expenses decreased by €158 million (-12%) to €-1,123 million. On a comparable basis, general expenses increased by €29 million (+4%) mainly due to higher staff cost due to an increase in both average salary and average number of FTE.

The **underlying cost income ratio** increased by 0.8 point to 70.6%. On a comparable basis, the underlying cost income ratio improved by 2.0 points.

Income tax expenses decreased by €11 million (-9%) to €-108 million. On a comparable basis, income tax expenses increased by €6 million (+6%) mainly due to higher pre-tax underlying earnings.

Underlying earnings decreased by €5 million (-2%) to €211 million. On a comparable basis, underlying earnings increased by €35 million (+20%).

Adjusted earnings decreased by €4 million (-2%) to €211 million. On a comparable basis, adjusted earnings increased by €36 million (+21%) in line with the increase of underlying earnings.

Net income decreased by €170 million (-42%) to €231 million. On a comparable basis, net income increased by €46 million (+26%) mainly driven by higher adjusted earnings as well as a more favorable change in the fair value of financial assets.

Banking

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

CONSOLIDATED GROSS REVENUES

(In Euro million)	December 31, 2014	December 31, 2013
AXA Banks [(a)]	**533**	**507**
Belgium [(b)]	356	316
France	119	131
Hungary	37	37
Germany	21	22
Other [(c)]	-	2
Other	5	6
TOTAL	**538**	**513**
Intercompany transactions	26	11
Contribution to consolidated gross revenues	**564**	**524**

(a) Of which AXA Bank Europe and its branches: €393 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)	December 31, 2014	December 31, 2013
AXA Banks	**108**	**80**
Belgium	99	80
France	4	1
Hungary	-	-
Germany	5	5
Other [(a)]	-	(6)
Other	(2)	(2)
Underlying earnings	**106**	**78**
Net realized capital gains or losses attributable to shareholders	0	1
Adjusted earnings	**106**	**79**
Profit or loss on financial assets (under Fair Value option) & derivatives	(19)	(35)
Exceptional operations (including discontinued operations)	(126)	(37)
Goodwill and related intangibles impacts	-	-
Integration and restructuring costs	(11)	(15)
NET INCOME	**(49)**	**(8)**

(a) Includes Slovakia and Czech Republic for 2013.

BELGIUM

Net banking revenues increased by €40 million (+13%) to €356 million. **Operating net banking revenues** [(1)] increased by €11 million (+3%) mainly due to increased interest margins and fee income (€+21 million), partially offset by lower reinvestment revenues and lower net realized capital gains (€-10 million).

Underlying earnings increased by €19 million (+24%) to €99 million mainly due to a strong commercial activity and the first results of the transformation plan implementation, with higher operating net banking revenues (€+11 million), lower administrative costs (€+8 million), lower distribution commissions (€+4 million) and lower loan loss provisions (€+3 million), partially offset by a regulatory increase of levy rate on retail savings (€-8 million).

Adjusted earnings increased by €18 million (+22%) to €99 million due to the increase in underlying earnings.

Net income increased by €46 million (+148%) to €77 million due to an increase in adjusted earnings (€+18 million), the positive change in the fair value of own debt (€+41 million), and lower restructuring costs (€+5 million), partly offset by the negative change in the fair value of interest rate derivatives (€-19 million).

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

FRANCE

Net banking revenues decreased by €12 million (-9%) to €119 million.

Operating net banking revenues [1] remained stable at €130 million, with higher interest income on retail loans primarily on mortgages, as a consequence of growth of inforce business following the strong level of new credit production during the last two years, offset by higher commissions paid on new refinancing operations.

Underlying earnings and **adjusted earnings** increased by €3 million to €4 million, thanks to (i) a decrease in administrative expenses and (ii) a slight improvement in cost of risk.

Net income decreased by €5 million to €-4 million as the increase in adjusted earnings was more than offset by an unfavorable impact from the decrease in interest rates on hedging instruments not eligible for hedge accounting.

HUNGARY

Net income decreased by €100 million to €-126 million. On a constant exchange rate basis, net income decreased by €105 million, mainly due to a one-off provision of €101 million as a result of the law voted on July 4th, 2014 which retroactively corrected the bid-ask spreads applied to retail loans in foreign currency and obliged all banks to compensate clients for past variable interest rate changes.

GERMANY

Net banking revenues decreased by €1 million (-3%) to €21 million.

Underlying earnings remained stable at €5 million.

Adjusted earnings and **Net Income** increased by €1 million (+16%) to €5 million.

Holdings and other companies

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

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(In Euro million)	December 31, 2014	December 31, 2013
AXA	(680)	(589)
Other French holding companies	(33)	(31)
Foreign holding companies	(234)	(232)
Other	0	2
Underlying earnings	**(947)**	**(851)**
Net realized capital gains or losses attributable to shareholders	(27)	(31)
Adjusted earnings	**(974)**	**(882)**
Profit or loss on financial assets (under Fair Value option) & derivatives	210	(64)
Exceptional operations (including discontinued operations)	(85)	(22)
Goodwill and related intangibles impacts	0	0
Integration and restructuring costs	(14)	(0)
NET INCOME	**(864)**	**(969)**

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

AXA SA [1]

Underlying earnings decreased by €91 million to €-680 million mainly due to:

- increased general expenses (€-59 million) in order to support advertising campaigns promoting the AXA Brand and invest in our digital capabilities;
- lower dividends received from non-consolidated entities (€-21 million);
- an increase in the French 3% tax on dividends (€-13 million) due to higher dividends paid by the Company in 2014.

Adjusted earnings decreased by €108 million to €-703 million driven by lower underlying earnings and higher impairment on equities, mainly on BMPS.

Net income increased by €92 million to €-533 million. Excluding profits in respect of the deferred contingent consideration related to the sale of the Group's Canadian operations (nil in 2014 vs. €+8 million in 2013), net income increased by €100 million mainly driven by:

- €-108 million from lower adjusted earnings, more than offset by
- €+220 million mainly from a change in the fair value of interest rate and foreign exchange economic derivatives not eligible for hedge accounting under IAS 39.

OTHER FRENCH HOLDING COMPANIES

AXA France Assurance

Underlying earnings increased by €3 million (+13%) to €-20 million mainly due to dividends received from a non-consolidated entity (€+2 million).

Adjusted earnings and **net income** increased by €3 million (+14%) to €-19 million in line with the increase in underlying earnings.

Other French holdings

Underlying earnings decreased by €4 million to €-13 million mainly due to higher financial charges.

Adjusted earnings decreased by €4 million to €-12 million driven by underlying earnings evolution.

Net income decreased by €32 million to €-46 million mainly due to an increase in costs linked to the restructuring of the participation in Bharti AXA General Insurance.

FOREIGN HOLDING COMPANIES

AXA Financial Inc.

Underlying earnings increased by €23 million (+14%) to €-144 million. On a constant exchange rate basis, underlying earnings increased by €22 million (+13%) mainly reflecting the impact of lower share-based compensation expenses.

Adjusted earnings increased by €23 million (+14%) to €-144 million. On a constant exchange rate basis, adjusted earnings increased by €22 million (+13%), in line with underlying earnings evolution.

Net income increased by €64 million (+33%) to €-129 million. On a constant exchange rate basis, net income increased by €64 million (+33%) reflecting adjusted earnings evolution and a favorable change in fair value of cross currency swaps.

AXA UK Holdings

Underlying Earnings decreased by €15 million to €-18 million. On a constant exchange rate basis, underlying earnings decreased by €14 million reflecting a reduction in investment income of €12 million following the reduction in investment portfolio, lower income from derivatives and a lower tax credit due to the non-repeat of one-off adjustments (€-11 million), partly offset by lower financing costs and by a €10 million reduction in expenses reflecting lower pension costs.

Adjusted Earnings decreased by €9 million to €-13 million. On a constant exchange rate basis, adjusted earnings decreased by €8 million reflecting the decrease in underlying earnings, partially offset by realized capital gains related to the reduction in investment portfolio.

Net income increased by €12 million to €-8 million. On a constant exchange rate basis, net income increased by €12 million reflecting the decrease in adjusted earnings more than offset by a favourable movement in the fair value of derivatives (€+9 million) due to foreign exchange rate impact on interest rate movements, together with lower restructuring costs and the release of a provision.

German holding companies

Underlying earnings decreased by €15 million to €-23 million due to higher interest on tax charges and higher administrative expenses related to pensions.

Adjusted earnings increased by €1 million to €-32 million mainly due to lower impairment charges on real estate funds.

Net income decreased by €17 million to €-59 million mainly due to an unfavorable change in the fair value of hedging derivatives related to pensions not eligible for hedge accounting more than offsetting the increase in adjusted earnings.

(1) *All the figures are after tax.*

Belgian holding company

Underlying earnings increased by €1 million (+10%) to €-9 million.

Adjusted earnings increased by €1 million (+7%) to €-9 million.

Net income increased by €1 million (+11%) to €-8 million.

Mediterranean and Latin American Region holdings

Underlying earnings and **Adjusted earnings** increased by €4 million (+8%) to €-40 million. On a constant exchange rate basis, underlying earnings and adjusted earnings increased by €4 million (+8%).

Net income decreased by €13 million (-29%) to €-58 million. On a constant exchange rate basis, net income decreased by €13 million (-29%) mainly due to integration costs related to the acquisitions in Colombia and Nigeria as well as an unfavorable change in the fair value of hedging derivatives not eligible for hedge accounting, partly offset by the non-repeat of 2013 unfavorable one-offs.

Outlook

Despite the context of extremely low interest rates, AXA believes that it is well positioned to achieve successfully its Ambition AXA strategic plan in 2015.

The potential negative impact on 2015 underlying earnings resulting from increasingly low interest rates is currently expected to be largely offset by the revaluation of the US Dollar and the Swiss Franc relative to the Euro.

Ambition AXA is an important milestone on our long-term journey towards becoming an even more customer-centric organization, and consequently more digitally orientated. AXA intends to continue to focus on the more profitable market segments and faster growing geographies as well as delivering the planned efficiency measures.

These elements should enable AXA to continue creating lasting shareholder value and offering an attractive return.

Glossary

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

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

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

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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

ADJUSTED EARNINGS

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

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

Derivatives related to invested assets:

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

UNDERLYING EARNINGS

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

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

- realized gains and losses and change in impairment valuation allowance (on assets not designated under fair value option or trading assets);
- cost at inception, intrinsic value and pay-off of derivatives involved in the economic hedging of realized gains and impairments of equity securities and real estate backing General Account and shareholders' funds;
- related impact on policyholder participation (Life & Savings business);
- DAC and VBI amortization or other reactivity to those elements if any (Life & Savings business) and net of hedging if any.

EARNINGS PER SHARE

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

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

RETURN ON EQUITY ("ROE")

The calculation is prepared with the following principles:

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

LIFE & SAVINGS MARGIN ANALYSIS

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

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

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

For insurance contracts and investment contracts with Discretionary Participation Features (DPF):

- gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees and Revenues" and "Net Technical Margin";
- policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, *i.e.* primarily "Investment Margin" and "Net Technical Margin";
- the "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees and Revenues";
- change in URR (Unearned Revenues Reserves – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.

For investment contracts without DPF:

- deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross consolidated revenues on a separate line, and in Margin analysis in the lines "Fees & Revenues" and "Net Technical margin";
- change in UFR (Unearned Fees Reserves – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.

Underlying Investment margin includes the following items:

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

Underlying Fees & Revenues include:

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

Underlying Net Technical margin includes the following components:

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

Underlying Expenses are:

- acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (*e.g.*, mutual fund sales);
- capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF;
- amortization of acquisition expenses on current year and prior year new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF;
- administrative expenses;
- claims handling costs;
- policyholder bonuses if the policyholder participates in the expenses of the Company.

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

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

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

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

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

- earned premiums, gross of reinsurance;
- claims charges, gross of reinsurance;
- change in claims reserves, including claims handling costs reserves, gross of reinsurance, excluding the recurring interests credited to insurance annuity reserves;
- claims handling costs;
- net result of ceded reinsurance.

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

- current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year, excluding the recurring interests credited to the insurance annuity reserves; to
- earned revenues, gross of reinsurance.

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

- all accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years excluding the recurring interests credited to the insurance annuity reserves; to
- earned revenues, gross of reinsurance.

Underlying expense ratio is the ratio of:

- underlying expenses (excluding claims handling costs); to
- earned revenues, gross of reinsurance.

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

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

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

ASSET MANAGEMENT

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

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

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

BANKING

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

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

1.4 LIQUIDITY AND CAPITAL RESOURCES

Information in this section should be read in conjunction with Note 4 of the Consolidated Financial Statements included in Part 4 of this Annual Report which is covered by the Statutory Auditor's Report on the Consolidated Financial Statements.

Liquidity management is a core part of the Group financial planning including debt profile schedule and, more broadly, the capital allocation process. Liquidity resources result principally from Life & Savings, Property & Casualty and Asset Management operations, as well as from capital raising activities, and committed bank credit lines.

Over the past several years, AXA has expanded its core operations (insurance and asset management) through a combination of organic growth, direct investments and acquisitions. This expansion has been funded primarily through a combination of (i) dividends received from operating subsidiaries, (ii) proceeds from debt instruments issuance (principally subordinated debt) and borrowings (including debt issued by subsidiaries), (iii) the issuance of ordinary shares, and (iv) proceeds from the sale of non-core businesses and assets.

Each of the major operating subsidiaries is responsible for managing its liquidity position, in coordination with the Company. The Company, as the holding company for the AXA Group, coordinates funding and liquidity management and, in this role, participates in financing the operations of certain subsidiaries. Certain of AXA's subsidiaries, including AXA France Assurance, AXA Financial, AXA UK Plc. and AXA Mediterranean Holding SA, are also holding companies and, consequently, are dependent on dividends received from their own subsidiaries to meet their obligations. The Group's operating insurance companies are required to meet multiple regulatory constraints, in particular, a minimum solvency ratio. The level of internal dividends paid by operating entities to the Company (or other Group companies) must therefore take into account these constraints as well as potential future regulatory changes. Cash positions also fluctuate as a result of cash-settled margin calls from counterparties relating to collateral agreements on derivatives, and the Company's statutory (parent only) results may be significantly impacted by unrealized gains and losses on derivatives used to hedge notably currency and interest rate risks. The Company anticipates that cash dividends received from operating subsidiaries and other financing sources available to the Company will continue to cover its operating needs during each of the next three years.

Internal sources of liquidity: AXA's subsidiaries

The principal sources of funds for AXA's insurance operations are premiums, investment income and proceeds from sales of invested assets. These funds are mainly used to pay policyholder benefits, claims and claims expenses, policy surrenders and other operating expenses, and to purchase investment assets. The liquidity of the Group's insurance operations is affected by, among other things, the overall quality of AXA's investments and the Group's ability to liquidate its investment assets to meet policyholder benefits and insurance claims as they fall due. The Group regularly reviews the quality of its assets to ensure adequate liquidity in stress scenarios.

Information on projected payments and surrenders related to Life & Savings and Property & Casualty insurance contracts are disclosed in Note 14.9.1 of Part 4 – "Consolidated Financial Statements".

LIFE & SAVINGS

Liquidity needs can be affected by a number of factors including fluctuations in the level of surrenders, withdrawals, maturities and guarantees to policyholders including guarantees in the form of minimum income benefits or death benefits, particularly on Variable Annuity business (see Part 1.2 – "Information on the Company" segment "Information – Life & Savings – Surrenders and lapses") and mortality (pandemic risk).

The investment strategy of AXA's Life & Savings subsidiaries is designed to match the investment returns and estimated maturity of their investments with expected payments on their insurance contracts. Entities regularly monitor the valuation and duration of their investments and the performance of their financial assets. Financial market performance may affect the level of surrenders and withdrawals on life insurance policies, as well as immediate and projected long-term cash needs. As a result of close monitoring of surrender rates, Group subsidiaries are able to adjust their investment portfolios to reflect such considerations and react in a targeted manner.

PROPERTY & CASUALTY AND INTERNATIONAL INSURANCE

Liquidity needs can be affected by actual claims experience. Insurance net cash flows are generally positive but can be negative in the case of exceptional events. A portion of these cash flows is invested in liquid, short-term bonds and other listed securities in order to manage the liquidity risk that may arise from such events.

ASSET MANAGEMENT AND BANKING

These subsidiaries' principal sources of liquidity are operating cash flows, proceeds from the issuance of ordinary shares (where applicable), drawings on credit facilities, repurchase agreements and other borrowings from credit institutions, banking clients or others.

The financing needs of asset management subsidiaries arise principally from their activities, which require working capital, in particular to finance prepaid commissions on some mutual fund-type products at AllianceBernstein or to constitute seed money for new funds at both AllianceBernstein and AXA Investment Managers.

Liquidity position and risk management framework

In 2014, AXA continued to manage its liquidity risk carefully and conservatively. At year-end 2014, AXA has:

- a large cash position across all business lines (information on cash flows from operations is provided in Note 12 to the Financial Statements included in Part 4 of this Annual Report). As of December 31, 2014, AXA's consolidated statement of financial position included cash and cash equivalents of €21.6 billion, net of bank overdrafts of €0.4 billion;
- broad access to various markets *via* standardized debt programs: for example, at the end of 2014, this included a maximum envelope of €6 billion of French commercial paper, $2 billion of US commercial paper, €15 billion under an Euro Medium Term Note ("EMTN") program (of which €13.1bn issued) and €1.5bn of French *Bons à moyen terme négociables* ("BMTN");
- a debt profile characterized by (i) a debt being mostly subordinated, with a long maturity profile and partly financed through the EMTN program. €2.5 billion of debt repayments [(1)] are expected over the next two years out of a total net financing debt [(2)] of €13.5 billion at year-end 2014, of which €1.0 billion senior debt was reimbursed in January 2015; and (ii) stable debt ratios (debt gearing [(3)]: 24% at year-end 2014 and 2013; interest coverage [(4)]: 9.9x at year-end 2014, versus 10.2x at year-end 2013).

AXA has a robust liquidity risk management framework that it reviews on a regular basis. Its assessment is performed through a quarterly monitoring of liquidity and solvency requirements in stressed environments both at local and Group level. At year-end 2014, Group entities held altogether more than €130 billion government bonds issued by Eurozone countries, which enables them to address any local liquidity need through highly liquid assets. The Group also held €12.8 billion of committed undrawn credit lines at year-end 2014. The Group has its own liquidity requirements which are mainly coming from solvency needs of Group entities under severe stress scenarios and collateralized derivatives held by AXA SA. The derivatives book is monitored and managed on a daily basis by the AXA Group Treasury.

In addition, as part of its risk control system, AXA remains vigilant regarding contractual provisions, such as ratings triggers or restrictive covenants, in financing and other documentation that may give lenders, security holders or other counterparties, rights to accelerate repayment, demand collateral or seek other similar remedies under circumstances that could have a material adverse effect on AXA's consolidated financial position. At year-end 2014, AXA had no rating triggers and no financial covenants in its credit facilities.

(1) Estimated taking into account the first date of step-up calls on subordinated debt.

(2) Total net financing debt = senior debt and commercial paper outstanding net of cash available at central holdings' levels + dated subordinated debt + undated subordinated debt.

(3) Total net financing debt/shareholders' equity excluding undated subordinated debt and excluding unrealized gains & losses recorded through shareholders' equity + total net financing debt.

(4) Including interest charge on undated subordinated debt.

SUBORDINATED DEBT

On a consolidated basis, dated subordinated debt (including derivative instruments) totalled €7,146 million as of December 31, 2014 after taking into account all intra-group eliminations and excluding undated subordinated debt (TSS/TSDI, which are included in shareholders' equity, as described in Note 1.13.2 of Part 4 – "Consolidated Financial Statements"), compared to €7,986 million at December 31, 2013. The decrease was €840 million, or €861 million on a constant exchange rate basis.

Since January 2007, AXA's only convertible debt outstanding is AXA's 2017 convertible bonds, (6.6 million bonds at December 31, 2014 representing a carrying value of €1,622 million for its debt component in Note 17 of Part 4 – Consolidated Financial Statements as of December 31, 2014). To neutralize the dilutive impact of the 2017 convertible bonds, AXA has purchased from a banking counterparty call options on the AXA ordinary share with an automatic exercise feature. Under this arrangement, one call option is automatically exercised upon each conversion of a convertible bond. Consequently, each issuance of a new ordinary share resulting from the conversion of a bond will be offset by the delivery to AXA of an existing ordinary share under the call option (which ordinary share AXA intends to cancel in order to avoid any increase in the number of its outstanding shares and/or dilution).

At December 31, 2014, the number of ordinary shares issuable upon conversion of outstanding bonds was 29.2 million.

Movements in these items are described in Note 17 of Part 4 – "Consolidated Financial Statements".

The contractual maturities of financing debts are detailed in Note 17.3 of Part 4 – "Consolidated Financial Statements".

FINANCING DEBT INSTRUMENTS ISSUED

On a consolidated basis, AXA's total financing debt outstanding amounted to €1,586 million at December 31, 2014, an increase of €18 million from €1,568 million at the end of 2013. On a constant exchange rate basis, the decrease was €32 million.

Movements in this item are described in Note 17 of Part 4 – "Consolidated Financial Statements".

FINANCING DEBT OWED TO CREDIT INSTITUTIONS

At December 31, 2014, the amount of debt owed by AXA and its subsidiaries to credit institutions was €0 million at December 31, 2014 versus €853 million at the end of 2013. The decrease was €853 million at both current and constant exchange rate basis.

OTHER DEBT (OTHER THAN FINANCING DEBT)

Other debt instruments issued

At December 31, 2014, other debt instruments issued totalled €1,164 million, up from €1,070 million at the end of 2013. The increase of €94 million mainly resulted from the increase of commercial paper.

Other debt owed to credit institutions (including bank overdrafts)

At December 31, 2014, other debt owed to credit institutions totalled €691 million (including €418 million of bank overdrafts), a decrease of €650 million compared to €1,341 million at the end of 2013 (including €978 million of bank overdrafts).

Movements in this item are described in Note 18 of Part 4 – "Consolidated Financial Statements".

ISSUANCE OF ORDINARY SHARES

For several years, the AXA Group has been offering to its employees in and outside France, the opportunity to subscribe for shares issued through a capital increase reserved for employees. In 2014, employees invested a total of €314 million that led to a total of approximately 19 million newly issued shares. Employee shareholders represented 6.7% of the outstanding share capital at December 31, 2014.

DIVIDENDS RECEIVED

Dividends received by the Company from its subsidiaries amounted to €3,342 million in 2014 (€3,189 million in 2013), of which €775 million were in currencies other than the Euro (€421 million in 2013).

As a holding company, AXA is not subject to legal restrictions on dividend payments, provided that its accumulated profits are sufficient to cover them and that the Group solvency ratio does not decrease below 100% after dividend payment in cash. However, many Group subsidiaries, particularly AXA's insurance subsidiaries, are subject to restrictions on the amount of dividends they can pay to their shareholders. For more information on these restrictions, see Note 29.4 of Part 4 – "Consolidated Financial Statements".

The Company anticipates that cash dividends received from operating subsidiaries and other financing sources available to the Company will continue to cover its operating expenses (including interest payments on its outstanding debt and borrowings) and dividend payments during each of the next three years. AXA expects that anticipated investments in subsidiaries and existing operations, future acquisitions and strategic investments will be funded from available cash flow remaining after payments of dividends and operating expenses, proceeds from the sale of non-strategic assets and businesses as well as future issues of debt and/or equity instruments.

Uses of funds

Interest paid by the Company in 2014 totaled €1,128 million (€1,102 million in 2013) or €1,158 million after the impact of hedging derivative instruments (€998 million in 2013), of which interest on undated subordinated debt of €479 million (€425 million in 2013).

Dividends paid to AXA SA's shareholders in 2014 in respect of the 2013 financial year totaled €1,960 million, or €0.81 per share, versus €0.72 per share paid in 2013 in respect of the 2012 financial year (€1,720 million in total). These dividends were paid in cash.

Solvency I margin

The Company's operating insurance subsidiaries are required by local regulations to maintain a minimum solvency margin. The primary objective of the solvency margin requirements is to protect policyholders. AXA's insurance subsidiaries monitor compliance with these requirements on a continuous basis and are in compliance with the applicable solvency requirements as of December 31, 2014.

The solvency margin calculation is based on a formula that contains variables related to economic, financial and technical parameters.

A European Directive dated October 27, 1998 requires a consolidated solvency margin calculation effective for periods ending on or after December 31, 2001. France implemented this directive under an ordinance dated August 29, 2001, decreed on March 14, 2002 and applicable from 2002. Additional supervision of credit institutions, investment companies and insurance companies belonging to "financial conglomerates" was introduced by the European Parliament and Council Directive 2002/87/EC of December 16, 2002. France implemented this directive through an ordinance dated December 12, 2004, which introduced the notion of financial conglomerate into the French Insurance Code. According to Article 20 of the Insurance Code, the provisions of this ordinance applied for the first time to periods starting on or after January 1, 2005.

The various components of what the Group considers as available capital are determined in accordance with these regulatory requirements under Solvency I, which are not yet harmonized throughout Europe while waiting for Solvency II. At December 31, 2014, available capital amounted to €67.3 billion (€52.1 billion at December 31, 2013) of which:

- consolidated shareholders' equity after dividend proposal: €44.9 billion (€40 billion at December 31, 2013), including minority interests, but excluding reserves relating to changes in fair value through equity (available for sale assets) and undated subordinated debt;
- gross unrealized capital gains and other: €36.2 billion (€24.2 billion at December 31, 2013);
- admitted subordinated debt: €12.6 billion (€11.8 billion at December 31, 2013);
- locally admitted assets: €2.5 billion (€2.4 billion at December 31, 2013);
- less intangible assets (excluding goodwill on AllianceBernstein as it is part of its net consolidated book value) of €22.7 billion (€20.8 billion at December 31, 2013) and less the net consolidated book value of its equity interests in credit institutions, investment companies and other financial institutions: €4.9 billion (€4.1 billion at December 31, 2013).

The *Autorité de Contrôle Prudentiel et de Résolution* ("ACPR") currently considers that AXA SA is not subject to requirements relating to financial conglomerates. Consequently, in accordance with applicable regulations, as AXA is not subject to the additional supervision applicable to a financial conglomerate, its solvency margin is reduced by the amount of its equity interests in credit institutions, investment companies or financial institutions in which the Group holds more than 20% of the share capital.

Dated and undated subordinated notes issued by the Company qualify for favorable capital treatment from the ACPR, which oversees the Company's consolidated solvency position, and rating agencies.

The Company has issued dated subordinated notes ("TSR"), undated subordinated notes ("TSDI"), and undated deeply subordinated notes ("TSS"), which include provisions designed to allow the Company to ensure the continuity of its activities in the event its financial position deteriorates.

In particular, the Company's TSS include loss absorption mechanisms which provide thatunder certain circumstances relating to the consolidated solvency margin of the Group, the principal amount of each of the relevant TSS will be written down. In such a case, interest will become payable on the reduced principal amount. The principal can be reinstated in the future, following the Company's return to financial health as defined by the term of the TSS.

In addition, subordinated notes include mechanisms to defer or cancel interest payments either on a mandatory or an optional basis.

Some TSR include clauses which permit or force the Company to defer interest payments. In addition, redemption at maturity of some TSR is subject to approval by the ACPR and to the absence of any event having an adverse effect on the Company's solvency margins, its own funds regulatory capital, or the Company's financial situation, which would justify taking specific measures related to the payment due under the notes.

Pursuant to the terms and conditions of AXA's TSDI, the Company may, at its option, in certain circumstances and shall, in other circumstances, defer interest payment upon the occurrence of certain events (*e.g.* absence of dividend payment voted in the preceding Annual Shareholders' Meeting or receipt by the Company or by certain of its principal subsidiaries of a regulatory demand to restore their applicable minimum solvency margin level). Payment of deferred interest becomes due in certain specified cases (*e.g.* payment of a dividend, notification of the end of a regulatory demand to restore solvency, liquidation or redemption of the TSDI, etc.).

In addition, for most of the Company's TSS, upon the occurrence of certain events relating to the Company's consolidated net earnings and shareholders' equity, the Company is required to defer payment of interest. In such events, the Company may satisfy mandatory deferred interest by way of alternative settlement mechanisms (such as, subject to applicable limits, issuance of new shares or other securities including TSS or preference shares, sale of treasury shares, or an increase in the principal amount of the relevant notes) within five years, failing which the interest is forfeited. However, the settlement of deferred interest becomes due, on a best efforts basis, in certain circumstances including redemption of the notes, liquidation, payment of a dividend or interest on any other TSS, any share buy back outside the Company's buy-back program, or any redemption or repurchase of other TSS.

Finally, under its TSS, the Company has an option to cancel payments of interest upon the deterioration of its financial position, unless certain events have occurred in the preceding year (*e.g.* a dividend payment or interest payment on any TSS, any share buy-back outside the Company's share buy-back program or a repurchase or redemption of any TSS). However, upon the occurrence of certain circumstances relating to the consolidated regulatory solvency margin of the Company, the Company is required to cancel the payment of interest.

In accordance with the methods of calculation implemented by AXA in line with existing regulations, AXA's consolidated solvency ratio under the current solvency I regime amounted to 266% at December 31, 2014 compared to 221% at the end of 2013. This change resulted mainly from higher unrealized capital gains on fixed income assets. This 2014 solvency margin calculation will be reviewed by the ACPR.

In the event the Company and/or any of its insurance subsidiaries fails to meet minimum regulatory capital requirements, insurance regulators have broad authority to require or take various regulatory actions. A failure of any of the Company's insurance subsidiaries to meet their minimum regulatory capital requirements and/or a reduction in the level of their regulatory capital that may negatively impact their competitive position may also result in the Company having to inject significant amounts of new capital into its insurance subsidiaries, which could adversely affect the Company's liquidity position.

Global Systemically Important Insurer "GSII"

On July 18, 2013, AXA Group was designated a Global Systemically Important Insurer ("GSII"). The framework policy measures for GSIIs include a number of requirements on GSIIs amongst which the notion of a specific capital regime for GSIIs, and the requirement to submit a Systemic Risk Management Plan, a Liquidity Risk Management Plan and a Recovery Plan to their Group supervisor.

Credit rating

Claims paying and credit strength ratings have become increasingly important factors in establishing the competitive position of insurance companies. Rating agencies review their ratings and rating methodologies on a recurring basis and may change their ratings at any time. Consequently, our current ratings may be subject to change in the future.

On May 9, 2014, Moody's reaffirmed the Aa3 rating for counterparty credit and financial strength on AXA's principal insurance subsidiaries and the A2 rating for counterparty credit on the Company, revising the outlook to stable from negative.

On October 15, 2014, S&P reaffirmed the A+ financial strength rating on the core operating entities of the AXA Group and the A- long-term counterparty credit ratings on AXA SA and AXA Financial, Inc., revising the outlook to positive from stable.

On November 4, 2014, Fitch reaffirmed the AA- financial strength ratings of AXA's principal insurance subsidiaries and the A- rating for counterparty credit on the Company, maintaining a stable outlook. Management closely monitors the Group's ratings and currently expects that these ratings should remain at levels sufficient for the Company and its insurance subsidiaries to compete effectively. However, given continuing high volatility and uncertainty in financial markets and general economic conditions, management cannot predict with any degree of certainty the timing and/or magnitude of future ratings actions.

Subsequent events after December 31, 2014 impacting AXA's liquidity

A dividend per share of €0.95 will be proposed at AXA's Annual Shareholders' Meeting that will be held on April 30, 2015. The dividend will be payable on May 13, 2015 with an ex-dividend date of May 11, 2015.

Please refer to Note 32 of Part 4 – "Consolidated Financial Statements" for other subsequent events.

2 CORPORATE GOVERNANCE

2.1 CORPORATE OFFICERS, EXECUTIVES AND EMPLOYEES

Implementing sound corporate governance principles has been a priority at AXA for many years. In this context, AXA chose to adopt, in 2008, the Corporate Governance Code for listed corporations (*Code de gouvernement d'entreprise des sociétés cotées*) published by the Afep (*Association française des entreprises privées*) and the Medef (*Mouvement des Entreprises de France*) (hereinafter the "Afep-Medef Code") as its corporate governance code of reference. The Board of Directors believes that the recommendations of the Afep-Medef Code and its implementation guide are fully in line with AXA's corporate governance approach. The Company also carefully follows the evolutions of corporate governance practices, in France and abroad, as well as the recommendations and standards of shareholders, regulators, proxy advisors, rating agencies and other stakeholders.

Governance

In April 2010, AXA's Shareholders approved a change in the Company's governance structure. The former dual structure consisting of a Management Board and a Supervisory Board was replaced by a unitary Board of Directors.

Upon the recommendation of its Compensation & Governance Committee, AXA's Board of Directors unanimously approved, on February 20, 2014, the decision to maintain the Company's current unitary Board structure with Mr. Henri de Castries as Chairman & Chief Executive Officer and Mr. Denis Duverne as Deputy Chief Executive Officer.

Prior to its decision, the Board of Directors, together with its Compensation & Governance Committee, have taken into consideration and analyzed several factors including (i) the Group's particular circumstances at this stage of its development, (ii) the advantages and disadvantages of the other types of governance structures, (iii) Messrs. de Castries' and Duverne's experience, professional and personal qualifications as well as the complementary nature of their experience and profiles. After considering these factors and the past four years' experience, the directors unanimously decided to maintain the Company's current governance structure which has optimized the decision-making process and proved both the reactivity and efficiency of the Group despite a difficult macroeconomic environment for financial institutions.

CHAIRMAN & CHIEF EXECUTIVE OFFICER – DEPUTY CHIEF EXECUTIVE OFFICER

Following the re-appointment of Messrs. Henri de Castries and Denis Duverne as directors by the Shareholders' Meeting of April 23, 2014, the Board of Directors decided to re-appoint (1) Mr. Henri de Castries as Chairman of the Board of Directors and Chief Executive Officer and (2) Mr. Denis Duverne as Deputy Chief Executive Officer. The Board considered these appointments to be in the best interest of AXA, its shareholders and other stakeholders and that having two executives on the Board is beneficial to the efficiency and overall quality of the Company's governance.

The Board also believes that having a Deputy Chief Executive Officer to focus on management of the Group's operational activities helps ensure that the Chairman & Chief Executive Officer is well positioned to implement global strategic initiatives and represent the Group with the full spectrum of its stakeholders.

Finally, the Board made clear that its decision to continue with the Company's current governance structure (a unitary Board with the roles of Chairman & Chief Executive Officer combined) is specific to the circumstances of the Group at this point in its evolution and to the unique qualities of Mr. de Castries and, consequently, it will continue to re-examine this question as circumstances evolve.

A BALANCED AND EFFICIENT GOVERNANCE

When the Board of Directors decided to unify the positions of Chairman & Chief Executive Officer in 2010, it implemented various measures designed to ensure an appropriate balance of powers consistent with best governance practices including adopting Bylaws, certain provisions of which go beyond regulatory requirements and market practices, providing that:

- the Board must be composed of a majority of independent directors;
- each of the three Committees of the Board must be chaired by an independent director;
- certain Committees (the Audit Committee and the Compensation & Governance Committee) must be composed only of independent directors; and
- a Vice-Chairman acting as Lead Independent Director must be appointed when the positions of Chairman of the Board of Directors and Chief Executive Officer are held by the same person (this is also provided in AXA's Charter approved by the Shareholders).

Mr. Norbert Dentressangle was appointed Lead Independent Director of AXA in April 2010. The Lead Independent Director has a number of specific powers including the power to convene meetings of the directors without the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer (executive sessions) and to alert the Chairman and the Board of Directors of any potential conflicts of interest.

The Lead Independent Director plays an important role in the preparation of the meetings of the Board and its Committees. In particular, he examines, during preliminary sessions and with Executive Management, the agendas as well as the quality of information provided to the Board and its Committees. The Chairmen of the Board's three Committees are also actively involved in the preparation of the Committee meetings they chair.

These measures, including the active role played by AXA's Lead Independent Director and the other independent directors, have resulted in a well-balanced governance dynamic within the Board and its Committees and proven to be efficient and effective over the past years.

Board of Directors

ROLE AND POWERS

The Board of Directors determines the strategic orientations of the Company's activities and ensures their implementation. Subject to the powers specifically reserved to shareholders under French law and within the limit of the Company's purpose, the Board is responsible for considering all material questions and taking all material decisions related to the Company and its business. It exercises the following powers in particular:

- chooses between the two forms of Executive Management (separation or combination of the roles of Chairman & Chief Executive Officer);
- appoints and determines the compensation of the Chief Executive Officer as well as the Deputy Chief Executive Officer;
- appoints the Vice-Chairman – Lead Independent Director. According to AXA's Charter, this appointment is mandatory when the positions of Chairman of the Board of Directors and Chief Executive Officer are combined;
- reviews and sets (*arrête*) the Company's half-year and annual financial results;
- approves the report of its Chairman on the composition of the Board including gender balance, the conditions of preparation and organization of the Board of Directors' work as well as the internal control and risk management procedures set up by the Company;
- convenes Shareholders' Meetings;
- grants stock options and/or performance shares to Group employees and corporate officers within the framework of the authorizations approved by Extraordinary Shareholders' Meeting;
- authorizes regulated agreements (*conventions réglementées*).

The Board of Directors is also required to approve certain types of material transactions including sales or acquisitions over €500 million; significant financing operations or other types of transactions that are not within the Company's announced strategy.

In order to ensure that the personal interests of the members of the Board of Directors and those of the Company are appropriately aligned, the Board's Bylaws provide that each member of the Board of Directors must hold, within two years following his/her first appointment, a number of AXA shares with a value at least equal to the director's gross fees earned in respect of the previous fiscal year. For this purpose, AXA shares are valued using the closing price of the AXA share on December 31 of the preceding fiscal year.

OPERATING PROCEDURES

The guidelines governing the operation, organization and compensation of the Board of Directors and its Committees are set forth in the Board's Bylaws. The Bylaws detail, in particular, the powers, assignments and obligations of the Board of Directors and its Committees.

The Board of Directors meets as often as it deems necessary. Board members may also meet among themselves without the attendance of the Executive Management and these executive sessions are systematically scheduled at each Board of Directors' meeting. Prior to each meeting, the Board members receive documentation concerning matters to be reviewed, generally eight days in advance. In accordance with the Board of Directors' Bylaws, they are also informed by the Chief Executive Officer on a regular basis of the Company's financial condition as well as any significant event or transaction involving the Company or the Group.

Training sessions are provided to new and existing members of the Board of Directors in order to familiarize them with the Group's principal activities and issues. These sessions mainly focus on the Group's financial structure, strategy, governance, main activities and the evolution of the insurance regulatory context.

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS – LEAD INDEPENDENT DIRECTOR

The Company's Charter and Board of Directors' Bylaws provide for the mandatory appointment of a Vice-Chairman acting as Lead Independent Director in the event that the positions of Chairman & Chief Executive Officer are held by a single individual. On April 23, 2014, the Board of Directors re-appointed Mr. Norbert Dentressangle as Lead Independent Director. This Lead Independent Director has a number of specific powers including supervising the contribution of the independent directors to the Board's work and acting as their spokesperson with the Executive Management to the extent necessary or appropriate. He is also consulted by the Chairman of the Board of Directors on the agenda and planning of Board meetings.

The Lead Independent Director specifically has the power to attend and participate in all meetings of the Board Committees (regardless of whether he is a Committee member), to inform the Chairman and the Board of Directors of any potential conflict of interests, to report to the Shareholders' Meeting with respect to all corporate governance related matters, to require the Chairman & Chief Executive Officer to convene full meetings of the Board on a specific agenda at any time, to convene meetings of the non-executive directors at any time without the attendance of the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer. These executive sessions are chaired by the Vice-Chairman and may be held at any time at the Vice-Chairman's discretion.

During the 2014 fiscal year, the Lead Independent Director attended all meetings of the Board of Directors (nine meetings) as well as nine Committee meetings.

In this context, he:

- maintained regular dialogue with the members of the Board of Directors, in particular the independent members, and with Executive Management including frequent meetings with the Chairman & Chief Executive Officer, the Deputy Chief Executive Officer, members of the Management and Executive Committee and more generally the main executives of the Group;
- was actively involved in the preparation of Board meetings, working closely with Executive Management and other Board members. In particular, he examined the frequency and the dates of the meetings, ensured the quality of the information delivered to the members of the Board and Committees before their meetings as well as the relevance of the agendas; and
- was closely associated with the work of the Compensation & Governance Committee. In particular, he was involved in the selection process of the future members of the Board and Committees, the organization of the periodic self-assessment of the Board as well as the work of the Committee regarding corporate governance related matters such as the functioning of the Board, the succession plans for Executive Management or the communication made to Shareholders on these subjects.

The Lead Independent Director also reported his activities to the Shareholders during their meeting of April 23, 2014.

The time spent by the Lead Independent Director on his activities within the AXA Group represents approximately 47 full days of work.

COMPOSITION OF THE BOARD

Pursuant to Article 10 of the Company's Charter, the members of the Board of Directors are appointed by the Shareholders' Meeting for four years.

On December 31, 2014, the Board of Directors was comprised of fourteen members: four nationals of countries other than France, five women and nine men.

The proportion of women within the Board of Directors was 36% at December 31, 2014. The Board's composition therefore complies with the provisions of law n° 2011-103 of January 27, 2011 and with the recommendations of the Afep-Medef Code regarding gender balance within boards. While the Company is currently in compliance with applicable regulatory requirements and market practices, the Compensation & Governance Committee intends to propose additional women directors for consideration by Shareholders at future Shareholders' Meetings.

As most of AXA's revenues come from outside of France, the Board believes that having an appropriate representation of international experience and profiles is essential. At this stage, the Board is comprised of 29% of members who are nationals of countries other than France. This internationalization encourages open debates within the Board and brings a larger perspective to the discussions.

More generally, the Board of Directors pays particular attention to the level of diversity among its members. Criteria set in connection with the selection process of future directors include the definition of an appropriate mix within the Board of technical skills and professional experience as well as diversity in terms of age, nationality and culture.

A member of the Board of Directors (currently Mrs. Doina Palici-Chehab) is the employee shareholders' representative. This representative is appointed by Shareholders every four years from a list of candidates selected by the Group's employee Shareholders, following an internal selection process (Article L.225-23 of the French Commercial Code). The presence, since 2004, of a shareholder representative within the Board helps enrich the Board's work by taking into account, in a more direct and concrete way, the point of view of the Group's employees, in France and abroad. The Board of Directors does not have any non-voting members (censors).

Each year, the Board of Directors assesses the independence of all of its members on the basis of the recommendations contained in the Afep-Medef Code. On February 24, 2015, the Board of Directors determined that, on December 31, 2014, eleven of the fourteen Board members were independent after assessing the criteria of the Afep-Medef Code: Mmes. Isabelle Kocher, Suet Fern Lee, Deanna Oppenheimer and Dominique Reiniche and Messrs. Jean-Pierre Clamadieu, Norbert Dentressangle, Jean-Martin Folz, Paul Hermelin [1], Stefan Lippe, François Martineau [2] and Ramon de Oliveira. The proportion of independent directors within the Board of Directors was 79% on December 31, 2014.

(1) Mr. Paul Hermelin is Chairman & Chief Executive Officer of Capgemini which provides services to the AXA Group in the course of its ordinary business. Considering (1) that the conditions of these services are negotiated at arm's length and (2) that the revenues for Capgemini generated by the AXA Group do not exceed 0.5% of its consolidated total revenues, AXA's Board of Directors considered that these business relationships are not significant either for AXA or for Capgemini and therefore are not likely to question Mr. Hermelin's independence as a member of AXA's Board of Directors.

(2) Mr. François Martineau is also director of AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle (the "Mutuelles AXA") that hold together more than 10% of AXA's share capital. Considering Mr. François Martineau is a member of AXA's Board of Directors in his personal capacity and not as a legal representative for the Mutuelles AXA, the Board considered that the independence criteria of the Afep-Medef Code related to "directors representing major shareholders of the corporation" is not applicable and that the exercise of these directorships within the Mutuelles AXA are not likely to question his independence as a director of the Company. However, in order to remove any ambiguity regarding potential conflicts of interests, Mr. Martineau is required to abstain from participating in any Board discussion and deliberation relating to the Mutuelles AXA.

COMPOSITION OF THE BOARD OF DIRECTORS ON DECEMBER 31, 2014

Name (age) and principal function Principal business address Nationality	Position within the Board of Directors	First appointment/ term of office
Henri de Castries (60) Chairman & Chief Executive Officer of AXA 25, avenue Matignon - 75008 Paris - France French nationality	Chairman & Chief Executive Officer	April 2010/2018 Annual Shareholders' Meeting
Norbert Dentressangle (60) Chairman of Dentressangle Initiatives (SAS) 30 bis, rue Sainte-Hélène - 69287 Lyon Cedex 02 - France French nationality	Vice-Chairman of the Board of Directors Lead Independent Director	May 2006/2018 Annual Shareholders' Meeting
Denis Duverne (61) Director, Deputy Chief Executive Officer of AXA in charge of Finance, Strategy and Operations 25, avenue Matignon - 75008 Paris - France French nationality	Director Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	April 2010/2018 Annual Shareholders' Meeting
Jean-Pierre Clamadieu (56) Chairman of the Executive Committee and director of Solvay (Belgium) Rue de Ransbeek 310 - 1120 Brussels - Belgium French nationality	Independent director	October 2012/2015 Annual Shareholders' Meeting
Jean-Martin Folz (67) Companies' director AXA - 25, avenue Matignon - 75008 Paris - France French nationality	Independent director Chairman of the Compensation & Governance Committee	May 2007/2015 Annual Shareholders' Meeting
Paul Hermelin (62) Chairman & Chief Executive Officer of Capgemini 11, rue de Tilsitt – 75017 Paris - France French nationality	Independent director	April 2013/2017 Annual Shareholders' Meeting
Mrs. Isabelle Kocher (48) Director, Deputy Chief Executive Officer and Chief Operating Officer of GDF SUEZ Tour T1 – 1, place Samuel de Champlain - Faubourg de l'Arche - 92400 Courbevoie – France French nationality	Independent director Member of the Audit Committee	April 2010/2018 Annual Shareholders' Meeting
Mrs. Suet Fern Lee (56) Chairman & Senior Director of Stamford Law Corporation (Singapore) 10 Collyer Quay #27-00 Ocean Financial Centre - Singapore 049315 - Singapore Singaporean nationality	Independent director Member of the Finance Committee	April 2010/2018 Annual Shareholders' Meeting
Stefan Lippe (59) Co-founder and Chairman of the Board of Directors of Paperless Inc. (Switzerland) and co-founder and Vice Chairman of the Board of Directors of Acqupart Holding AG (Switzerland) Baarerstrasse 8 - CH 6300 Zug - Switzerland German and Swiss nationalities	Independent director Chairman of the Audit Committee Member of the Finance Committee	April 2012/2016 Annual Shareholders' Meeting
François Martineau (63) Attorney at Law Lussan/Société d'avocats 282, boulevard Saint Germain - 75007 Paris - France French nationality	Independent director Member of the Compensation & Governance Committee	April 2008/2016 Annual Shareholders' Meeting

Name (age) and principal function Principal business address Nationality	Position within the Board of Directors	First appointment/ term of office
Ramon de Oliveira (60) Managing Director of Investment Audit Practice, LLC (United States) 580 Park Avenue - New York - NY 10065 - United States French nationality	Independent director Chairman of the Finance Committee Member of the Audit Committee	April 2009/2017 Annual Shareholders' Meeting
Mrs. Deanna Oppenheimer (56) Founder of CameoWorks (United States) 1215 – 4th Avenue, Suite 935 – Seattle – WA 98161 – United States American and British nationalities	Independent director Member of the Audit Committee Member of the Compensation & Governance Committee	April 2013/2017 Annual Shareholders' Meeting
Mrs. Doina Palici-Chehab (57) Chief Executive Officer of AXA Singapore General Insurance (Singapore) 8 Shenton Way #27-01 AXA Tower – Singapore 068811 – Singapore German and French nationalities	Director, representing the employee Shareholders Member of the Finance Committee	April 2012/2016 Annual Shareholders' Meeting
Mrs. Dominique Reiniche (59) Companies' director AXA - 25, avenue Matignon - 75008 Paris - France French nationality	Independent director Member of the Compensation & Governance Committee	April 2005/2017 Annual Shareholders' Meeting

Mr. Claude Bébéar, who was the Honorary Chairman of the Supervisory Board as of April 22, 2008, has been Honorary Chairman of the Board of Directors since April 29, 2010. He is not granted any fees for this directorship.

The Shareholders' Meeting to be held on April 30, 2015 will be asked to vote on the re-appointment of two members of the Board of Directors whose term of office will end (Messrs. Jean-Pierre Clamadieu and Jean-Martin Folz).

In this context, the Board of Directors proposed, based on the recommendation of its Compensation & Governance Committee, the re-appointment as director of Messrs. Jean-Pierre Clamadieu and Jean-Martin Folz for a four-year term (their biographies are presented below in this Section 2.1).

Subject to the Shareholders' Meeting approval, the Board of Directors would therefore be comprised, following the Shareholders' Meeting of April 30, 2015, of fourteen members including eleven members considered independent by the Board of Directors in accordance with the criteria of the Afep-Medef Code, *i.e.* a proportion of independent directors of 79%.

BOARD ACTIVITIES IN 2014

Within the framework of its principal assignments such as described above, the Board focused, in particular, on the following matters during 2014: review of the Group's strategy, examination of the 2013 financial statements and the 2014 half-year financial statements, review of the Board Committee's reports, review of proposed significant acquisitions and disposals, self-assessment of the Board of Directors and independence of the Board members, re-appointment of the executive officers and their succession plan.

Since 2014, the Board of Directors holds each year a two-day off-site strategy session with presentations by members of the Group's Executive Management on a variety of key strategic topics.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN 2014

In 2014, the Board met nine times and the average attendance rate was 97.6%. The Board meetings had an average duration of three and a half hours.

	Board of Directors		Audit Committee		Finance Committee		Compensation & Governance Committee	
Directors	Number of attendance/ Number of meetings	Attendance rate	Number of attendance/ Number of meetings	Attendance rate	Number of attendance/ Number of meetings	Attendance rate	Number of attendance/ Number of meetings	Attendance rate
Henri de Castries	9/9	100%	-	-	-	-	-	-
Norbert Dentressangle	9/9	100%	-	-	-	-	-	-
Denis Duverne	9/9	100%	-	-	-	-	-	-
Jean-Pierre Clamadieu	9/9	100%	-	-	-	-	-	-
Jean-Martin Folz	9/9	100%	-	-	-	-	5/5	100%
Paul Hermelin	8/9	88.9%	-	-	-	-	-	-
Mrs. Isabelle Kocher	9/9	100%	4/5	80%	-	-	-	-
Mrs. Suet Fern Lee	9/9	100%	-	-	5/5	100%	-	-
Stefan Lippe	9/9	100%	5/5	100%	5/5	100%	-	-
François Martineau	9/9	100%	-	-	-	-	5/5	100%
Ramon de Oliveira	8/9	88.9%	5/5	100%	5/5	100%	-	-
Mrs. Deanna Oppenheimer	8/9	88.9%	5/5	100%	-	-	5/5	100%
Mrs. Doina Palici-Chehab	9/9	100%	-	-	5/5	100%	-	-
Mrs. Dominique Reiniche	9/9	100%	-	-	-	-	5/5	100%
TOTAL ATTENDANCE RATE		**97.6%**		**95%**		**100%**		**100%**

INFORMATION ON CURRENT MEMBERS OF THE BOARD OF DIRECTORS (1)

Henri de CASTRIES,

Chairman & Chief Executive Officer of AXA

Expertise and experience

Mr. Henri de Castries is a graduate of the *École des Hautes Études Commerciales* (HEC) and obtained a law degree before completing preparatory studies at the *École Nationale d'Administration* (ENA). After graduating from ENA, Mr. de Castries began his career with the French Finance Ministry Inspection Office. Mr. de Castries joined AXA's Corporate Finance Department on September 1st, 1989. He was appointed Corporate Secretary in 1991 and Senior Executive Vice-President for the Group's asset management, financial and real-estate businesses in 1993. In 1997, Mr. de Castries was appointed Chairman of The Equitable Companies Incorporated (now AXA Financial, Inc.). From May 2000 to April 2010, Mr. de Castries was Chairman of the AXA Management Board. Since April 2010, Mr. Henri de Castries has been Chairman & Chief Executive Officer of AXA.

Directorships currently held within the AXA Group

Chairman & Chief Executive Officer: AXA*

Chairman of the Board of Directors: AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Financial, Inc. (United States)

Director or member of the Management Committee: AXA ASIA (SAS), AXA France IARD, AXA France Vie, AllianceBernstein Corporation (United States), AXA America Holdings, Inc. (United States), AXA Equitable Life Insurance Company (United States), AXA UK plc (United Kingdom), MONY Life Insurance Company of America (United States)

Directorship currently held outside the AXA Group

Director: Nestlé* (Switzerland)

Directorships held during the last five years

Chairman of the Management Board: AXA

Director: AXA Belgium SA (Belgium), AXA Holdings Belgium (Belgium), MONY Life Insurance Company (United States)

(1) *The current directorships held by members of the Board of Directors within a listed company are indicated by the following symbol: *.*

*The current directorships held by members of the Board of Directors within companies belonging to the same group are indicated by the following symbol: **.*

Norbert DENTRESSANGLE,

Vice-Chairman of the AXA Board of Directors, Lead Independent Director

Expertise and experience

In 1979, Mr. Norbert Dentressangle founded the Norbert Dentressangle Group, a transportation and logistics services specialist, and served as Chairman & Chief Executive Officer until 1998. He is currently Chairman of the Supervisory Board. Mr. Norbert Dentressangle is also Chairman of Dentressangle Initiatives, the family-owned holding company which, in addition to his majority stake in Norbert Dentressangle S.A., also holds equity interests in real estate, industrial and business services firms. From April 2008 to April 2010, Mr. Norbert Dentressangle was Vice-Chairman of the AXA Supervisory Board and since April 2010, has been Vice-Chairman, Lead Independent Director, of the AXA Board of Directors.

Directorship currently held within the AXA Group

Vice-Chairman of the Board of Directors: AXA*

Directorships currently held outside the AXA Group

Chairman: Dentressangle Initiatives (SAS)**, ND Investissements (SAS)**

Chairman of the Supervisory Board: Norbert Dentressangle (SA)* **

Co-manager: Versailles Richaud ND (SARL)**

Director or member of the Supervisory Board: HLD (SCA)**, SOGEBAIL

Directorships held during the last five years

Chairman: Financière Norbert Dentressangle (SAS)

Member and Vice-Chairman of the Supervisory Board: AXA

Chief Executive Officer: SOFADE (SAS)

Director: SEB

Denis DUVERNE,

Deputy Chief Executive Officer of AXA

Expertise and experience

Mr. Denis Duverne is a graduate of the *École des Hautes Études Commerciales* (HEC). After graduating from the *École Nationale d'Administration* (ENA), he started his career in 1984 as commercial counsellor for the French Consulate General in New York before becoming director of the Corporate Taxes Department for the French Ministry of Finance in 1986. In 1988, he became Deputy Assistant Secretary for Tax Policy for the French Ministry of Finance and, in 1991, he was appointed Corporate Secretary of Compagnie Financière IBI. In 1992, he became a member of the Executive Committee of Banque Colbert, in charge of operations. In 1995, Mr. Denis Duverne joined the AXA Group and assumed responsibility for supervision of AXA's operations in the US and the UK and managed the reorganization of AXA companies in Belgium and the United Kingdom. From February 2003 until December 2009, Mr. Duverne was the Management Board member in charge of Finance, Control and Strategy. From January 2010 until April 2010, Mr. Duverne assumed broader responsibilities as Management Board member in charge of Finance, Strategy and Operations. Since April 2010, Mr. Denis Duverne has been director and Deputy Chief Executive Officer of AXA, in charge of Finance, Strategy and Operations.

Directorships currently held within the AXA Group

Director and Deputy Chief Executive Officer: AXA*

Chairman & Chief Executive Officer: AXA America Holdings, Inc. (United States)

Chairman: AXA Millésimes (SAS)

Director or member of the Management Committee: AXA ASIA (SAS), AllianceBernstein Corporation (United States), AXA Assicurazioni S.p.A. (Italy), AXA Belgium SA (Belgium), AXA Equitable Life Insurance Company (United States), AXA Financial, Inc. (United States), AXA Holdings Belgium (Belgium), AXA MPS Assicurazioni Danni S.p.A. (Italy), AXA MPS Assicurazioni Vita S.p.A. (Italy), AXA UK plc (United Kingdom), MONY Life Insurance Company of America (United States)

Directorship currently held outside the AXA Group

Not applicable.

Directorships held during the last five years

Member of the Management Board: AXA

Director: AXA France IARD, AXA France Vie, AXA Italia S.p.A. (Italy), MONY Life Insurance Company (United States)

Jean-Pierre CLAMADIEU,

Member of the AXA Board of Directors

Expertise and experience

Mr. Jean-Pierre Clamadieu is a graduate of the *École Nationale Supérieure des Mines* of Paris and *ingénieur du Corps des Mines*. He began his career in various positions within the French Civil Service, in particular for the Ministry of Industry and as technical adviser in the Ministry of Labour. In 1993, he joined the Rhône-Poulenc Group and held various executive positions. In 2003, he was appointed Chief Executive Officer of the Rhodia Group and in 2008, Chairman & Chief Executive Officer. In September 2011, further to the combination between the groups Rhodia and Solvay, Mr. Clamadieu became Vice-Chairman of the Executive Committee of Solvay and Chairman of the Board of Directors of Rhodia. Since May 2012, Mr. Clamadieu has been Chairman of the Executive Committee and member of the Board of Directors of Solvay.

Directorship currently held within the AXA Group

Director: AXA*

Directorships currently held outside the AXA Group

Director: Faurecia*, Solvay* (Belgium)

Directorships held during the last five years

Chairman of the Board of Directors: Rhodia

Chairman & Chief Executive Officer: Rhodia

Chief Executive Officer: Rhodia

Director: SNCF

Jean-Martin FOLZ,

Member of the AXA Board of Directors

Expertise and experience

Mr. Jean-Martin Folz is a graduate of the *École Polytechnique* and *ingénieur du Corps des Mines*. Between 1975 and 1978, he has held various French government cabinet positions, his last position being head of cabinet of the Secretary of State for Industry. In 1978, he joined Rhône-Poulenc to run the Saint-Fons plant, and was then promoted to Senior Executive Vice-President of Rhône-Poulenc for the Specialty Chemicals business unit. In 1984, he became Senior Executive Vice-President and then Chairman & Chief Executive Officer of Jeumont-Schneider (a Schneider subsidiary). In 1987, he was appointed Chief Executive Officer of Péchiney and Chairman of Carbone Lorraine (in 1988). In 1991, he became Group Chief Executive Officer of Eridania Béghin-Say and Chairman & Chief Executive Officer of Béghin-Say. Mr. Jean-Martin Folz joined PSA Peugeot Citroën in 1995 and became Chairman of the Management Board in 1997. He left PSA in February 2007. From June 2007 to March 2010, Mr. Jean-Martin Folz was Chairman of the Afep. From November 2011 to September 2013, Mr. Jean-Martin Folz was Chairman of the Board of Directors of Eutelsat Communications.

Directorships currently held within the AXA Group

Director or member of the Management Committee: AXA*, AXA Millésimes (SAS)

Directorships currently held outside the AXA Group

Director: Alstom*, Compagnie de Saint-Gobain*, Société Générale*

Directorships held during the last five years

Chairman of the Board of Directors: Eutelsat Communications

Director or member of the Supervisory Board: AXA (Supervisory Board), Carrefour, ONF-Participations (SAS), Solvay (Belgium)

Paul HERMELIN,

Member of the AXA Board of Directors

Expertise and experience

Mr. Paul Hermelin is a graduate of the *École Polytechnique* and *École Nationale d'Administration* (ENA). Mr. Paul Hermelin spent the first fifteen years of his professional life in the French government, primarily in the Ministry of Finance. He held a number of positions in the Budget Office and on various ministry staffs, including that of Finance Minister Jacques Delors. He was chief of staff of the Minister of Industry and Foreign Trade, from 1991 to 1993. Mr. Paul Hermelin joined the Capgemini Group in May 1993, where he was first in charge of coordinating central functions. In May 1996, he was appointed member of the Management Board of Cap Gemini and Chief Executive Officer of Cap Gemini France. In May 2000, following the merger between Cap Gemini and Ernst & Young Consulting (which he initiated), he became Deputy Chief Executive Officer of the Group and member of the Board of Directors. As of January 1st, 2002, he is Chief Executive Officer of the Capgemini Group. Since May 2012, Mr. Paul Hermelin has been Chairman & Chief Executive Officer of Capgemini.

Directorship currently held within the AXA Group

Director: AXA*

Directorships currently held outside the AXA Group

Chairman & Chief Executive Officer: Capgemini* **, Capgemini Holding Inc.** (United States), Capgemini North America Inc.** (United States)

Chairman: Camélia Participations SAS**, Capgemini America, Inc.** (United States), Capgemini Energy GP LLC** (United States), Capgemini US LLC** (United States)

Chief Executive Officer: Capgemini Service S.A.S.**

Director or member of the Supervisory Board: Capgemini Australia Pty Ltd** (Australia), Capgemini Financial Services International Inc.** (United States), Capgemini N.V.** (Netherlands), CGS Holdings Ltd** (United Kingdom), CPM BRAXIS S.A.** (Brazil), SOGETI S.A.** (Belgium)

Directorship held during the last five years

Not applicable.

Isabelle KOCHER,

Member of the AXA Board of Directors

Expertise and experience

Mrs. Isabelle Kocher is a graduate of the *École Normale Supérieure* (ENS-Ulm), *ingénieur du Corps des Mines* and holds an aggregation in Physics. From 1997 to 1999, she was in charge of the budget of Telecommunication and Defense at the French Ministry of Economy. From 1999 to 2002, she was Advisor on Industrial Affairs of the French Prime Minister Office (Lionel Jospin). In 2002, she joined the Suez group. She then held various positions: from 2002 to 2005, at Strategy & Development; from 2005 to 2007, director of Performance and Organisation; from 2007 to 2008, Deputy Chief Executive Officer of Lyonnaise des Eaux. From 2009 to September 2011, Mrs. Isabelle Kocher was Chief Executive Officer of Lyonnaise des Eaux, in charge of the development of activities in Europe. From October 2011 to November 2014, Mrs. Isabelle Kocher was Executive Vice-President, Chief Financial Officer of GDF SUEZ. Since November 2014, Mrs. Isabelle Kocher has been director, Deputy Chief Executive Officer and Chief Operating Officer of GDF SUEZ.

Directorship currently held within the AXA Group

Director: AXA*

Directorships currently held outside the AXA Group

Director and Deputy Chief Executive Officer: GDF SUEZ* **

Vice-Chairman: Electrabel** (Belgium)

Director: GDF SUEZ Energie Services**, GDF Suez Environnement Company**, International Power** (United Kingdom)

Directorships held during the last five years

Chief Executive Officer: Lyonnaise des Eaux

Deputy Chief Executive Officer: Lyonnaise des Eaux

Director: Arkema

Suet Fern LEE,

Member of the AXA Board of Directors

Expertise and experience

Mrs. Suet Fern Lee graduated with a double first in law from Cambridge University in 1980 and qualified as a Barrister-at-Law at Gray's Inn London in 1981. She was admitted to the Singapore Bar in 1982 and has practised law in London and Singapore since then. She was President of the Inter-Pacific Bar Association (IPBA) until 2011. Since 2000, she has been Senior Partner of Stamford Law Corporation (Singapore). She is Chairman of the Asian Civilisations Museum Board, and is also a member of the National Heritage Board, a member of the Executive Committee of the Singapore Academy of Law where she also chairs the Committee on Legal Education and Studies, a member of the Advisory Board to the Law School at Singapore Management University where she also chairs the Expert Panel Centre of Cross-Border Commercial Law in Asia and a trustee for Nanyang Technological University as well as a Fellow of the Singapore Institute of Directors.

Directorships currently held within the AXA Group

Director or member of the Management Committee: AXA*, AXA ASIA (SAS)

Directorships currently held outside the AXA Group

Chairman & Senior Director: Stamford Law Corporation** (Singapore)

Chairman: Asian Civilisations Museum (Singapore)

Director or member of the Management Committee: Sanofi*, Macquarie International Infrastructure Fund Ltd (Bermuda), National Heritage Board (Singapore), Rickmers Trust Management Pte Ltd (Singapore), Stamford Corporate Services Pte Ltd** (Singapore)

Trustee: Nanyang Technological University (Singapore)

Member of the Accounting Advisory Board: National University of Singapore Business School (Singapore)

Member of the Advisory Board: Singapore Management University School of Law (Singapore)

Member of the Executive Committee: Singapore Academy of Law (Singapore)

Directorships held during the last five years

President: IPBA (Singapore)

Director: Sembcorp Industries Ltd (Singapore)

Stefan LIPPE,

Member of the AXA Board of Directors

Expertise and experience

Mr. Stefan Lippe is a graduate in mathematics and business administration from the University of Mannheim. He obtained his doctorate in 1982 being awarded the Kurt Hamann foundation prize for his thesis. In October 1983, he joined Bavarian Re (a former Swiss Re subsidiary). From 1985, he was involved in the casualty department's operations in the German-speaking area. In 1986, he became Head of the non-proportional underwriting department. He was appointed member of the Management Board in 1988 when he assumed responsibility for the company's casualty line of business in the German-speaking area. In 1993, he became Chairman of the Management Board of Bavarian Re. Mr. Stefan Lippe was appointed a member of Swiss Re's Executive Board in 1995, as Head of the Bavarian Re Group. In 2001, he was assigned the role of Head of the Property & Casualty Business Group and appointed a member of Swiss Re's Executive Committee. Beginning in 2005, he led Swiss Re's Property & Casualty and Life & Health Underwriting activities; and in September 2008, he took over as Chief Operating Officer of Swiss Re and was also appointed Deputy Chief Executive Officer of Swiss Re. In 2009, he was appointed Chief Executive Officer of Swiss Re and stayed in this function until January 2012. Mr. Stefan Lippe was named Reinsurance CEO of the year 2011 by the leading industry publication, Reaction, and he was recognized at the Worldwide Reinsurance Awards 2013 ceremony with the "Lifetime Achievement Award". After nearly 30 years with Swiss Re, he turned to other activities. In 2011, Mr. Stefan Lippe co-founded Acqupart Holding AG of which he serves as Vice-Chairman of the Board of Directors, and Acqufin AG. In May 2013, he co-founded Paperless Inc. and serves currently as Chairman of the Board of Directors of this company. In October 2013, Mr. Stefan Lippe was elected as Chairman of the Board of Directors of CelsiusPro AG. Since May 2014, Mr. Stefan Lippe has been a member of the Supervisory Board of Commerzbank AG.

Directorship currently held within the AXA Group

Director: AXA*

Directorships currently held outside the AXA Group

Chairman of the Board of Directors: CelsiusPro AG (Switzerland), Paperless Inc. (Switzerland)

Chairman of the Advisory Board: German Insurance Association for Vocational Training (BWV) (Germany)

Vice-Chairman of the Board of Directors: Acqupart Holding AG (Switzerland)

Member of the Supervisory Board: Commerzbank AG* (Germany)

Directorships held during the last five years

Chairman of the Management Board: Swiss Re Ltd. (Switzerland), Swiss Reinsurance Company Ltd. (Switzerland)

Chairman of the Board of Directors: Swiss Re Corporate Solutions Ltd. (Switzerland)

Vice-Chairman of the Board of Directors: Acqufin AG (Switzerland)

Director: Extremus Insurance Ltd. (Germany), Swiss Re Foundation (Switzerland), Swiss Re Germany AG (Germany), Swiss Re Life Capital Ltd. (Switzerland)

François MARTINEAU,

Member of the AXA Board of Directors

Expertise and experience

Mr. François Martineau is a graduate of the University Paris IV (Philosophy Degree), University Paris I (Law Master) and of the *Institut d'Études Politiques* de Paris. Mr. François Martineau has been an Attorney since 1976. In 1981, he was "*Secrétaire de la Conférence*". In 1985, he was a lecturer at the University Paris I (Civil Procedure). In 1995, he was a Professor at the Paris Bar School (EFB) and since 1998, he is Honorary Professor at the Law and Political Sciences School of Lima (Peru). In 1996, he became an Expert at the Council of Europe and fulfilled various missions in Eastern Europe countries regarding the reform of the Code of the Judicial Organization, the reform of the magistrates' and lawyers' training and the revision of the Code of Civil Procedure. He also teaches professionals at the *École Nationale de la Magistrature* (ENM). Since 1987, Mr. François Martineau has been a partner of the law firm Lussan/Société d'avocats, and Managing Partner since 1995.

Directorships currently held within the AXA Group

Director: AXA*, AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle

Directorships currently held outside the AXA Group

Managing Partner: Lussan/Société d'avocats

Vice-Chairman and director: Associations Mutuelles Le Conservateur**, Assurances Mutuelles Le Conservateur**, Bred Banque Populaire

Director: Conservateur Finance**

Directorship held during the last five years

Member of the Supervisory Board: AXA

Ramon de OLIVEIRA,

Member of the AXA Board of Directors

Expertise and experience

Mr. Ramon de Oliveira is a graduate of the University of Paris and of the *Institut d'Études Politiques* (Paris). Starting in 1977, Mr. de Oliveira spent 24 years at JP Morgan & Co. From 1996 to 2001, Mr. de Oliveira was Chairman & Chief Executive Officer of JP Morgan Investment Management. Mr. de Oliveira was also a member of the firm's Management Committee since its inception in 1995. Upon the merger with Chase Manhattan Bank in 2001, Mr. de Oliveira was the only executive from JP Morgan & Co. asked to join the Executive Committee of the new firm with operating responsibilities. Between 2002 and 2006, Mr. de Oliveira was an Adjunct Professor of Finance at both Columbia University and New York University. Mr. Ramon de Oliveira is the Managing Director of the consulting firm Investment Audit Practice, LLC, based in New York.

Directorships currently held within the AXA Group

Director: AXA*, AXA Equitable Life Insurance Company (United States), AXA Financial, Inc. (United States), MONY Life Insurance Company of America (United States)

Directorships currently held outside the AXA Group

Managing Director: Investment Audit Practice, LLC (United States)

Chairman of the Investment Committee: Fonds de Dotation du Musée du Louvre

Director: JACCAR Holdings SA (Luxembourg)

Directorships held during the last five years

Chairman of the Board of Directors: Friends of Education (not-for-profit organization) (United States)

Trustee and Chairman of the Investment Committee: The Kauffman Foundation (United States)

Director or member of the Supervisory Board: AXA (Supervisory Board), American Century Company, Inc (United States), JP Morgan Suisse (Switzerland), MONY Life Insurance Company (United States), Quilvest (Luxembourg), SunGard Data Systems (United States), Taittinger-Kobrand USA (United States), The Hartford Insurance Company (United States)

Member of the Investment Committee: The Red Cross (United States)

Deanna OPPENHEIMER,

Member of the AXA Board of Directors

Expertise and experience

Mrs. Deanna Oppenheimer graduated from the University of Puget Sound with degrees in political science and urban affairs. She completed the Advanced Executive Programme at the J.L. Kellogg School of Management at Northwestern University. Mrs. Deanna Oppenheimer started her career in Banking at Washington Mutual (United States) in 1985, retiring in March 2005 as President, Consumer Banking. In October 2005, Mrs. Deanna Oppenheimer joined Barclays (UK) as UK Banking Chief Operating Officer. In December 2005, she became Chief Executive of UK Retail and Business Banking (UK RBB). In recognition of her importance to retail banking at Barclays, she was given the additional title of Vice Chair, Global Retail Banking in 2009 where she shared the UK RBB best practice throughout Europe and Africa. In September 2010, Mrs. Oppenheimer added the role of Chief Executive of Europe Retail and Business Banking. At the end of 2011, she left Barclays. In 2012, Mrs. Deanna Oppenheimer has been founder of the advisory firm CameoWorks (United States).

Directorship currently held within the AXA Group

Director: AXA*

Directorships currently held outside the AXA Group

Founder: CameoWorks (United States)

Director: NCR Corporation* (United States), Tesco PLC* ** (United Kingdom), Tesco Personal Finance Group Limited** ("Tesco Bank") (United Kingdom)

Trustee: University of Puget Sound (United States)

Directorship held during the last five years

Not applicable.

Doina PALICI-CHEHAB,

Member of the AXA Board of Directors, representing the employee shareholders

Expertise and experience

Mrs. Doina Palici-Chehab is a graduate of the University of Bucarest (Romania) (*Magister Artium*) and of the Deutsche Versicherungsakademie of Munich (Germany) (Degree in insurance management (Versicherungsbetriebswirt (DVA)). From 1980 to 1983, she was a teacher for foreign languages in Romania. From 1983 to 1990, she was subject Matter Expert in AGF (now Allianz) in Cologne (Germany). In 1990, she joined the AXA Group as Reinsurance Director of AXA Germany (Germany). In 2000, she became Head of Group Reinsurance of AXA Global P&C in Paris (France). From 2010 to March 2013, she was Chief Executive Officer of AXA Business Services in Bangalore (India). Since April 2013, she has been Chief Executive Officer of AXA Insurance Singapore (Singapore). Since April 2012, Mrs. Doina Palici-Chehab has been the employee shareholder representative to the AXA Board of Directors.

Directorships currently held within the AXA Group

Chief Executive Officer: AXA Insurance Singapore Pte Ltd (Singapore)

Director, representing the employee shareholders: AXA*

Directorship currently held outside the AXA Group

Not applicable.

Directorships held during the last five years

Chief Executive Officer: AXA Business Services Pvt. Ltd. (India)

Director: AXA MATRIX Risk Consultants India Private Limited (India)

Dominique REINICHE,

Member of the AXA Board of Directors

Expertise and experience

Mrs. Dominique Reiniche is a graduate of the Essec. In 1978, she joined Procter & Gamble and in 1983 became Associate Advertising Manager. In 1986, she joined Kraft Jacobs Suchard and was appointed Marketing & Strategy Manager. In 1992, she joined Coca-Cola Beverages as a Marketing & Responsible *Compte-clé* Manager. In 1998, she was appointed Chairman & Chief Executive Officer of Coca-Cola Entreprise and Vice-Chairman of Coca-Cola Enterprises - Groupe Europe in 2002. From January 2003 to May 2005, she was Chairman of Coca-Cola Enterprises - Groupe Europe. From May 2005 to March 2014, Mrs. Dominique Reiniche was Chairman Europe of The Coca-Cola Company.

Directorship currently held within the AXA Group

Director: AXA*

Directorships currently held outside the AXA Group

Director: Peugeot S.A.*, Chr. Hansen* (Denmark)

Directorships held during the last five years

Vice-Chairman of the Board: ECR Europe (Belgium)

Chairman: UNESDA (Union of European Beverages Associations) (Belgium)

Vice-Chairman: FDE (FoodDrinkEurope) (Belgium)

Member of the Supervisory Board: AXA

Member of the France Advisory Board: ING Direct

SERVICE CONTRACTS BETWEEN THE AXA GROUP AND MEMBERS OF THE BOARD OF DIRECTORS

Mrs. Doina Palici-Chehab, who is the employee shareholder representative to the AXA Board of Directors, is currently an employee of AXA Insurance Singapore Pte Ltd, which is one of AXA's principal Singaporean subsidiaries.

FAMILY RELATIONSHIP

To the best of the Company's knowledge, there are no family relationships among the members of the Board of Directors or with members of the Executive Management.

OTHER INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS

Conflicts of interests

The Board of Directors' Bylaws (Article 10-2 3rd paragraph) specify that "*each member of the Board of Directors shall be required to inform the Company of any situation concerning her/him which may create a conflict of interest with the Company or the companies of the AXA Group*."

The Chairman & Chief Executive Officer and the Deputy Chief Executive Officer do not currently exercise any professional activity or hold any directorship outside the AXA Group that substantially interfere with or impede in any material way their availability to focus on the Group and its business. Certain members of the Board of Directors, however, are corporate officers and/or executives of companies that may have agreements or enter into transactions from time to time with the AXA Group including credit facilities, purchases of securities (for their own account or for third parties), underwriting of securities and/or furnishing of other types of services or goods. These agreements or deals are generally fully negotiated and performed on arm's length terms and conditions. Consequently, AXA does not believe that any of these agreements or transactions give rise to conflicts of interests between (i) the director's duties towards AXA and (ii) their private interests and/or other duties of these individuals.

To the best of the Company's knowledge, there are no arrangements or understandings that have been entered into with major shareholders, customers, suppliers or others pursuant to which a member of the Board of Directors was selected.

Absence of any conviction in relation to fraudulent offences, any official public incrimination and/or sanctions, or any responsibility in a bankruptcy for the last five years

To the best of the Company's knowledge and based on the information reported to it, none of the members of its Board of Directors have been, during the last five years (i) subject to any conviction in relation to fraudulent offences or to any official public incrimination and/or sanction by statutory or regulatory authorities, (ii) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, or (iii) associated as a member of the administrative, management or supervisory bodies with any company that has declared bankruptcy or been put into receivership or liquidation, provided, however, that AXA has from time to time sold, discontinued and/or restructured certain business operations and voluntarily liquidated affiliated companies in connection with these or similar transactions and certain members of AXA's Board of Directors may have been associated with other companies that have undertaken similar solvent liquidations.

SELF-ASSESSMENT OF THE BOARD OF DIRECTORS' ACTIVITIES

The Board of Directors conducts an annual self-assessment in order to review its composition, organization and functioning. The conclusions of this self-assessment are discussed annually during a meeting of the Board of Directors.

In 2013, the Board of Directors, upon recommendation of its Compensation & Governance Committee, decided that the assessment would be conducted by an external consultant (SpencerStuart).

In 2014, the Chairman of the Compensation & Governance Committee collected, through individual interviews or written answers to a questionnaire, the views and suggestions of each director.

The Lead Independent Director was also actively involved in this assessment and, in particular, in examining the conclusions of this assessment and defining areas for improvement. The Lead Independent Director also interviewed each member of the Board of Directors individually to discuss their participation in and contributions to the Board's work.

The Compensation & Governance Committee of December 16, 2014 reviewed in detail the conclusions of this self-assessment and the principal areas identified for improvement and made recommendations to the Board of Directors which in turn examined and approved them during its meeting of December 17, 2014.

During this assessment, the members of the Board expressed a very favorable opinion on the global functioning of the Board and indicated that the recommendations from the prior review had been broadly acted upon. The main areas for improvements identified during the 2014 self-assessment were: (1) the presentation by the Chairmen of the Committees of their reports to the Board of Directors in a way to encourage questions from the Board members, (2) the identification by the Lead Independent Director of topics to be discussed in executive sessions of the Board and (3) the information provided to Board members between Board meetings. For the future, the Board also underlined the importance of analyzing ex post the implementation of material transactions. Actions have already been decided and implemented in this regard.

Board of Directors' Committees

The Board of Directors has three specialized Committees that review specific matters and report to the Board: (1) the Audit Committee, (2) the Finance Committee and (3) the Compensation & Governance Committee.

In order to preserve a well-balanced governance, the Board of Directors has ensured that independent directors have a major role on all Board Committees. In this context:

- each of the three Committees is chaired by an independent director;
- all members of the Audit Committee and the Compensation & Governance Committee are independent directors;
- AXA's Executive Officers cannot be members of the Committees.

The role, organization and operating procedures of each Committee are set forth in the Board of Directors' Bylaws and in the Audit Committee Terms of Reference.

Each Committee issues opinions, proposals or recommendations to the Board of Directors on matters within the scope of its responsibilities. Nevertheless, under French law, Board Committees do not have any formal decision making power.

Each Committee is empowered to undertake or commission specific studies or reviews within the scope of its responsibilities. The Committees may request external consulting expertise if necessary. They may also invite external participants to attend their meetings. Committee Chairmen report to the Board of Directors at the following Board meeting.

Board of Directors' Committees	Principal responsibilities	Principal activities in 2014
Audit Committee *Composition on December 31, 2014:* Stefan Lippe, Chairman Isabelle Kocher Ramon de Oliveira Deanna Oppenheimer The Board of Directors reviewed the qualifications of all Audit Committee members in terms of their financial expertise and business experience and believes that all members have the requisite expertise, experience and qualifications to fulfil their assignments as Audit Committee members.	The scope of the Audit Committee's responsibilities is set out in its Terms of Reference which are reviewed and approved each year by the Board of Directors. The Audit Committee assists the oversight of the: ■ adequacy and effectiveness of the internal control and risk management frameworks; ■ financial reporting process and the integrity of the publicly reported results and disclosures made in the financial statements; ■ effectiveness, performance and independence of the internal and external auditors. The Committee oversees the process for selecting the Statutory Auditors, making recommendations and controlling their appointment and replacement. The Committee also examines the compliance with the risk appetite limits. The Committee meets during specific sessions (1) the Statutory Auditors and the Group Head of Audit, (2) the Deputy Chief Executive Officer and the Group Chief Financial Officer and (3) the Group Chief Risk Officer. The review of financial statements by the Audit Committee is accompanied by a presentation from the Statutory Auditors stressing the essential points of the results of the statutory audit and the accounting methods chosen. The Committee also receives presentations from the Group Chief Risk Officer, the Group General Counsel and the Group Chief Financial Officer describing the Company's principal risk exposures. The Deputy Chief Executive Officer, the Group Chief Financial Officer, the Group Head of Audit, the Group Chief Risk Officer, the Group Chief Accounting Officer as well as the Company's Statutory Auditors attend each Audit Committee meeting. The Group General Counsel also attends the Committee's meetings on a regular basis.	The Audit Committee met five times in 2014. The average attendance rate was 95%. The Committee focused, in particular, on the following issues: ■ the full year financial statements for 2013; ■ the 2013 Annual Report *(Document de Référence)*; ■ the half-year financial statements for 2014; ■ internal control and risk management (reports from Internal Audit, Compliance, Risk Management, IT security, the Group's Internal Financial Control (IFC) function, and the Global Business Lines…); ■ Solvency II and ORSA report (Own Risk and Solvency Assessment); ■ Risk Management Framework, Risk Appetite and Reporting; ■ the results of internal and external audit work; and ■ the internal and external audit plans and resources.

Board of Directors' Committees	Principal responsibilities	Principal activities in 2014
Finance Committee *Composition on December 31, 2014:* Ramon de Oliveira, Chairman Suet Fern Lee Stefan Lippe Doina Palici-Chehab	■ to examine and issue an opinion on any plan that intends to set up sureties or grant guarantees, endorsements and warrantees in favor of third parties, when their value exceeds the authorizations granted to the Chairman & Chief Executive Officer by the Board of Directors; ■ to examine and issue an opinion on any of the following plans: • to issue securities giving a claim, whether directly or indirectly, to the Company's share capital, • to propose share repurchase programs to the Ordinary Shareholders' Meeting, • financing operations that might substantially change the Company's financial structure; ■ to examine any plan to perform a financial operation of significant size for the AXA Group, except for M&A transactions that shall be discussed directly at the Board level; ■ to examine any subject relating to the financial management of the AXA Group: • policy on financial risk management, • liquidity and financing of the Group, • capital and solvency; ■ to examine the impact on capital and solvency at Group level of the main orientations and limits of the Asset-Liability Management policy; and ■ to review the risk appetite framework developed by the Executive Management for financial, insurance and operational exposures.	The Finance Committee met five times in 2014. The average attendance rate was 100%. The Committee focused, in particular, on the following issues: ■ financial risk management; ■ liquidity and financing; ■ capital and solvency; ■ risk appetite and asset allocation; ■ interest rates exposure; ■ Systemic Risk Management Plan; ■ Liquidity Risk Management Plan; ■ Recovery plan; ■ review of the financial authorizations (guarantees); and ■ review of the proposed capital increase reserved for the employees of the AXA Group ("SharePlan 2014").

Board of Directors' Committees	Principal responsibilities	Principal activities in 2014
Compensation & Governance Committee *Composition on December 31, 2014:* Jean-Martin Folz, Chairman François Martineau Deanna Oppenheimer Dominique Reiniche The Chairman of the Board of Directors, as well as the Vice-Chairman Lead Independent Director, although not members of the Committee, take part in its work and attend its meetings, except for the Chairman of the Board when his personal situation is at stake.	■ to issue proposals to the Board of Directors for the fixing of: • the compensation of the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer and the preparation of their annual assessment, • the amount of the directors' fees for members of the Board of Directors to be submitted to the Shareholders' Meeting and their allocation, • the number of Company stock options or performance shares to be granted to the Chairman & Chief Executive Officer, the Deputy Chief Executive Officer and the other members of the Executive Committee; ■ to formulate an opinion on the proposals of the Chairman & Chief Executive Officer concerning: • the principles and conditions for the determination of the compensation of the executives of the AXA Group, • the overall annual allocation of Company stock options or performance shares to be granted to employees of the AXA Group; ■ to issue proposals on the appointments of the Chief Executive Officer, the Deputy Chief Executive Officer and the members of the Board of Directors and its Committees. The Committee is also informed of the appointments of the main executives of the Group, and in particular of the members of the Management Committee and the Executive Committee. The Committee examines the provisions considered by the Chief Executive Officer in order to prepare the renewal of the Executive Management; ■ to examine in more depth certain Group human resources issues and to review each year the Company's policy with respect to professional equality as well as equal pay; ■ to examine the Group's strategy on corporate responsibility and related issues; ■ to examine in more depth certain governance matters relating to the operation and organization of the Board of Directors and the organization of the periodic self-assessment of the Board of Directors; ■ to review the AXA Group Compliance and Ethics Guide.	The Compensation & Governance Committee met five times in 2014. The average attendance rate was 100%. The Committee focused, in particular, on the following issues: ■ **Compensation issues:** • the compensation paid to the Chairman & Chief Executive Officer, the Deputy Chief Executive Officer and to the members of the Management Committee and the Executive Committee; • the 2014 and 2015 equities' allocation (stock options and performance shares) and their performance conditions; • the "say-on-pay" (advisory vote on the aggregate compensation elements related to the preceding fiscal year (due or paid) for the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer); and • the directors' fees amount and allocation; ■ **Governance issues:** • the process of selection of the future directors and corporate officers; • the composition of the Board and its Committees; • the independence of the members of the Board; • the self-assessment of the Board of Directors; • the share ownership requirements for members of the Board of Directors; • the Organization & Talent Review (OTR) and succession plans; • the corporate responsibility; and • the Group diversity policy.

Executive Management

AXA's Executive Management comprises the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer. A Management Committee and an Executive Committee also support the operational management of the Group.

THE CHAIRMAN & CHIEF EXECUTIVE OFFICER

Mr. Henri de Castries was re-appointed Chairman & Chief Executive Officer by the Board of Directors of April 23, 2014, for the duration of his term of office as director, *i.e.* four years.

The Chairman & Chief Executive Officer is vested with the broadest powers to act on behalf of the Company and represents the Company *vis-à-vis* third parties. He exercises these powers within the scope of the corporate purpose and subject to the powers expressly assigned by law to the Shareholders' Meetings and to the Board of Directors. In addition, the Bylaws of the Board of Directors provide for specific limitations of the powers of the Chairman & Chief Executive Officer and require prior Board approval for certain significant transactions (sales or acquisitions over €500 million; significant financing operations or other types of transactions that are not in line with the Company's announced strategy…).

THE DEPUTY CHIEF EXECUTIVE OFFICER

Mr. Denis Duverne was re-appointed Deputy Chief Executive Officer by the Board of Directors of April 23, 2014, for the duration of his term of office as director, *i.e.* four years.

His role is to second the Chairman & Chief Executive Officer. The Board of Directors determines the scope of the powers vested in the Deputy Chief Executive Officer who is specifically in charge of Finance, Strategy and Operations of the Group.

The Management Committee

The Chairman & Chief Executive Officer has decided to establish a Management Committee to assist him in the operational management of the Group. The Management Committee has no formal decision making authority.

AXA's Management Committee comprised ten members as of March 1st 2015. It generally meets once a week to discuss Group strategic, financial and operational matters.

The Management Committee also holds three annual meetings dedicated to the "Quarterly Business Reviews" (QBRs) during which its members welcome senior executives from the main entities of the Group. They present the performance of their operations and the progress status of their key projects using defined quantifiable standards of measurement which are common to all entities of the Group.

COMPOSITION OF THE MANAGEMENT COMMITTEE ON MARCH 1ST, 2015

Name	Principal function within AXA
Henri de Castries	Chairman & Chief Executive Officer
Thomas Buberl (1)	Chief Executive Officer of AXA Konzern AG (Germany) and Chief Executive Officer of the global business line for the Health business
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations
Jean-Laurent Granier	Chief Executive Officer of the Mediterranean and Latin America Region business unit, Chairman & Chief Executive Officer of AXA Global P&C and in charge of overseeing the worldwide operations of AXA Corporate Solutions
Peter Kraus	Chairman & Chief Executive Officer of AllianceBernstein (United States)
Jean-Louis Laurent Josi (2)	Chief Executive Officer of AXA Asia
Nicolas Moreau	Chairman & Chief Executive Officer of AXA France also in charge of overseeing the worldwide operations of AXA Assistance and AXA Global Direct
Mark Pearson	President & Chief Executive Officer of AXA Financial, Inc. (United States)
Jacques de Vaucleroy	Chief Executive Officer for the Northern, Central and Eastern Europe business unit and Global Head of Life & Savings
Véronique Weill	Group Chief Operating Officer

(1) As of March 1st, 2015, Mr. Thomas Buberl, in addition to his position of Chief Executive Officer of AXA Konzern AG, became Chief Executive Officer of the global business line for the Health business and joined the Management Committee.

(2) Mr. Jean-Louis Laurent Josi was appointed member of the Management Committee as of March 1st, 2015.

The Executive Committee

The Management Committee is supported by an Executive Committee. Its principal mission is to review and define the Group's strategy.

The Executive Committee is composed of the members of the Management Committee as well as other key senior executives from across the Group selected on the basis of their role in the organization (central or local).

The Executive Committee holds quarterly meetings to assess the status of Group transversal projects and monitor the implementation of the strategic plan "Ambition AXA". These meetings are also an opportunity to exchange ideas and best practices, including through the participation of external guests on topics of strategic interest.

As an internal Management Committee, the Executive Committee has no formal decision making authority. The Executive Committee is advisory in nature and serves as an important sounding board in formulating Group strategy and considering key business issues or strategic initiatives. As a team, the members of the Executive Committee also contribute to shape and disseminate AXA's management culture.

On March 1st, 2015, the Executive Committee was comprised of the following nineteen members, including eleven non-French nationals:

Name	Principal function within AXA
Henri de Castries	Chairman & Chief Executive Officer of AXA
Thomas Buberl [(1)]	Chief Executive Officer of AXA Konzern AG (Germany) and Chief Executive Officer of the global business line for the Health business
Denis Duverne	Deputy Chief Executive Officer of AXA in charge of Finance, Strategy and Operations
Paul Evans	Chief Executive Officer of AXA UK and Chairman of the Board of Directors of AXA Corporate Solutions Assurance
Jean-Laurent Granier	Chief Executive Officer of the Mediterranean and Latin America Region business unit, Chairman & Chief Executive Officer of AXA Global P&C and in charge of overseeing the worldwide operations of AXA Corporate Solutions
Stéphane Guinet	Chief Executive Officer of AXA Global Direct
Gérald Harlin	Group Chief Financial Officer
Frank Koster	Chief Executive Officer of AXA Belgium
Peter Kraus	Chairman & Chief Executive Officer of AllianceBernstein (United States)
Jean-Louis Laurent Josi [(2)]	Chief Executive Officer of AXA Asia
Nicolas Moreau	Chairman & Chief Executive Officer of AXA France also in charge of overseeing the worldwide operations of AXA Assistance and AXA Global Direct
Mark Pearson	President & Chief Executive Officer of AXA Financial, Inc. (United States)
Jacques de Peretti [(3)]	Chief Executive Officer of AXA Japan
Antimo Perretta	Chief Executive Officer of AXA Winterthur
Andrea Rossi	Chief Executive Officer of AXA Investment Managers
George Stansfield	AXA Group General Counsel and Head of Group Human Resources
Christian Thimann	Group Head of Strategy, Sustainability and Public Affairs
Jacques de Vaucleroy	Chief Executive Officer for the Northern, Central and Eastern Europe business unit and Global Head of Life & Savings
Véronique Weill	Group Chief Operating Officer

(1) As of March 1st, 2015, Mr. Thomas Buberl, in addition to his position of Chief Executive Officer of AXA Konzern AG, became Chief Executive Officer of the global business line for the Health business.

(2) Mr. Jean-Louis Laurent Josi was appointed Chief Executive Officer of AXA Asia as of March 1st, 2015, replacing Mr. Michael Bishop who left the Group.

(3) Mr. Jacques de Peretti joined the Executive Committee as of March 1st, 2015 and was appointed Chief Executive Officer of AXA Japan, replacing Mr. Jean-Louis Laurent Josi who was appointed Chief Executive Officer of AXA Asia.

Employees

The table below sets forth the number of salaried employees of the AXA Group over the past three years broken down by line of business and geographic region:

Salaried employees (full time equivalent)	At December 31, 2012	At December 31, 2013	At December 31, 2014
Insurance	**79,736**	**78,569**	**80,992**
■ France [(a)(b)]	14,806	14,576	14,375
■ United States [(c)]	4,380	3,997	4,108
■ Japan	2,492	2,581	2,651
■ United Kingdom & Ireland [(d)]	9,039	8,282	8,520
■ Germany [(e)]	9,247	8,782	8,381
■ Switzerland	3,857	3,809	3,797
■ Belgium (including AXA Bank Belgium) [(f)]	4,813	4,549	4,254
■ Mediterranean & Latin American Region [(g)]	11,706	11,385	13,985
■ Direct	5,360	6,342	6,242
■ Other countries and transversal entities	5,275	5,328	5,252
Of which Hong Kong	*1,404*	*1,348*	*1,436*
Of which Singapore	*571*	*568*	*579*
Of which Indonesia	*275*	*294*	*372*
Of which Malaysia	*652*	*702*	*700*
Of which Central & Eastern Europe [(h)]	*2,037*	*1,993*	*1,716*
Of which Luxemburg	*188*	*187*	*200*
Of which AXA Life Invest Services	*148*	*172*	*166*
Of which Family Protect	-	*64*	*83*
■ **International Insurance**	**8,761**	**8,938**	**9,428**
AXA Corporate Solutions Assurance	*1,372*	*1,348*	*1,326*
AXA Global L&S and AXA Global P&C	*252*	*210*	*229*
AXA Assistance [(i)]	*6,868*	*7,126*	*7,626*
Other international activities	*269*	*254*	*248*
Asset Management	**5,752**	**5,466**	**5,786**
■ AllianceBernstein [(j)]	3,318	3,323	3,487
■ AXA Investment Managers [(k)]	2,434	2,143	2,299
Banking (excluding AXA Bank Belgium) [(f)]	**1,172**	**1,122**	**1,034**
■ France	716	691	625
■ Germany	78	75	79
■ AXA Bank Central & Eastern Europe	378	356	330
Group Management Services	**1,102**	**1,037**	**1,111**
AXA Technology, AXA Group Solutions, AXA Business Services [(l)]	**6,602**	**6,952**	**7,356**
TOTAL	**94,364**	**93,146**	**96,279**

Employees of non-consolidated companies or companies accounted for using the equity method are not included in the above table.

(a) A portion of the employees of AXA's French affiliates is included in GIEs.
In addition, the employees of insurance and financial services activities in France are included in the cadre de convention of four not consolidated mutuelles.

(b) In 2014, the decrease by 201 in France was driven by natural leaves.

(c) In 2014, the increase by 111 in the United States mainly reflected business growth partly offset by productivity initiatives.

(d) In 2014, the increase by 238 in the United Kingdom and Ireland was mainly driven by business expansion, partly offset by restructuring plans in the Wealth management business, in particular the bancassurance channel.

(e) In 2014, the decrease by 401 in Germany reflected efficiency programs.

(f) Some employees of AXA Bank Belgium provide services in common for both the insurance activities and the banking activities. Consequently, the split is not available. In 2014, the decrease by 295 in Belgium mainly reflected efficiency programs.

(g) In 2014, the increase by 2,600 in the Mediterranean and Latin American Region was mainly attributable to the acquisition of Colpatria in Colombia.

(h) In 2014, the decrease by 277 in Central and Eastern Europe was driven by the disposal of Hungary, the closure of offices in Ukraine, and the reduction of operations in Poland.

(i) In 2014, the increase by 500 in AXA Assistance was mainly driven by business growth, notably in Mediterranean and Latin American Region and Asia.

(j) In 2014, the increase by 164 in AllianceBernstein mainly reflected business growth.

(k) In 2014, the increase by 156 in AXA Investment Managers mainly reflected business growth.

(l) In 2014, the increase by 404 was mainly driven by AXA Business Services following business growth.

2.2 FULL DISCLOSURE ON EXECUTIVE COMPENSATION AND SHARE OWNERSHIP

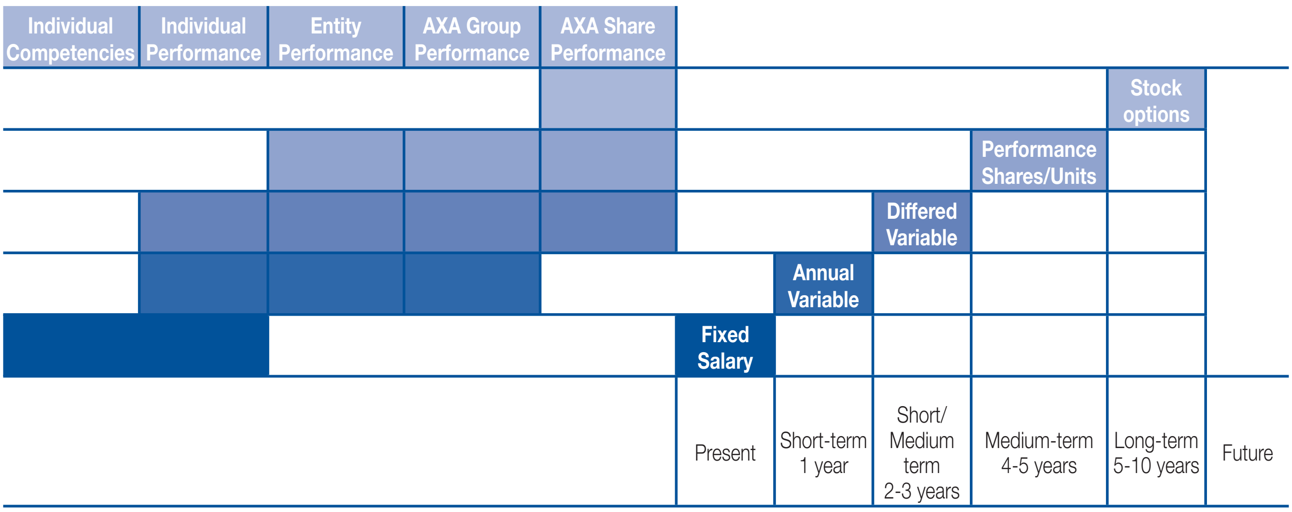
Introduction

AXA's global executive compensation policy is designed to align the interests of the Company's executives with those of its shareholders while establishing a clear link between performance and compensation. In this context, its main objective is to encourage the achievement of ambitious objectives and the creation of long-term value by setting challenging performance criteria.

AXA's executive compensation structure is based on an in-depth analysis of market practices in France and abroad, within the financial services sector (insurance companies, banks, asset managers, etc.) and compared to the compensation practices of other international groups.

AXA's overall policy on executive compensation focuses on the variable part of the compensation package, which is the compensation at risk for beneficiaries. The structure of AXA's executive compensation is composed of a variable portion which represents a significant portion of the aggregate remuneration. This is designed to align executive compensation more directly with the operational strategy of the Group and the interests of the shareholders while encouraging performance:

- both on an individual and collective level; and
- over the short, medium and long term.



Corporate officers' and executives' compensation (1)

COMPENSATION OF THE MANAGEMENT COMMITTEE MEMBERS ON DECEMBER 31, 2014

Governance

The principal mission of the Compensation & Governance Committee of AXA's Board of Directors is to formulate propositions to the Board regarding, in particular, (1) the Company's compensation policy and principles, (2) the determination of the Chairman & Chief Executive Officer's and the Deputy Chief Executive Officer's compensation and performance assessment, and (3) the allotment of AXA stock options or performance shares to the Chairman & Chief Executive Officer, the Deputy Chief Executive Officer and the other members of the Executive Committee of the Group.

The Compensation & Governance Committee is exclusively composed of independent members. Their independence is assessed annually by the Board in accordance with the criteria set forth in the Afep-Medef Code. While not a member of this Committee, the Vice-Chairman of the Board of Directors – Lead Independent Director (Mr. Norbert Dentressangle) is regularly involved in the Committee's work and presents the compensation policy of the Company each year at the Shareholders' Meeting.

The Committee meets frequently with the Group executives and the internal departments of the Company including Group Human Resources and Group Legal. The Committee is empowered to undertake or commission specific reviews and to use external consulting expertise to the extent deemed appropriate. Thus, during the last few years, the Committee worked several times with a compensation consulting firm in order to benefit from an external expertise and an independent overview in order to compare AXA's variable compensation practices with general market practices.

Compensation policy

AXA's executive compensation policy is designed to:

- attract, develop, retain and motivate the best talents;
- drive superior performance; and
- align compensation levels with the Company's business performance.

It follows three guiding principles:

- competitiveness and consistency of compensation considering market practices while maintaining a balance within internal compensation practices at AXA;
- internal equity, based on individual and collective performance, in order to ensure fair and balanced compensation reflecting an executive's individual achievement, measured on a quantitative and qualitative level; and
- achievement of the Group's overall financial and operational results over the short, medium and long term as well as execution against medium and long term strategic objectives.

These principles apply to all executives of the Group and are adapted, as appropriate, to ensure compliance with applicable local regulations as well as local market competitiveness.

Compensation structure

Executive compensation at AXA is composed of a fixed and a variable component.

The fixed component takes into account responsibilities, experience, as well as market practices. It is targeted to be equal or below the median of the market.

The variable component (comprised of a part in cash and a part in Long Term Incentive – LTI (stock options and performance shares/units)) depends on the Group's global performance, on the beneficiary's local entity performance (company or business unit, depending on the case), and on the achievement of the executive's individual objectives including demonstrated abilities for leadership. The variable portion is designed to represent a substantial component of the executive's global compensation and, where an executive attains or exceeds the set objectives, to position the compensation levels of AXA executives between the median and the third quartile (or, in certain cases, beyond the third quartile) of the benchmark market reference.

The target level of the executives' compensation and the structure of the elements which compose such compensation are based on a detailed analysis of market practices as well as potentially applicable national and international regulations, and also take into consideration various other factors including the equity principles within the Group and the previous compensation level of the executive.

Each year, AXA, with the assistance of specialized firms, conducts compensation reviews in order to ensure the competitiveness and consistency of executive compensation

(1) *The information in this section is presented in accordance with recommendation n°2009-16 of the AMF, as modified on December 5, 2014, and with the recommendations of the Afep-Medef Code, as revised in June 2013.*

and to measure the suitability of the global compensation policies. In this context, two markets are used as a reference:

- a first market composed of 12 companies in the French CAC 40 index (companies selected to form the panel, which may vary from year-to-year, are comparable to AXA in terms of stock capitalization, revenues, sector, number of employees and/or geographic coverage);
- a second market composed exclusively of international financial companies comparable in size and scope to the AXA Group (insurance and banks) which are principally based in the main European markets (Belgium, France, Germany, Italy, the Netherlands, the United Kingdom, Spain and Switzerland).

Annual cash compensation

TOTAL TARGET COMPENSATION

The Board of Directors, upon the recommendation of its Compensation & Governance Committee, decided to maintain unchanged in 2014 the total cash compensation target of the Chairman & Chief Executive Officer, Mr. Henri de Castries, at €3.3 million (amount unchanged since 2008), and of the Deputy Chief Executive Officer, Mr. Denis Duverne, at €2.2 million (amount unchanged since 2010).

The total target compensation is composed of a fixed annual compensation and a target variable compensation.

The fixed annual compensation of the Chairman & Chief Executive Officer, unchanged since 2010, was €950,000 in 2014.

The variable component of his compensation, unchanged since 2010, was €2,350,000 in 2014, *i.e.* 247% of his fixed annual compensation.

The fixed annual compensation of the Deputy Chief Executive Officer, unchanged since 2010, was €750,000 in 2014.

The variable component of his compensation, unchanged since 2010, was €1,450,000 in 2014, *i.e.* 193% of his fixed annual compensation.

ANNUAL VARIABLE COMPENSATION AND PERFORMANCE CONDITIONS

The variable annual compensation is entirely submitted to performance conditions and no minimum payment is guaranteed.

The determination of the variable compensation to be paid to the Chairman & Chief Executive Officer was based, in 2014, on the following two metrics:

- Group performance for 50%. This metric is measured based on underlying earnings per share, return on equity (adjusted Return on Equity - ROE) and customer scope index. The relative weight of these three indicators is, respectively, 65%, 20% and 15%; and
- individual performance for 50%, which is evaluated on the basis of objectives specifically related to strategic initiatives set and reviewed each year.

Each of these two metrics is evaluated separately so that Mr. de Castries' overall variable payout reflects performance against two distinct components that are not fungible.

The proportion allocated to individual performance reflects the Board of Directors' desire to place more weight on Mr. de Castries' individual performance on the execution of major strategic initiatives critical to the Group's long-term success.

	2014	
Henri de Castries	**Weighting**	**Achievement rate**
Group performance based on:	50%	101%
- underlying earnings per share	*(65%)*	*(101%)*
- return on equity	*(20%)*	*(101%)*
- customer scope index	*(15%)*	*(100%)*
Individual performance	50%	115%
Global performance		**108%**

The selected indicators to measure the Group performance reflect objectives widely disclosed internally and externally with respect to growth, profitability, capital management, brand strategy, operational efficiency and productivity. Thus, these indicators, directly linked to the strategic orientations of the Group, are both financial and operating criteria and rely on the budget and on predefined performance indicators.

The individual performance of the Chairman & Chief Executive Officer is assessed on the basis of various indicators and qualitative objectives set by the Board of Directors through a written target letter established at the beginning of each calendar year before the performance measurement period. It includes detailed objectives with regards to the Group's progress in achieving its "Ambition AXA" strategic plan (which covers the 2011-2015 period) as well as other performance indicators and objectives designed to assess the level of achievement of global strategic initiatives and/or relating to certain geographic areas, and the evolution of certain investments contributing to the transformation of the Group's operations.

In order to assess Mr. de Castries' individual performance in 2014, the Board of Directors in particular considered the following achievements: (i) the acceleration of the digital transformation of the Group through the implementation of various strategic partnerships with worldwide leading actors in the digital industry; (ii) the ranking, for the 6th consecutive year, of the AXA brand as the number one insurance brand worldwide according to Interbrand; (iii) the evolution of the Group's organization to better address the needs of its clients and business, through the creation of a new Global Business Line for its Health insurance activities; (iv) the geographic expansion through external acquisitions (Tian Ping in China, Mansard Insurance in Nigeria); (v) the implementation of new joint ventures and strategic partnerships to develop new growth opportunities (mBank in Poland, Colpatria in Columbia); and (vi) the reinforcement of the management teams with key executive movements and recruitments designed to accelerate the Group's development and transformation.

The total effective variable compensation of the Chairman & Chief Executive Officer may not exceed 150% of his variable target compensation, *i.e.* 371% of his fixed annual compensation.

The variable compensation amounts actually paid to Mr. Henri de Castries since he was appointed Chairman of the Management Board in May 2000 are set forth below and demonstrate the demanding nature of his performance objectives and the Board's performance assessments which have significantly impacted his variable compensation payouts from year-to-year:

Executive compensation and director's fees	Target	Actual	% Target
Variable compensation for the year 2000 paid in 2001	€1,750,000	€1,381,373	79%
Variable compensation for the year 2001 paid in 2002	€1,750,000	€719,967	41%
Variable compensation for the year 2002 paid in 2003	€2,000,000	€1,419,277	71%
Variable compensation for the year 2003 paid in 2004	€2,000,000	€1,824,277	91%
Variable compensation for the year 2004 paid in 2005	€2,000,000	€2,304,277	115%
Variable compensation for the year 2005 paid in 2006	€2,000,000	€2,671,626	134%
Variable compensation for the year 2006 paid in 2007	€2,500,000	€3,045,987	122%
Variable compensation for the year 2007 paid in 2008	€2,500,000	€2,644,366	106%
Variable compensation for the year 2008 paid in 2009	€2,700,000	€1,846,304	68%
Variable compensation for the year 2009 paid in 2010	€2,700,000	€2,599,327	96%
Variable compensation for the year 2010 paid in 2011	€2,466,667	€2,061,087	84%
Variable compensation for the year 2011 paid in 2012	€2,350,000	€2,034,171	87%
Variable compensation for the year 2012 paid in 2013	€2,350,000	€2,270,153 [a]	97%
Variable compensation for the year 2013 paid in 2014	€2,350,000	€2,549,750 [a] [b]	109%
Variable compensation for the year 2014 paid in 2015	€2,350,000	€2,538,000 [a] [b]	108%

(a) This amount includes the part of the variable compensation with respect to 2012, 2013 and 2014 which has been deferred in accordance with the mechanism described on page 118 The total amount paid will depend on performance conditions and may then vary.

(b) Amount before deduction of 70% of Directors' fees.

For the other members of the Management Committee, variable compensation is also determined on the basis of an individually predefined target amount and was based, in 2014, on three metrics:

- Group performance, as measured by the underlying earnings per share, return on equity (adjusted Return on Equity - ROE), and customer satisfaction index;
- performance of their business unit or functional area of responsibility, measured against objectives set at the beginning of the year; and
- their individual performance, evaluated considering predetermined objectives specifically deriving from strategic initiatives.

The variable compensation of Mr. Denis Duverne, who is a member of the Management Committee and Deputy Chief Executive Officer, is based for 30% on the Group performance, 20% on his functional area of responsibility and 50% on his individual performance.

Each of these three metrics is evaluated separately so that Mr. Duverne's overall variable payout reflects performance against three distinct components that are not fungible.

The proportion allocated to individual performance reflects the Board of Directors' desire to place more weight on Mr. Duverne's individual performance on the execution of major strategic initiatives critical to the Group's long-term success.

	2014	
Denis Duverne	**Weighting**	**Achievement rate**
Individual performance	50%	115%
Group performance based on:	30%	101%
- underlying earnings per share	*(65%)*	*(101%)*
- return on equity	*(20%)*	*(101%)*
- customer scope index	*(15%)*	*(100%)*
Performance of the areas under his responsibility	20%	105%
Global performance		**108.8%**

The selected indicators to measure the Group performance reflect objectives widely disclosed internally and externally with respect to growth, profitability, capital management, brand strategy, operational efficiency and productivity. Thus, these indicators, directly linked to the strategic orientations of the Group, are both financial and operating criteria and rely on the budget and on predefined performance indicators.

The individual performance of the Deputy Chief Executive Officer is assessed on the basis of various indicators and qualitative objectives set by the Board of Directors through a written target letter established at the beginning of each calendar year before the performance measurement period. It includes detailed objectives with regards to the Group's progress in achieving its "Ambition AXA" strategic plan (which covers the 2011-2015 period) as well as other performance indicators and objectives designed to assess the level of achievement of global strategic initiatives and/or relating to certain geographic areas, and the evolution of certain investments contributing to the transformation of the Group's operations.

In order to assess Mr. Duverne's individual performance in 2014, the Board of Directors in particular considered the following achievements: (i) the acceleration of the Group's digital transformation and the successful implementation of various strategic partnerships with leading actors of the digital industry as well as the successful launch of a "big data" research project; (ii) the implementation of partnerships with the World Bank to expand the Group's footprint in emerging markets; (iii) the achievement of the Group's efficiency/cost reduction targets; (iv) the ranking, for the 6th consecutive year, of the AXA brand as the number one insurance brand worldwide; (v) the steering of in-depth strategic reviews of certain Group companies and the implementation of targeted action plans; and (vi) the active promotion, through specific measures, of diversity and integration as a key element of the Group's internal culture.

The total effective variable compensation of the Deputy Chief Executive Officer may not exceed 150% of his variable target compensation, *i.e.* 290% of his fixed annual compensation.

The variable compensation of other Management Committee members who benefit from a variable part (in 2014, Mrs. Véronique Weill, Messrs. Jean-Laurent Granier, Nicolas Moreau, Mark Pearson and Jacques de Vaucleroy) is based for 20% on the Group performance, 30% on the results of their operational entity and/or functional area of responsibility, and 50% on their individual performance.

The performance of operational entities is determined on the basis of the following performance indicators:

- underlying earnings;
- customer centricity;
- gross revenue Protection & Health;
- Life & Savings New Business Value;
- economic expenses;
- Life & Savings Operating Free Cash Flow;
- Property & Casualty revenues;
- current year combined ratio.

Performance indicators that measure the Group and/or the operational entities' performance are defined at the beginning of the year with:

- a predefined target, aligned with the strategic plan (budget), the attainment of which will result in 100% achievement;
- a floor (which may vary between 50% and 90% of achievement against the target depending on the indicator), which defines the threshold below which no variable compensation for that component will be paid;
- a cap (which may vary between 110% and 130% of achievement against the target depending on the indicator), which defines the threshold above which the variable compensation for that component is capped.

Individual performance is assessed both on (i) the achievement of results for each predetermined individual objective (the "what") and (ii) qualitative factors, including leadership abilities demonstrated by the members of the Management Committee measured against AXA's Leadership Framework (the "how").

The assessment of the leadership skills is based on the dimensions of the AXA Leadership Framework which includes:

- strategic vision;
- customer focus;
- change leadership;
- results orientation;
- building capability;
- team leadership;
- sharing to succeed;
- living through AXA values.

The variable compensations paid to the Management Committee members for 2012, 2013 and 2014 were:

VARIABLE COMPENSATIONS PAID TO MANAGEMENT COMMITTEE MEMBERS

Members of the Management Committee *(In Euro)*		Country	Variable compensation for the year 2012			Variable compensation or the year 2013			Variable compensation for the year 2014		
			Target	Actual	% Target	Target	Actual	% Target	Target	Actual [b]	% Target
Henri de Castries	Chairman & Chief Executive Officer	France	2,350,000	2,270,153 [a]	97%	2,350,000	2,549,750 [a]	109%	2,350,000	2,538,000 [a]	108%
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	France	1,450,000	1,415,746 [a]	98%	1,450,000	1,567,450 [a]	108%	1,450,000	1,577,600 [a]	108.8%
Total of the other Management Committee members			4,239,737	3,860,437	91%	5,169,568	5,612,753	109%	5,282,140	5,456,358	103%

(a) This amount includes the part of the variable compensation with respect to 2012, 2013 and 2014 which has been deferred in accordance with the mechanism described on page 118. The total amount paid will depend on performance conditions and may then vary.

(b) Amount before deduction of 70% of Directors' fees.

In reviewing the Group component of the variable compensation of Messrs. de Castries and Duverne, the Compensation & Governance Committee and the Board of Directors took into account the following measures: (i) an underlying earnings per share and (ii) a return on equity (adjusted Return on Equity-ROE) which are slightly higher than targets, and (iii) a customer scope index in line with the target.

ANNUAL DEFERRED VARIABLE COMPENSATION

Since 2013, the Board of Directors has implemented for the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer a deferral mechanism with respect to 30% of their variable compensation over two years. Under this mechanism, the deferred amount of variable compensation for the 2014 fiscal year, will be paid out in two tranches, in 2016 and 2017. The amount of the payout will vary depending on the AXA share price evolution over the deferral period and will be subject to a floor at 80% of the deferred amount and a cap at 120% of the deferred amount; provided, however that no variable compensation would be paid in the event (1) that the Group's underlying earnings are negative for the year ending immediately prior to the year of scheduled payout, or (2) of resignation or dismissal, for gross or willful misconduct prior to the payout date (clawback provision).

The introduction of this variable cash compensation deferral mechanism subject to a clawback mechanism, while not required by the applicable regulations, further aligns AXA with the evolving regulatory environment on executive compensation in the financial services' sector both in France and abroad.

In February 2015, (i) the first tranche of their differed variable compensation with respect to the fiscal year 2013 *i.e.* an amount of €447,481 for Mr. Henri de Castries and €275,087 for Mr. Denis Duverne and (ii) the second tranche of their differed variable compensation with respect to the fiscal year 2012 *i.e.* an amount of €414,540 for Mr. Henri de Castries and €261,000 for Mr. Denis Duverne, were paid to the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer. These amounts are based on the evolution of the AXA share price. Considering that the AXA share performed well in 2014, these amounts were capped at 120% of half of the differed variable compensation granted in respect of the 2012 fiscal year and set at 117% of half of the differed variable compensation granted in respect of the 2013 fiscal year.

All the amounts presented in this Section 2.2 are gross amounts and before taxation.

In the tables of this section, compensation not paid in Euro was converted into Euro on the basis of the following yearly average exchange rates for 2014: 1 USD = 0.75086449 EUR; 1 SGD = 0.593138911 EUR.

Long term incentive (LTI) annual allotment

Each year, LTIs (stock options and performance shares/units) are granted to the Group executives.

These LTIs represent an important part of their global variable compensation in order to associate the Group executives to the creation of long term value. In this context, the number of LTIs granted is set so that the executives are between the median and the 3rd quartile of market references considering the total amount of the variable part (comprised of one part in cash and one part in LTIs). The Compensation & Governance Committee and the Board of Directors however ensure that the stock options and the performance shares/units granted to the executives and valued in accordance with IFRS standards are not disproportionate compared to the aggregate compensation, options and shares granted to the said executives.

These LTIs are integrally subject to performance conditions (please refer to pages 123 as well as 131 and following) and therefore do not guarantee any grant or minimal gain for the beneficiaries.

In 2014, the Board of Directors, upon recommendation of the Compensation & Governance Committee, after taking into account the increase of the fair estimated value of the LTIs, which was strongly linked to the performance of the AXA share price between 2013 and 2014, decided to reduce the number of stock options and performance shares granted to the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer.

SUMMARY OF COMPENSATION, OPTIONS AND PERFORMANCE SHARES/UNITS GRANTED TO MANAGEMENT COMMITTEE MEMBERS

Members of the Management Committee *(In Euro)*		Country	Year 2013					Year 2014				
			Compensation due in respect of the year	Value of options granted during the year	Value of performance shares granted during the year	Value of performance units granted during the year	Total	Compensation due in respect of the year	Value of options granted during the year	Value of performance shares granted during the year	Value of performance units granted during the year	Total
Henri de Castries	Chairman & Chief Executive Officer	France	3,538,114 [a]	216,320	1,568,712	-	5,323,146	3,527,459 [a]	275,900	1,580,393	-	5,383,752
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	France	2,352,064 [a]	216,320	1,255,752	-	3,824,136	2,365,617 [a]	275,900	1,252,624	-	3,894,141
Total of the other Management Committee members			10,137,314	596,480	1,396,584	1,337,904	13,468,282	9,940,078	698,294	1,436,230	1,549,349	13,623,951

(a) This amount includes the part of the variable compensation with respect to 2013 and 2014 which has been deferred in accordance with the mechanism described on page 118. The total amount paid will depend on performance conditions and may then vary.

At each date of grant, the fair value of stock options and performance shares/units is determined in accordance with IFRS standards. This is a historical value at the date of grant, calculated for accounting purposes as described in Note 26.3.1 of the 2014 "Consolidated Financial Statements" included in Part 4 of this Annual Report. This value does not represent a current market value, a current valuation of these options and performance shares/units, nor the actual amounts that may be paid to beneficiaries if and when the options are exercised or the performance shares/units are acquired.

On March 22, 2013, the fair value of one option was €1.28 for options with performance conditions, and the fair value of one performance share/unit was €9.78.

On March 24, 2014, the fair value of one option was €1.78 for options with performance conditions, and the fair value of one performance share/unit was €12.71 (€12.03 for the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer).

SUMMARY OF THE MANAGEMENT COMMITTEE MEMBERS' COMPENSATION FOR THE YEAR 2014

Members of the Management Committee (in Euro)		Country	Year 2014 – Amounts paid in respect of the year: Fixed compensation	Variable compensation	Exceptional compensation	Board fees	Benefits in kind	TOTAL [b]	Year 2014 – Amounts paid during the year: Fixed compensation	Variable compensation [b]	Exceptional compensation	Board fees	Benefits in kind	TOTAL
Henri de Castries	Chairman & Chief Executive Officer	France	950,000	1,784,985 [a]	-	61,837	4,150	2,766,059	950,000	2,174,496 [a]	-	61,837	4,150	3,190,483
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	France	750,000	1,109,910 [a]	-	42,000	4,150	1,892,336	750,000	1,346,679 [a]	-	42,000	4,150	2,142,829
Total of the other Management Committee members			3,934,235	5,456,358	-	673,454	218,042	9,939,988	3,934,235	5,300,139	-	673,454	218,042	10,125,870

(a) *This amount does not include the part of the variable compensation with respect to 2013 and 2014 which has been deferred in accordance with the mechanism described on page 118.*

(b) *Director's fees are deducted up to 70% from the variable compensation.*

SUMMARY OF THE MANAGEMENT COMMITTEE MEMBERS' COMPENSATION FOR THE YEAR 2013

Members of the Management Committee (In Euro)		Country	Year 2013 – Amounts paid in respect of the year: Fixed compensation	Variable compensation	Exceptional compensation	Board fees	Benefits in kind	TOTAL [b]	Year 2013 – Amounts paid during the year: Fixed compensation	Variable compensation [b]	Exceptional compensation	Board fees	Benefits in kind	TOTAL
Henri de Castries	Chairman & Chief Executive Officer	France	950,000	1,790,988 [a]	-	59,083	4,150	2,773,189	950,000	1,579,253 [a]	-	59,083	4,150	2,592,486
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	France	750,000	1,101,322 [a]	-	42,000	4,150	1,881,829	750,000	980,746 [a]	-	42,000	4,150	1,776,896
Total of the other Management Committee members			3,752,846	5,612,753	-	673,130	440,276	10,137,315	3,752,846	4,538,977	-	673,130	440,276	9,405,229

(a) *This amount does not include the part of variable compensation with respect to 2012 and 2013 which has been deferred in accordance with the mechanism described on page 118.*

(b) *Director's fees deducted up to 70% from the variable compensation.*

The Chairman & Chief Executive Officer and Deputy Chief Executive Officer do not receive directors' fees from AXA SA.

Directors' fees indicated in the above table were paid for Board memberships held in AXA Group companies and are deducted up to 70% from the variable compensation of the same year.

The only "benefits in kind" for Messrs. Henri de Castries and Denis Duverne are a company car.

DIRECTORS' FEES

Directors' fees

During the fiscal year 2014, none of the members of the Board of Directors, except for its Chairman and the Deputy Chief Executive Officer, received compensation from the Company, with the exception of directors' fees (*jetons de présence*). The amount of directors' fees paid to each AXA Board member is indicated in the table below.

(Gross amounts, in Euro)	Directors' fees paid in 2015 for 2014	Directors' fees paid in 2014 for 2013
Current members of the Board of Directors		
Henri de Castries – Chairman & Chief Executive Officer	0	0
Norbert Dentressangle – Vice-Chairman – Lead Independent Director	199,010.75	180,410.65
Denis Duverne – Deputy Chief Executive Officer	0	0
Jean-Pierre Clamadieu	78,852.88	67,610.39
Jean-Martin Folz	125,744.38	117,085.98
Paul Hermelin	74,165.38	46,951.05
Mrs. Isabelle Kocher	105,641.74	83,472.54
Mrs. Suet Fern Lee	101,550.83	78,103.92
Stefan Lippe	169,644.67	121,724.31
François Martineau	102,298.63	86,543.48
Ramon de Oliveira	155,595.70	118,843.25
Mrs. Deanna Oppenheimer	133,645.55	62,082.92
Mrs. Doina Palici-Chehab	101,550.83	86,543.48
Mrs. Dominique Reiniche	102,298.63	86,543.48
Former members of the Board		
Anthony Hamilton	-	39,617.47
Michel Pébereau	-	26,735.29
Marcus Schenck	-	97,731.79
TOTAL	**1,450,000.00**	**1,300,000.00**

Criteria of directors' fees allocation

The total annual amount of directors' fees to be allocated to the members of the Board of Directors was set by the Shareholders' Meeting of April 23, 2014 at €1,500,000, compared to a previous amount of €1,350,000. The purpose of this increase is for the level of directors' fees allocated by the Company to be closer to the amounts paid by its international peers while not creating a gap with the French market practice.

No directors' fees are paid by the Company to directors exercising executive functions at AXA (*i.e.* Chief Executive Officer and Deputy Chief Executive Officer).

The total amount of directors' fees is determined by the Shareholders' Meeting, in accordance with applicable laws, and apportioned by the Board of Directors to its members in accordance with its Bylaws:

- in accordance with the recommendations of Afep-Medef Code, a minority part of the fees equivalent to 40% of the amount approved by the Shareholders' Meeting is distributed evenly among the members of the Board of Directors as a fixed fee, with the Vice-Chairman receiving a double fee;

- a first part equivalent to half of the remaining amount is then distributed among the members of the Board of Directors in proportion to their actual attendance at the meetings of the Board, with the Vice-Chairman receiving a double fee;
- a second part equivalent to half of the remaining amount is allocated by the Board of Directors to the Board Committees and distributed among their members in proportion to the number of Committee meetings actually attended by each member, with the Chairmen of the Committees receiving a double fee. No directors' fees are distributed as fixed compensation for the attendance to Committees. Due to the importance of their role and the significant demand on their time, members of the Audit Committee receive a higher proportion of directors' fees by application of a coefficient of 1.5.

The Vice-Chairman – Lead Independent Director, when attending the meetings of a Committee of which he is not a member, receives a single fee.

Mrs. Doina Palici-Chehab, member of the Board of Directors representing the employee shareholders of the AXA Group, received in 2014 an annual gross cash compensation of SGD 533,000 paid by AXA Singapore General Insurance in connection with her position as Chief Executive Officer. This compensation consists of SGD 342,000 of fixed compensation and SGD 191,000 of variable compensation.

Mrs. Suet Fern Lee and Mr. Ramon de Oliveira received in 2014, as non executive director of several companies of the Group, directors' fees for a gross amount of EUR 11,231 for Mrs. Suet Fern Lee, and USD 77,400 for Mr. Ramon de Oliveira.

Stock options

Since 1989, AXA has granted stock options to its executive officers and its employees in France and abroad. The purpose of these grants is to associate them with AXA's share price performance and encourage their performance over the long term.

Stock options are valid for a maximum period of 10 years. They are granted at market value, with no discount, and become exercisable by tranches, generally in thirds between 3 and 5 years following the grant date.

Pursuant to the stock option plan rules, beneficiaries who resign from the Group lose their right to exercise the options.

GRANT PROCEDURE

Within the global limit authorized by the Shareholders' Meetings, the Board of Directors approves all stock option programs prior to their implementation.

Each year, the Board of Directors, acting upon the recommendation of its Compensation & Governance Committee, approves the grant of a global option pool. The pool of options allocated to each business unit is essentially determined on the basis of their contribution to the Group's financial results during the previous year and with consideration for specific local needs (market competitiveness, adequacy with local practices, Group development).

The beneficiaries chosen among the senior executives of the Group and its subsidiaries are selected to participate in the stock option program based on a selection of criteria that include:

- importance of the position ➪ role
- importance of the individual within the position ➪ retention
- importance of the individual in the future ➪ potential
- quality of the individual contribution ➪ performance

The recommendations for individual grants of options are made by the Chief Executive Officers of the local entities or business units and by the Group functional department heads. These recommendations are reviewed by the Executive Management to ensure a global coherence. Individual grants of options are then decided by the Board of Directors, provided that individual grants to the Chairman & Chief Executive Officer, the Deputy Chief Executive Officer and the other members of the Executive Committee are preceded by a proposal of the Compensation & Governance Committee which especially takes into consideration the aggregate elements of compensation of the executive as well as the market studies carried out by the Group and by external consultants. Furthermore, the level of allotment of options to the executive officers also depends on the level of achievement of the strategic objectives defined by the Board of Directors.

Usually, annual grants are made during the first half of the year, generally 20 trading days after the date the annual earnings of the Group are published, in order to avoid that the choice of the grant date be perceived as creating a dead-weight effect for the beneficiaries. In 2014, the annual consolidated earnings were published on February 21, 2014 and the option grant then took place on March 24, 2014. The strike price, equal to the average of the closing AXA share price during the 20 trading days before the grant date, was set at €18.68.

The Board of Directors, acting upon recommendation of its Compensation & Human Resources Committee, decided on December 22, 2010 that the total number of options granted to the Executive Officers of the Company (Chairman & Chief Executive Officer and Deputy Chief Executive Officer) each year may not exceed 10% of the aggregate number of options granted during the same year, to avoid an excessive concentration of option grants to the executive officers.

In 2014, 3,100,000 subscription or purchase options with a strike price of €18.68 were granted to 158 employees, representing 0.13% of the outstanding share capital as at December 31, 2014 (disregarding the dilution related to the potential future exercise of these options). Given the nature of options and the evolution of market practices especially in France, the Board of Directors decided to restrict the scope of option grants to Group senior executives, which reduces the number of beneficiaries compared to prior years.

The portion of options granted in 2014 to the executive officers of the Company (Chairman & Chief Executive Officer and Deputy Chief Executive Officer) represented 10% of the total number of options granted.

On December 31, 2014, approximately 10,300 AXA employees had a total of 63,333,745 outstanding options, representing 2.59% of the Company's share capital on the same date, and 517 employees in the United States had a total of 1,105,204 outstanding purchase options on AXA ADS, representing 0.05% of the share capital.

PERFORMANCE CONDITIONS

Since 2009, a performance condition regarding the options granted have applied to all options granted to the Company's executive officers (members of the former Management Board until 2010) and from 2010 to all members of the Management Committee. Since 2014, this condition was extended to all options granted to the members of the Executive Committee, which is currently composed of 19 members. This performance condition also applies to the last tranche of each option grant (*i.e.* the last 1/3rd of the options granted), for all beneficiaries of options (as from 2013).

Pursuant to this performance condition, the options become fully exercisable only if the AXA share price performs at least as well as the stock reference index of the insurance sector [1] over a same period. No option submitted to such performance condition can be exercised as long as this criterion has not been reached. This external performance condition subjects the acquisition of the right to exercise the options to the achievement of a fully objective and public performance and allows to measure the relative performance of AXA compared to its main European competitors over a period of at least three years.

If the performance condition has not been met at the expiry date of the options, these options are automatically cancelled.

(1) SXIP index (StoxxInsurance Index): a capitalization weighted index, which includes European companies that are involved in the insurance sector. On December 31, 2014, this index included 39 companies of the sector.

STOCK OPTIONS PLAN SUMMARY

Date of the Shareholders' meeting	03/05/2002	21/05/2002 [c]	03/05/2002	03/05/2002	03/05/2002	03/05/2002	03/05/2002	20/04/2005	20/04/2005	20/04/2005
Grant date (Board of Directors or Management Board)	26/03/2004	14/04/2004	29/03/2005	29/03/2005	06/06/2005	27/06/2005	01/07/2005	21/09/2005	31/03/2006	31/03/2006
Total number of beneficiaries	2,186	1	2,132	774	5	238	1	6	2,418	861
Total number of shares to be subscribed [a] or purchased, from which to be subscribed or purchased by:	10,725,180	496,049	8,855,437	3,697,059	16,981	240,849	25,039	114,443	7,628,101	2,768,553
Executive Directors:										
Henri de Castries	889,286	-	784,664	-	-	-	-	-	585,882	-
Denis Duverne	346,821	-	329,559	-	-	-	-	-	326,420	-
Doina Palici-Chehab	5,335	-	6,278	-	-	-	-	-	6,800	-
The first 10 employees beneficiaries [b]	968,927	-	812,127	646,371	-	39,049	-	-	830,960	656,518
Start date of exercise	26/03/2006	14/04/2006	29/03/2007	29/03/2007	06/06/2007	27/06/2007	01/07/2007	21/09/2007	31/03/2008	31/03/2008
Expiry date of options	26/03/2014	14/04/2014	29/03/2015	29/03/2015	06/06/2015	27/06/2015	01/07/2015	21/09/2015	31/03/2016	31/03/2016
Subscription or purchase price of options [a]	16.90	15.00	19.70	19.95	19.02	19.32	19.91	20.97	27.75	27.93
Exercise schedule of options	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y
Number of options exercised at 31/12/2014	8,153,897	496,049	336,754	116,969	2,748	3,357	0	0	2,877	0
Options cancelled at 31/12/2014	2,571,283	0	1,508,408	638,065	3,297	40,233	25,039	55,457	1,456,212	388,544
Options outstanding at 31/12/2014	0	0	7,010,275	2,942,025	10,936	197,259	0	58,986	6,169,012	2,380,009

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b "Employees" non Executive Directors at grant date.
(c) Options that were initially granted by FINAXA that merged into AXA on December 16, 2005.

Date of the Shareholders' meeting	20/04/2005	20/04/2005	20/04/2005	20/04/2005	20/04/2005	20/04/2005	20/04/2005	20/04/2005	20/04/2005	20/04/2005
Grant date (Board of Directors or Management Board)	**31/03/2006**	**25/09/2006**	**25/09/2006**	**13/11/2006**	**10/05/2007**	**10/05/2007**	**10/05/2007**	**24/09/2007**	**24/09/2007**	**19/11/2007**
Total number of beneficiaries	**1,002**	**10**	**29**	**5**	**2,866**	**876**	**1,163**	**4**	**16**	**2**
Total number of shares to be subscribed [(a)] or purchased, from which to be subscribed or purchased by:	**1,223,253**	**53,733**	**22,805**	**7,409**	**6,818,804**	**1,815,676**	**1,312,233**	**10,681**	**12,587**	**4,689**
Executive Directors:										
Henri de Castries	-	-	-	-	-	-	-	-	-	-
Denis Duverne	-	-	-	-	327816	-	-	-	-	-
Doina Palici-Chehab	-	-	-	-	5,993	-	-	-	-	-
The first 10 employees beneficiaries [(b)]	227,593	53,733	36,684	-	645,899	246,161	284,022	-	8,903	-
Start date of exercise	31/03/2010	25/09/2008	25/09/2010	13/11/2010	10/05/2009	10/05/2009	10/05/2011	24/09/2009	24/09/2011	19/11/2009
Expiry date of options	31/03/2016	25/09/2016	25/09/2016	13/11/2016	10/05/2017	10/05/2017	10/05/2017	24/09/2017	24/09/2017	19/11/2017
Subscription or purchase price of options [(a)]	**27.93**	**28.03**	**28.03**	**29.59**	**32.95**	**33.78**	**33.78**	**29.72**	**29.72**	**28.53**
Exercise schedule of options	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y
Number of options exercised at 31/12/2014	-	-	-	-	-	-	-	-	-	-
Options cancelled at 31/12/2014	197,438	30,931	2,783	1,684	1,283,709	331,997	249,488	10,129	1,842	0
Options outstanding at 31/12/2014	**1,025,815**	**22,802**	**20,022**	**5,725**	**5,535,095**	**1,483,679**	**1,062,745**	**552**	**10,745**	**4,689**

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.

(b) "Employees" non Executive Directors at grant date.

Date of the Shareholders' meeting	24/04/2005	20/04/2005	20/04/2005	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008
Grant date (Board of Directors or Management Board)	19/11/2007	01/04/2008	01/04/2008	19/05/2008	19/05/2008	22/09/2008	22/09/2008	24/11/2008	20/03/2009	20/03/2009
Total number of beneficiaries	6	4,339	1,027	2	10	3	40	7	4,627	759
Total number of shares to be subscribed [(a)] or purchased, from which to be subscribed or purchased by:	8,205	8,056,370	1,240,890	6,004	12,360	19,127	46,929	19,047	4,870,844	407,692
Executive Directors:										
Henri de Castries	-	399,526	-	-	-	-	-	-	-	-
Denis Duverne	-	319,621	-	-	-	-	-	-	-	-
Doina Palici-Chehab	-	4,149	-	-	-	-	-	-	3,227	-
The first 10 employees beneficiaries [(b)]	-	592,194	265,967	-	12,360	-	21,250	-	293,954	51,018
Start date of exercise	19/11/2011	01/04/2010	01/04/2012	19/05/2010	19/05/2012	22/09/2010	22/09/2012	24/11/2012	20/03/2011	20/03/2013
Expiry date of options	19/11/2017	01/04/2018	01/04/2018	19/05/2018	19/05/2018	22/09/2018	22/09/2018	24/11/2018	20/03/2019	20/03/2019
Subscription or purchase price of options [(a)]	28.53	21.00	21.00	23.42	23.42	21.19	21.19	13.89	9.76	9.76
Exercise schedule of options	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y
Number of options exercised at 31/12/2014	0	0	0	0	0	0	0	8,791	1,785,359	89,682
Options cancelled at 31/12/2014	0	1,425,303	229,961	706	3,532	14,877	2,974	1,465	759,826	37,593
Options outstanding at 31/12/2014	8,205	6,631,067	1,010,929	5,298	8,828	4,250	43,955	8,791	2,325,659	280,417

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b) "Employees" non Executive Directors at grant date.

Date of the Shareholders' meeting	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008
Grant date (Board of Directors or Management Board)	02/04/2009	10/06/2009	10/06/2009	21/09/2009	08/12/2009	08/12/2009	19/03/2010	19/03/2010	18/08/2010	18/08/2010
Total number of beneficiaries	28	29	17	16	2	13	5,062	476	3	5
Total number of shares to be subscribed [(a)] or purchased, from which to be subscribed or purchased by:	114,324	22,291	2,137,462	53,237	3,134	20,890	7,671,540	278,986	22,846	10,619
Executive Directors:										
Henri de Castries	-	-	271,473	-	-	-	330,000	-	-	-
Denis Duverne	-	-	226,398	-	-	-	264,000	-	-	-
Doina Palici-Chehab	-	-	-	-	-	-	3,850	-	-	-
The first 10 employees beneficiaries [(b)]	84,309	20,317	615,165	47,753	-	18,280	742,217	75,035	-	-
Start date of exercise	02/04/2011	10/06/2013	10/06/2011	21/09/2013	08/12/2011	08/12/2013	19/03/2012	19/03/2014	18/08/2012	18/08/2014
Expiry date of options	02/04/2019	10/06/2019	10/06/2019	21/09/2019	08/12/2019	08/12/2019	19/03/2020	19/03/2020	18/08/2020	18/08/2020
Subscription or purchase price of options [(a)]	9.76	13.03	15.47	15.88	16.60	16.60	15.43	15.43	13.89	13.89
Exercise schedule of options	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y
Number of options exercised at 31/12/2014	28,623	704	149,387	8,331	0	2,612	975,236	21,690	14,000	3,588
Options cancelled at 31/12/2014	47,137	0	253,569	0	3,134	2,088	1,145,135	11,054	7,000	2,726
Options outstanding at 31/12/2014	38,564	21,587	1,734,506	44,906	0	16,190	5,551,169	246,242	1,846	4,305

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b) "Employees" non Executive Directors at grant date.

Date of the Shareholders' meeting	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	22/04/2008	27/04/2011	27/04/2011	27/04/2011	27/04/2011
Grant date (Board of Directors or Management Board)	13/10/2010	13/10/2010	22/12/2010	18/03/2011	18/03/2011	04/04/2011	16/03/2012	13/06/2012	22/03/2013	24/03/2014
Total number of beneficiaries	1	17	8	6,372	423	170	467	1	162	158
Total number of shares to be subscribed [(a)] or purchased, from which to be subscribed or purchased by:	4,274	27,772	12,758	8,598,469	154,705	375,988	4,508,380	76,089	3,480,637	3,100,000
Executive Directors:										
Henri de Castries	-	-	-	302,500	-	-	220,000	-	169,000	155,000
Denis Duverne	-	-	-	247,500	-	-	192,000	-	169,000	155,000
Doina Palici-Chehab	-	-	-	8,750	-	-	7,500	-	14,000	14,110
The first 10 employees beneficiaries [(b)]	-	21,364	-	980,684	21,412	183,500	693,745	-	789,382	661,900
Start date of exercise	13/10/2012	13/10/2014	22/12/2014	18/03/2013	18/03/2015	04/04/2013	16/03/2014	13/06/2014	22/03/2015	24/03/2017
Expiry date of options	13/10/2020	13/10/2020	22/12/2020	18/03/2021	18/03/2021	04/04/2021	16/03/2022	13/06/2022	22/03/2023	24/03/2024
Subscription or purchase price of options [(a)]	13.01	13.01	12.22	14.73	14.73	14.73	12.22	9.36	13.81	18.68
Exercise schedule of options	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 2 y 66% after 3 y 100% after 4 y	33% after 3 y 66% after 4 y 100% after 5 y
Number of options exercised at 31/12/2014	0	2,848	0	741,316	314	35,262	329,251	25,363	0	0
Options cancelled at 31/12/2014	0	4,985	2,392	1,131,600	12,079	80,791	384,142	0	137,289	44,780
Options outstanding at 31/12/2014	4,274	19,939	10,366	6,725,553	142,312	259,935	3,794,987	50,726	3,343,348	3,055,220

(a) The number of options and exercise prices have been adjusted, pursuant to applicable regulation, as a result of operations on the AXA stock.
(b) "Employees" non Executive Directors at grant date.

STOCK OPTIONS GRANTED TO EXECUTIVE OFFICERS DURING 2014

Executive Officers		Plan date	Nature of options	Value of options (in Euro)	Number of options granted during the year	% of capital	Exercise price (in Euro)	Exercise period	Performance conditions
Henri de Castries	Chairman & Chief Executive Officer	24/03/2014	subscription or purchase	275,900	155,000	0.006%	18.68	24/03/2017-24/03/2024	100% of options: SXIP index
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	24/03/2014	subscription or purchase	275,900	155,000	0.006%	18.68	24/03/2017-24/03/2024	100% of options: SXIP index
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	24/03/2014	subscription or purchase	27,468	14,110	0.001%	18.68	24/03/2017-24/03/2024	Last third of options: SXIP Index

In the table above all dates that are indicated are in the format of day/month/year.

The fair value of stock options is determined in accordance with IFRS standards. This is a historical value at the date of grant, calculated for accounting purposes as described in Note 26.3.1 to the 2014 "Consolidated Financial Statements" included in Part 4 of this Annual Report. This value does not represent a current market value, a current valuation of these options, nor the actual proceeds if and when the options are exercised. On March 24, 2014, the fair value of one option was €2.03 for options without performance conditions, €1.78 for options with performance conditions.

Under the AXA Group Compliance and Ethics Guide, all employees (including the executive officers of the Company) are prohibited from engaging in any transaction designed to hedge the value of equity based compensation awards (including stock options, performance units, restricted shares, or similar awards) granted under any plan or arrangement maintained by AXA or any of its subsidiaries. This restriction applies from the date of grant until such time as the beneficiary receives the securities underlying the award upon, for example, the exercise of a stock option, the lapse of restrictions on performance units, restricted shares or similar events. In accordance with the recommendations of the Afep-Medef Code, the executive officers of the Company make a formal commitment to not resort to such hedging transactions.

STOCK OPTIONS EXERCISED BY EXECUTIVE OFFICERS DURING 2014

Executive Officers		AXA options				ADS AXA options			
		Date of grant	Number of options exercised during the year	Exercise price (in Euro)	Date of exercise	Date of grant	Number of options exercised during the year	Exercise price (in USD)	Date of exercise
Henri de Castries	Chairman & Chief Executive Officer	16/03/2012	73,334	12,22	05/06/2014	-	-	-	-
		18/03/2011	8,450	14,73	28/05/2014	-	-	-	-
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	10/06/2009	29,212	15,47	23/12/2014	-	-	-	-
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	26/03/2004	5,335	16,90	20/03/2014	-	-	-	-

In the table above all dates that are indicated are in the format of day/month/year.

STOCK OPTIONS GRANTED AND/OR EXERCISED BY THE TOP 10 BENEFICIARIES (OUTSIDE THE EXECUTIVE OFFICERS) DURING 2014

Stock options granted and/or exercised by the top 10 beneficiaries (outside management bodies' members) during the year	Number of options granted or exercised	Weighted average price (in Euro)
Stock options granted during the year by AXA or any eligible AXA Group's subsidiaries, to the ten employees, outside management bodies' members of the Company or of eligible AXA Group's subsidiaries, who received the highest number of stock options (aggregate information)	661,900	18.68
Stock options on AXA or any eligible AXA Group's subsidiaries, exercised during the year by the ten employees, outside management bodies' members of the Company or of eligible AXA Group's subsidiaries, who exercised the highest number of stock options (aggregate information)	695,044	15.87

STOCK OPTIONS HELD BY EXECUTIVE OFFICERS (OPTIONS GRANTED BUT NOT EXERCISED AS AT DECEMBER 31, 2014)

Executive Officers		Balance of options at December 31, 2014	
		AXA	ADS AXA
Henri de Castries	Chairman & Chief Executive Officer	3,136,261	-
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	2,478,866	-
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	74,657	-

Performance Shares and Performance Units

Performance Units/Shares are designed to reward and retain the Group's best talents by aligning their interests with the performance of the AXA Group, of their operational entity/business unit as well as with the stock performance of the AXA share in the medium-term (3 to 5 years). Performance Units/Shares generally result in less shareholder dilution than stock options, due to the smaller volume of the grant.

Criteria for Performance Units/Shares grants are similar to those used for stock options.

Performance Shares are usually granted to beneficiaries residing in France while Performance Units are generally granted to beneficiaries residing outside of France.

GRANT PROCEDURE

Within the global cap authorized by the shareholders, the Board of Directors approves all Performance Share programs prior to their implementation.

Each year, the Board of Directors, acting upon recommendation of its Compensation & Governance Committee, approves a global Performance Share pool to be granted. The annual grants of Performance Shares are generally made simultaneously with the grants of stock options.

The recommendations for individual grants of Performance Shares and Performance Units are made by the management of each operational entity or business unit and by the Group functional department heads. These recommendations are reviewed by the Executive Management to ensure a global coherence and respect of the Group's internal equity principles. Individual grants of Performance Shares and Performance Units are then decided by the Board of Directors, provided that individual grants to the Chairman & Chief Executive Officer, the Deputy Chief Executive Officer and other members of the Executive Committee are preceded by a proposal of the Compensation & Governance Committee, which takes into consideration the aggregate compensation elements of the executive officer as well as the market studies carried out by the Group together with an independent compensation consulting firm. Furthermore, the grant to AXA executive officers shall depend on the level of achievement of the strategic objectives previously defined by the Board of Directors.

Following AXA's change of governance structure in 2010, the Board of Directors, acting upon recommendation of its Compensation & Human Resources Committee, decided on December 22, 2010 that the total number of Performance Shares granted to the executive officers (Chairman & Chief Executive Officer and Deputy Chief Executive Officer) each year may not exceed 10% of the aggregate number of Performance Shares granted during the same year.

RULES REGARDING PERFORMANCE UNITS/SHARES AND PERFORMANCE CONDITIONS

Each beneficiary receives an initial, preliminary allocation of Performance Units/Shares which is used as a reference to calculate the actual number of units or shares that will be definitely granted at the end of a 3-year performance period.

During the performance period, all Performance Units/Shares initially granted are integrally subject to performance conditions regardless of the beneficiary's status. These criteria measure both the financial and operational performance of the AXA Group as well as the beneficiary's operational entity/business unit's performance, according to pre-determined targets.

The nature of these criteria as well as the associated targets are defined and reviewed on a regular basis by the Board of Directors, depending on the evolution of the Group's strategic objectives and after consideration of market practices. Thus, during the last few years, the performance criteria used for this purpose have been linked to (i) the underlying earnings and the net income to measure the operational entities' performance, and (ii) the net income per share to measure the AXA Group performance.

For beneficiaries in operating entities or business units, the performance of the operational entity and/or business unit is weighted at 2/3 of the total performance while the AXA Group performance is weighted at 1/3. For beneficiaries in Group support functions (including AXA executive officers) the considered operational entity is the AXA Group.

The achievement rate of the performance indicators ("performance rate") is used to determine the number of Units/Shares which will be definitively acquired by the beneficiaries at the end of the acquisition period, under the condition that the beneficiary is still employed by the AXA Group. The number of Units/Shares definitively granted shall therefore be equal to the number of Performance Units/Shares initially granted multiplied by the performance rate which may vary between 0% and 130%.

For each of these indicators, the cumulated performance over the fiscal years of the acquisition period is compared to the cumulated performance of such indicator over a reference period of identical duration preceding the Performance Units/Shares grant.

A global performance rate is then calculated as follows: 1/3 performance rate (Net Income Per Share) + 2/3 performance rate [average (Net Income + Underlying Earnings)].

A performance achievement of 100% ("target") is achieved only in the event of a global performance corresponding to a 5% weighted-compound annual growth rate of the indicators. In this case, the number of units/shares definitively granted at the end of the acquisition period shall be equal to the number of Performance Units/Shares initially granted.

Since 2014, should the performance be:

- lower than 65% (for the Group) and 60% (for the beneficiary's performance perimeter) of the performance required to reach the target (the "floor"), no unit/share would be delivered to the beneficiary at the end of the acquisition period; consequently the beneficiaries are not guaranteed a minimal grant/gain;
- equal to 65% of the performance required to reach the target, the number of units/shares definitively granted would be equal to 65% of the number initially granted;
- equal to 100% of the performance required to reach the target, the number of units/shares definitively granted would be equal to 100% of the number initially granted;
- equal to or higher than 130% of the performance required to reach the target, the number of units/shares definitively granted would be equal to 130% of the number initially granted. Such a performance would correspond to a weighted-compound annual growth rate of the indicators equal to or higher than 15%.

Between these minimal and maximal performance levels, the number of shares definitively granted to beneficiaries is calculated on a linear basis depending on the performance of each indicator.

As from the 2015 plans, the performance conditions for the Company's executive officers will be changed to increase the floor to 80%. Therefore, in the event of a performance below 80% of the performance required to reach the target, no performance shares would be definitively granted. In case of performance equal to 80% of the performance required to reach the target, 50% of the number of shares initially granted will be definitively granted. For example, should the achievement rate regarding the Group performance indicator (Net Income Per Share) reach 80%, the Net Income ROE would remain at 10.3%, *i.e.* a level above the cost of capital, which would justify a delivery of 50% of the shares initially granted.

Furthermore, should no dividend be paid by the Company during any fiscal year of the acquisition period, the number of Units/Shares definitively granted would be automatically divided by 2.

As far as Performance Shares are concerned:

- since 2014, the Performance Share grants are conditioned to a minimal 3-year acquisition period allowing the measurement of the performance determining the definitive grant of the shares over a longer period, *i.e.* at least 3 years;
- shares acquired, under the condition that the beneficiary is still employed by the AXA Group, at the end of the acquisition period are restricted from sale during a 2-year period;
- Performance Shares generally result in less shareholder dilution than stock options, due to the smaller volume of the grant and the possibility to deliver existing shares, this choice being the one made up to this date.

As far as Performance Units (International Performance Shares) are concerned:

- since 2014, the Performance Units are subject to a 3-year performance period followed by a 1-year differed acquisition period. The payment is made in shares (International Performance Shares). Should this type of payment not be possible for legal, tax or any other reason, the payment could be made in cash;
- the amounts corresponding to Performance Units (International Performance Shares) are expensed each year under the variable accounting method. They do not create any dilution for shareholders since no new shares are issued.

PERFORMANCE UNITS/SHARES PLANS SUMMARY

Performance Units plans

Grant date (Board of Directors or Management Board)	19/03/2010	18/03/2011	04/04/2011	16/03/2012	13/06/2012	22/03/2013	24/03/2014
Total number of beneficiaries	3,972	5,059	215	5,039	1	5,162	5,101
Total number of Performance Units granted from which granted to Executive Directors:	3,924,244	4,728,124	323,105	6,769,606	71,017	6,958,447	5,795,117
Henri de Castries	-	-	-	-	-	-	-
Denis Duverne	-	-	-	-	-	-	-
Doina Palici-Chehab	-	6,500	-	-	-	8,400	8,400
Acquisition date of the Performance Units	19/03/2012	18/03/2014	04/04/2014	16/03/2015	13/06/2013	22/03/2016	24/03/2017 (f)
Number of Performance Units acquired at 31/12/2014	2,829,352 (a)	3,429,914 (b)	229,374 (c)	41,623 (d)	71,790	2,500 (e)	-
Number of Performance Units cancelled	587,340	888,396	101,756	1,055,317	-	551,772	163,409
Balance at 31/12/2014	-	-	-	6,237,644	-	6,404,752	5,631,708

(a) The 2,829,352 units acquired of the March 19, 2010 plan have been settled as €36.5 million and 5,296 shares.
(b) The 3,429,914 units acquired of the March 18, 2011 plan have been settled as €64.6 million.
(c) The 229,374 units acquired of the April 4, 2011 plan have been settled as €4.3 million.
(d) 41,623 units of the March 16, 2012 plan acquired by anticipation.
(e) 2,500 units of the March 22, 2013 plan acquired by anticipation.
(f) 50% of shares to be acquired at March 24, 2017 and 50% at March 24, 2018.

In the table above all dates that are indicated are in the format of day/month/year.

Performance Shares plans

Date of the Shareholders' meeting	22/04/2008	22/04/2008	27/04/2011	27/04/2011	27/04/2011
Grant date (Board of Directors or Management Board)	19/03/2010	18/03/2011	16/03/2012	22/03/2013	24/03/2014
Total number of beneficiaries	1,774	1,984	2,083	2,212	2,199
Total number of Performance Shares granted from which granted to Executive Directors:	1,940,338	2,056,780	2,787,659	2,944,910	2,662,849
Henri de Castries	108,000	99,000	132,000	160,400	131,371
Denis Duverne	86,400	81,000	115,200	128,400	104,125
Doina Palici-Chehab	2,860	-	7,000	-	-
Acquisition date of the shares	19/03/2012	18/03/2013	16/03/2014	22/03/2015	24/03/2016 (c)
End of restriction	19/03/2014	18/03/2015	16/03/2016	22/03/2017	24/03/2018
Number of shares acquired at 31/12/2014	1,659,914	2,063,689	2,853,303	4,810 (a)	3,250 (b)
Number of Performance Shares cancelled	116,290	103,020	149,450	94,258	33,406
Balance at 31/12/2014	-	-	-	2,846,952	2,626,943

(a) Shares acquired by anticipation related to deceased beneficiaries.
(b) Shares acquired by anticipation related to deceased beneficiaries.
(c) 50% of shares to be acquired at March 24, 2016, 50% at March 24, 2017, except for the Chairman & CEO, and the Deputy CEO, 100% of shares to be acquired at March 24, 2017.

In the table above all dates that are indicated are in the format of day/month/year.

PERFORMANCE SHARES GRANTED TO EXECUTIVE OFFICERS DURING 2014

Executive Officers		Plan date	Performance shares granted	% of capital	Value of Performance shares (in Euro)	Acquisition date	End of restriction	Performance conditions
Henri de Castries	Chairman & Chief Executive Officer	24/03/2014	131,371	0.005%	1,580,393	24/03/2017	24/03/2019	- net income - underlying earning - net income per share
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	24/03/2014	104,125	0.004%	1,252,624	24/03/2017	24/03/2019	- net income - underlying earning - net income per share
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	-	-	-	-	-	-	-

In the table above all dates that are indicated are in the format of day/month/year.

The fair value of Performance Shares is determined in accordance with IFRS standards. It corresponds to a historical value at the date of grant, calculated for accounting purposes as described in Note 26.3.1 to the 2014 "Consolidated Financial Statements" included in Part 4 of this Annual Report. This value does not represent a current market value, a current valuation of these performance shares or the actual proceeds if and when the Performance Shares are acquired.

Under the AXA Group Compliance and Ethics Guide, all employees (including the executive officers of the Company) are prohibited from engaging in any transaction designed to hedge the value of equity based compensation awards (including stock options, performance units, restricted shares, or similar awards) granted under any plan or arrangement maintained by AXA or any of its subsidiaries. This restriction applies from the date of grant until such time as the beneficiary receives the securities underlying the award upon, for example, the exercise of a stock option, the lapse of restrictions on performance units, restricted shares or similar events. In accordance with the recommendations of the Afep-Medef Code, the executive officers of the Company make a formal commitment to not resort to hedging transactions.

PERFORMANCE SHARES ACQUIRED BY EXECUTIVE OFFICERS DURING 2014

Executive Officers		Plan date	Performance shares granted	Acquisition date	Shares acquired during the year	Performance rate over the acquisition period	End of the restriction period
Henri de Castries	Chairman & Chief Executive Officer	16/03/2012	132,000	16/03/2014	142,826	108% [(a)]	16/03/2016
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	16/03/2012	115,200	16/03/2014	124,648	108% [(a)]	16/03/2016
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	16/03/2012	7,000	16/03/2014	7,575	108%	16/03/2016

(a) The performance rate of 108% is composed of: 1/3 x 109% (Net income per share) + 2/3 x 108% (Underlying earnings and Net income).

In the table above all dates that are indicated are in the format of day/month/year.

PERFORMANCE SHARES BECOMING UNRESTRICTED DURING 2014 FOR EACH EXECUTIVE OFFICER

Executive Officers		Plan date	Number of shares becoming unrestricted during the year	Date of availability
Henri de Castries	Chairman & Chief Executive Officer	19/03/2010	93,426	19/03/2014
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	19/03/2010	74,741	19/03/2014
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	19/03/2010	2,475	19/03/2014

In the table above all dates that are indicated are in the format of day/month/year.

PERFORMANCE UNITS GRANTED TO EXECUTIVE OFFICERS DURING 2014

Executive Officers		Plan date	Performance units granted	Value of Performance units (in Euro)	Acquisition date	End of restriction of Performance Units	Performance conditions
Henri de Castries	Chairman & Chief Executive Officer	-	-	-	-	-	-
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	-	-	-	-	-	-
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	24/03/2014	4,200	56,238	24/03/2017	24/03/2017	- net income - underlying earning - net income per share
		24/03/2014	4,200	50,526	24/03/2018	24/03/2018	- net income - underlying earning - net income per share

In the table above all dates that are indicated are in the format of day/month/year.

PERFORMANCE UNITS ACQUIRED BY EXECUTIVE OFFICERS DURING 2014

Executive Officers		Plan date	Performance units granted	Acquisition date	Performance units acquired	Performance score over the period	Cash settlement (in Euro)	Share settlement	End of restriction period
Henri de Castries	Chairman & Chief Executive Officer	-	-	-	-	-	-	-	-
Denis Duverne	Deputy Chief Executive Officer in charge of Finance, Strategy and Operations	-	-	-	-	-	-	-	-
Doina Palici-Chehab	Representative of employee shareholders to the Board of Directors	18/03/2011	6,500	18/03/2014	6,960	107%	131,544	-	-

In the table above all dates that are indicated are in the format of day/month/year.

Share ownership policy for executives of the Group

Since 2007, AXA has decided to implement a shareholding policy applicable to all members of its Executive Committee. This demanding policy imposes each executive to hold, during the entire duration of his/her functions, a minimum number of AXA shares (the "Minimum Shareholding Requirement") representing a multiple of the annual total cash compensation (fixed salary plus annual variable compensation) received for his/her functions within the Group:

- the Chairman & Chief Executive Officer is required to hold the equivalent of his total annual cash compensation multiplied by 3;
- the Deputy Chief Executive Officer is required to hold the equivalent of his total annual cash compensation multiplied by 2;
- Management Committee members are required to hold the equivalent of their total annual cash compensation multiplied by 1.5;
- Executive Committee members are required to hold the equivalent of their total annual cash compensation multiplied by 1.

AXA shares, ADS or shares of listed Group subsidiaries, held directly or indirectly through Mutual funds or similar investment vehicles, are taken into account for the purposes of calculating this Minimum Shareholding Requirement.

Each executive is required to meet this Minimum Shareholding Requirement within a period of 5 years as from the date of his/her first appointment.

Pursuant to Articles L.225-197-1 and L.225-185 of the French Commercial Code, the Supervisory Board and later the Board of Directors have decided that, as long as an executive officer (Chairman & Chief Executive Officer and Deputy Chief Executive Officer) has not met his/her Minimum Shareholding Requirement, all stock options and Performance Shares granted to him/her after January 1st, 2007 will be subject to the following restrictions:

- upon each exercise of these stock options granted after January 1st, 2007, the executive officers must continue to hold in registered form a number of shares obtained upon exercise equal in value to at least 25% of the pre-tax capital gain realized upon exercise (*i.e.* in France, this equals approximately 50% of the post-tax capital gain). These shares shall be held during the entire term of office of the executive officer;
- for Performance Shares granted after January 1st, 2007, the executive officers must, at every share acquisition date, hold in registered form at least 25% of the Performance Shares acquired during the entire term of office of the executive officer.

These restrictions do not apply if an executive officer complies with his/her Minimum Shareholding Requirement.

EXECUTIVE OFFICERS

On December 31, 2014, based on the AXA share value (€19.21) and on the AllianceBernstein share value (€19.39) on that date, the Company's executive officers already met their Minimum Shareholding Requirement such as described in the above Section "Share ownership policy for executives of the Group". The following table summarizes the compensation granted to executive officers during the fiscal year 2014:

	Compensation paid in 2014			Shareholding requirement			Shareholding on 12/31/2014					
	Fixed compen-sation	Variable compen-sation for the year 2013	Total com-pensation	Number of years	Amount	Target date	Number of years	Amount	AXA shares	ADS AXA	AXA Share-plan units	Alliance Bernstein shares
Henri de Castries	€950,000	€2,549,750*	€3,499,750	3	€10,499,250	01/01/2012	8.5	€29,687,052.17	1,492,806	0	50,571	2,000
Denis Duverne	€750,000	€1,567,450*	€2,317,450	2	€4,634,900	01/01/2012	7	€16,135,991.60	819,226	18,734	0	2,000

* *This amount includes the part of the variable compensation with respect to 2013 which has been deferred in accordance with the mechanism described on page 118. The total amount paid will depend on performance conditions and may then vary.*

Pursuant to the AXA Group Compliance and Ethics Guide, executive officers and other employees of the Company must refrain from any purchase or sale of AXA securities during specific time periods ("blackout periods") prior to the earnings releases. These blackout periods generally begin about 30 days before its annual or half-year earnings releases and about 15 days before its quarterly financial information releases. Depending on the circumstances, these blackout periods could be declared at other times or be longer.

Discretionary management agreements signed by Messrs. Henri de Castries and Denis Duverne

Messrs. Henri de Castries and Denis Duverne each signed on March 31, 2010 with Banque Degroof a discretionary mandate to manage a portion of the AXA securities they personally own.

As a matter of principle, the discretionary management agreement has been submitted for review to the Ethics & Governance Committee and to the AXA Supervisory Board at the beginning of 2010. The Committee noted the advantages of this type of arrangement in avoiding any potential risk of insider trading and the associated reputation risks for the Company and executives.

The principal features of this mandate are as follows:

- the mandate is signed for an indefinite term;
- each instruction agreed between the executive and the bank, within the framework of the mandate, is valid for a duration it determines and starts after the expiry of a 3-month abstention period;
- the mandate and the instructions are signed when the executive is not in possession of any inside information and outside blackout periods. During a 3-month abstention period following the signing of each instruction, the bank is prohibited from engaging in any transaction on behalf of the executive;
- the executive may not intervene in management by the bank who exercises discretion in application of the instructions. The executive generally commits to proscribe all communications with the bank and not to exercise any influence on it prior to the expiry of a standing instruction.

The transactions in AXA securities that are engaged by Banque Degroof on behalf of the relevant executives in application of the annual instruction will be notified pursuant to the provisions of Article L.621-18-2 of the French Monetary and Financial Code *(Code monétaire et financier)*. The notifications of such transactions state that they have been engaged in application of a discretionary management mandate in accordance with regulation 2010-07 of the AMF *(Autorité des marchés financiers)*.

MEMBERS OF THE BOARD OF DIRECTORS

To the best knowledge of the Company and based on information reported to it, each AXA Board of Directors member held, on December 31, 2014, the number of AXA shares or ADS indicated in the table below.

	Number of shares* owned on December 31, 2014	
	AXA shares	ADS AXA
Henri de Castries – Chairman & Chief Executive Officer	1,492,806	-
Norbert Dentressangle – Vice-Chairman – Lead Independent Director	16,687	-
Denis Duverne – Deputy Chief Executive Officer	819,226	18,734
Jean-Pierre Clamadieu	5,000	-
Jean-Martin Folz	11,084	-
Paul Hermelin	2,300	-
Mrs. Isabelle Kocher	5,960	-
Mrs. Suet Fern Lee	8,000	-
Stefan Lippe	10,000	-
François Martineau	6,732	-
Ramon de Oliveira	-	11,300
Mrs. Deanna Oppenheimer	-	9,800
Mrs. Doina Palici-Chehab	9,969	-
Mrs. Dominique Reiniche	7,000	-

* *AXA shares which could be indirectly held through Mutual funds are not taken into account.*

Transactions involving Company securities completed in 2014 by the members of the Board of Directors

To the best of the Company's knowledge and based on the information reported to it, several members of the Board of Directors made the following disclosures in the course of 2014 concerning their transactions involving Company securities. Detailed information about all of these transactions, as well as individual disclosures filed in accordance with Articles 223-22 and 223-25 of the AMF General Regulations, are published on the Company's website (www.axa.com) and on the AMF website (www.amf-france.org).

Name	Sale of AXA Shares (Number)	Purchase of AXA ADS (Number)	Purchase of AXA Shares (Number)	Automatic re-investment into the Company Savings Plan of dividends attached to shares held in the Company Savings Plan (Number of units)	Options		Subscription of stock options		Subscription and sale of stock options	Sale of units of AXA Group Mutual funds invested in AXA shares (Number)	Transfer of units of AXA Group Mutual funds invested in AXA shares to other AXA Group Mutual funds (Number)	Equity issue reserved for employees (SharePlan)
					Sale of call options (Number)	Acquisition of put options (Number)	Subscription to AXA shares (Number)	Subscription to AXA ADS (Number)	AXA Shares (Number)			Subscription to units of AXA Group Mutual funds invested in AXA shares (Number of units)
Henri de Castries	100,000*						8,450** 73,334**			47,367.03		40,994.03
Denis Duverne							29,212**			25,186.49	10,666.99	25,152.14
Paul Hermelin			2,300									
Deanna Oppenheimer		5,000										
Doina Palici-Chehab									5,335			1,344.54

* *Transaction performed by an independent financial intermediary pursuant to a discretionary mandate.*

** *AXA shares locked in under the AXA employer-sponsored savings plan (Plan d'Épargne d'Entreprise du Groupe).*

Commitments made to executive officers

PENSION

The executive officers of the Company (Messrs. Henri de Castries and Denis Duverne) participate, as all other executive employees *(directeurs)* of AXA Group entities in France, in a supplementary pension scheme with defined benefits.

The current pension scheme rules were approved by the Supervisory Board on October 7, 2009 (after having been presented for advice to all work councils and central work councils in France) and by the Shareholders' Meeting of AXA on April 29, 2010.

Under this scheme, a supplementary pension is paid to senior executives who retire immediately upon leaving the AXA Group, and who have a minimum length of service of 10 years, of which at least 5 years as a senior executive. Senior executives whose employment is terminated by the Company (except in the case of gross or willful misconduct) after the age of 55 may also benefit from the scheme provided that they do not resume any professional activity before retiring. In case of voluntary departure from the AXA Group before retirement, no supplementary pension is paid.

The amount of the supplementary pension is calculated at the time of retirement and is in addition to the total amount of retirement pensions paid under mandatory schemes (social security, ARRCO, AGIRC…) and under any other retirement scheme to which the beneficiary may have participated during his/her career, both within and/or outside the AXA Group.

The amount of the supplementary pension is designed, for a minimum executive seniority of 20 years within the AXA Group, to achieve a global pension (including the amounts paid with respect to compulsory schemes) equivalent to 40% of the average gross compensation of the past 5 years preceding the retirement date, if this average is superior to 12 annual social security ceilings (1).

Reduced rates apply for an executive seniority of less than 20 years. As an example, with 10 years of executive seniority, the supplementary pension allows to reach a global pension equivalent to 34% instead of 40%. This rate is reduced to 20% for an executive seniority of 5 years, and no supplementary pension is paid for an executive seniority of less than 5 years. The escalation of the rights depending on the seniority is thus lower than the 5% per additional year of the beneficiary's compensation limit set by the Afep-Medef Code.

Mr. Henri de Castries decided in 2010, on an individual and voluntary basis and in consultation with the Board of Directors, to limit the compensation to be taken into account in order to calculate his global pension. For information purposes, as of today considering his length of service within the Group (more than 25 years on the date of this Annual Report), the part of his global pension that would be paid under the supplementary pension scheme would represent approximately 32% of his current annual target compensation (*i.e.* a supplementary pension annual gross amount of one million euros, before taxes and social security charges).

(1) For information, the annual social security ceiling for 2015 is equal to €38,040.

TERMINATION PROVISIONS

	Employment contract		Supplementary pension scheme		Indemnities or advantages due or likely to be due upon termination of functions		Indemnities due for non-competition clause	
Executive officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Henri de Castries Chairman & CEO Beginning of mandate: April 29, 2010 Term of office: 2018	–	X	X	–	X	–	–	X
Denis Duverne Deputy CEO Beginning of mandate: April 29, 2010 Term of office: 2018	–	X	X	–	X	–	–	X

In accordance with the recommendations of the Afep-Medef Code, Messrs. Henri de Castries and Denis Duverne have decided to renounce their respective employment contracts following AXA's Shareholders' Meeting of April 29, 2010.

In connection with this decision, the Supervisory Board undertook a review of the consequences of this renunciation including with respect to the continuity of the social benefits (health insurance, life insurance, disability insurance, retirement, etc.) to which Messrs. de Castries and Duverne were entitled as employees of AXA. In this context, the Supervisory Board (i) noted that Messrs. de Castries and Duverne have been long-standing employees of the AXA Group (for 25 years and 19 years, respectively on the date of this Annual Report) and had the same social benefits as all other director-level employees of AXA in France (with no special benefits or arrangement designed specifically for them), and (ii) was concerned that the decision of Messrs. de Castries and Duverne to renounce their employment contracts in accordance with the recommendations of the Afep-Medef Code would jeopardize the continuity of their accrued and future social benefits.

As a result, on February 17, 2010, the Supervisory Board took the following decisions:

- the Supervisory Board authorized that, following the termination of their employment contracts, Messrs. Henri de Castries and Denis Duverne will continue to have social benefits (health insurance, life insurance, disability insurance, retirement, etc.) on terms equivalent to those of all other director-level employees of the AXA Group in France;
- the Supervisory Board authorized a contractual severance benefit for Messrs. de Castries and Duverne designed to replicate the benefits to which they were entitled as AXA employees under the 1993 collective agreement covering director-level employees of the insurance sector, but with the addition of new performance conditions in accordance with the Afep-Medef recommendations. A severance benefit would be applicable, except in the case of gross or wilful misconduct, solely in the event of dismissal, non-renewal or resignation within 12 months following a change in the Company's control or strategy that has not been initiated by the beneficiary. The payment of the severance benefit would be subject to the three following performance conditions as determined by the Board of Directors during its February 20, 2014 meeting: (1) achievement, for at least 2 of the 3 preceding fiscal years, of the objectives set for the beneficiary's variable compensation and corresponding to the payment of at least 75% of his variable compensation target, (2) evolution of the AXA share price at least equal to the stock reference index of the insurance sector (SXIP) (in percentage) over a 3-year period preceding the termination of the term of office, and (3) the average consolidated adjusted ROE over the 3 preceding years higher than or equal to 5%.

The amount of severance benefit to be paid to the beneficiary would be adjusted in accordance with the level of achievement against these performance conditions: 100% of the severance benefit will be paid if at least 2 of the 3 performance conditions are met; 40% of the severance benefit will be paid if only 1 performance condition is met; and no severance benefit shall be paid if none of the performance conditions are met. Notwithstanding the foregoing, if only 2 of the 3 performance conditions are met, the amount of severance benefit will be reduced by 50% if performance condition (1) is not met or if AXA's consolidated net income for the preceding fiscal year is negative.

No severance benefit will be paid if the beneficiary is entitled to an additional pension scheme within the 6 months following his termination.

The initial amount of the severance benefit was equal to 19 months of the average compensation (fixed and variable) paid during the 24-month period preceding termination for Mr. Henri de Castries, and equal to 12 months of this average for Mr. Denis Duverne. For each beneficiary, one month should then be added to the initial amount of the severance benefit for each additional year of future service up to a maximum cap of 24 months.

These commitments took effect upon the effective renunciation by Messrs. Henri de Castries and Denis Duverne of their respective employment contracts at the end of the Shareholders' Meeting of April 29, 2010, and will continue so long as they remain executive officers of AXA (including under renewed mandates).

2.3 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Capital ownership

On December 31, 2014, AXA's fully paid up and issued share capital amounted to €5,592,813,590.33 divided into 2,442,276,677 ordinary shares, each with a par value of €2.29 and eligible for dividends as of January 1st, 2014.

To the best of the Company's knowledge, the table below summarizes the ownership of its issued outstanding ordinary shares and related voting rights on December 31, 2014:

	Number of shares	% of capital ownership	% of voting rights (a)
Mutuelles AXA (b)	342,767,775	14.03%	23.61%
Treasury shares held directly by the Company	49,719	0.00%	[0.00%] (c)
Treasury shares held by Company subsidiaries (directly or indirectly) (d)	533,576	0.02%	[0.02%] (c)
Employees and agents	162,596,043	6.66%	8.86%
General public	1,936,329,564	79.29%	67.51%
TOTAL	**2,442,276,677 (e)**	**100%**	**100%**

(a) *In this table, voting rights' percentages are calculated on the basis that all outstanding ordinary shares are entitled to voting rights, notwithstanding the fact that certain of these shares may be deprived of voting rights by law or otherwise (for example, treasury shares are deprived of voting rights under French law).*

(b) *AXA Assurances IARD Mutuelle (11.18% of capital ownership and 18.81% of voting rights) and AXA Assurances Vie Mutuelle (2.86% of capital ownership and 4.80% of voting rights).*

(c) *These shares will be entitled to vote when they cease to be treasury shares (e.g. upon their sale or other transfer to an unaffiliated third party).*

(d) *Treasury shares as indicated in Note 13 to the "Consolidated Financial Statements" included in Part 4 of this Annual Report.*

(e) *Source: Euronext Notice of January 14, 2015.*

AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle (the "Mutuelles AXA") are parties to agreements pursuant to which they have stated their intention to collectively vote their shares in AXA. As part of these agreements, the Mutuelles AXA have established a Strategy Committee (*Comité de Coordination Stratégique*) composed of certain directors from their respective Boards. The Strategy Committee elects a Chairman among its members (at present, Mr. Claude Bébéar) and is generally consulted on all significant matters relating to the Mutuelles AXA including their collective shareholding in AXA and overall relationship with the Company.

To the best of the Company's knowledge, no shareholder held more than 5% of the Company's share capital or voting rights on December 31, 2014 except as indicated in the table above.

Certain of the Company's shares are entitled to double voting rights as described in Part 5 – "Certain additional information" – "Voting rights" Section of this Annual Report. Of the Company's 2,442,276,677 outstanding ordinary shares on December 31, 2014, 461,523,534 shares entitled their holders to double voting rights as of that date.

SIGNIFICANT CHANGES IN CAPITAL OWNERSHIP

Significant changes in the Company's share capital ownership between December 31, 2012 and December 31, 2014 are set forth in the table below:

	On December 31, 2014 [(a)]				On December 31, 2013 [(a)]				On December 31, 2012 [(a)]			
	Number of shares	Capital ownership (%)	Number of voting rights	Voting rights (%)	Number of shares	Capital ownership (%)	Number of voting rights	Voting rights (%)	Number of shares	Capital ownership (%)	Number of voting rights	Voting rights (%)
Mutuelles AXA [(b)]	342,767,775	14.03%	685,535,550	23.61%	342,767,775	14.18%	685,385,200	23.54%	342,767,775	14.35%	666,123,259	23.05%
Treasury shares held directly by the Company	49,719	0.00%	[49,719] [(c)]	[0.00%] [(c)]	54,079	0.00%	[54,079] [(c)]	[0.00%] [(c)]	57,048	0.00%	[57,048] [(c)]	[0.00%] [(c)]
Treasury shares held by Company subsidiaries (directly and indirectly) [(d)]	533,576	0.02%	[540,724] [(c)]	[0.02%] [(c)]	3,836,408	0.16%	[6,774,024] [(c)]	[0.23%] [(c)]	16,448,654	0.69%	[30,906,564] [(c)]	[1.07%] [(c)]
Employees and agents	162,596,043	6.66%	257,283,670	8.86%	170,081,342	7.03%	264,894,772	9.10%	177,487,595	7.43%	259,090,586	8.97%
General public	1,936,329,564	79.29%	1,960,390,548	67.51%	1,901,125,867	78.63%	1,953,916,047	67.13%	1,851,849,912	77.53%	1,933,394,130	66.91%
TOTAL	**2,442,276,677 [(e)]**	**100%**	**2,903,800,211**	**100%**	**2,417,865,471**	**100%**	**2,911,024,122**	**100%**	**2,388,610,984**	**100%**	**2,889,571,587**	**100%**

(a) In this table, voting rights' percentages are calculated on the basis that all outstanding ordinary shares are entitled to voting rights, notwithstanding the fact that certain of these shares may be deprived of voting rights by law or otherwise (for example, treasury shares are deprived of voting rights under French law).
(b) AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle.
(c) These shares will be entitled to vote when they cease to be treasury shares (e.g. upon their sale or other transfer to an unaffiliated third party).
(d) Treasury shares as indicated in Note 13 to the "Consolidated Financial Statements" included in Part 4 of this Annual Report.
(e) Source: Euronext Notice of January 14, 2015.

On December 31, 2014, to the best of the Company's knowledge based on the information available to it, the Company had 10,910 total registered holders of its ordinary shares (*i.e.* shareholders holding in nominative form).

TRANSACTIONS COMPLETED IN 2014 BY AXA INVOLVING ITS OWN SHARES

In connection with the share repurchase programs approved by AXA's shareholders during their Shareholders' Meetings held on April 30, 2013 (resolution 11) and April 23, 2014 (resolution 15) and pursuant to Article L.225-209 of the French Commercial Code, (i) 3,541,968 AXA shares were repurchased (for purposes of hedging of the grant of free shares to employees of the Group) for an average weighted gross unit price per share of €18.65, and (ii) no AXA shares were sold between January 1st and December 31, 2014.

As a result, on December 31, 2014, following the delivery of AXA treasury shares to Group employees during 2014 in the context of performance share plans, the total number of AXA treasury shares, all allocated for hedging purposes, was 49,719 (or 0.002% of AXA's share capital at that date). These shares were acquired for an aggregate purchase price of €945,580.76 (with a par value of €2.29 per share).

FULLY DILUTED CAPITAL ON DECEMBER 31, 2014

The following table indicates the Company's fully diluted share capital, assuming that the maximum number of new shares is issued following the exercise of all outstanding stock options.

	Fully diluted capital
Ordinary shares issued on December 31, 2014 [(a)]	2,442,276,677
Stock options	63,333,734
Maximum total number of shares	2,505,610,411

(a) Source: Euronext Notice of January 14, 2015.

AXA subordinated convertible bonds on December 31, 2014 (a)

	Subordinated convertible bonds issued on February 17, 2000
Number of bonds initially issued	6,646,524
Issue price	€165.50
Total principal amount	€1,099,999,722
Closing date	February 17, 2000
Maturity date	January 1, 2017
Coupon	3.75%
Conversion	Starting February 17, 2000: 4.41 (b) shares for 1 bond
Maturity of the bonds	Total redemption on January 1, 2017 at €269.16 per bond, *i.e.* 162.63% of the nominal amount
Early redemption	■ The Company may purchase the bonds on any Stock Exchange or otherwise in accordance with applicable regulation, including by way of tender for purchase or exchange; ■ At the option of the issuer, in cash, from January 1, 2007 at a price with a gross 6% actuarial yield, if the Company's share average over 10 consecutive days is above 125% of the anticipated repayment price; ■ At any time, at the option of the issuer, at €269.16 if the number of bonds in circulation is below 10% of the number of bonds issued.
Number of bonds outstanding on December 31, 2014	**6,613,129**

(a) AXA's 2017 convertible bonds can still be converted, but pursuant to an arrangement put in place in January 2007, any dilutive impact created by the issuance of new shares resulting from the conversion of the bonds is neutralized by the automatic exercise of call options on the AXA shares created.

(b) As a result of certain financing transactions (capital increases with preferential subscription rights, reserves distribution), the conversion conditions of AXA 2017 convertible bonds were adjusted on several occasions since their issue in 2000. The conversion ratio was increased to 4.41 AXA shares with a par value of €2.29 for one convertible bond (see Euronext notice n° PAR_20091109_05426 published on November 9, 2009 and Euronext notice n° PAR_20091209_05954 published on December 9, 2009).

Related party transactions and employee shareholders

RELATED PARTY TRANSACTIONS

For information concerning related party transactions, please see Part 4 – "Consolidated Financial Statements" – Note 28 "Related Party Transactions" of this Annual Report.

EMPLOYEE SHAREHOLDERS

SharePlan

Since 1993, the AXA Group has promoted employee shareholding by offering each year to its employees an opportunity to become shareholders through a special share capital increase reserved exclusively to them ("SharePlan").

By virtue of the authorization granted by the Shareholders' Meeting of April 23, 2014, the Board of Directors increased the Company's share capital through the issue of shares reserved to the Group employees under the SharePlan 2014 program. The Shareholders waived their preferential subscription rights so that this offering could be made exclusively to Group employees (SharePlan 2014).

In countries that met the legal, regulatory and tax requirements to participate in SharePlan, two investment options were offered to the Group employees in 2014:

- the traditional plan, offered in 35 countries;
- the leveraged plan, offered in 34 countries.

The traditional plan allowed employees to subscribe through a personal investment to AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on countries) with a 20% discount. The shares are held within the Group Company Savings Plan and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable law). Employees are subject to the share price evolution, up or down, as compared to the subscription price.

At the end of the 5 year holding period, the employees can, depending on their country of residence, do any one of the following: (1) receive the cash value of their investment; (2) receive the value of their investment in the form of AXA shares; or (3) transfer their assets invested in the leveraged plan into the traditional plan.

The leveraged plan in 2014 allowed employees to subscribe, on the basis of 10 times their personal investment, in AXA shares (either through Mutual funds (FCPE) or through direct share ownership, depending on their country of residence) with a 10.80% discount. The shares are held within the Group Company Savings Plan and are restricted from sale during a period of approximately 5 years (except specific early exit cases allowed by applicable law). Employees' personal investment is guaranteed by a bank, and employees also benefit from a portion of the share appreciation, calculated on the basis of the non-discounted reference price.

Mutual funds (FCPE) with direct voting rights have been created since 2005 to allow beneficiaries, in most cases, to directly exercise their voting rights during the Company's Shareholders' Meetings.

The SharePlan 2014 program was carried out through a capital increase that took place in December 2014. More than 21,000 employees took part in SharePlan 2014, representing approximately 19% of eligible employees:

- the total amount invested was approximately €314 million, as follows:
  - €23.7 million in the traditional plan, and
  - €290.1 million in the leveraged plan;
- a total of over 19 million new shares were issued, each with a par value of €2.29. These shares began earning dividends on January 1st, 2014.

On December 31, 2014, AXA employees and agents held 6.66% of the share capital and 8.86% of the voting rights. These shares are owned through Mutual funds or directly either in the form of ordinary shares or ADS.

AXA Miles

In order to associate all AXA Group employees with the roll-out of the AXA Group's Ambition AXA strategic plan, 50 free AXA ordinary shares ("AXA Miles") were granted on March 16, 2012 to all AXA Group employees worldwide.

These shares will vest upon completion of a two or four year vesting period (*i.e.* in 2014 or 2016) depending on applicable local regulations, and subject to fulfilment of certain conditions.

In 2014, the AXA Miles program resulted in the grant of over 2 million AXA shares to over 40,000 Group employees.

In July 2007, the AXA Group launched its first worldwide all-employee free share grant to over 100,000 employees.

PricewaterhouseCoopers Audit
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92208 Neuilly-sur-Seine Cedex

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61, rue Henri Régnault
92400 Courbevoie

Special report of the Statutory Auditors on regulated agreements and commitments

(For the year ended December 31, 2014)

This is a free translation into English of the Statutory Auditors' report issued in the French language 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 of **AXA**
25, avenue Matignon
75008 Paris, France

Ladies and Gentlemen,

In our capacity as Statutory Auditors of AXA we hereby submit our report on regulated agreements and commitments.

It does not fall within the scope of our assignment to ascertain the potential existence of other agreements and commitments but rather, on the basis of the information that was given to us, to inform you, the Shareholders, of the main features of those agreements of which we have been informed. It is not our responsibility to express an opinion on the utility or merits of such agreements. Pursuant to Article R.225-31 of the French Commercial Code *(Code de commerce)*, you are being asked to form an opinion on the relevance of such agreements for the purpose of approving them.

Furthermore, we are required, if necessary, to provide information, in accordance with Article R.225-31 of the French Commercial Code, on agreements and commitments previously approved by the Shareholders' Meeting which remained in force.

We performed our work in accordance with the standards of our profession applicable in France. These standards consisted in the verification of the consistency of the information we received with the basis documentation from which they are extracted.

Agreements and commitments to be approved by the Shareholders' Meeting

AUTHORIZED AGREEMENTS AND COMMITMENTS CONCLUDED DURING THE PAST FISCAL YEAR

We hereby inform you that we have not been advised of any agreements nor commitments authorized during the past fiscal year to submit for approval to the Shareholders' Meeting in accordance with Article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' Meeting

APPROVED AGREEMENTS AND COMMITMENTS CONCLUDED IN THE PAST FISCAL YEAR

Furthermore, we were advised of the following agreements and commitments concluded in the past fiscal year and which were previously approved by your Shareholders' Meeting of April 23, 2014 upon the special report of the Statutory Auditors of March 17, 2014.

With Mr. Henri de Castries (Chairman & Chief Executive Officer)

Nature, purpose, terms and conditions

On February 17, 2010, the Supervisory Board acknowledged the effective renunciation by Mr. Henri de Castries of his employment contract as of the Shareholders' Meeting of April 29, 2010 during which the former dual structure consisting of a Management

Board and a Supervisory Board was replaced by a unitary Board of Directors structure in which Mr. de Castries holds the position of Chairman in addition to his functions as Chief Executive Officer.

The Supervisory Board was concerned that the decision of Mr. Henri de Castries to renounce his employment contract, in accordance with the Afep-Medef recommendations, would not jeopardize the continuity of his accrued and future social benefits.

Consequently, the Supervisory Board took the following decisions:

- The Supervisory Board authorized the Company to take all appropriate commitments to ensure that Mr. Henri de Castries would continue to have social benefits (health insurance, life insurance, disability insurance, retirement…) identical or on terms equivalent to those applicable to AXA Group director-level employees in France, including by amending Group benefit plans in terms of health, life and disability insurance.
- The Supervisory Board authorized that Mr. de Castries be granted a contractual severance benefit upon termination of his term of office as executive officer. This severance benefit, subject to performance conditions in conformity with the Afep-Medef recommendations, would be equivalent to that provided for in the collective agreement relative to director-level employees of insurance companies dated 1993 and which was previously applicable to Mr. Henri de Castries as employee.

The severance benefit would be applicable, except in the case of gross or willful misconduct, solely in the event of dismissal, non-renewal or resignation within 12 months following a change in the Company's control or strategy that has not been initiated by the beneficiary.

The payment of the severance benefit should be also subject to performance conditions. During its meeting held on February 20, 2014, upon the proposal of the Compensation & Governance Committee, the Board of Directors authorized the execution of a new agreement between the Company and Mr. Henri de Castries in order for the payment of the severance benefits to be subject, from now on, to the three following performance conditions:

1. achievement, for at least 2 of the 3 preceding fiscal years, of the objectives set for the beneficiary's variable compensation and corresponding to the payment of at least 75% of his variable compensation target;
2. evolution of the AXA share price at least equal to the stock reference index of the insurance sector (SXIP) (in percentage) over a 3-year period preceding the termination of the term of office;
3. average adjusted Return On Equity (adjusted ROE) over the three preceding consolidated fiscal years higher than or equal to 5%.

The amount of the severance benefit to be paid to the beneficiary would be adjusted in accordance with the level of achievement against these performance conditions as follows: 100% of the severance benefit shall be paid if at least 2 of the 3 performance conditions are met; 40% of the severance benefit shall be paid if only 1 performance condition is met; and no severance benefit shall be paid if none of the performance conditions are met. Notwithstanding the foregoing, if only 2 of the 3 performance conditions are met, the amount of severance benefit will be reduced by 50% if performance condition (1) is not met or if AXA's consolidated net income for the preceding fiscal year was negative.

No severance benefit will be paid if the beneficiary is entitled to an additional pension scheme within the 6 months following his termination.

The initial amount of the severance benefit would be equal to 19 months of the average compensation (fixed and variable) paid during the 24-month period preceding termination for Mr. Henri de Castries. One month will be added to the initial amount of the severance benefit for each additional year of future service up to a maximum cap of 24 months.

These commitments are in force upon the effective renunciation by Mr. Henri de Castries of his employment contract. They shall last for the duration of his current position as an executive officer of AXA (*i.e.* since April 23, 2014), including under renewed mandates.

These commitments were already approved by your Shareholders' Meeting of April 23, 2014.

With Mr. Denis Duverne (Deputy Chief Executive Officer)

Nature, purpose, terms and conditions

On February 17, 2010, the Supervisory Board acknowledged the effective renunciation by Mr. Denis Duverne of his employment contract as of the Shareholders' Meeting of April 29, 2010 during which the former dual structure consisting of a Management Board and a Supervisory Board was replaced by a unitary Board of Directors structure in which Mr. Denis Duverne holds the position Deputy Chief Executive Officer.

The Supervisory Board was concerned that the decision of Mr. Duverne to renounce his employment contract, in accordance with the Afep-Medef recommendations, would not jeopardize the continuity of his accrued and future social benefits.

Consequently, the Supervisory Board took the following decisions:

- The Supervisory Board authorized the Company to take all appropriate commitments to ensure that Mr. Denis Duverne would continue to have social benefits (health insurance, life insurance, disability insurance, retirement…) identical or on terms equivalent to those applicable to AXA Group director-level employees in France, including by amending Group benefit plans in terms of health, life and disability insurance.
- The Supervisory Board authorized that Mr. Denis Duverne would be granted a contractual severance benefit upon termination of his term of office as executive officer. This severance benefit, subject to performance conditions in conformity with the Afep-Medef recommendations, would be equivalent to that provided for in the collective agreement relative to director-level employees of insurance companies dated 1993 and which was previously applicable to Mr. Denis Duverne as employee.

The severance benefit would be applicable, except in the case of gross or willful misconduct, solely in the event of dismissal, non-renewal or resignation within 12 months following a change in the Company's control or strategy that has not been initiated by the beneficiary.

The payment of the severance benefit should be also subject to performance conditions. During its meeting held on February 20, 2014, upon the proposal of the Compensation & Governance Committee, the Board of Directors authorized the execution of a new agreement between the Company and Mr. Denis Duverne in order for the payment of the severance benefits to be subject, from now on, to the three following performance conditions:

1. achievement, for at least 2 of the 3 preceding fiscal years, of the objectives set for the beneficiary's variable compensation and corresponding to the payment of at least 75% of his variable compensation target;
2. evolution of the AXA share price at least equal to the stock reference index of the insurance sector (SXIP) (in percentage) over a 3-year period preceding the termination of the term of office;
3. average adjusted Return On Equity (adjusted ROE) over the three preceding consolidated fiscal years higher than or equal to 5%.

The amount of the severance benefit to be paid to the beneficiary would be adjusted in accordance with the level of achievement against these performance conditions as follows: 100% of the severance benefit shall be paid if at least 2 of the 3 performance conditions are met; 40% of the severance benefit shall be paid if only 1 performance condition is met; and no severance benefit shall be paid if none of the performance conditions are met. Notwithstanding the foregoing, if only 2 of the 3 performance conditions are met, the amount of severance benefit will be reduced by 50% if performance condition (1) is not met or if AXA's consolidated net income for the preceding fiscal year was negative.

No severance benefit will be paid if the beneficiary is entitled to an additional pension scheme within the 6 months following his termination.

The initial amount of the severance benefit would be equal to 12 months of the average compensation (fixed and variable) paid during the 24-month period preceding termination for Mr. Denis Duverne. One month will be added to the initial amount of the severance benefit for each additional year of future service up to a maximum cap of 24 months.

These commitments are in force upon the effective renunciation by Mr. Denis Duverne of his employment contract. They shall last for the duration of his current position as an executive officer of AXA (*i.e.* since April 23, 2014), including under renewed mandates.

These commitments were already approved by your Shareholders' Meeting of April 23, 2014.

AGREEMENTS AND COMMITMENTS APPROVED DURING PRIOR FISCAL YEARS THAT REMAINED IN FORCE DURING THE PAST FISCAL YEAR

In accordance with Article R.225-30 of the French Commercial Code, we were advised of the following commitments and regulated agreements, approved during previous fiscal years, which remained in force during the past fiscal year.

With the following executive officers: Messrs. Henri de Castries (Chairman & Chief Executive Officer) and Denis Duverne (Deputy Chief Executive Officer)

Nature, purpose, terms and conditions

On October 7, 2009, the Supervisory Board confirmed that Messrs. Henri de Castries, Denis Duverne and François Pierson, then members of the Management Board, were entitled to the supplementary pension scheme for Group directors in the same conditions that apply to director-level employees of the AXA Group in France.

This scheme, which has existed since January 1st, 1992, has been modified twice with effect from January 1st, 2005 and July 1st, 2009.

Under this scheme, a supplementary pension is paid to executives who retire immediately upon leaving the AXA Group and have a minimum length of service of 10 years, of which at least 5 years as executive. May also benefit from the scheme, executives whose employment contract is terminated by the Company after the age of 55, under the condition that they do not resume any professional activity before retiring.

The amount of the supplementary pension is calculated at the time of retirement and comes in addition to the total amount of retirement pensions paid under mandatory schemes (Social Security, ARRCO, AGIRC) and under any other retirement scheme to which the beneficiary may have participated during his/her career, both within or outside the AXA Group.

The amount of the supplementary pension allows, for a minimum executive seniority of 20 years, the grant of a global pension equivalent to 40% of the average gross compensation over the past 5 years preceding the retirement date, if this average is superior to 12 annual Social Security ceilings.

Reduced rates shall apply for an executive seniority of less than 20 years. As an example, with 10 years of executive seniority, the supplementary pension allows to reach a global pension equivalent to 34% instead of 40%. This rate is reduced to 20% for an executive seniority of 5 years, and no supplementary pension is paid for an executive seniority of less than 5 years.

In case of departure from the Group before retirement, no supplementary pension is paid.

During 2014, these commitments applied to Messrs. Henri de Castries and Denis Duverne (respectively Chairman & Chief Executive Officer and Deputy Chief Executive Officer as of April 29, 2010).

Neuilly-sur-Seine and Courbevoie, March 20, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Michel Laforce - Xavier Crépon	Philippe Castagnac - Gilles Magnan

2.4 THE OFFER AND LISTING

Markets

The principal trading market for the Company's ordinary shares is the Compartment A of Euronext Paris. Since the delisting of ADS (American Depositary Shares, each representing one AXA ordinary share) from the New York Stock Exchange on March 26, 2010, the Company's ADSs are traded on the U.S. over-the-counter market and listed on the OTC QX platform under the symbol AXAHY.

TRADING ON EURONEXT PARIS

Official trading of listed securities on Euronext Paris, including the Company's ordinary shares, is transacted through French stockbrokers *(sociétés de bourse)* and takes place continuously on each business day in Paris from 9:00 a.m. to 5:30 p.m. (Paris time), with a fixing of the closing price at 5:35 p.m.

In France, the Company's ordinary shares are included in the principal index published by Euronext Paris (the "CAC 40 Index"). The Company's ordinary shares are also included in Euronext 100, the index representing Euronext's blue chip companies based on market capitalization, and in EURO STOXX 50, the blue chip index comprised of the 50 most highly capitalized and most actively traded equities within the Eurozone. In addition, the Company's ordinary shares are also included in the SXIP index-StoxxInsurance Index, the insurance related index for companies within the Eurozone, and in the EURO STOXX Sustainability 40, the index representing the largest sustainability leaders in the Eurozone in terms of long-term environmental, social and governance criteria.

The table below sets forth, for the periods indicated, the reported high and low prices (intraday) in Euro for the Company's ordinary shares on Euronext Paris:

Calendar Period	Intraday High (In Euro)	Intraday Low (In Euro)
2013		
Third quarter	18.300	14.785
Fourth quarter	20.250	17.020
2014		
First quarter	20.635	17.550
Second quarter	19.740	16.750
Third quarter	20.025	17.030
Fourth quarter	19.770	16.425
Annual	20.635	16.425
2014 and 2015		
August 2014	19.035	17.235
September 2014	20.025	18.625
October 2014	19.545	16.425
November 2014	19.430	17.835
December 2014	19.770	17.560
January 2015	21.310	18.155
February 2015	22.710	20.120

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3 REGULATION, RISK FACTORS

Certain disclosures about market risks and related matters

3.1 REGULATION

AXA is engaged in regulated business activities on a global basis through numerous operating subsidiaries and the Group's principal business activities of insurance and asset management are subject to comprehensive regulation and supervision in each of the various jurisdictions where the Group operates. AXA SA, the ultimate parent holding company of the AXA Group, is also subject to extensive regulation as a result of its listing on Euronext Paris and its interest in numerous regulated insurance and asset management subsidiaries. Given that the AXA Group is headquartered in Paris, France, this supervision is based to a significant extent on European Union directives and on the French regulatory system. The AXA Group's principal regulators in France are the *Autorité des marchés financiers* ("AMF"), which is the French financial market regulator, and the *Autorité de Contrôle Prudentiel et de Résolution* ("ACPR"), which is the principal French insurance regulator.

INSURANCE OPERATIONS

General

While the extent and nature of regulation varies from country to country, most jurisdictions in which AXA's insurance subsidiaries operate have laws and regulations governing standards of solvency, levels of reserves, permitted types and concentrations of investments, and business conduct to be maintained by insurance companies as well as agent licensing, approval of policy forms and, for certain lines of insurance, approval or filing of rates. In certain jurisdictions, regulations limit sales commissions and certain other marketing expenses that may be incurred by the insurer and impose product suitability and disclosure requirements. In general, insurers are required to file detailed annual financial statements with their supervisory agencies in each of the jurisdictions in which they do business. Such agencies may conduct regular or unexpected examinations of the insurers' operations and accounts and request particular information from the insurer. Certain jurisdictions also require registration and periodic reporting by holding companies that control a licensed insurer. This holding company legislation typically requires periodic disclosure concerning the corporation that controls the licensed insurer and other affiliated companies, including prior approval of transactions between the insurer and other affiliates such as inter-corporate transfers of assets and payment of dividends by the controlled insurer. In general, these regulatory schemes are designed to protect the interests of policyholders rather than shareholders.

Regulatory Capital and Solvency Requirements

The Company's insurance subsidiaries are subject to regulatory capital requirements in the jurisdictions where they do business, which are designed to monitor capital adequacy and to protect policyholders. While the specific regulatory capital requirements (including the definition of admitted assets and methods of calculation) vary between jurisdictions, an insurer's required capital can be impacted by a wide variety of factors including, but not limited to, business mix, product design, sales volume, invested assets, liabilities, reserves and movements in the capital markets, including interest rates and equity markets. Regulatory capital requirements may increase, possibly significantly, during periods of declining equity markets and/or lower interest rates.

The Group is subject to consolidated supervision by the ACPR which has extensive oversight authority, including to review the Group's consolidated solvency margin. At the consolidated Group level, the Company is required to calculate, in accordance with applicable French "Solvency I" regulations, a consolidated solvency margin ratio which represents the Company's total available capital as compared to its required regulatory capital. Under applicable French regulations, 100% is the minimum required consolidated solvency margin for the Company. On December 31, 2014 the Company's consolidated solvency margin was 266%.

Over the past several years, the European Commission (the "Commission"), jointly with Member States, has undertaken a fundamental review of the regulatory capital regime for the insurance industry for the purpose of the implementation of the 2009 European Directive on the taking-up and pursuit of the business of insurance and reinsurance ("Solvency II"), as amended in 2014 by the 2014/51/EU Directive ("Omnibus II"). Due to come into effect on January 1st, 2016, Solvency II was designed to implement solvency requirements that would better reflect the risks that insurance companies face and deliver a supervisory system that is consistent across all European member States. The Solvency II framework is based on three main pillars: (1) Pillar 1 consists of the quantitative requirements around own funds, valuation rules for assets and liabilities and capital requirements, (2) Pillar 2 sets out requirements for the governance and risk management of insurers, as well as for the effective supervision of insurers including the requirement for insurers to submit an Own Risk and Solvency Assessment (ORSA) which will be used by the regulator as part of the supervisory review process; and (3) Pillar 3 focuses on disclosure and transparency requirements. The Solvency II framework will cover, among other matters, valuation of assets and liabilities, the treatment of insurance groups, the definition of capital and the overall level of required capital. A key aspect of Solvency II is that assessment of the Group's risks and capital requirements would be aligned more closely with economic capital methodologies and, if approved by the ACPR, will use the Group's internal economic capital models for this purpose which is intended to enable a better understanding of risks and risk management.

At this stage, uncertainties with respect to the interpretation of certain of the implementing measures of Solvency II remain. While AXA is actively participating in developing the final interpretation of measures through its involvement in industry bodies and trade associations, there is a continuing risk that the effect of the final interpretation adopted could depart from the initial objective of the Directive (*i.e.* setting an economic framework) and end up more focused on prudence driven principles which could be adverse for the Group in many respects including potentially imposing a significant increase in the capital required to support existing business. In addition, the application of Solvency II to international groups is still unclear and there is a risk of inconsistent application throughout Europe, which may place AXA at a competitive disadvantage with regard to other European and non-European financial services groups. We cannot currently predict whether and/or how these uncertainties will ultimately be resolved and their potential impact on the insurance industry generally or our consolidated financial position or results of operations.

While the Group currently expects to be able to obtain ACPR's approval for use of its internal Group economic capital models on a timely basis, discussions with ACPR are on-going and, consequently, there is a risk that ACPR may not approve these models on a timely basis (or otherwise) and/or may impose conditions or require modifications which could have multiple adverse consequences for the Group including increasing the levels of required regulatory capital. In addition, there is a risk that local supervisors may impose capital add-ons which may negatively impact the fongibility of capital within the Group.

ASSET MANAGEMENT

AllianceBernstein and AXA Investment Managers are subject to extensive regulation in the various jurisdictions in which they operate. These regulations are generally designed to safeguard client assets and insure adequacy of disclosure concerning investment returns, risk characteristics of invested assets in various funds, suitability of investments for client investment objectives and risk tolerance, as well as the identity and qualifications of the investment manager. These regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment adviser, censures and/or fines.

While the full impact of such requirements can only be evaluated in the context of implementing regulations, such new legislation could have a substantial impact on AXA's regulated asset management business.

The European Union (European Market Infrastructure Regulation – EMIR) and the US regulations (principally the Dodd-Frank Act) set several prescriptive guidelines for derivatives which impact operations, liquidity and credit risk management for derivatives. AXA's asset managers and banks, which manage derivatives on behalf of various AXA Group affiliates (including on behalf of AXA SA), are currently operating in conformity with these new rules (or preparing for their implementation) and the Group's financial risk framework, including credit and liquidity risk procedures, has been adjusted to reflect these requirements. In addition, the Market Financial Instruments Directive II ("MIFID II") was first proposed by the European Commission in 2011 and is expected to come into force by January 3, 2017. MIFID II, which is designed to better integrate the European Union's financial markets and increase cross-border investment, market transparency and investor protection, imposes a wide variety of new requirements including with respect to trading/clearing of certain derivatives on organized platforms, regular reporting with respect to derivatives positions and certain other types of financial instruments, restrictions and/or prohibitions on certain types of compensation arrangements or other monetary inducements to firms providing independent investment advice and greater regulation of structured products and other complex financial instruments.

AXA TAX POLICY

Both as a multinational company and as a provider of investments and savings products, the AXA Group follows a responsible and transparent approach on tax issues.

AXA as a multinational company

THE AXA GROUP'S APPROACH TO TAX ISSUES

In the countries where it operates [1], AXA is both a taxpayer and a tax collector, given that many specific taxes are levied on insurance policies and collected from our customers as part of the insurance and asset management revenues and remitted to the various state and federal administrations around the world.

The tax function is organized within the Group to ensure full compliance with all tax legislations in the countries where AXA is operating. In addition to the Group Tax Department based in France, all key operational entities/countries/region have a tax team in charge of ensuring the tax regulations are well understood and satisfied by the entities. In this respect, a bi-annual tax review process of each key entity formalized within the internal "Finance Professional Family Policies Manual" is performed by Group Tax Department in connection with each local team.

As a global company operating in several countries, the AXA Group is subject to various tax regimes and regulations and is taking into account any changes in tax law. AXA is specifically vigilant about the changes that could result in higher tax expenses and payments, higher compliance costs or that may affect AXA Group's tax liability, return on investments and business operations.

The Group policies and procedures with respect to business in or with countries that are "tax havens", subject to international sanctions or embargoes, or are otherwise identified as high corruption or high political risk are formalized in an internal policy drafted by the Group Compliance Department (entitled "Policy on business relationships involving sanctioned countries and countries identified as having high levels of corruption or political risk").

AXA has no licensed insurance or operating business activities in the countries specifically identified as non-cooperative jurisdictions by the French tax authorities in accordance with the provisions of Article 238-0 A of the French tax code.

DISCLOSURE ON TAX MATTERS AND COUNTRY BY COUNTRY REPORTING

The consolidated financial statements are prepared in compliance with IFRS standards (as disclosed in Note 1 of Section 4.6 "Notes to the Consolidated Financial Statements"). Accounting for income taxes recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of the entity's assets and liabilities, as required by IAS 12 (see Note 1.17.1 of the same Section).

The present report discloses the reconciliation between the theoretical tax charge and the effective tax charge under IFRS. All differences are fully explained (see Note 19 of Section 4.6). It is worth highlighting that in many jurisdictions where AXA operates, the income and capital gains on savings products, including when they are included inside life insurance contracts, benefit from a favourable tax treatment. This leads to a lower effective tax rate for life insurance companies. Over the last several years, and notably following the financial crisis, this difference has trended down.

In addition to the details reported around the Group effective tax rate, AXA is reporting substantial information on the impacts of any change in local tax regulations on its business, as well as details of the tax burden per line of business and per country. AXA's income tax expenses/benefits are extensively disclosed in the present report and are broken down by business segment and country. For each, a dedicated paragraph provides a comment about the line related to Tax Income (see "Consolidated underlying earnings, adjusted earnings and net income" in Section 1.3 "Activity Report").

Tax aspects of AXA activities and products

AXA'S ACTIVITIES

The Group's activities are subject to strict regulations and rigorous control in each territory in which AXA operates. In addition to these regulations, AXA has developed a set of detailed internal standards that applies to all Group entities that are managed or controlled by AXA, regardless of the activities undertaken by the entity or its ownership structure.

According to these internal standards, local senior management must appreciate the tax implications of the activities in their entity. The main considerations are:

- compliance regarding taxation of employees in the territory in which they are employed;
- compliance regarding taxation of business undertaken in the territory (including levies and sales taxes); and
- cross-border tax issues.

A specific focus on transfer pricing items is done in application of these standards. In particular, Chief Financial Officers must ensure that (re)insurance policies entered into represent a true transfer of risk and that their status as (re)insurance contracts could not be subject to challenge. Business between Group companies must be transacted at market prices where a market price exists, or in the absence of market prices, must be supported by formally documented justification for the charge made.

(1) *The list of the Group's main subsidiaries and participating interests are available in Appendix V "AXA parent Company Financial Statements" of this Annual Report. We also make public the detailed legal organizational chart of the Group on the Company's website (www.axa.com).*

AXA'S PRODUCTS

AXA's products are not designed to allow or encourage tax evasion. The Group has set up a validation framework to ensure that new products undergo a thorough approval process before they go to market.

The local decision to launch a new product must result from a documented approval process that complies with AXA Group standards in terms of product features, pricing, Asset-Liability Management and aspects related to legal, compliance, regulatory, accounting and reputation.

Moreover, AXA has established strict policies regarding its cross-border activities and knowledge of its customers, in order to ensure that our products and services are not misused for money laundering or tax evasion purposes. Cross-border tax issues are addressed with a specific "Cross Border Business Group Standard", according to which any new cross-border offer must be presented to the Group Tax Department for its validation.

While all AXA entities must obviously comply with local regulation, the Tax Department can veto a product if this product is not compliant with internal rules.

RECENT SIGNIFICANT LEGISLATIVE OR REGULATORY DEVELOPMENTS

Executive compensation

Since 2008, there have been a variety of proposals with respect to executive compensation practices at financial institutions including from the Financial Stability Board ("FSB") and other regulatory bodies. Certain of these proposals have been embodied in regulation or legislation while others remain best practice recommendations.

In 2009, the FSB published implementation standards for its Principles of Sound Compensation Practices. Among the matters covered in these standards and principles are a variety of mechanisms (including minimum recommended deferrals of cash bonuses, greater use of long-term equity grants rather than cash as a form of compensation, minimum vesting/deferral periods, and performance criteria for vesting of long-term awards) that are designed to ensure an appropriate alignment of interests between (i) Executive Management and certain employees (such as traders) who can have a potentially significant impact on the nature and duration of risks incurred, (ii) the Company and (iii) shareholders.

These principles and standards are reflected in a variety of regulations and legislative initiatives that have been enacted over the past years in various jurisdictions where the Group does business. While these restrictions are often aimed primarily at the banking sector and do not apply uniformly to the Group across the various jurisdictions where it does business, the Group has largely aligned its global executive compensation practices with these standards and principles and conducts regular reviews of its compensation practices and policies in light of these standards as well as applicable legal and regulatory requirements. The uneven application of these principles and standards to the different actors in the financial sector (*e.g.* banks, insurers, asset managers, private equity funds, hedge funds, etc.) and across the various jurisdictions where the Group does business raises certain competitive issues for the Group, including our ability to attract and retain top-rate talents.

Evolution of accounting standards

Policyholders liabilities and related assets are currently accounted for according to IFRS 4 phase I which generally allows the continuation of accounting policies applied prior to the conversion to IFRS. The IASB issued a new Exposure Draft on June 20, 2013 in order to define principles to be applied for IFRS 4 phase II. These new principles (that will apply in parallel of the IFRS 9 requirements on financial instruments issued on July 24, 2014 with a published effective date on January 1st, 2018) may significantly affect the accounting of policyholders' liabilities and related assets at the date of first application which is not expected to be before 2018.

Global Systemically Important Insurer ("GSII") Designation

On July 18, 2013, the International Association of Insurance Supervisors ("IAIS") published an initial assessment methodology for designating GSIIs, as part of the global initiative launched by the G20 with the assistance of the FSB to identify global systemically important financial institutions ("G-SIFIs"). At the same date, the FSB also published its initial list of nine GSIIs, which includes the AXA Group. The framework policy measures for GSIIs, also published by the IAIS on July 18, 2013 for implementation by the GSIIs, include (1) new capital requirements, including (i) a "basic" capital requirement, formerly known as "Backstop Capital Requirement" ("BCR") applicable to all GSIIs activities (ii) an additional level of capital, called "Higher Loss Absorbency" ("HLA") capacities to be requested from GSIIs in relation to their systemic activities, (2) greater regulatory oversight over holding companies, (3) various measures to promote the structural and financial "self-sufficiency" of Group companies and reduce Group interdependencies, and (4) in general, a greater level of regulatory scrutiny for GSIIs (including a requirement to establish a Systemic Risk Management Plan ("SRMP"), a Liquidity Risk Management Plan ("LRMP") and a Recovery and Resolution Plan ("RRP")) which may entail significant new processes, reporting and compliance burdens (and costs) as well as potential reorganizations of certain businesses or activities. In its July 2013 report, the FSB noted that the group of G-SIIs would be updated annually based on new data and published by the FSB each November. In November 2014, the FSB confirmed the same list of nine GSIIs including the AXA Group. For additional information see "Designation of the AXA Group as a Global Systemically Important Insurer ("GSII") may adversely impact our capital requirements, profitability, the fungibility of our capital, our ability to grow through acquisition and our overall competitive position" in Section 3.2 "Risk Factors" of this Annual Report.

Management expects the regulatory landscape with respect to insurance and financial markets will continue to evolve in 2015 and beyond with further legislative and regulatory initiatives.

Evolution of the Regulatory and Compliance Environment

The Group's insurance and asset management operations are subject to an increasing number of legislative and regulatory initiatives designed to increase transparency of products and distribution including practices with respect to compensation of intermediaries, disclosure of distribution costs, suitability, mis-selling and avoiding potential conflicts of interest. In Europe these initiatives include a revision of the Insurance Mediation Directive ("IMD2"), MiFID II and the Regulation on key Information Documents for Packaged Retail and Insurance-based Investment Products ("PRIIPS"). Similar initiatives are under review (or in the course of implementation) in other jurisdictions where the Group operates and are likely to increase operational compliance costs to ensure point-of-sale compliance.

During 2014 the litigation environment continued to evolve, particularly in continental Europe, with the introduction of a class action system in France and certain other European jurisdictions that is likely to increase litigation risks and costs for insurers, asset managers and other financial institutions.

Finally, financial crime compliance programs of financial institutions (anti-money laundering, anti-corruption and international sanctions compliance) continue to be a major focus of regulatory and law enforcement authorities with increasingly significant sanctions imposed for compliance failures. Management believes that the complexity and risks for international financial institutions like AXA in this area will likely continue to increase and that compliance costs will also continue to increase accordingly.

3.2 RISK FACTORS

You should carefully consider the following risks. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our ordinary shares and/or ADS to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward looking statements made by or on behalf of the Company. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations or cash flows.

Many of the risks described below are inherent to the nature of our business and the economic, competitive and regulatory environment in which we operate. Given the multiple contingencies and the inherent uncertainties involved with many of these risks, management is not able to quantify the impact of many of these risks with any level of precision; however, it has put in place numerous risk management processes, procedures and controls to monitor and manage these risks on an on-going basis. These risk management processes, procedures and controls are described in detail in Section 3.3 of this Annual Report and this Section 3.2 should be read in conjunction with Section 3.3. In those cases where the risks described in this Section 3.2 have given rise to quantifiable and material financial impacts and/or material contingent liabilities, those financial impacts and/or contingent liabilities are reflected in the Group's consolidated financial statements in accordance with applicable IFRS accounting standards.

In presenting the risks set forth in this Section 3.2, management has prioritized the four categories of risks presented and the individual risks within each of these categories in a manner that corresponds to management's current view as to the potential impact (from higher to lower) of the risk for the AXA Group. While management devotes very substantial resources to risk management on an on-going basis as described in Section 3.3 of this Annual Report, the Group's risk management activities, like all control systems, are subject to inherent limitations and cannot provide absolute assurance or render the Group immune in any respect from the risks described in this Section 3.2 or the losses that may be incurred in connection with these risks.

RISKS RELATING TO THE FINANCIAL MARKETS, OUR FINANCIAL STRENGTH RATINGS AND FINANCIAL CONDITION, THE VALUATION OF OUR ASSETS AND RELATED MATTERS

Continuing volatility in the global financial markets and difficult economic conditions in certain regions as well as continuing concerns over certain sovereign debt and the Euro may materially adversely affect our business and profitability, and these conditions may continue

Our results of operations are materially affected by conditions in the global financial markets and the economy generally. We have been affected by the financial crisis and its aftermath since 2008. While financial markets generally stabilized and performed well in 2014, a wide variety of factors continue to negatively impact economic conditions and consumer confidence in certain jurisdictions where we do business and/or contribute to continuing volatility in financial markets (including in foreign exchange and interest rates). These factors include, among others, continuing concerns over the creditworthiness of certain sovereign issuers, particularly in Europe, the strengthening or weakening of foreign currencies against the Euro, the availability and cost of credit, the stability and solvency of certain financial institutions and other companies, the risk of future inflation as well as deflation in certain markets, central bank intervention in the financial markets through "quantitative easing" or similar programs, volatile energy costs, the risk of a possible exit from the Eurozone of one or more European states, and geopolitical issues. Furthermore, certain initiatives from governments (support measures) or central banks (decrease of prime rates or non limited government bond purchase program) in order to stabilize financial markets could be suspended or interrupted which could, in an uncertain economic context, have an adverse effect on the global financial industry. In addition, the world economy is currently facing a number of new challenges and geopolitical risks, including recent turmoil and/or hostilities in various regions, including Russia, Ukraine, Syria, Iraq and North Korea.

Since June 2011, a number of European sovereigns and several major European financial institutions (including AXA) were downgraded by credit rating agencies in light of the continuing uncertainty stemming from the European debt crisis and future of the Euro. In the event of a default or similar event by a sovereign issuer, some financial institutions may suffer significant losses for which they would require additional capital, which may not be available, and could also suffer further credit rating downgrades and/or solvency concerns which may, in turn, negatively impact public perceptions about the stability and creditworthiness of financial institutions and the financial sector generally and further dampen consumer confidence levels and spending.

These events and the continuing market volatility, have had and may continue to have an adverse effect on our revenues and results of operations in part because we have a large investment portfolio. Our investment income is an important factor in our profitability, and our sales of insurance and asset management products (as well as level of surrenders and lapses) are dependent upon financial market performance, customer behavior and confidence as well as other related factors.

Our ability to make a profit on insurance products and investment products, including fixed and guaranteed products, depends in part on the returns on investments supporting our obligations under these products, and the value of specific investments may fluctuate substantially depending on the foregoing conditions. Certain types of insurance and investment products that we offer expose us to risks associated with fluctuations in financial markets, including certain types of interest sensitive or variable products such as guaranteed annuities or variable annuities, which have crediting or other guaranteed rates or guaranteed minimum benefits not necessarily related to prevailing market interest rates or investment returns on underlying assets. Although we use hedging techniques to help us mitigate our exposure under certain of these guarantees, not all risks can be effectively hedged and volatility in the financial markets, combined with unanticipated policyholder behavior may increase the cost of these hedges and/or negatively affect our ability to hedge certain of these risks, which may adversely affect our profitability. For further risks related to our hedging techniques, see “Risks relating to the structure of our Group, the scope and nature of our business, the products we offer and our operations and systems – Our hedging programs and reinsurance arrangements may be inadequate to protect us against the full extent of the exposure or losses we seek to mitigate which may negatively impact our business, results of operations and financial condition.”

Factors such as consumer spending, business investment, government spending, regulation, the volatility and strength of the capital markets, and inflation all affect the business and economic environment and, ultimately, our activities and the profitability of our business. In an economic downturn characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and lower consumer spending, the demand for our financial and insurance products could be adversely affected. In addition, we may experience an elevated incidence of lapses or surrenders on certain types of policies, lower surrender rates than anticipated on other types of products, such as certain variable annuities, with in-the-money guarantees, and our policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. These developments could have a material adverse effect on our business, results of operations and financial condition.

Adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, access to capital and increase cost of capital

Since 2008 the capital and credit markets have experienced high levels of volatility and disruption which, during certain periods, have significantly limited the availability of additional liquidity in the markets and credit capacity for most issuers including AXA.

We need liquidity to pay our operating expenses (including claims and surrenders), interest on our debt, dividends on our capital stock and to refinance certain maturing debts and other liabilities. In addition, we need liquidity in connection with certain derivatives transactions to which we are party which require us to post cash collateral and/or subject us to margin calls in certain circumstances. A lack of sufficient liquidity and/or access to financing over a prolonged period may have a material adverse effect on our business, results of operations and consolidated financial position. Our principal sources of liquidity are insurance premiums, annuity considerations, deposit funds, asset management fees, cash flows from our investment assets and cash/cash-equivalents on our balance sheet. Sources of liquidity in normal markets also include a variety of short and long-term instruments, including repurchase agreements, commercial paper, committed credit facilities, medium and long-term debt, subordinated debt securities, capital securities and shareholders’ equity.

In the event our current resources no longer satisfy our needs, we may have to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the volume of trading activities, the overall availability of credit to the financial services industry, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long-term or short-term financial prospects if we incur large investment losses or if the level of our business activity decreased due to a market downturn. Similarly, our access to funds may be impaired if regulatory authorities or rating agencies take negative actions against us. While management has put in place a liquidity risk management framework that includes active monitoring of the Group's liquidity position and contingency plans for accessing liquidity, if our internal sources of liquidity prove to be insufficient or if our liquidity requirements change so as to require a need for additional funding, we may not be able to successfully obtain additional financing (whether on favorable terms or otherwise).

Our consolidated solvency margin and the regulatory capital requirements of our insurance subsidiaries may be negatively impacted by adverse capital market conditions, evolving regulatory interpretations and other factors, which could have a material adverse effect on our business, liquidity, credit ratings, results of operations and financial position

At the consolidated Group level, the Company is required to calculate, in accordance with applicable French "Solvency I" regulations, a consolidated solvency margin ratio which represents the Company's total available capital as compared to its required regulatory capital. Under applicable French regulations, 100% is the minimum required consolidated solvency margin for the Company. On December 31, 2014 the Company's consolidated solvency margin was 266% (taking into account the dividend payment of €0.95 per share proposed at the Shareholders' Meeting of April 30, 2015) which represented a €42.1 billion capital surplus at that date: (i) €25.3 billion of required capital (1), versus (ii) €67.4 billion of available capital (2). The Company's consolidated solvency margin ratio is sensitive to capital market conditions (including the level of interest rates, the level of equity markets and foreign exchange impacts) as well as a variety of other factors.

Management monitors the Company's consolidated solvency margin and the regulatory capital requirements of its insurance subsidiaries on an on-going basis both for regulatory compliance purposes and to ensure that the Company and its subsidiaries are appropriately positioned from a competitive point of view. Insurance regulators generally have broad discretion in interpreting, applying and enforcing their rules and regulations with respect to solvency and regulatory capital requirements and, during periods of extreme financial market turmoil of the type we have experienced over the recent years, regulators may become more conservative in the interpretation, application and enforcement of these rules which may involve them, for example, imposing increased reserving requirements for certain types of risks, greater liquidity requirements, higher discounts/"haircuts" on certain assets or asset classes, more conservative calculation methodologies or taking other similar measures which may significantly increase regulatory capital requirements.

In the event of a failure by the Company and/or any of its insurance subsidiaries to meet minimum regulatory capital requirements, insurance regulators have broad authority to require or take various regulatory actions including limiting or prohibiting the issuance of new business, prohibiting payment of dividends, and/or putting a company into rehabilitation or insolvency proceedings. A failure of any of the Company's insurance subsidiaries to meet their regulatory capital requirements and/or a reduction in the level of their regulatory capital that may negatively impact their competitive position, may also result in the Company deciding to inject significant amounts of new capital into its insurance subsidiaries which could adversely affect the Company's liquidity position, results of operations and financial position. Regulatory restrictions that inhibit the Company's ability to freely move excess capital among its subsidiaries or which otherwise restrict fungibility of the Group's capital resources may, depending on the nature and extent of the restrictions, adversely affect the capital position of the Company's operating insurance subsidiaries which may have a consequent negative impact on the Company and the perception of its financial strength. Additional regulatory developments regarding solvency requirements, including the proposed "Solvency II" regime, may further effect changes in the insurance industry's solvency framework and prudential regime as well as associated costs. At this stage, there is continuing uncertainty regarding the final outcome of the implementation process of Solvency II as well as the final calibration of AXA's internal model which is currently under discussion with the French *Autorité de Contrôle Prudentiel et de Résolution* ("ACPR"), and it is difficult to predict the ultimate outcome of these matters and how they could affect our results of operations, financial condition and liquidity and the insurance industry more generally. For further information on the implementation of Solvency II, please refer to the "Regulatory capital and solvency requirements" paragraph of Section 3.1 "Regulation" of this Annual Report.

Rating agencies also take into account the Company's consolidated solvency margin and the regulatory capital

(1) *For this purpose, required capital is calculated based on formulas that take into account a variety of factors including (i) for Life & Savings business: specified percentages of mathematical reserves (4% of mathematical reserves for business where investment risk is borne by the insurer and 1% of mathematical reserves for business where investment risk is borne by policyholders) adjusted by an entity specific retention rate plus an amount of capital at risk; and (ii) for Property & Casualty business, the highest amount of the following two results: 23% of the average cost of claims or 16% of the gross premiums written or earned, in each case, subject to various adjustments.*

(2) *For this purpose, available capital represents (i) tangible net asset value, i.e. consolidated shareholders equity less intangible assets (including DAC), perpetual debt and certain other items, plus (ii) subordinated debt, unrealized capital gains, minority interests and certain other items.*

position of its insurance subsidiaries in assessing AXA's financial strength and credit ratings. Rating agencies may make changes to their internal models from time to time that may increase or decrease the amount of capital the Company must hold in order to maintain its current ratings.

Management has developed various contingency plans designed to ensure that the Company's consolidated solvency margin and the regulatory capital levels of its insurance subsidiaries remain well in excess of regulatory minimum requirements and at levels that leave the Company and its subsidiaries well positioned from a competitive point of view. These plans may involve use of reinsurance, sales of investment portfolio and/or other assets, measures to reduce capital strain of new business or other measures. There can be no assurance, however, that these plans will be effective to achieve their objectives and any failure by the Company and/or its insurance subsidiaries to meet minimum regulatory capital requirements and to maintain regulatory capital at competitive levels could have a material adverse effect on our business, liquidity, credit ratings, results of operations and financial position.

A downgrade in our claims paying ability and credit strength ratings could adversely impact our business, results of operations and financial condition

Claims paying ability and credit strength ratings are important factors in establishing the competitive position of insurance companies. Rating agencies review their ratings and rating methodologies on a recurring basis and may change their ratings at any time. Consequently, our current ratings may not be maintained in the future. On May 9, 2014, Moody's reaffirmed the Aa3 rating for counterparty credit and financial strength on AXA's principal insurance subsidiaries and the A2 rating for counterparty credit on the Company, revising the outlook to stable from negative. On October 15, 2014, Standard & Poor's reaffirmed the A+ financial strength rating on the core operating entities of the AXA Group and the A- long-term counterparty credit ratings on AXA SA and AXA Financial, Inc., revising the outlook to positive from stable. On November 4, 2014, Fitch reaffirmed the AA- financial strength ratings of AXA's principal insurance subsidiaries and the A- rating for counterparty credit on the Company, maintaining a stable outlook.

A downgrade or the potential for a downgrade of our ratings could have a variety of negative impacts on us including (i) damaging our competitive position, (ii) negatively impacting our ability to underwrite new insurance policies, (iii) increasing the levels of surrenders and termination rates of our in-force policies, (iv) increasing our cost of obtaining reinsurance, (v) negatively impacting our ability to obtain financing and/or increasing our cost of financing, (vi) harming our relationships with creditors or trading counterparties and/or (vii) adversely affecting public confidence in us. Any of these developments could have a material adverse effect on our business, liquidity position, results of operations, revenues and financial condition.

Market conditions, changes in accounting policy and/or other factors could adversely affect the carrying value of our goodwill, cause us to accelerate amortization of our DAC, VBI and other intangibles and/or to reduce deferred tax assets and deferred policyholders participation assets which could have a material adverse effect on our consolidated results of operations and financial statements

Our accounting principles and policies with respect to intangibles (including goodwill) are set forth in Note 1.7 "Intangible Assets" (including Note 1.7.1 "Goodwill and impairment of goodwill") and an analysis of the goodwill asset reflected on our consolidated balance sheet is set forth in Note 5 "Goodwill" to the 2014 Consolidated Financial Statements included in this Annual Report. Business and market conditions may impact the amount of goodwill we carry in our consolidated balance sheet as well as our pattern of Deferred Acquisition Costs (DAC), Value of Business in Force (VBI) and other intangible assets amortization and the value of our deferred tax assets and deferred participation assets. The value of certain of our businesses including, in particular, our US Variable Life and Variable Annuity businesses, is significantly impacted by such factors as the state of the financial markets and ongoing operating performance.

Losses due to defaults by financial institution counterparties, reinsurers and/or other third parties including potential sovereign debt defaults or restructurings, impairment of our investment assets and unrealized losses could negatively affect the value of our investments and reduce our profitability

Third parties that owe us money, securities or other assets may not pay or perform under their obligations. These parties include private sector and government (or government-backed) issuers whose securities we hold in our investment portfolios (including mortgage-backed, asset-backed, government bonds and other types of securities), borrowers under mortgages and other loans that we extend, reinsurers to which we have assigned insurance risks, customers, trading counterparties, counterparties under swap and other derivative contracts, other counterparties including brokers and dealers, commercial and investment banks, hedge funds, other investment funds, clearing agents, market exchanges, clearing houses and other financial institutions. Many of our transactions with these third parties expose us to credit risk in the event of default of our counterparty.

We have also entered into contractual outsourcing arrangements with third-party service providers for a wide variety of services required in connection with the day-to-day operation of our insurance and asset management businesses (including policy administration, claims related services, securities pricing and other services) which expose us to operational, financial and reputational risk in the event of a default of our counterparty service providers. There can be no assurance that any such losses or impairments of these assets would not materially and adversely affect our business and results of operations.

Under the reinsurance arrangements, other insurers or reinsurers assume a portion of the losses and related expenses under policies we issue; however, we remain liable as the direct insurer on all risks reinsured. Consequently, assigned reinsurance arrangements do not eliminate our obligation to pay claims and we are subject to our reinsurers' credit risk with respect to our ability to recover amounts due from them. While we evaluate periodically the financial condition of our reinsurers to minimize our exposure to significant losses from reinsurer insolvencies, our reinsurers may become financially unsound by the time their financial obligation becomes due. The reinsurance market has become increasingly concentrated following recent mergers and acquisitions, which have reduced the number of major reinsurance providers. The inability of any reinsurer to meet its financial obligations to us could negatively impact our results of operations. In addition, the availability, amount and cost of reinsurance depend on general market conditions and may fluctuate significantly. Reinsurance may not be available to us in the future at commercially reasonable rates and any decrease in the amount of our reinsurance will increase our risk of loss.

Our valuation of certain investments may include methodologies, estimations and assumptions which are subject to differing interpretations and could result in changes to investment valuations that may materially adversely affect our results of operations and financial condition

Our accounting principles and policy with respect to valuation of our investments are set forth in Note 9.10 "Investments/Fair Value" in the 2014 Consolidated Financial Statements included in this Annual Report. The determination of fair values in the absence of quoted market prices is based on a variety of factors including those described in Note 9.10. Certain of our investment assets, for which there is no active trading market or other observable market data, are valued using models and methodologies that involve estimates, assumptions and significant management judgment. During periods of market disruption of the type we have experienced over the past several years, a larger portion of our investment assets may be valued using these models and methodologies as a result of less frequent trading or less observable market data with respect to certain asset classes that were previously actively traded in liquid markets. There can be no assurance that our valuations on the basis of these models and methodologies represent the price for which a security may ultimately be sold or for which it could be sold at any specific point in time. Use of different models, methodologies and/or assumptions may have a material impact on the estimated fair value amounts and could have a material adverse effect on our results of operations and financial condition.

The determination of the amount of allowances and impairments taken on our investments requires use of significant management judgment in certain cases, particularly for debt instruments, and could materially impact our results of operations or financial position

Our accounting principles and policy with respect to the determination of allowances and impairments on our investments are set forth in Note 1.8.2 "Financial instruments classification" in the 2014 Consolidated Financial Statements included in this Annual Report. The determination of the amount of allowances and impairments vary by investment type and is based upon our periodic evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available. In considering impairments, management considers a wide range of factors including those described in Note 1.8.2 and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and the prospects for near-term recovery. For certain asset classes, particularly debt instruments, management's evaluation involves a variety of assumptions and estimates about the operations of the issuer and its future earnings potential. Management updates its evaluations regularly and reflects changes in allowances and impairments as such evaluations are revised. There can be no assurance, however, that management has accurately assessed the level of impairments taken and allowances reflected in our financial statements and the need for additional impairments and/or allowances may have a material adverse effect on our consolidated results of operations and financial position.

Credit spread and interest rate volatility may adversely affect our profitability

Our exposure to credit spreads primarily relates to market price and cash flow variability associated with changes in credit spreads. A widening of credit spreads will generally reduce the value of fixed income securities we hold (including credit derivatives where we assume credit exposure) and increase our investment income associated with purchases of new fixed income securities in our investment portfolios. Conversely, credit spread tightening will generally increase the value of fixed income securities we hold and reduce our investment income associated with new purchases of fixed income securities in our investment portfolios.

Changes in prevailing interest rates may also negatively affect our business. Our exposure to interest rate risk relates primarily to the market price and cash flow variability associated with changes in interest rates. Changes in the interest rates may negatively affect the value of our assets and our ability to realize gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings. In particular, negative interest rates and the low level of interest rates generally may negatively impact our net interest income and the profitability of our Life & Savings Business, which may have an adverse impact on Group profitability.

During periods of declining interest rates:

- life insurance and annuity products may be relatively more attractive to consumers due to minimum guarantees in these products, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies and annuity contracts remaining in force from year-to-year, creating asset-liability duration mismatches;
- we may be required to increase provisions for guarantees included in life insurance and annuity contracts, as the guarantees become more valuable to policy holders and surrender and lapse assumptions require updating; and
- our investment earnings may decrease due to a decline in interest earnings on our fixed income investments.

Accordingly, during periods of declining interest rates or a prolonged period of low interest rates, our profitability may suffer as the result of a decrease in the spread between interest rates credited to insurance policyholders and annuity contract owners and the rates we are able to earn on our fixed-income investment portfolio. An extended period of declining interest rates or a prolonged period of low interest rates may also cause us to change our long-term view of the interest rates that we can earn on our investments. In addition, certain statutory capital and reserve requirements are based on formulas and models that consider interest rates, and an extended period of low interest rates may increase the statutory capital we are required to hold and the amount of assets we must maintain to support statutory reserves.

Conversely, in periods of increasing interest rates:

- surrenders of life insurance policies and fixed annuity contracts may increase as policyholders choose to forego insurance protection and seek higher investment returns;
- obtaining cash to satisfy these obligations following such surrenders may require us to liquidate fixed maturity investments at a time when market prices for those assets are depressed because of increases in interest rates which may result in realized investment losses and decrease our net income;
- accelerated surrenders may also cause us to accelerate amortization of deferred policy acquisition costs, which would reduce our net income;
- our fee income may decrease due to a decline in the value of variable annuity account balances invested in fixed income funds;
- there may be a decrease in the estimated fair value of certain fixed income securities we hold in our investment portfolios, resulting in reduced levels of unrealized capital gains available to us, which could negatively impact our solvency margin position and net income; and
- we may be required, as an issuer of securities, to pay higher interest rates on debt securities we issue in the financial markets from time to time to finance our operations, which would increase our interest expenses and reduce our results of operations.

Our mitigation efforts with respect to interest rate risks are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration that is approximately equal to the duration of our estimated liability cash flow profile. However, our estimate of the liability cash flow profile may be inaccurate and we may be forced to liquidate investments prior to maturity at a loss in order to cover the liability. Although we take measures to manage the economic risks of investing in a changing interest rate environment, we may not be able to mitigate the interest rate risk of our assets relative to our liabilities.

Ongoing volatility in interest rates and credit spreads, individually or in tandem with other factors (such as lack of market liquidity, declines in equity prices and the strengthening or weakening of foreign currencies against the Euro, and/or structural reforms or other changes made to the Euro, the Eurozone or the European Union), could have a material adverse effect on our consolidated results of operations, financial position or cash flows through realized losses, impairments, and changes in unrealized gains and loss positions.

Fluctuations in currency exchange rates may affect notably our reported earnings

AXA publishes its Consolidated Financial Statements in Euro. For the year ended December 31, 2014, a significant portion of AXA's insurance gross premiums and financial services revenues, as well as AXA's benefits, claims and other deductions were denominated in currencies other than the Euro, primarily US Dollars, Pounds Sterling, Japanese Yen, Swiss Francs and Russian Ruble. AXA's obligations are denominated either in Euro or other currencies, the value of which is subject to foreign currency exchange rate fluctuations.

While AXA seeks to manage its exposure to foreign currency fluctuations through hedging, fluctuations in the exchange rates may have a significant impact on AXA's results of operations, cash flows, shareholders' equity and solvency. For example, a strengthening or weakening of the Euro against the US Dollar and/or certain other currencies in 2015 and future periods may adversely affect AXA's results of operations and the price of its securities. In addition, the currency hedges used by AXA to manage foreign exchange rate risk may significantly impact its cash position.

Inflation or deflation in our principal markets would have multiple impacts on AXA and may negatively affect our business, solvency position and results of operations

In certain of our principal markets, an increase in inflation, as measured by consumer price indices or other means, is a continuing risk. A sustained increase in the inflation rate in our principal markets would have multiple impacts on AXA and may negatively affect our business, solvency position and results of operations. For example, a sustained increase in the inflation rate may result in an increase in market interest rates, with the consequences noted above. A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may (i) result in impairment charges to equity securities that we hold in our investment portfolios and reduced levels of unrealized capital gains available to us which would reduce our net income and negatively impact our solvency position, (ii) negatively impact performance, future sales and surrenders of our Unit-Linked products where underlying assets are largely invested in equities, and (iii) negatively impact the ability of our asset management subsidiaries to retain and attract assets under management, as well as the value of assets they do manage, which may negatively impact their results of operations. In addition, in the context of certain Property & Casualty risks underwritten by our insurance subsidiaries (particularly "long-tail" risks), a sustained increase in inflation may result in (i) claims inflation (*i.e.* an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), coupled with (ii) an underestimation of corresponding claims reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable to policyholders, and, consequently, (iii) actual claims payments significantly exceeding associated insurance reserves which would negatively impact our results of operations. A failure to accurately anticipate higher inflation and factor it into our product pricing assumptions may also result in a systemic mispricing of our products resulting in underwriting losses which would negatively impact our results of operations.

On the other hand, deflation experienced in our principal markets may also adversely affect our financial performance. In recent years, the risk of low inflation and even deflation (*i.e.*, a continued period with negative rates of inflation) in the Eurozone has materialized. Deflation may erode collateral values and diminish the quality of certain investment assets, and may negatively impact consumer behavior or otherwise negatively affect our business and results of operations.

The Group is regularly monitoring its exposure to inflation and deflation risk, and has taken steps to mitigate it through financial instruments for which value and/or return is linked to the evolution of inflation and deflation (index-linked bonds, inflation swaps, etc.).

For additional information, please see Section 3.3 "Quantitative and qualitative disclosures about risk factors" of this Annual Report.

RISKS RELATING TO THE STRUCTURE OF OUR GROUP, THE SCOPE AND NATURE OF OUR BUSINESS, THE PRODUCTS WE OFFER AND OUR OPERATIONS AND SYSTEMS

As a holding company, we are dependent on our subsidiaries to cover our operating expenses and dividend payments

Our insurance and financial services operations are generally conducted through direct and indirect subsidiaries. As a holding company, our principal sources of funds are dividends from subsidiaries and funds that may be raised from time to time through the issuance of debt or equity securities or through bank or other borrowings.

Regulatory and other legal restrictions may limit our ability to transfer funds freely, either to or from all our subsidiaries. In particular, our principal insurance subsidiaries are subject to restrictions on the amount of dividends and debt repayments that can be paid to us and our affiliates. Moreover, our designation as a Global Systemically Important Insurer could impose similar or other restrictions on the transfer of funds, including intra-group financing arrangements, which could negatively impact the fungibility of our capital. These factors may adversely impact the Company's liquidity position and capacity to pay dividends. For further details, see Section 1.4 "Liquidity and capital resources" and Part 4 – Note 29.4 "Other items: Restriction on dividend payments to shareholders" of this Annual Report. See also "Risks relating to the financial markets, our financial strength ratings and financial condition, the valuation of our assets and related matters – Our consolidated solvency margin and the regulatory capital requirements of our insurance subsidiaries may be negatively impacted by adverse capital market conditions, evolving regulatory interpretations and other factors, which could have a material adverse effect on our business, liquidity, credit ratings, results of operations and financial position".

Our hedging programs and reinsurance arrangements may be inadequate to protect us against the full extent of the exposure or losses we seek to mitigate which may negatively impact our business, results of operations and financial condition

We use derivatives (including amongst others, equity futures, treasury bond futures, interest rates swaps and swaptions, equity options and variance swaps) to hedge certain, but not all, risks under guarantees provided to our clients.

Among such guarantees are Guaranteed Minimum Death Benefits ("GMDB"), Guaranteed Minimum Accumulation Benefits ("GMAB"), Guaranteed Minimum Income Benefits ("GMIB") and/or Withdrawal for Life Benefits ("GMWB"), available in particular under certain of our variable annuity products (the "Accumulator Guarantees").

On a substantial part of the in-force portfolio and for all new vintages of business, these hedging instruments are coupled with volatility risk mitigation techniques ("Capped Volatility Funds" or "Asset Transfer Programs"). These rebalancing mechanisms within the Unit-Linked funds are designed to reduce policyholders' investment in higher risk assets at times of increased equity or interest rate volatility to protect their portfolio returns.

These hedging techniques are designed to reduce the economic impact of unfavorable changes to certain of our exposures under the Accumulator Guarantees due to movements in the equity and fixed income markets and other factors. In certain cases, however, we may not be able to apply these techniques to effectively hedge our risks as intended or expected or may choose not to hedge certain risks because the derivative market(s) in question may not be of sufficient size or liquidity, the cost of hedging may be too expensive (as a result of adverse market conditions or otherwise), the nature of the risk itself may limit our ability to effectively hedge or for other reasons. This may result in higher realized losses and unanticipated cash needs to collateralize or settle transactions. In addition, hedging counterparties may fail to perform their obligations, resulting in unhedged exposures and losses on positions that are not collateralized. The operation of our hedging program is based on models involving numerous estimates and management judgments, including among others, mortality, lapse rates, election rates, volatility and interest rates and correlation among various market movements. Our hedging program may change in time and there can be no assurance that ultimate actual experience will not differ materially from our assumptions, which could adversely impact our results of operations and financial condition.

Certain risks under Accumulator Guarantees and under other contracts and policies issued by AXA Equitable are reinsured by AXA RE Arizona Company ("AXA RE Arizona") an indirect wholly owned subsidiary of the Company, which hedges these risks using the techniques described above. This reinsurance provides important capital management benefits to AXA Equitable to the extent that AXA RE Arizona maintains sufficient assets in an irrevocable trust (or letters of credit) to back the liabilities assumed under these reinsurance arrangements. The level of assets required to be held in trust (and/or the amount of required letters of credit) fluctuates depending on market and interest rate movements, mortality experience and policyholder behaviors and may increase in certain circumstances which may impact AXA RE Arizona's liquidity. In addition, pursuant to its hedging programs, AXA RE Arizona may be required to post collateral and/or cash settle hedges when there is a decline in fair value of specified instruments (which would occur, for example, in the event of a rise in interest rates or equity markets) and AXA RE Arizona may not be able to transfer assets from the trust to satisfy these obligations. Management believes that AXA RE Arizona has adequate liquidity and credit facilities to deal with a range of market scenarios and increasing reserve but there can be no assurance that AXA RE Arizona will have sufficient liquidity in all scenarios. In the event AXA RE Arizona were not able to post required collateral or cash to settle such hedges when due, it may be required to reduce the size of its hedging program which could ultimately impact its ability to perform under the reinsurance arrangements and AXA Equitable's ability to receive full statutory reserve credit for the reinsurance arrangements.

During the last few years, the National Association of Insurance Commissioners (the "NAIC") and the New York State Department of Financial Services (the "NYDFS") have been scrutinizing insurance companies' use of affiliated captive reinsurers or off-shore entities following a highly critical report issued by the NYDFS in June 2013, as part of an industry wide inquiry. The report recommended, among other things, enhanced disclosure, conduct of further regulatory inquiries and a national moratorium on new reserve financing transactions involving captive reinsurers until these inquiries are complete. In June 2014, a report to an NAIC Task Force made various recommendations including placing limitations on the types of assets that may be used by captive reinsurers and other special purpose vehicles to finance reserves associated with certain term and universal life insurance policies, and in August 2014, the NAIC Executive Committee adopted the regulatory framework proposed in this report including recommendations to have various technical working groups of the NAIC propose regulations and guidelines to implement the new framework. Like many life insurance companies, AXA Equitable utilizes a captive reinsurer, AXA RE Arizona, as part of its capital management strategy. In addition to the regulatory developments discussed above, in 2014, a lawsuit was filed against AXA Equitable on behalf of a purported class of persons who purchased certain insurance or annuity contracts alleging, among other things, that AXA Equitable's use of a captive reinsurer violated certain provisions of the New York insurance law. We cannot predict what, if any, changes may result from these regulatory reviews or the potential impact, if any, of this lawsuit. If the NYDFS or other state insurance regulators were to restrict the use of such captive reinsurers or if AXA Equitable otherwise is unable to continue to use a captive reinsurer, the capital management benefits received under this reinsurance arrangement could be adversely affected. In December 2014, the NAIC adopted a new actuarial guideline ("AG 48") that regulates the portion of the reserves that may be supported by specified asset classes in connection with certain transactions involving captive reinsurance companies. The requirements in AG 48 became effective on January 1st, 2015 and apply in respect of certain term and universal life insurance policies written prior to, from and after January 1st, 2015 but not included in a captive reinsurer financing arrangement as of December 31, 2014. The NAIC and state regulators continue to consider additional changes in this area.

The profitability of AXA's variable annuity products with guarantees depends, among other factors, on AXA's ability to effectively hedge the guarantees. The Company has implemented and continues to pursue a number of initiatives, including re-design and re-pricing of certain product features, designed to improve the profitability of these products and limit future hedging losses on the Accumulator Guarantees. There can be no assurance, however, that these initiatives will succeed in meeting their objective or that the re-designed and re-priced products will continue to be attractive to their target markets which, in either case, could have an adverse impact on AXA's business, competitive position, results of operations and financial condition.

We use numerous assumptions to determine the appropriate level of insurance reserves, Deferred Acquisition Costs (DAC), employee benefits reserves and to calculate certain widely used industry measures of value such as Life & Savings New Business Value (NBV) and European Embedded Value (EEV), which involve a significant degree of management judgment and predictions about the future that are inherently uncertain; if these assumptions are not correct, they may have an adverse impact on our results of operations and/or performance indicators, such as NBV, that may adversely affect the price of our securities

The establishment of insurance reserves, including the impact of minimum guarantees which are contained within certain of our variable annuity products, the adequacy test performed on the reserves for life policies (which encompasses the recoverability of DAC, Value of Business In-force and deferred participations assets) and the establishment of DAC, NBV and EEV are inherently uncertain processes involving assumptions about factors such as policyholder behavior (*e.g.* lapses, persistency, etc.), court decisions, changes in laws and regulations, social, economic and demographic trends, inflation, investment returns and other factors, and, in the life insurance business, assumptions concerning mortality and morbidity trends. The use of different assumptions about these factors could have a material effect on insurance reserves and underwriting expenses as well as on our DAC, NBV and EEV. In addition, insurance reserves for minimum guarantees contained within certain of our Variable Annuity products, DAC balances, EEV and NBV may be significantly impacted by the state of the financial markets and significant declines could have a material adverse effect on our consolidated results of operations and financial position. Furthermore, certain of these assumptions can be volatile. While AXA's NBV and EEV calculations are done on a market consistent basis, which is more conservative in many respects than traditional NBV and EEV calculations, changes in assumptions used in calculating these measures may have a material adverse effect on the level of our NBV and/or EEV. For example, our NBV is sensitive to interest rate movements and, consequently, an adverse evolution of interest rates may have a significant impact on our NBV and a corresponding impact on the trading price of our securities.

If our established loss reserves for our Property & Casualty and International Insurance businesses are insufficient, our earnings will be adversely affected

In accordance with industry practices and accounting and regulatory requirements, we establish reserves for claims and claims expenses related to our Property & Casualty and International Insurance businesses. With the exception of disability annuities and workers compensation liabilities that are deemed structured settlements, the claims reserves are not discounted. Reserves do not represent an exact calculation of liability, but instead represent estimates, generally using actuarial projection techniques at a given accounting date. These reserve estimates are expectations of what the ultimate settlement and administration of claims will cost based on our assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity, frequency, legal theories of liability and other factors.

The process of estimating the insurance claims reserves is based on the most current information available at the time the reserves are originally established.

We continually review the adequacy of the established claims reserves, including emerging claims development, and actual claims compared to the original assumptions used to estimate gross claims reserves. Based on the current information available, we believe that our claims reserves are sufficient; however, because the establishment of claims reserves is an inherently uncertain process involving numerous estimates including the impacts of any regulatory and legislative changes and changes in economic conditions, there can be no assurance that ultimate losses will not materially exceed our claims reserves and have a material adverse effect on our results of operations. For additional information regarding the reserves with respect to asbestos claims, see “Asbestos” in Note 14.7 to AXA’s consolidated financial statements included in Part 4 of this Annual Report.

The claims experienced in our Life & Savings businesses could be inconsistent with the assumptions we use to price our products and establish our reserves and may adversely affect our earnings

In our Life & Savings businesses, our earnings depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we use in setting the prices for our products and establishing the liabilities for obligations for technical provisions and claims. AXA uses both its own experience and industry data to develop estimates of future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities. However, there can be no assurance that actual experience will match these estimates and emerging risks such as pandemic diseases could result in loss experience inconsistent with our pricing and reserve assumptions. To the extent that our actual benefits paid to policyholders are less favorable than the underlying assumptions used in initially establishing the future policy benefit reserves, or events or trends cause us to change the underlying assumptions, we may be required to increase our liabilities, which may have a material adverse effect on our business, results of operations and financial condition.

The Property & Casualty insurance business is cyclical, which may impact our results

The Property & Casualty insurance business is cyclical. Although no two cycles are identical, these cycles have typically lasted for periods ranging from two to six years. Periods of intense price competition due to excessive underwriting capacity, periods of shortages of underwriting capacity permitting more favorable rates, consequent fluctuations in underwriting results and the occurrence of other losses characterize the conditions in these cycles. Historically, Property & Casualty insurers have experienced significant fluctuations in operating results due to volatile and sometimes unpredictable developments, many of which are beyond the direct control of the insurer, including competition, frequency or severity of catastrophic events, levels of capacity, general economic conditions and other factors. This may cause a decline in revenues during certain cycles if we choose not to reduce our Property & Casualty product prices in order to maintain our profitability. We may therefore experience the effects of such cyclicality, changes in customer expectations for appropriate premium levels, the frequency or severity of claims or other loss events, or other factors affecting the Property & Casualty insurance business, which could have an adverse effect on our results of operations and financial condition.

Over the past several years, changing weather patterns and climatic conditions, including global warming, have added to the unpredictability and frequency of natural disasters (including hurricanes, windstorms, hailstorms, earthquakes, fires, explosions, freezes and floods) and, together with man-made disasters and core infrastructure failures (including acts of terrorism, military actions, power grid and telephone/internet infrastructure failures), created additional uncertainty as to future trends and exposures. We follow the evolution of these risks closely and generally seek to manage our exposure to them through individual risk selection, monitoring risk accumulation, purchase of reinsurance and use of available data in estimating potential catastrophic risks. However, we have experienced in the past and could experience in the future material losses from these types of risks.

Inadequate or failed processes or systems, human factors or external events including hacking or other cyber-security risks may adversely affect our profitability, reputation or operational effectiveness

Operational risk is inherent in our business and can manifest itself in various ways, including business interruption, poor vendor performance or default (including under significant outsourcing arrangements), information systems malfunctions or failures, hacking incidents and/or other unauthorized intrusions into our websites and/or information systems, regulatory breaches, human errors, employee misconduct, and external fraud. We also face the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our securities transactions.

The increasing frequency and sophistication of hacking incidents directed at major financial institutions and other corporations recently has made clear the significance of these cyber-risks and the damage, both financial and reputational, they can potentially inflict. Management has put in place internal controls and procedures designed to protect client data as well as the Group's proprietary information from hacking or other types of unauthorized intrusions into the Group's information technology systems. There is no guarantee, however, that these measures will be effective and prevent all attempted intrusions into the Group's information systems and any such intrusion could result in loss of sensitive client data and/or proprietary information.

These events can potentially result in financial loss, impairment to our liquidity, a disruption of our businesses, regulatory sanctions or damage to our reputation. Management attempts to control these risks by maintaining a sound and well controlled environment in light of the characteristics of our business, markets and the regulatory environment in which we operate. Notwithstanding these measures, operational risk is part of the business environment in which we operate and we may incur losses from time to time due to these types of risks.

We may have contingent liabilities from discontinued, divested and run-off businesses and may incur other off-balance sheet liabilities that may result in charges to the income statement

We may, from time to time, retain insurance or reinsurance obligations and other contingent liabilities in connection with our divestiture, liquidation or run-off of various businesses.

We may also, from time to time and in the course of our business provide guarantees and enter into derivative and other types of off-balance sheet transactions that could result in income statement charges.

For additional information, see Part 4 – Note 29 "Contingent assets and liabilities and unrecognized contractual commitments" and also Note 20 "Derivative instruments" of this Annual Report.

RISKS RELATING TO THE EVOLVING REGULATORY AND COMPETITIVE ENVIRONMENT IN WHICH WE OPERATE

Designation of the AXA Group as a Global Systemically Important Insurer ("GSII") may adversely impact our capital requirements, profitability, the fungibility of our capital, our ability to grow through acquisition and our overall competitive position

On July 18, 2013, the International Association of Insurance Supervisors ("IAIS") published an initial assessment methodology for designating GSIIs, as part of the global initiative launched by the G20 with the assistance of the Financial Stability Board ("FSB") to identify global systemically important financial institutions ("G-SIFIs"). The assessment methodology, which is endorsed by the FSB, is intended to identify those insurers whose distress or disorderly failure, because of their size, complexity and interconnectedness, would cause significant disruption to the global financial system and economic activity. Also, on July 18, 2013, the FSB published its initial list of nine GSIIs, which includes the AXA Group. The framework policy measures for GSIIs, also published by the IAIS on July 18, 2013 for implementation by the GSIIs, include (1) new capital requirements, including (i) a "basic" capital requirement, formerly known as "Backstop Capital Requirement" ("BCR") applicable to all GSIIs activities (ii) an additional level of capital, called "Higher Loss Absorbency" ("HLA") capacities to be requested from GSIIs in relation to their systemic activities, (2) greater regulatory oversight over holding companies, (3) various measures to promote the structural and financial "self-sufficiency" of Group companies and reduce Group interdependencies including restrictions on intra-group financing and other arrangements, and (4) in general, a greater level of regulatory scrutiny for GSIIs (including a requirement to establish a Systemic Risk Management Plan ("SRMP") and a Recovery and Resolution Plan ("RRP")) which may entail significant new processes, reporting and compliance burdens (and costs) as well as potential reorganizations of certain businesses or activities. In its July 2013 report, the FSB noted that the group of G-SIIs would be updated annually based on new data and published by the FSB each November. In November 2014, the FSB, following consultation with the IAIS and national authorities, decided to identify for 2014 the nine GSIIs identified in 2013, which includes the AXA Group.

The contemplated policy measures include the constitution of a Crisis Management Group ("CMG") by the Group-wide supervisor, the preparation of the above-mentioned SRMP and RRP and the development and implementation of the BCR in 2014, while other measures are to be phased in more gradually, such as the HLA, which is to be developed by the end of 2015 and applied as from 2019. On October 23, 2014, the IAIS announced the development of the BCR and its endorsement by the FSB. Beginning in 2015, this BCR, which is lower than the Solvency Capital Requirement ("SCR") required under Solvency II, will be reported on a confidential basis to Group wide supervisors and be shared with the IAIS. Beginning in 2019, the GSIIs will be required to hold capital no lower than the BCR plus HLA.

While the manner in which the above-mentioned IAIS policy measures (and any other initiatives launched by the IAIS such as the draft Common Framework for the Supervision of Internationally Active Insurance Groups, "IAIG"; and the Insurance Capital Standard ("ICS") portion of the Common Framework which is now undergoing public consultation) will be implemented by legislation or regulation in each applicable jurisdiction is not yet clear, these measures, if implemented, could have far reaching regulatory and competitive implications for the AXA Group and adversely impact our capital requirements, profitability, the fungibility of our capital and ability to provide capital/financial support for Group companies, our ability to grow through future acquisitions, change the way we conduct business and our overall competitive position versus insurance groups that are not designated as GSIIs.

We face strong competition in all of our business segments and competition may intensify as a result of current global market conditions which could adversely impact our results of operations and financial condition

Our competitors include mutual fund companies, asset management firms, private equity firms, hedge funds, commercial and investment banks and other insurance companies, many of which are regulated differently than we are and offer alternative products or more competitive pricing than we do.

In addition, development of alternative distribution channels for certain types of insurance and securities products, including through the internet, may result in increasing competition as well as pressure on margins for certain types of products. These competitive pressures could result in increased pricing pressures on a number of our products and services, particularly as competitors seek to win market share, and may harm our ability to maintain or increase our profitability.

Our business is subject to extensive laws and regulations and to significant litigation risks in the various countries where we operate; changes in existing or new laws and government regulations in these countries, the creation of new laws or government regulations and/or an adverse outcome in any significant pending or future litigation or regulatory investigation may have an adverse effect on our business, financial condition, results of operations, reputation or image

The AXA Group operates in more than 50 countries around the world and our operations are subject to a wide variety of insurance and other laws and regulations. We are faced with significant compliance challenges due to the fact that our regulatory environment is evolving rapidly and supervisory authorities around the world are assuming an increasingly active and aggressive role in interpreting and enforcing regulations in the jurisdictions where we do business. The financial turmoil over the past several years gave rise to numerous legislative and regulatory initiatives (many of which focus on the financial services industry) across many of the principal jurisdictions where the Group does business. While management cannot predict whether or when future legislative or regulatory proposals may ultimately be enacted and the final form they will take, certain of these proposals, if enacted, could have a material adverse impact on our business activities, results of operations and financial conditions. We expect that the multitude of new laws and regulations will increase our legal and compliance costs. In recent years there has been an increase in the number of legislative/regulatory initiatives and enforcement actions in the areas of financial crime compliance (*i.e.* anti-money laundering, international trade sanctions and anti-bribery) as well as numerous consumer protection related initiatives, including IMD2, MiFID II and PRIIPS, focused on a variety of matters including, in particular, distribution (*e.g.* compensation of intermediaries and disclosure of distribution costs), suitability, misselling and avoiding potential conflicts of interest. A number of global financial institutions have been the subject of well publicized enforcement actions that have resulted in very significant monetary and other sanctions in these areas. These are complex areas of law that evolve on a continuing basis and which carry significant financial and reputational risk for non-compliance. In addition, as a global company operating in several countries, we are subject to various tax regimes and regulations. Changes in tax laws, including the US Foreign Account Tax Compliance Act ("FATCA") withholding requirements and planned introduction of the Common Reporting Standard ("CRS") across a multitude of jurisdictions where the Group does business, could result in higher tax expenses and payments and will result in higher compliance costs. Future interpretations or developments of tax regimes may also affect our tax liability, return on investments and business operations.

We have been and may become in the future subject to regulatory investigations which, together with the civil actions often following these investigations, may affect our image, brand, relations with regulators and/or results of operations. In addition, we have been named as defendants in numerous lawsuits (both class actions and individual lawsuits) and involved in various regulatory investigations and examinations and may be involved in such proceedings in the future. Certain of these lawsuits and investigations seek significant or unspecified amounts of damages, including punitive damages, and certain of the regulatory authorities involved in these proceedings have substantial powers over the conduct and operations of our business. During 2014, the litigation environment continued to evolve with the introduction of a class action system in France and certain other European jurisdictions which is likely to increase litigation risks and costs. Due to the nature of certain of these lawsuits and investigations, we cannot estimate the potential losses or predict with any certainty the potential impact of these suits or investigations on our business, financial condition or results of operations. Please see Part 4 – Note 31 "Litigation" and Section 3.1 "Regulation" of this Annual Report for additional information on these matters.

We expect the scope and extent of applicable laws and regulations, as well as regulatory oversight, to continue to increase over the coming years. While management proactively manages these risks and has adopted policies and procedures designed to ensure compliance with applicable laws and regulations in the various jurisdictions where it does business, we cannot predict with any certainty the potential effects that a change in applicable laws or regulations, their interpretation or enforcement (or of the potential effects of any new regulation or legislation in the future) may have on the business, financial condition or results of operations of our various businesses. Any failure by AXA to remain in compliance with applicable regulations, as well as the regulations in the countries and markets in which it operates, could result in fines, penalties, injunctions or other similar restrictions, any of which could negatively impact AXA's earnings and reputation. Please see Part 4 – Note 31 "Litigation" and Section 3.1 "Regulation" of this Annual Report for additional information on these matters.

Furthermore, our international operations expose the Group to different local political and regulatory, business, and financial risks and challenges which may affect the demand for our products and services, the value of our investment portfolios, the required levels of capital and surplus, and the credit quality of local counterparties. These risks include, for example, political, social or economic instability in the countries in which we operate, including the risk of nationalization, expropriation, price controls, capital controls, fluctuations in foreign currency exchange rates, credit risks of our local borrowers and counterparties, lack of local business experience in certain markets, risks associated with exposure to insurance industry insolvencies through policyholder guarantee funds or similar mechanisms set up in foreign markets and, in certain cases, risks associated with the potential incompatibility with foreign partners, especially in countries in which we are conducting business through joint ventures or other entities we do not control.

Potential changes to International Financial Reporting Standards as adopted by the European Union may adversely affect our consolidated results of operations

The Company publishes its accounts in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations that were definitive and effective as of December 31, 2014 according to the adoption measures of the European Union (the "Standards"). There are continuing discussions at the International Accounting Standards Board ("IASB") concerning possible modifications to the Standards and certain of these modifications may have potentially significant impacts on insurers and other financial institutions, including AXA, that prepare their consolidated accounts in accordance with the Standards.

As the IASB's work is ongoing, management cannot predict with any certainty at this time the potential impact of these proposed changes (or of other potential future modifications to the Standards); however, any significant modifications to the Standards may adversely impact the Company's results of operations.

CERTAIN RISKS RELATED TO THE OWNERSHIP OF ORDINARY SHARES OR AXA ADS

In order to raise capital to fund future growth or for solvency purposes, we may, in the future, offer rights, warrants or similar securities at prices below the then-current market price which may adversely affect the market price of our ordinary shares, and our ADS, and dilute the positions of existing shareholders.

The Mutuelles AXA, which comprise two French mutual insurance companies, collectively held 14.03% of the Company's outstanding shares and 23.61% of its voting rights on December 31, 2014. The Mutuelles AXA have stated their intention to collectively vote their shares in AXA and may have interests conflicting with other shareholders' interests. For example, even though the Mutuelles AXA do not hold a majority of the total voting power in AXA, efforts by the Mutuelles AXA to decline or deter a future offer to acquire control of AXA, which other shareholders may find attractive, may prevent other shareholders from realizing a premium for their AXA ordinary shares or ADS. The Mutuelles AXA may decide to increase their interest in AXA or to sell all or a portion of the ordinary shares they own at some future date.

In addition, the trading price of AXA ADS and dividends paid on AXA ADS may be materially adversely affected by fluctuations in the exchange rate for converting Euro into US dollars.

AXA has delisted the AXA ADS from the New York Stock Exchange in 2010, potentially reducing liquidity in the AXA ADS. The AXA ADS are traded on the over-the-counter ("OTC") market. While the US OTC markets have become more sophisticated and liquid in recent years, no assurance can be given as to the liquidity of the OTC market for AXA ADS or that persons wanting to buy or sell AXA ADS will at all times be able to find a willing seller or buyer at an acceptable price and volume.

The holders of AXA ADS may not be able to exercise their voting rights due to delays in notification to and by the depositary. In this event, the depositary's liability to holders of AXA ADS for failing to carry out voting instructions or for the manner of carrying out voting instructions is limited by the Deposit Agreement governing the AXA ADS facility.

Further, the holders of AXA ADS will have limited recourse if AXA or the depositary fails to meet its obligations under the Deposit Agreement and they wish to involve AXA or the depositary in a legal proceeding.

The holders of AXA ADS in the United States may not be able to participate in offerings of rights, warrants or similar securities to holders of our ordinary shares or to receive dividends paid in shares on the same terms and conditions as holders of our ordinary shares. For example, they are likely to be offered cash rather than securities, in light of the registration requirements under the US securities laws in case of payment in securities.

The price at which our ADS and ordinary shares will trade may be affected by a large number of factors, some of which will be specific to us and our operations and some of which will be related to the insurance industry and equity markets generally. As a result of these factors, you may not be able to resell your ADS or ordinary shares at or above the price which you paid for them.

AXA SA is a *société anonyme* organized under the laws of France. The majority of AXA SA's directors and officers, as well as some of the experts named in this document, reside outside of the United States, principally in France. A substantial portion of AXA SA's assets, and the assets of such persons, are located outside of the United States. Therefore, it may not be possible to effect service of process within the United States upon AXA SA or these persons in order to enforce judgments of US courts against AXA SA or these persons based on civil liability provisions of the US federal securities laws. Further, judgments of United States courts may not be enforceable against the Company in French courts and, as a result, AXA's shareholders who obtain a judgment against the Company in the United States may not be able to require the Company to pay the amount of such judgment.

3.3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK FACTORS

Information in this Section should be read in conjunction with Note 4 to the consolidated financial statements included in Part 4 of this Annual Report which is covered by the Statutory Auditor's Report on the consolidated financial statements.

Risk management missions and organization

In this section, Risk Management refers to the internal function aiming at effectively managing local and global risks.

Group Risk Management (GRM) is the central department responsible for the coordination of Risk Management within AXA Group.

Local Risk Management Departments, headed by local Chief Risk Officers (CRO), implement GRM standards and guidelines within each operational entity.

RISK MANAGEMENT MISSIONS

As an integrated part of all business processes, Risk Management is responsible for the definition and the deployment of the Enterprise Risk Management (ERM) framework within AXA Group.

This framework is based on the four following pillars, cemented by a strong risk culture:

1. Risk Management independence and comprehensiveness: Chief Risk Officers are independent from operations ("first line of defense") and Internal Audit Departments ("third line of defense"). Risk Management Department, together with Legal, Compliance, Internal Financial Control, Human Resources and Security Departments constitute the "second line of defense" which objective is to develop, coordinate and monitor a consistent risk framework across the Group.
2. Shared risk appetite framework: Chief Risk Officers are responsible for ensuring that the top management reviews and approves the risks they carry in their company, understand the consequences of an adverse development of these risks, and have action plans that can be implemented in case of unfavourable developments.
3. Systematic second opinion on key processes: Chief Risk Officers ensure a systematic and independent second opinion, on AXA material decision processes, like L&S and P&C new product characteristics (risk-adjusted pricing and profitability), P&C and Life Economic reserves, Asset and Liability Management studies, Asset allocation and new investments, and Reinsurance.
4. Robust economic capital model: AXA's economic capital model (STEC – Short Term Economic Capital) offers a concrete and powerful tool to control and measure exposure to most risks, in line with the Solvency II framework. AXA STEC model is designed as a consistent and comprehensive risk management tool, which also forms an important element in the capital management and planning process.

GROUP RISK MANAGEMENT

Group Risk Management (GRM), headed by the Group Chief Risk Officer who reports to the Group Deputy CEO, is responsible for developing the Enterprise Risk Management framework in terms of limits/thresholds (covering systemic, financial, insurance and operational risks), standards, minimum requirements or processes.

GRM oversees the operating entities' adherence to the framework, supported by the local risk management teams. It steers the Risk Management family and develops a risk culture throughout the Group.

The Risk Management function at Group level is also reinforced by AXA Global P&C, AXA Global Health and AXA Global L&S, which advise and support local entities in their reinsurance strategy (Property & Casualty; Health and Life & Savings), and centralize the Group's purchasing of reinsurance.

The Section "Insurance risk" hereafter details the reinsurance strategy.

LOCAL ENTITIES

Risk Management is a local responsibility, in accordance with GRM standards and guidelines.

The roles and responsibilities of local Risk Management teams are validated jointly by the Executive Committees of local entities and the Group Chief Risk Officer to ensure a better alignment of central and local interests.

The minimum missions required for local Risk Management teams are:

- coordinating the second line of defence locally (which covers notably Legal, IT and HR Departments) through a specific governance;
- implementing risk appetite on all risks consistently with Group's risk appetite, with strengthened reporting, risk limits and decision processes;
- performing a second opinion on key processes, such as the definition of characteristics for new products before launch, P&C reserves, ALM studies & asset allocation and reinsurance strategy;
- on the internal capital model, local Risk Management is responsible for checking the adequacy of the risk profile, implement, test and validate the internal model.

Local Chief Risk Officers head the local Risk Management teams within each operational entity and report both to a member of their Executive Committee (CEO or CFO) and to the Group CRO. Chief Risk Officers are independent from operations and Internal Audit Departments.

Local Chief Risk Officers have a regular reporting to the Board of Directors (or to a sub-committee) on risk management matters.

Their teams are responsible for controlling and managing risks within Group policies and limits, validating investment or underwriting decisions through Local Risk Committees.

OTHER FUNCTIONS

Line management and staff are responsible for day to day risk management and decision making and therefore have primary responsibility for establishing and maintaining an effective control environment (first line of defense).

Legal, Compliance, Internal Financial Control, Human Resources and Security Departments are responsible for developing, facilitating and monitoring effective risk and control framework and strategy (second line of defense), in coordination with Risk Management.

Internal Audit performs, as part of its role, an assessment of risks and governance processes on a periodic basis to provide independent opinion on the effectiveness of the system of internal control (third line of defense).

RISK GOVERNANCE WITHIN AXA GROUP

In order to efficiently manage local and global risks, the decision process within the risk governance structure is divided into 2 main levels:

1. the Group Management Committee defines business objectives and capital allocation with respect to investment return and risk. It also defines the Group appetite for risks in terms of impact on its key financial indicators. The Group Risk Appetite is endorsed by the Board of Directors upon review by its Finance Committee with the Audit Committee considering the effectiveness of the Group's internal control and risk management frameworks supporting it. A report on the Company's performance against the key financial indicators is presented on a regular basis to the Group Audit Committee, to the Finance Committee, and to the Board of Directors;
2. Group Risk Committees aim at covering main risk categories:

   For Financial risks:

   - the Group Asset-Liability Management Supervisory Committee, chaired by the Group Deputy CEO and led by GRM. This committee determines the Group ALM policies and ensures that the Group exposures are within the Group risks limits,
   - the Group Investment Committee in which GRM attends – Please refer to Section 3.4 of this report for more details;

   For Life insurance risks and for P&C insurance risks:

   - two Global Business Lines dedicated Boards, chaired by the CEO of each business Line and which GRM attends;

   For Operational and Reputation risks:

   - Risk & Compliance Committee, co-chaired by the Group CFO and the Group COO, and where GRM is in charge of its secretariat,

Group Risk committees are supported by local Risk committees to ensure consistency and deployment of the Enterprise Risk Management framework.

Risks: definition, exposures and risk management

AXA is exposed to financial market risks through its core business of financial protection (*i.e.* insurance and asset management) and through the financing of its activities as part of its equity and debt management.

FINANCIAL RISKS

Local operating units have the primary responsibility for managing their financial risks (market risk, credit risk, liquidity risk), while abiding by the risk framework defined at Group level, in terms of limits/thresholds and standards. This approach aims to allow operating units to react swiftly in an accurate and targeted manner to changes in financial markets, political and economic environments in which they operate.

A wide variety of risk management techniques are used to control and mitigate the market risks to which the AXA Group's operating units and the Group itself are exposed. These techniques include:

- Asset-Liability Management (ALM), *i.e.* defining an optimal strategic asset allocation with respect to the liabilities' structure, to reduce the risk to a desired level;
- a disciplined investment process, requiring for any sophisticated investment a formal thorough analysis by the Investment Department, and a second opinion by Risk Management Department;
- hedging of financial risks when they exceed the tolerance levels set by the Group. Operational management of derivatives is based on stringent rules and is mainly performed by AXA SA for the holding company activities and Group asset managers, AXA Investment Managers and AllianceBernstein for operating units as well as AXA Bank Europe and AXA US for the hedging program of Variable Annuities' guarantees;
- a regular monitoring of the financial risks on the economic and solvency position of the Group;
- reinsurance which also offers solutions to mitigate certain financial risks;

AXA's exposure to market risk is strictly monitored. It is mitigated by:

- its broad range of operations and geographical positions, which provides a high level of diversification; and
- natural hedging between different products and jurisdictions.

Description of market risks for Life & Savings and Property & Casualty

The market risks to which Life & Savings (L&S) and long-tail Property & Casualty (P&C) portfolios are exposed arise from a variety of factors including:

- a decline in returns on assets (linked to a sustained fall in yields on fixed income investments or to lower equity markets) could reduce investment margins on General Account products or fees on Unit-Linked contracts;
- a rise in yields on fixed-income investments (linked to interest rates or in spreads) reduces the market value of fixed-income investments and could impact adversely the solvency margin, and increase policyholder's surrenders due to competitive pressures;
- a decline in asset market value (equity, real estate, alternatives, etc.) could adversely impact the solvency margin, as well as available surplus;
- a rise in financial market volatility may increase the cost of hedging the guarantees associated with certain products (Unit-Linked, Variable Annuities…) and decrease the Group's value;
- a change in foreign-exchange rates would have limited impact for the operating units since foreign-currency commitments are matched to a large extent by assets in the same currency or covered by hedges, but it could affect the earnings contribution in euros;
- furthermore, P&C activities are subject to inflation which may increase the compensation payable to policyholders, so that the actual payments may exceed the associated reserves set aside. This risk can be significant for long-tail businesses but is managed through regular pricing adjustments or specific protections against peaks of inflation.

The Group policies put in place to manage these risks are tailored to each product type and the risks relating to it.

FOCUS ON THE MAIN FINANCIAL RISKS

The main financial risks for the AXA Group are as follows:

- interest-rate, spread risk and equity risk related to the operating activities of Group subsidiaries;
- exchange-rate risk related to the operating activities of Group subsidiaries;
- risks relating to the management of holding companies' foreign exchange exposure and debt;
- credit risk. Please read the next part "Credit risk" included in the Part 3 – Section 3.3 – "Quantitative and Qualitative Disclosures about Risk Factors";
- liquidity risk. Please read "Liquidity position and risk management framework" included in Part 1 – Section 1.4 – "Liquidity and capital resources".

INTEREST RATES & EQUITY RISK RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

AXA performs sensitivity analyses to estimate Group exposure to movements in interest rates and equity markets. These analyses quantify the potential impact on the Group of positive and adverse changes in financial markets.

The AXA Group analyses sensitivity to movements in interest rates and equity markets looking at two different measures:

- sensitivities of European Embedded Value (EEV) in the Life & Savings business, as described below;
- sensitivities of the adjusted net asset value for other-than-life businesses.

These analyses cover AXA SA, which carries most of the Group's debt, along with the largest subsidiaries in France, the United States, the United Kingdom, Belgium, Switzerland, Germany, Central and Eastern Europe (Poland, Hungary and Czech Republic), the Mediterranean and Latin American Region (Spain, Portugal, Italy, Mexico, Morocco, Turkey, the Gulf Region and Greece), Hong Kong and Japan. At December 31, 2014, these subsidiaries represented 99% of AXA's consolidated invested assets within its insurance operations.

"Embedded Value" (EV) is a valuation methodology often used for long term insurance business. It attempts to measure the present value of cash available to shareholders now and in the future and accordingly is presented net of taxes and minority interests. "European Embedded Value" (EEV) is a refinement of this methodology based on Principles issued by the CFO Forum of European insurers, which AXA adopted during 2005. AXA publishes EEV only for its Life & Savings business.

In addition to Life & Savings EEV, AXA calculates a "Group EV". For the Life & Savings business, the EV is equal to the EEV, while for other-than-life businesses, the EV is equal to the adjusted net asset value.

Groupe EV

	2014			2013		
(In Euro million)	Life & Savings	Other Businesses	Total	Life & Savings	Other Businesses	Total
IFRS shareholders' equity at December 31	**50,388**	**14,831**	**65,219**	**42,306**	**10,617**	**52,923**
Net unrealized capital gains/losses, not included in IFRS shareholders' equity	1,085	3,114	4,199	956	2,515	3,471
Excluded TSS/TSDI	-	(9,135)	(9,135)	-	(7,786)	(7,786)
Elimination of intangible assets	(18,614)	(10,159)	(28,773)	(17,031)	(9,480)	(26,511)
IFRS TNAV	**32,859**	**(1,349)**	**31,510**	**26,231**	**(4,133)**	**22,097**
Marked-to-market debt/others	-	(1,030)	(1,030)	-	(715)	(715)
Unrealized capital gains projected in VIF & other stat-GAAP adjustments	(8,585)	-	(8,585)	(6,151)	-	(6,151)
Life & Savings Value of Inforce (VIF)	25,261	-	25,261	27,793	-	27,793
Group EV at December 31	**49,535**	**(2,379)**	**47,156**	**47,873**	**(4,848)**	**43,025**

The Group EV is not an estimate of AXA's «fair value» as it does not include the value of the new business to be sold in the future, nor does include any value for future profits from existing business of other-than-life businesses (Property & Casualty, International Insurance, Asset Management, Banking and Holdings and other companies), such as the time value for P&C reserves. However, the Life & Savings EEV is a key management metric measuring the risk-adjusted value of the business and tracking its evolution over time, and the Group EV provides a crucial link to processes that impact total Group value but cannot be seen within the Life & Savings segment, such as hedging strategies executed at the Group level and also the impact of leverage on the Group.

The table above shows the reconciliation of IFRS shareholders' equity to the Group EV.

The Life & Savings "Adjusted Net Asset Value" (ANAV) is derived by aggregating the local regulatory (statutory) balance sheets and reconciling with the Life & Savings IFRS shareholders' equity on the following main adjustments:

- addition of unrealized capital gains/losses not included in IFRS shareholders' equity;
- elimination of all intangible assets;
- elimination of unrealized capital gains/losses included in the projection of future cash-flows (VIF);
- adjustment for the differences between AXA's consolidated accounting basis and local regulatory bases.

Adding the Life & Savings VIF to the Life & Savings ANAV completes the Life & Savings EEV.

The Group EV equals the Life & Savings EEV plus the adjusted net value of other-than-life businesses, reflecting the consolidated IFRS shareholders' equity adjusted for:

- the elimination of all intangible assets;
- the reclassification in the liabilities of all undated debt (TSS/TSDI) that is treated as equity in IFRS;
- the addition of unrealized capital gains or losses not already included in equity;
- the mark-to-market of debt.

The Life & Savings Value of Inforce (VIF) calculation by nature involves many assumptions about the future. For Life & Savings EEV, AXA has adopted a "market-consistent" approach to setting asset return assumptions. Each cash flow is discounted at an appropriate discount factor, so that starting with Euro 1 of bond or of equity, projecting expected cash flows and discounting them, will simply give Euro 1 of value. Mechanically, this can be described as assuming that, in the future, all assets will earn the risk-free rate (referred to as the "reference rate" in the Embedded Value methodology) defined by the current market. However, cash flows are projected not only in a single scenario, but rather a stochastic set of scenarios is created, with the set maintaining the market-consistent condition that Euro 1 of any asset projected into the future gives a present value of Euro 1. Future earnings available to shareholders are assessed across this range of stochastic scenarios, with the present value being the Life & Savings VIF. Our major assumptions include the fact that:

- actuarial assumptions reflect best estimates based on recent experience;
- no productivity gains in the future are assumed, while a 2.0% average inflation rate was included in 2014 (2.0% in 2013) and AXA follows a strict efficiency plan;
- projected expenses are adjusted for non-recurring expenses and one-time strategic spending;
- some benefit from future mortality improvement on Life business is included, while Annuity business does have an allowance for the costs of longevity increasing in all markets;
- the cost of non-financial risks is allowed for through the cost of holding hard capital at entity level and corresponding to that required to meet the Group target capital;
- a weighted average tax rate of 28.6% was assumed in 2014 (29.1% in 2013);
- consistent with previous years, AXA used, at the end of 2014, reference rates which included, where applicable, liquidity premia over the swap curves for some of its entities. Some refinements were made to the reference interest rate curve this year to reflect the current development of Solvency II.

As described above, the Life & Savings VIF valuation under AXA's market-consistent framework does not depend on assumed future asset returns, but rather on the reference rate described above. The Life & Savings VIF valuation depends on stochastic projections of multiple scenarios, rather than a single scenario.

The sensitivities of the Group EV to changes in major economic assumptions were calculated as follows for the 2013 and 2014 values:

- **upward shift of 100 basis points (bps) in reference interest rates** which simulates a sudden shock to the initial conditions. This means changes to: 1) the current market values of fixed-interest assets, with related possible changes to projected capital gains/losses and/or fee revenues, 2) future reinvestment rates for all asset classes, and 3) risk-discount rates. Inflation rates are not changed;
- **downward shift of 100 basis points in reference interest rates** which is the same as above but with a shift downward. Where the shift of 100 basis points would drop rates below 0%, they are floored at zero;

- **10% higher value of equity markets at the start of the projection** which simulates a shock to the initial conditions just for equities. This means changes to current market values of equities, with related possible changes to projected capital gains/losses and/or fee revenues. Policyholder and management behaviors are adjusted to be consistent with these conditions. As noted in the definitions, these calculations reflect a shock to the initial conditions for equities, but no changes in value for asset classes such as fixed maturities or real estate are assumed to accompany the equity change. In reality, changes in value of other asset classes would probably lead to different results than shown here. It is also possible that a gradual movement in equity would produce different results than a sudden shock;
- **10% lower value of equity markets at the start of the projection** which is the same as above but testing a decrease.

(In Euro million)	2014						2013					
	Life & Savings		Other		Group		Life & Savings		Other		Group	
	Euro million	% Group EV	Euro million	% Group EV	Euro million	% Group EV	Euro million	% Group EV	Euro million	% Group EV	Euro million	% Group EV
Upward shift of 100 bps in risk-free rates	2,020	4%	(1,569)	-3%	451	1%	1,346	3%	(1,428)	-3%	(82)	-0%
Downward shift of 100 bps in risk-free rates	(4,904)	-10%	1,499	3%	(3,405)	-7%	(3,736)	-9%	1,605	4%	(2,132)	-5%
10% higher value of equity markets at start of projection	1,606	3%	366	1%	1,972	4%	1,458	3%	347	1%	1,805	4%
10% lower value of equity markets at start of projection	(1,732)	-4%	(361)	-1%	(2,093)	-4%	(1,591)	-4%	(347)	-1%	(1,938)	-5%

All sensitivities are presented net of tax and minority interests, and where applicable, net of policyholders' participation.

2014 interest rate sensitivities (% of Group EV) for Life & Savings business of 4% to upward 100 bps and -10% to downward 100 bps (2013: 3% and -9%) show an asymmetry mainly driven by guaranteed interest rates having higher value when interest rates decrease, while higher reinvestment returns would need to be shared with policyholders limiting shareholders' gains in a higher rate environment. However this classical pattern is not followed everywhere, as for certain type of business with significantly low interest rate guarantees, the EEV behaves more like a portfolio of fixed-income assets. In addition, higher interest rates affect the value both positively through higher investment rate and negatively through lower starting value of fixed income assets and higher discount rates for future profits. For different product types these interactions produce different results.

EEV became slightly more sensitive to a decrease in interest rates, due to lower interest rates causing General Account guarantees and Variable Annuity options to be more in the money.

2014 interest rate sensitivities (% of Group EV) for other-than-life businesses of -3% to upward 100 bps and 3% to downward 100 bps (2013: -3% and 4%) reflect mainly the impacts on fixed-income assets, partly offset by derivatives and sensitivities to changes in debt value, should interest rates curve move, with all debt classified as liabilities and re-measured at market value. The majority of other-than-life reserves in the financial statements and therefore in TNAV is generally not sensitive to interest rate changes as not discounted in most cases.

2014 equity market sensitivities (% of Group EV) for Life & Savings business of 3% to 10% higher value and -4% to 10% lower value (2013: 3% and -4%) are more symmetrical.

The limited asymmetries reflect the impact of guarantees and profit-sharing rules, along with some hedging programs to limit potential losses. The impacts of equity market value changes can come from General Account exposures or from changing asset balances impacting future fee revenue on separate account business.

2014 equity market sensitivities (% of Group EV) for other-than-life businesses of 1% to 10% higher value and -1% to 10% lower value (2013: 1% and -1%) reflect the impacts on equities including derivatives on equities.

The part 3.3 "Risk Management missions and organization" gives more details on the controls performed on this risk.

EXCHANGE-RATE RISK RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

In the insurance companies, which accounted for 89% of Group assets at December 31, 2014 (88% in 2013), assets and liabilities with foreign currency exposure are generally naturally matched or hedged.

- **Life & Savings business:** 78% of Group assets at the end of 2014 (77% in 2013):

In France, AXA was exposed to exchange-rate risk for a global amount of €13,546 million at the end of 2014 (€10,254 million in 2013) held both directly and indirectly through investment funds partly invested in foreign currencies (particularly US Dollar: €10,717 million versus €8,180 million in 2013, Pound Sterling: €2,057 million versus €1,163 million in 2013, and Japanese Yen: €204 million versus €212 million in 2013). This exposure allows AXA France to diversify its investments and enable policyholders to benefit from the performance of international financial markets. AXA France offsets its exposure to exchange-rate risk by using foreign exchange forwards and other derivatives (notional of €12,837 million in 2014 versus €10,200 million in 2013).

AXA Japan may invest when relevant outside the Japanese market in order to diversify and optimize investments and enhance returns. At the end of 2014, the total assets denominated in foreign currencies held both directly and indirectly through investment funds (mainly US Dollars) represented an amount of €13,715 million (€12,971 million in 2013). Excluding assets backing Unit-Linked contracts, the corresponding exchange-rate risk was fully hedged through the use of derivatives.

AXA Germany held €5,853 million investments denominated in foreign currencies at the end of 2014 (€4,456 million in 2013) both directly and indirectly through investment funds, with the aim of diversifying its investments and taking advantage of foreign markets' performance. These investments were mainly denominated in US Dollars (€5,433 million versus €4,048 million in 2013) including the US Short Duration High Yield Fund (€465 million versus €443 million in 2013) and in Pound Sterling (€214 million versus €219 million in 2013). Exchange-rate risk exposure is hedged using foreign exchange forwards for a notional amount of €5,466 million (notional amount of €3,992 million in 2013) and currency swaps for a notional amount of €375 million (notional amount of €461 million in 2013).

In Switzerland, AXA entities are exposed to exchange-rate risk through their investments in foreign currencies (mainly Euro and US Dollar) due to the on-going low interest rate environment in Switzerland and to limited investment possibilities in the Swiss market. A major portion of the exposure is hedged back into Swiss Francs with foreign exchange swaps, options and forwards. At the end of 2014, Switzerland foreign exchange exposure amounted to €27,226 million (€23,100 million in 2013) which represented circa 38% of total assets (circa 35% of total assets in 2013), of which €25,103 million were hedged (€21,447 million in 2013).

AXA Hong Kong holds investments denominated in foreign currencies €8,197 million (€6,545 million in 2013), both in directly and indirectly through investment funds. These investments are mainly in US Dollar €7,864 million (€6,323 million in 2013), in order to take advantage of the US bond market which is more developed than the HK bond one notably in terms of liquidity and available maturities. Exchange-rate risk exposure is hedged using foreign exchange forwards for a notional amount of €2,624 million.

In Belgium, the United States, the United Kingdom and the Mediterranean and Latin American Region, the Group's Life & Savings companies do not have any significant exposure to exchange-rate risk.

At the end of 2014, these countries accounted for 97% of the Group's Life & Savings companies' assets (99% at the end of 2013).

- **Property & Casualty business:** 9% of Group assets at the end of 2014 (9% at the end of 2013):

In France, AXA was exposed to exchange-rate risk for a global amount of €2,870 million at the end of 2014 (€1,833 million in 2013) held both directly and indirectly through investment funds partly invested in foreign currencies (US Dollar: €2,445 million versus €1,386 million in 2013, Pound Sterling: €384 million versus €240 million in 2013 and Japanese Yen: €32 million versus €57 million in 2013), in order to diversify its investments. France offsets its exposure to exchange-rate risk by using foreign exchange forwards in these currencies (notional of €2,764 million versus €1,806 million in 2013).

AXA Germany held €1,675 million investments denominated in foreign currencies at the end of 2014 (€1,475 million in 2013) both directly and indirectly through investment funds with the aim of diversifying its investments and taking advantage of foreign markets' performance. These investments were mainly denominated in US Dollars (€1,394 million versus €1,206 million in 2013) including the US Short Duration High Yield Fund (€136 million versus €130 million in 2013) and Pound Sterling (€148 million versus €126 million in 2013). AXA Germany controls and limits its exchange-rate risk by using foreign exchange forwards for a notional amount of €1,425 million (notional €1,180 million in 2013), currency swaps for a notional amount of €146 million (notional €188 million in 2013) and congruent coverage (matching assets and liabilities denominated in the same currency) for €54 million (€38 million in 2013).

In the United Kingdom and Ireland, AXA is exposed to exchange-rate risk through its AXA Insurance and AXA PPP Healthcare subsidiaries, which operate in Pound Sterling, and AXA Ireland. Those entities have however diversified their investment portfolios in line with asset-liability management objectives as follows:

- directly owned foreign currency investments and cash of €1,470 million (€1,179 million in 2013), of which €1,460 million (mainly fixed income) is hedged through foreign exchange forwards or cross currency swaps. Net exposure amounted to €10 million, mainly from investments in foreign equities and cash;
- investments totaling €505 million (€520 million in 2013) in CLO funds and other investment funds which hold foreign-currency investments, of which €480 million are hedged through foreign exchange forwards, while the remaining €25 million offset the foreign exchange exposure in AXA PPP liabilities. Net exposure is nil;
- investments in Alternative Credit funds denominated in US Dollar totaling €527 million, totally hedged with foreign exchange forwards. Net exposure is nil.

AXA Ireland also operates in Northern Ireland, and therefore manages a portfolio of Pound Sterling policies for an amount of €272 million (€276 million in 2013), hedged with investments in the same currency of €263 million (€280 million in 2013).

In Switzerland, foreign exchange exposure amounted to €6,129 million (circa 44% of total assets) at the end of 2014, of which €4,145 million were hedged with foreign exchange derivatives.

In the Mediterranean, Latin American Region and Belgium, the Group's Property & Casualty companies do not have any significant exposure to exchange-rate risk.

These countries accounted for 93% at the end of 2014 (92% in 2013) of the Group's Property & Casualty companies' assets.

- **International Insurance business** (2% of Group assets at the end of 2014 versus 2% in 2013): In the course of its business, AXA Corporate Solutions Assurance carries some insurance liabilities denominated in foreign currencies, particularly in US Dollar (€997 million at the end of 2014 versus €970 million in 2013) and, to a lesser extent, Pound Sterling (€404 million at the end of 2014 versus. €616 million in 2013). AXA Corporate Solutions Assurance carries assets denominated in foreign currencies to ensure balance sheet congruence. The congruence between the Company's foreign currency assets and liabilities is regularly adjusted.
- **Holding companies** (6% of Group assets at the end of 2014, same as 2013): Since 2001, AXA SA has adopted a hedging policy on net investments denominated in foreign currencies, which aims at protecting the Group's consolidated shareholders' equity against currency fluctuations, using derivatives instruments and foreign currency debt.

At December 31, 2014, the main hedging positions of AXA SA were as follows:

Foreign currency hedging	Amount in currency (in billion)		Amount in Euro (in billion)		Comments
	2014		2014		
US Dollar	0.7	2.7	0.5	2.0	In respect of the US activities, in the form of debt and derivatives
HK Dollar	7.4	-	0.8	-	In respect of the Hong Kong activities, in the form of derivatives
Japanese Yen	219.4	306.3	1.5	2.1	In respect of Japan activities, mainly in the form of derivatives
Pound Sterling	0.9	2.8	1.1	3.4	In respect of the UK activities, in the form of debt and derivatives
Swiss Franc	2.9	2.7	2.4	2.2	In respect of Switzerland activities, in the form of derivatives

AXA SA's assets accounted for the biggest part of the Group holding companies assets at the end of 2014.

In addition to the foreign exchange rate management performed locally (hedged through Foreign Exchange forward and currency swaps), Group Corporate Finance and Treasury steers the global exposure to foreign exchange risk and reports the position every quarter to the Finance Committee of the Board of Directors.

RISKS RELATING TO THE MANAGEMENT OF HOLDING COMPANIES' FOREIGN EXCHANGE EXPOSURE AND DEBT

For the purpose of optimizing the financial management and control of financial risks linked to holding companies, the Group Central Finance Department has defined and implemented formal management standards, as well as guidelines for monitoring and assessing financial risks. These standards, which have been approved by the Group's Management Committee, are designed to permit a consistent measurement of the positions of each affiliate.

The policy on the management of holding companies' interest rate risk aims at monitoring and limiting the potential medium-term variation in interest expenses and consequently at partially protecting future levels of interest expenses against movements in interest rates. Regarding foreign exchange risk, the implemented policy's objective is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates. The purpose of the policy is therefore to protect partially or in full the value of AXA's net foreign-currency investments in its subsidiaries and thus reduce the variability of Group consolidated shareholders' equity against currency fluctuations, but also of other key indicators such as liquidity, gearing and solvency ratios at Group level. AXA regularly monitors its exchange rate hedging strategy and will continue to review its effectiveness and the potential need to adapt it taking into account impacts on earnings, value, solvency, gearing ratio and liquidity.

The Group Central Finance Department is in charge of producing reporting data that consolidate interest rate, foreign exchange and liquidity risk exposures, as well as the interest expenses of the Company. This reporting also includes medium-term forecasts.

Synthetic reports, including information about hedging strategies, are sent to and reviewed by the Finance Committee of AXA's Board of Directors five times a year.

In addition, the Group Central Finance Department closely monitors risks resulting from regulatory or other restrictions on dividend payments from the Group's operating subsidiaries or limitations on AXA's ability to reduce these subsidiaries' shareholders' equity. The Group's operating subsidiaries must comply with local regulations in the various countries where they operate, including minimum solvency requirements and restrictions on related party transactions. These regulations impose a variety of restrictions and may limit the ability of the Company's operating subsidiaries to pay dividends to the Company or other Group companies, reduce their shareholders' equity, incur debt, engage in certain types of transactions with affiliates (including loans, sales of assets and other financial transactions) or take certain other actions. As a result, internal cash flow projections (including dividend pay-outs) must take into account these constraints and possible future regulatory changes.

Credit risks

Counterparty credit risk is defined as the risk that a third party in a transaction will default on its commitments. Given the nature of its core business activities, AXA monitors two major types of counterparties, using methods suitable to each type:

- investment portfolios held by the Group's insurance operations (excluding assets backing separate-account products where the financial risk is borne by policyholders) as well as by banks and holding companies, and
- receivables from reinsurers resulting from reinsurance ceded by AXA.

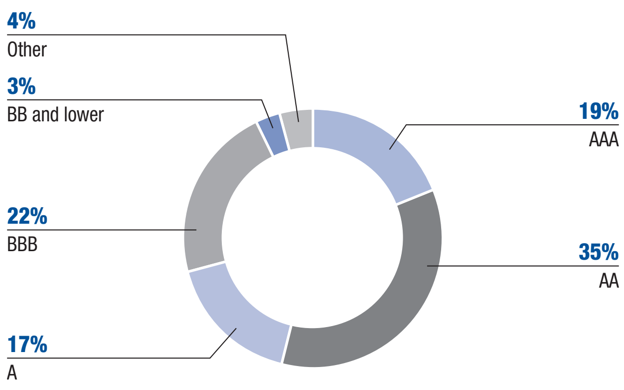
INVESTED ASSETS

AXA Group concentration risk is monitored by different analyses performed at Group level by issuer, sector and geographic region, in addition to local procedures and by a set of Group and local issuer limits.

These limits aim at managing the default risk of a given issuer, depending on the weighted average credit rating of all the bonds pertaining to this issuer (corporate, government, state-owned companies and agencies) and take into account all AXA Group exposure on these issuers through debt securities, equity, derivatives and reinsurance counterparty risk.

Compliance with the limits is ensured by the Group through defined governance. The Group Credit Risk Committee handles, on a monthly basis, the issuer exposure breaches to the Group's limit tolerances and determines coordinated actions for excessive credit concentrations. A Group Credit Team provides credit analysis independently from Group Asset Managers, in addition to local CIO teams. The ALM Supervisory Committee is regularly kept informed of the work performed.

At December 31, 2014, the breakdown of the debt security portfolio (€421.3 billion) by credit rating category was as follows:

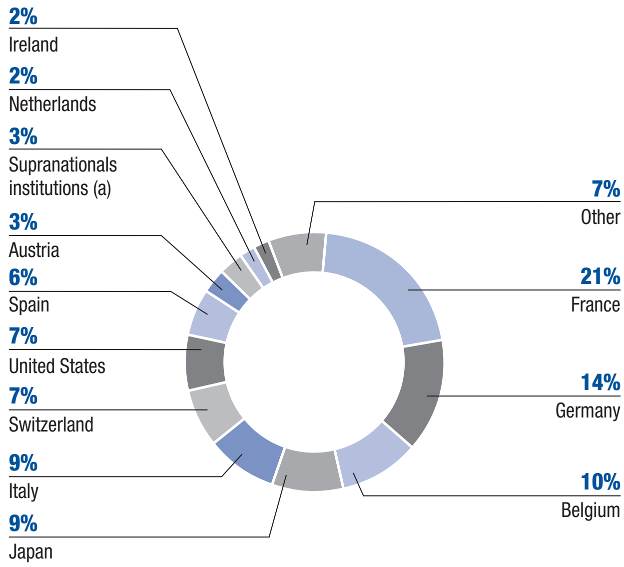


At December 31, 2013, the breakdown of the debt security portfolio (€372.2 billion) by credit rating was: 15% in AAA, 34% in AA, 17% in A, 24% in BBB, 3% in BB and lower, and 7% in other.

Rating changes versus 2013 were mainly driven by debt market evolution in 2014 leading to rating upgrades.

Credit risk diversification and analysis policies, particularly using credit ratings, are implemented by Investment Departments and monitored by Risk Management teams.

At December 31, 2014, the breakdown of Government and Government related bonds fair values (€256 billion) by country was as follows:



(a) Includes mainly European institution issuers (European Investment Bank, European Union, European Financial Stability Facility, Eurofima).

The exposure to sovereign debt securities issued by Governments and related in Greece, Ireland, Italy, Portugal and Spain was as follows:

	December 31, 2014				December 31, 2013 Restated (a)			
Issuer *(In Euro million)*	Fair Value	Amortized Cost	Unrealized gains and losses (Gross value)	Unrealized gains and losses (Net value)	Fair Value	Amortized Cost	Unrealized gains and losses (Gross value)	Unrealized gains and losses (Net value)
Greece	-	-	-	-	-	-	-	-
Ireland	3,817	3,280	537	229	3,344	3,059	286	117
Italy	23,152	19,376	3,739	813	20,135	19,091	1,044	255
Portugal	714	637	76	27	566	652	(86)	(3)
Spain	14,135	11,294	2,839	877	11,126	10,663	463	215
TOTAL	**41,817**	**34,587**	**7,191**	**1,945**	**35,171**	**33,465**	**1,707**	**584**

Government and government related bonds accounted as available-for-sale or designated as at fair value through profit or loss.
Net amounts are presented at 100% share.
(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

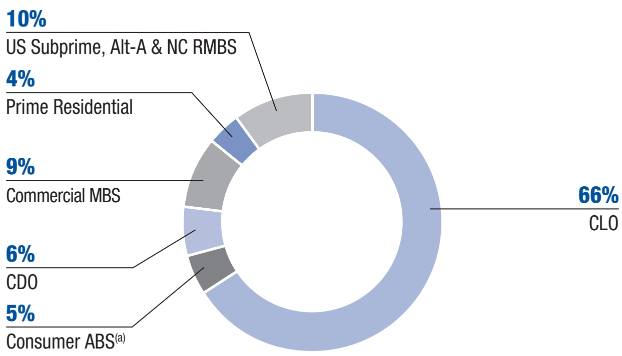
Net amounts correspond to amounts after the related impacts of deferred tax and shadow accounting on policyholders' participation, deferred acquisition cost and value of purchased business in force. Net amounts may evolve depending on the timing of realization of these potential gains and on the local regulatory environment.

Increase in unrealized gains and losses was driven by interest rate decreases in all geographies, in particular in Italian and Spain sovereign bonds.

No impairment charges were booked in respect of the Group exposure to sovereign debt securities issued by governments and related in Greece, Ireland, Italy, Portugal and Spain in 2014 and in 2013.

ASSET BACKED SECURITIES BY UNDERLYING TYPE OF ASSET (EXCLUDING COLLATERALIZED MORTGAGE OBLIGATIONS (CMOS))

At December 31, 2014, the economic breakdown of the total value of ABS (€9.5 billion excluding assets held for sale as well as CMOs and agency pool ABS) was as follows:



[a] Mainly consumer loan ABS (plus some leases and operating ABS assets).

At December 31, 2014, AXA's invested assets included a net exposure to US subprime residential and Alt-A mortgage loans of approximately €0.8 billion (5% equalling or above AA rating).

At December 31, 2013, the economic breakdown of the total value of ABS (€10.3 billion excluding assets held for sale, as well as CMOs and Agency pool ABS) was: 47% in CLO, 9% in Consumer ABS, 19% in CDO, 9% in Commercial MBS, 7% in Prime Residential, 7% in US Subprime & Alt-A, and 1% in Non conforming RMBS. At December 31, 2013, AXA's invested assets included a net exposure to US subprime residential and Alt-A mortgage loans of approximately €0.7 billion (6% equaling or above AA rating).

CREDIT DERIVATIVES

The AXA Group, as part of its investment and credit risk management activities, uses strategies that involve credit derivatives (mostly Credit Default Swaps or CDS), which are mainly used as an alternative to debt security portfolios, when coupled with government debt securities, but also as a protection on single corporate names or specific portfolios.

At December 31, 2014, the nominal amount of positions taken through credit derivatives was €21.5 billion [1] of CDS (cumulated notional amounts of €12.0 billion protections bought and of €9.5 billion protections sold), which can be broken down as follows:

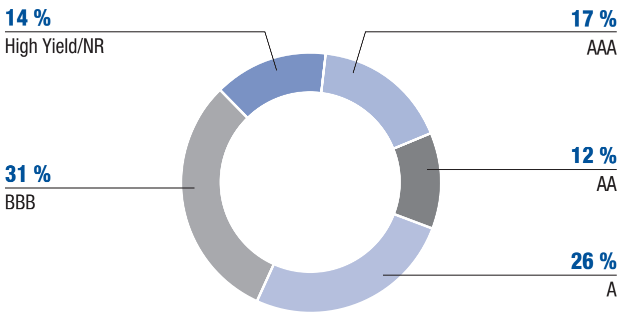
i. €8.5 billion of CDS protections bought to hedge credit risk with regard to certain investments, mostly in corporate bonds;

ii. €3.4 billion of CDS protections bought used to lock the liquidity premium through purchasing bonds and CDS protection on the same name (negative basis trade strategy) mostly in corporate bonds mainly in Japan (€1.8 billion), Switzerland (€1.0 billion) and France (€0.4 billion);

iii. €9.5 billion of CDS protections sold as an alternative to the direct purchase of a corporate bond mainly by holding government bonds and at the same time selling protection on very good quality names. This type of ALM strategy is often implemented to compensate for the lack of depth or liquidity in some markets in order to take synthetic credit risk.

Limits applied to issuers take into account these credit derivative positions.

At December 31, 2014, the breakdown of these CDS's underlying debt securities gross exposure by rating was as follows:



Credit risk relating to CDOs is monitored separately, depending on the tranches held, and regardless of the type of assets held (debt securities or credit derivatives).

Counterparty Risk arising from Over-The-Counter (OTC) Derivatives

AXA actively manages counterparty risk generated by OTC derivatives through a specific Group-wide policy. This policy includes a limit framework and an exposure monitoring process. Limits are set specifically for each authorized counterparty, based on an internal scoring system. This policy also includes daily to weekly collateralization for the majority of the Group's exposure.

(1) This figure represents an accounting view i.e.100% of assets held directly and in consolidated investment funds "Core Investment Portfolios", and excluding credit derivatives in Non consolidated investment funds, in line with Note 20 of the notes to the consolidated financial statements. The Group holds €27.9 billion (notional amount) of credit derivatives as total exposure including consolidated investment funds "Satellite Investment Portfolios"(€0.7 billion).

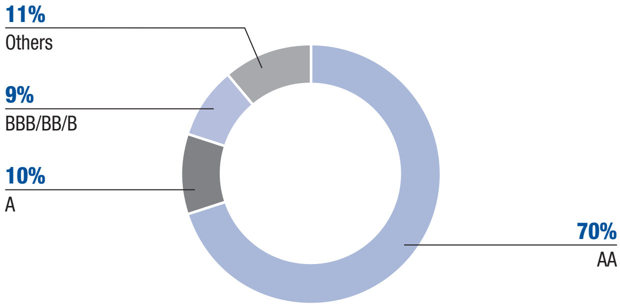
RECEIVABLES FROM REINSURERS: RATING PROCESSES AND FACTORS

To manage the risk of reinsurers' insolvency, a Security Committee is in charge of assessing reinsurers' quality and acceptable commitments. The Committee is under joint authority of Group Risk Management and AXA Global P&C. This risk is monitored to avoid any excessive exposure to any specific reinsurer. The Security Committee meets monthly – and more frequently during renewal periods – and decides on any action to be taken with the aim of limiting AXA's exposure to the risk of default by any of its reinsurers.

In addition, AXA summarizes and analyzes its exposure to all reinsurers by factoring in all positions with reinsurers (claims, premiums, reserves, deposits, pledges and security deposits).

The Group's top 50 reinsurers accounted for 89% of reinsurers' share of insurance and investment contract liabilities in 2014 (versus 89% in 2013).

The breakdown of all reserves ceded to reinsurers by reinsurer rating as of December 31, 2014 (€18.9 billion) was as follows:



The "other" caption relates to reserves ceded to reinsurance pools, reserves ceded to reinsurers with which the AXA Group does limited business (not in the top 50) and reinsurers not rated by the main rating agencies.

At December 31, 2013, the breakdown of reserves ceded to reinsurers (€17.8 billion) by reinsurer rating was: 63% in AA, 12% in A, 14% in BBB/BB/B, and 11% in others.

BANK CREDIT ACTIVITIES

At year end 2014, total invested assets of the banking segment amounted to €35.1 billion (€32.7 billion in 2013).

AXA banking operations, based in Belgium, France and Germany, are mostly limited to retail banking activities, distributing simple investment and credit products.

As such, AXA banks risk management policies are based on their stated Risk Appetite, with the following key principles:

- dedicated counterparty and credit risk functions with appropriate committees;
- quality sovereign, international institutions and bank counterparties portfolio closely monitored;
- adequacy to Group risk standards;
- tightly managed market, asset & liability, foreign exchange and interest rate risks including a strict collateral policy.

Credit risks in the banks may be split between:

- retail credit risk, resulting from the commercial activity – sales of mortgages and other type of loans to retail clients and small enterprises. Credit risk management is done through careful risk selection (*e.g.* in Belgium 'Internal Rating Based' scoring models regularly monitored to ensure a risk selection consistent with each bank's risk appetite) and a regular monitoring of portfolios by product management teams and risk management teams;
- other than retail credit risk, resulting from investment activity. This activity is limited with strong control processes in place.

Credit risks are regularly reviewed by the Management Board of each bank, and are subject to regulation. For instance AXA Bank Europe's internal capital adequacy assessment and strategic planning processes take into account capital required to mitigate all material risks, capital required for expected business growth, liquidity requirements and stress testing results. The bank aims to meet all regulatory capital obligations and to remain sufficiently capitalized in the light of AXA internal capital model.

Insurance risks

The Group's insurance subsidiaries have the primary responsibility to manage their insurance risks linked to underwriting, pricing and reserving, using a set of actuarial tools. They are also responsible for managing appropriately in response to changes in insurance cycles and to the political and economic environments in which they operate.

Insurance risks for both Life & Savings and Property & Casualty businesses are covered through 4 major processes, defined at Group level but performed jointly by central and local teams:

- profitability analysis mainly through procedures governing product approval before launch (new product risk control) that complement well-established underwriting rules;
- optimization of reinsurance strategies to mitigate the risks in order to cap the Group's peak exposures to protect our Solvency and reduce volatility of key financial indicators;
- reviews of technical reserves;
- emerging risks initiative to share expertise within the underwriting and risk communities.

PRODUCT APPROVAL

In each Life & Savings subsidiary, the AXA Group has set up a validation framework which notably relies on the results of the results of the economic capital calculation of AXA internal model (STEC – Short Term Economic Capital) to ensure that new products undergo a thorough approval process before they are put to market. This harmonized approach facilitates the sharing of product innovation across the Group. These procedures are defined by Group Risk Management (GRM) but adapted and implemented locally.

The main characteristics of these procedures are:

- the local decision to launch a new product must result from a documented approval process that complies with AXA Group standards in terms of product features, pricing, ALM and aspects related to legal, compliance, regulatory, accounting and reputation. For Variable Annuity products with guarantees, as well as Long Term Care products, the local governance is supplemented by a centralized review performed by GRM, which is submitted to the Management Committee for formal approval;
- guarantees and options embedded in products must be quantified using market consistent stochastic methods in order to ensure the adequate measure of their "manufacturing cost". Analyses of return on capital across multiple scenarios also provide for a better understanding of any asset-liability mismatch risk and capital requirement at an early stage of the product's lifetime;
- stress tests are required on key financial & technical assumptions to ensure that appropriate "what if" scenarios are considered;
- pricing reports for material products are sent to GRM, which provides a Group reporting on a quarterly basis.

This profitability analysis framework is also used in Property & Casualty as a regular technical & risk audit. Methods are adapted to the underwriting of risks, while maintaining the principle of local decision-making based on a documented approval procedure and using the output of the internal model. The aim is threefold:

- for pre-launch business, to ensure that new risks underwritten by the Group have undergone a rigorous process before the products are offered to customers;
- for post-launch business, to ensure the appropriate profitability and risks control of the in-force P&C underwritings;
- this profitability framework complements underwriting rules to ensure that no risks are taken outside the Group tolerances and that value is created by adequately pricing the risk.

EXPOSURE ANALYSIS

In order to ensure a consolidated view of insurance risks, GRM has developed and deployed common models and metrics to measure risks consistently throughout the Group (in particular *via* its economic capital framework). This is designed to check that the Group's exposure is within the Group's consolidated risk appetite limits, along a number of dimensions (earnings, value, capital and liquidity).

This framework is included in the governance set out previously for product development control.

In the Life & Savings business, these tools allow mortality/longevity risks to be analyzed on a multi-country basis. The AXA Group regularly monitors its exposure to these risks (mortality, longevity, morbidity…) and uses the results of this work to optimize its product design and its reinsurance coverage. These exposure analyses are supported by expert risk models in Life & Savings.

In addition, in the Property & Casualty business, the above mentioned tools also enable analyses on a worldwide basis of market cycle, price elasticity, reinsurers' counterparty risk, claims frequency deviation, reserves adverse development and natural catastrophes, also based on the output of the internal model. The results of this exercise are mainly used to optimize the Group's protection (through reinsurance or securitization) and business-mix.

REINSURANCE

Reinsurance Programs

Reinsurance purchasing is an important part of the Group's insurance and risk management activities.

For the Property & Casualty and Life & Savings operations, reinsurance programs are set up as follows:

- reinsurance placement is mainly handled centrally by AXA Global P&C and AXA Global Life;
- prior to ceding risks, in-depth actuarial analyses and modelling are conducted on each portfolio by AXA Global P&C, AXA Global Life and GRM to optimize the quality and cost of reinsurance cover. They measure frequency risks as well as specific severity risks in P&C (natural catastrophes, storms, floods, earthquakes) and Life (mortality, geographical concentration risk);
- estimates of P&C catastrophic risks are carried out through the use of several catastrophe modeling software available in the market. Even if these software are key to foster discussions with reinsurers, they are regularly assessed within GRM and adjusted to the specific features of AXA's portfolio. Major Natural Catastrophes perils are modeled to a very large extent within the Internal Model of AXA Group: up to 94% of AXA's exposure to earthquakes, windstorms and Floods are covered by the internal model. From an economic capital modeling perspective, climate risks borned by the AXA Group account for 16% of its P&C risks.

Centralization and harmonization of reinsurance purchase is based on the same procedures for both the Life & Savings business as for the Property & Casualty activities.

Implementation of the reinsurance strategy: role of AXA Global P&C

In order to build adjusted and optimized protection, the Group's various operating entities place their reinsurance treaties through AXA Global P&C. A variable part of the local treaties is placed on the domestic reinsurance market through AXA Global P&C. The remaining share is retained and combined at AXA Global P&C level to build internal Group reinsurance pools by line of business.

The structures of these pools are designed to adequately protect the Group in compliance with the Group risk appetite framework. In order to protect these pools, specific covers are arranged through either the traditional reinsurance market or the financial one through securitization (cat bonds).

As opposed to the other internal pools where the risk is retained within AXA Global P&C, 95% of the Property Pool year-end financial result net of external reinsurance protections is retroceded back to local entities.

Finally, in addition to the analyses described above, AXA regularly monitors its exposure to its main reinsurers, to ensure that consolidated limits remain within Group risk tolerance (see Section "Credit Risk – Receivables from reinsurers")

TECHNICAL RESERVES

Operational entities specifically monitor their reserve risks. Claims reserves are estimated and booked on a file by file basis by the claims handlers. Additional reserves for incurred but not reported (IBNR) claims, along with reserves for incurred but not enough reported (IBNER) claims are also booked by reserving actuaries using various statistical and actuarial methods. These calculations are initially carried out locally by the technical departments in charge, and are then reviewed for a second opinion by local risk management teams or external technical experts.

Actuaries in charge of assessing reserves for Property and Casualty claims payable do not use a single method but a selection of approaches such as:

- methods based on the development of claims (paid or incurred) using triangulation methods (*e.g.* chain ladder and link ratio) for which past experience is applied to each loss occurrence or underwriting year, in order to make reserves projections until their estimated final development;
- methods based on claims ratios (such as the ultimate claims ratio);
- hybrid methods combining internal and exogenous data;
- methods based on frequency and severity estimates.

The analysis is segmented differently depending on product type, geographical location, distribution channel, local regulation and other factors, in order to obtain a homogeneous claims base and ensure an appropriate analysis of reserves.

Assumptions are made following discussions with claims managers, pricing actuaries, underwriters and other specialized departments.

For the breakdown of Property and Casualty and International insurance technical reserves please refer to Note 21 of the consolidated financial statements included in Part 4 of this Annual Report.

The breakdown of the Group's Life & Savings technical insurance reserves by product type was as follows:

- 22% at the end of 2014 (22% at the end of 2013) of the Group's Life & Savings technical reserves cover separate-account (Unit-Linked) products that do not materially affect AXA's risk exposure. On these products, the underlying financial market performance is mostly passed on to the policyholders. This category also includes products that may provide a stand-alone guarantee on invested capital in the event of death. Overall, they present only a limited market risk for the Group through reduction of shareholders' value;
- 12% at the end of 2014 (11% at the end of 2013) of the Group's Life & Savings technical reserves cover separate-account products with related interest-rate or equity guarantees provided by the insurance companies, called Variable Annuities. Suitable risk management policies have been put in place with respect to these products:
  - derivatives are used to help mitigate reserve changes linked to these guarantees due to movements in equity, fixed income and foreign exchange markets. Benefits include Guaranteed Minimum Death Benefits (GMDB), Guaranteed Minimum Income Benefits (GMIB), Guaranteed Minimum Accumulation Benefits (GMAB) and Guaranteed Minimum Withdrawal Benefits (GMWB),
  - biometric risks (*e.g.* longevity/mortality) and policyholder behaviours (notably lapses and annuity election rates), are regularly monitored. The hedging programmes embed dynamic policyholder behaviours to a range of possible market situations;
- 14% at the end of 2014 (13% at the end of 2013) cover savings products without guaranteed cash values upon surrender;
- 20% at the end of 2014 (21% at the end of 2013) are related to savings products offering one-year guaranteed rates that are updated every year. The risks arising from a sustained fall in interest rates in the financial markets are limited for these types of products. Hedging programs have been implemented to cover long-term fixed maturities from the risk of an increase in interest rates;
- 31% at the end of 2014 (32% at the end of 2013) cover other products like Protection and Health. These reserves cover surrender guarantees and, in some cases, a guaranteed long-term rate. Related risks are managed in the following ways:
  - products that are not surrender-sensitive are usually backed by fixed-income investments with maturities and interest rates generally sufficient to cover guaranteed benefits, so as to reduce as much as possible the reinvestment risk,
  - derivatives may be used to hedge the risk of a fall (floor) or a rise (cap) in interest rates,
  - other products are managed with the surplus required to cover guarantees.

Operational risks

AXA has defined a framework to identify and measure its operational risks that may arise from a failure in its organization, systems and resources or from external events. Ensuring an adequate mitigation of these risks across the Group is a key pillar of the Risk Management functions.

GENERAL PRINCIPLES

Guided by the principles set forth by the Basel Committee on banking supervision, AXA defines operational risk as the risk of loss resulting from inadequate or failed processes, people or systems. This inadequacy or failure may come from internal or external causes. Legal impacts are included but Reputation risks & risks arising from strategic decisions are excluded.

AXA has defined a single Group framework for identifying, quantifying and monitoring the main operational risks, involving the deployment of a common system, dedicated operational risk teams and a common operational risk typology classifying operational risks into seven risk categories: internal fraud, external fraud, employment practices and workplace safety, clients, products and business practices, damages to physical assets, business disruption and system failures and execution, delivery and process management.

The implementation of the Operational risk framework is not limited to insurance activities but encompasses all AXA entities, including insurance companies, banking activities, AXA asset managers and internal service providers.

Both quantitative and qualitative requirements are defined.

- the most critical operational risks of each entity and a set of transversal Group stress scenarios are assessed following a forward-looking and expert opinion approach. These risks are then aggregated using actuarial methods to estimate the capital allocation needed to cover operational risks based on advanced models. Operational Risk profile is embedded into local governance through senior management validation to ensure adequate corrective and pre-emptive action of the main risks;
- in addition, a loss data collection process is in place in most companies of the Group in order to track and appropriately mitigate actual operational losses. This process is also used as a valuable source of information to back-test the assumptions taken in local risk assessments.

Examples of initiative to reduce Operational risks:

Financial Crime

AXA is firmly committed to combating money laundering and terrorist financing. This commitment is embodied in a specific Anti-Money Laundering Charter that was initially adopted in 2002. In line with this Charter, each AXA Group Company is required to maintain procedures based on Group standards and principles, in addition to those required by applicable local regulations, and to appoint an anti-money laundering officer. The "know your customer" principle is crucial in this respect, and is fundamental to all transactions. The Group Charter is reviewed and updated on a regular basis by taking into account international legal and regulatory developments.

Group Insurance Covers

Outputs of the Operational Risk Internal model are considered when defining the Group Insurance Covers.

The purchase of insurance on the Group's proprietary assets and risks is largely decentralized with Group subsidiaries responsible for identifying risks and purchasing their own insurance, such as property damage and public liability insurance, according to their local exposures and market conditions. As part of the general governance principles, subsidiaries may arrange protection with external insurers or with an internal AXA Group insurer.

AXA Global P&C, however, is mandated to buy certain types of Group-wide insurance programs for risks shared by all AXA Group companies. These policies cover directors' and officers' liability, professional liability, fraud and cyber Risks and are:

- Group-wide insurance programs covering all AXA Group entities with the exception of AXA Financial and its subsidiaries, which traditionally arrange cover within local market;
- reviewed and approved annually by the Management Committee to ensure that AXA has achieved competitive terms and conditions. The insurers used by the Group are acknowledged international leaders and financially sound.

Other Risks

EMERGING RISKS

Emerging Risks are risks which may develop or which already exist and are continuously evolving. Emerging risks are marked by a high degree of uncertainty; as some of them will even never emerge.

Through its Emerging Risks initiative, AXA has established processes to qualify and quantify emerging risks which could develop over-time and become significant. This initiative also allows expertise to be shared within the underwriting and risk communities and ensures adequate underwriting policies are defined.

Emerging Risks surveillance is organized through a detection process including watch on scientific publications, court decisions, etc. Risks are monitored and classified within a risk mapping constituted of four sub-groups (legal/regulatory, environmental, socio-economical and technological). After prioritization of the monitored risks or after a warning from an entity, a working group is launched on a yearly basis by GRM to review a specific risk and its potential impact in terms of insurance.

By developing relationships with researchers and supporting innovative projects in environmental risks, the AXA Research Fund (see appendix VII) is a key contributor to AXA's commitment to better understand climate change.

By seeking to develop new solutions, acting as an advisor on risk management and actively contributing to the overall debate about the issues involved, along with other major market players, AXA intends to promote a better understanding and better forecasting of the emerging risks and to support sustainable development.

STRATEGIC RISK

A strategic risk is the risk that a negative impact (current or prospective) on earnings or capital, material at the Group level, arises from a lack of responsiveness to industry changes or adverse business decisions regarding:

- significant changes in footprint, including through mergers and acquisitions;
- product offering and client segmentation;
- distribution model (channel mix including alliances/ partnerships, multi-access and digital distribution).

REPUTATION RISK

AXA has defined a complete framework to protect its reputation, notably regarding communication to shareholders, customers, staff, and more broadly the financial community, on its strength and financial soundness through:

- a tailored and daily basis communication at both internal and external levels (AXA's intranet and specific hotline to answer questions of shareholders and staff, letters sent to customers and articles posted on AXA's website);
- a continuous monitoring of our online reputation (web and media monitoring system);
- an extensive communication of our management team to international media.

REGULATORY RISKS

For further information on the regulatory environment in which AXA operates including regulatory risks, please see Section 3.1 "Regulations" of Part 3 of this Annual Report.

3.4 INVESTMENT COMMUNITY AND ORGANIZATION

AXA, as an insurance company, follows an investment strategy that is mainly driven by Asset Liability Management (ALM). The overall objectives of all investment decisions are to ensure that AXA's obligations and commitments to policyholders are met at all times, to protect the solvency of the Group's entities, and to generate superior returns over time.

Governance of Investment strategy and asset & liability management (ALM)

GROUP AND LOCAL GUIDANCES ON INVESTMENTS

The Group Chief Investment Officer (Group CIO) leads the Group-wide community of local insurance companies CIOs, the central Investment & ALM Department and reports to the Group Chief Financial Officer (Group CFO). His role includes aligning AXA's investment strategy with the broader strategy of the Group, fostering closer cooperation amongst local entities, enhancing methodology, and steering investment decisions.

Local investment & ALM activities are steered by local CIOs. Local CIOs manage local portfolios, aiming at an optimised risk-return ratio, maintain reporting lines to the Group, and manage close relationships with asset managers and local stakeholders. Moreover, they are responsible for the investment performance and for implementing and executing a sound asset liability management.

GROUP AND LOCAL GOVERNANCE BODIES

In order to efficiently coordinate local and global Investment processes, decisions within the investment community are taken by two main governance bodies:

- the Group Investment Committee which is co-chaired by the Group Deputy CEO and the CEO of AXA France. This committee defines investment strategies, steers tactical asset allocation, evaluates new investment opportunities and monitors the Group's investment performance;
- the Asset Liability Management Supervisory Committee for which the Group Investment and ALM Management Department is an important member – Please refer to Section 3.3 of this report for more details.

At an Entity level, each Insurance company has a Local Investment and ALM Committee whose terms of reference are approved by the local Board.

These committees are responsible for, *inter alia*, defining the entity's Strategic Asset Allocation, approving and monitoring investments, complying with local compliance obligations and participating to investment proposals syndicated by the Group.

ALM STUDIES AND STRATEGIC ASSET ALLOCATION

ALM aims at matching assets with the liabilities generated by the sale of insurance policies. The objective is to define the optimal asset allocation so that all liabilities can be met with the highest degree of confidence while maximizing the expected investment return.

ALM studies are performed by Investment & ALM Department with the support of internal asset managers and local Risk Management Departments. They use methodologies and modelling tools that develop deterministic and stochastic scenarios, embedding policyholder behaviour considerations for the liabilities, financial market evolution for the assets and taking into account existing interaction between the two. This process aims at maximizing expected returns given a set level of risk. Furthermore, a series of additional constraints are considered, such as Solvency II internal model considerations, earnings stability, protection of the solvency margin, preservation of liquidity, as well as local and consolidated capital adequacy and requirement.

ALM constraints are also taken into account when new insurance products are being designed as part of the product approval process (see Section "Insurance risk – Product approval").

At local entity level, the strategic asset allocation issued from the ALM study must be approved by local risk management, mainly with regards to predefined risk appetite limits, before being fully endorsed by the Local Investment and ALM Committee. The strategic asset allocation allows for taking a tactical stance within a given leeway.

INVESTMENT APPROVAL PROCESS

Investment opportunities, like non-standard investments, new strategies or new structures, are subject to an Investment Approval Process (IAP). The IAP ensures key characteristics of the investment are analysed, such as risk and return expectations, experience and expertise of the investment management teams, as well as accounting, tax, legal and reputational issues. The IAP is completed at Group level for any significant investment, notably if several local entities are participating to the same investment. In that case, the successful completion of an IAP is done after the production of a second independent opinion by Group Risk Management. The IAP is used and completed at local level to cover local characteristics (tax, statutory accounting…).

GOVERNANCE FRAMEWORK FOR DERIVATIVES

Products involving hedging programs based on derivative instruments are designed with the support of dedicated teams at AXA Bank Europe, AXA Investment Managers, AllianceBernstein, AXA US and AXA SA. In a similar way, this set-up ensures all entities benefit from technical expertise, legal protection and good execution of such transactions within the following governance framework for derivatives.

Derivative strategies are systematically reviewed and validated by local Investment and ALM Committees. In addition, there is a segregation of duties between those responsible for making investment decisions, executing transactions, processing trades and instructing the custodian. This segregation of duties aims in particular at avoiding conflicts of interest.

The market risks arising from derivatives are regularly monitored taking into account the Group's various constraints (Risk appetite, Internal model…). Such monitoring is designed to ensure market risks, coming either from cash or derivative instruments, are properly controlled and remain within approved limits.

Legal risk is addressed by defining a standardized master agreement. AXA business units may trade derivatives only if they are covered by legal documentation which complies with the requirements set out in the Group standard. Any change to certain mandatory provisions defined in the Group standard must be approved by Group Risk Management.

Additionally, there is a centralized counterparty risk policy. Group Risk Management has established rules on authorized counterparties, minimum requirements regarding collateral, and counterparty exposure limits.

The operational risk related to derivatives is measured and managed in the context of AXA's global operational risk framework. Furthermore, execution and management of derivatives are centralized within dedicated teams, reducing AXA Group's operational risk.

Valuation Risk is addressed through the use of expert teams. They independently counter-valuate the derivatives positions so as to get appropriate accounting, payment and collateral management but as well on the prices proposed by counterparties in case the AXA entity wished to initiate, early terminate or restructure derivatives. Such capacity in pricing requires high-level expertise, which relies on rigorous market analysis and the ability to follow the most up-to-date market developments for new derivatives instruments.

INVESTMENT AND ASSET MANAGEMENT

For a large proportion of its assets, AXA utilizes the services of asset managers to invest in the market:

- local AXA companies mandate the day-to-day management of their asset portfolios primarily to AXA's asset management subsidiaries, *i.e.* AXA Investment Managers and AllianceBernstein. Local CIOs continuously monitor, analyse, and challenge asset managers' performances;
- in order to benefit from a more asset specific expertise and/or geographical expertise, AXA can also decide to invest through external asset managers. In these cases, thorough due diligence analyses are performed by the Investment and the Risk Management communities and a continuous monitoring is implemented both at Group and Local level.

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4 CONSOLIDATED FINANCIAL STATEMENTS

4.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In Euro million) Notes		December 31, 2014 [a]	December 31, 2013 Restated [b]	January 1, 2013 Restated [b] [c]
5	Goodwill	16,053	14,819	15,754
6	Value of purchased business in force [d]	2,297	2,382	2,685
7	Deferred acquisition costs and equivalent	21,119	19,345	19,042
8	Other intangible assets	3,149	3,159	3,349
	Intangible assets	**42,618**	**39,705**	**40,830**
	Investments in real estate properties	18,610	17,479	17,019
	Financial investments	480,959	426,310	441,573
	Assets backing contracts where the financial risk is borne by policyholders [e]	181,082	162,186	147,162
9	**Investments from insurance activities**	**680,651**	**605,976**	**605,754**
9	**Investments from banking and other activities**	**39,535**	**35,790**	**33,298**
10	**Investments accounted for using the equity method**	**1,842**	**1,428**	**1,347**
14	**Reinsurers' share in insurance and investment contracts liabilities**	**18,895**	**17,808**	**10,620**
	Tangible assets	1,322	1,259	1,457
14	Deferred policyholders' participation assets	-	-	4
19	Deferred tax assets	1,406	2,240	3,054
	Other assets	**2,728**	**3,499**	**4,516**
	Receivables arising from direct insurance and inward reinsurance operations	14,688	14,096	14,926
	Receivables arising from outward reinsurance operations	871	710	745
	Receivables – current tax	1,511	1,885	1,855
	Other receivables	13,501	12,926	15,315
11	**Receivables**	**30,570**	**29,617**	**32,841**
5	**Assets held for sale**	**1,181**	**164**	**181**
12	**Cash and cash equivalents**	**22,048**	**21,455**	**30,375**
	TOTAL ASSETS	**840,069**	**755,441**	**759,762**

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

(a) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

(c) Before 2013, AXA Japan closed its full year accounts at September 30. Given significant movements in foreign exchange rates between September 30, 2012 and December 31, 2012, opening balance sheet items at January 1, 2013 were translated using December 31, 2012 exchange rate. Starting with 2013 annual accounts, AXA Life Japan aligned its closing date with the Group calendar year.

(d) Amounts are gross of tax.

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

(In Euro million) **Notes**		December 31, 2014 [a]	December 31, 2013 Restated [b]	January 1, 2013 Restated [b] [c]
	Share capital and capital in excess of nominal value	26,610	26,199	25,549
	Reserves and translation reserve	33,585	22,242	28,058
	Net consolidated income – Group share [d]	5,024	4,482	n/a
	Shareholders' equity – Group share	**65,219**	**52,923**	**53,606**
	Minority interests	**2,815**	**2,520**	**2,371**
13	**TOTAL SHAREHOLDERS' EQUITY**	**68,034**	**55,444**	**55,977**
	Subordinated debt	7,146	7,986	7,317
	Financing debt instruments issued	1,586	1,568	2,514
	Financing debt owed to credit institutions	-	853	831
17	**Financing debt [e]**	**8,733**	**10,407**	**10,662**
	Liabilities arising from insurance contracts	371,474	348,334	362,292
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders [f]	142,042	125,593	113,921
	Total liabilities arising from insurance contracts	**513,516**	**473,928**	**476,213**
	Liabilities arising from investment contracts with discretionary participating features	33,669	33,850	36,350
	Liabilities arising from investment contracts with no discretionary participating features	481	99	251
	Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	4,053	4,243	4,080
	Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	35,246	32,682	29,983
	Total liabilities arising from investment contracts	**73,449**	**70,874**	**70,664**
	Unearned revenue and unearned fee reserves	3,037	2,999	2,897
	Liabilities arising from policyholders' participation and other obligations	48,491	26,271	31,357
	Derivative instruments relating to insurance and investment contracts	(2,837)	(1,086)	(2,053)
14	**LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS**	**635,656**	**572,985**	**579,079**
15	**Liabilities arising from banking activities [e]**	**37,402**	**35,375**	**33,495**
16	**Provisions for risks and charges**	**12,656**	**10,393**	**11,951**
19	**Deferred tax liabilities**	**5,741**	**4,223**	**5,170**
	Minority interests of consolidated investment funds and puttable instruments held by minority interest holders	10,241	7,795	4,005
	Other debt instruments issued, notes and bank overdrafts [e]	1,993	2,550	3,123
	Payables arising from direct insurance and inward reinsurance operations	8,831	8,305	8,937
	Payables arising from outward reinsurance operations	12,538	12,225	5,350
	Payables – current tax	1,616	968	1,170
	Collateral debts relating to investments under a lending agreement or equivalent	21,331	20,909	24,397
	Other payables	14,352	13,862	16,446
18	**Payables**	**70,902**	**66,615**	**63,428**
5	**Liabilities held for sale**	**946**	**-**	**-**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**840,069**	**755,441**	**759,762**

(a)) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

(c) Before 2013, AXA Japan closed its full year accounts at September 30. Given significant movements in foreign exchange rates between September 30, 2012 and December 31, 2012, opening balance sheet items at January 1, 2013 were translated using December 31, 2012 exchange rate. Starting with 2013 annual accounts, AXA Life Japan aligned its closing date with the Group calendar year.

(d) AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. Therefore, its contribution to the AXA consolidated result for the 2013 annual accounts exceptionally covered a period of fifteen months.

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

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

4.2 CONSOLIDATED STATEMENT OF INCOME

(In Euro million, except EPS in Euro) Notes		December 31, 2014	December 31, 2013 Restated [a] [b]
	Gross written premiums	86,267	85,481
	Fees and charges relating to investment contracts with no participating features	327	323
	Revenues from insurance activities	**86,595**	**85,804**
	Net revenues from banking activities	559	518
	Revenues from other activities	4,834	4,900
21	**Revenues** [c]	**91,988**	**91,221**
	Change in unearned premiums net of unearned revenues and fees	**(298)**	**(248)**
	Net investment income [d]	16,139	11,666
	Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity [e]	1,924	2,410
	Net realized gains and losses and change in fair value of investments at fair value through profit and loss [f]	12,325	20,621
	of which change in fair value of assets with financial risk borne by policyholders [g]	*9,520*	*22,180*
	Change in investments impairment [h]	(579)	(744)
22	**Net investment result excluding financing expenses**	**29,810**	**33,953**
	Technical charges relating to insurance activities [g]	(93,441)	(96,519)
23	Net result from outward reinsurance	(762)	(1,156)
	Bank operating expenses	(106)	(108)
25	Acquisition costs	(9,568)	(9,993)
	Amortization of the value of purchased business in force	(228)	(409)
25	Administrative expenses	(9,227)	(9,624)
	Change in goodwill impairment and other intangible assets impairment	(118)	(157)
	Other income and expenses	(338)	(234)
	Other operating income and expenses	**(113,789)**	**(118,199)**
	Income from operating activities before tax	**7,710**	**6,727**
10	Income (net of impairment) from investment accounted for using the equity method	(73)	139
24	Financing debts expenses [i]	(509)	(618)
	Net income from operating activities before tax	**7,128**	**6,249**
19	Income tax	(1,791)	(1,462)
	Net consolidated income after tax	**5,337**	**4,786**
	Split between:		
	Net consolidated income – Group share	5,024	4,482
	Net consolidated income – Minority interests	313	304
27	**Earnings per share**	**1.95**	**1.76**
	Fully diluted earnings per share	**1.94**	**1.75**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. Therefore, its contribution to the AXA consolidated result for the 2013 annual accounts exceptionally covered a period of fifteen months.
(c) Gross of reinsurance.
(d) Net of investment management costs and including gains/losses from derivatives hedging variable annuities.
(e) Includes impairment releases on investments sold.
(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).

4.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In Euro million)	December 31, 2014 [(a)]	December 31, 2013 [(b)]
Reserves relating to changes in fair value through shareholders' equity	7,131	(2,339)
Translation reserves	2,625	(2,453)
Items that may be reclassified subsequently to Profit or Loss	**9,756**	**(4,791)**
Employee benefits actuarial gains and losses	(1,239)	726
Items that will not be reclassified subsequently to Profit or Loss	**(1,239)**	**726**
Net gains and losses recognized directly through shareholders' equity	**8,517**	**(4,066)**
Net consolidated income	**5,337**	**4,786**
Split between:		
Net consolidated income – Group share	5,024	4,482
Net consolidated income – Minority interests	313	304
TOTAL COMPREHENSIVE INCOME (CI)	**13,854**	**721**
Split between:		
Total comprehensive income – Group share	13,303	469
Total comprehensive income – Minority interests	552	252

(a) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

(b) AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. Therefore, its contribution to the AXA consolidated result for the 2013 annual accounts exceptionally covered a period of fifteen months.

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

4.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital				
(In Euro million, except for number of shares and nominal value)	Number of shares (in thousands)	Nominal value (In Euros)	Share Capital	Capital in excess of nominal value	Treasury shares
Shareholders' equity opening January 1, 2014	**2,417,865**	**2.29**	**5,537**	**21,170**	**(188)**
Capital	24,411	2.29	56	-	-
Capital in excess of nominal value	-	-	-	309	-
Equity – share based compensation	-	-	-	35	-
Treasury shares	-	-	-	-	24
Others reserves – transaction on treasury shares	-	-	-	-	-
Equity component of compound financial instruments	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-
Financial expenses – Undated subordinated debt	-	-	-	-	-
Others (including impact on change in scope) (c)	-	-	-	-	-
Dividends paid	-	-	-	-	-
Impact of transactions with shareholders	**24,411**	**2.29**	**56**	**344**	**24**
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-
Translation reserves	-	-	-	-	-
Employee benefits actuarial gains and losses	-	-	-	-	-
Net consolidated income	-	-	-	-	-
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**
Shareholders' equity closing December 31, 2014 (d)	**2,442,277**	**2.29**	**5,593**	**21,515**	**(164)**

Note: 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 13.1.1).

(b) As described in Note 1.2.1, comparative information related as of January 1, 2014 was retrospectively restated for the implementation of IFRS 10 and 11.

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

(d) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

Attributable to shareholders						
Other reserves						
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 Restated [(b)]
8,488	**162**	**5,418**	**(4,973)**	**17,310**	**52,923**	**2,520**
-	-	-	-	-	**56**	**-**
-	-	-	-	2	**311**	**-**
-	-	-	-	-	**35**	**-**
-	-	-	-	-	**24**	**-**
-	-	(14)	-	-	**(14)**	**-**
-	-	-	-	-	**-**	**-**
-	-	956	-	-	**956**	**-**
-	-	(307)	-	-	**(307)**	**-**
-	-	-	-	(108)	**(108)**	**(257)**
-	-	-	-	(1,960)	**(1,960)**	**-**
-	**-**	**636**	**-**	**(2,066)**	**(1,006)**	**(257)**
6,839	238	-	-	-	**7,077**	**54**
-	-	418	2,014	-	**2,432**	**193**
-	-	-	-	(1,230)	**(1,230)**	**(8)**
-	-	-	-	5,024	**5,024**	**313**
6,839	**238**	**418**	**2,014**	**3,794**	**13,303**	**552**
15,327	**400**	**6,472**	**(2,960)**	**19,038**	**65,219**	**2,815**

4

	Share Capital				
(In Euro million, except for number of shares and nominal value)	Number of shares (in thousands)	Nominal value (In Euros)	Share Capital	Capital in excess of nominal value	Treasury shares
Shareholders' equity opening January 1, 2013	**2,388,611**	**2.29**	**5,470**	**20,749**	**(364)**
Capital	29,254	2.29	67	-	-
Capital in excess of nominal value	-	-	-	375	-
Equity – share based compensation	-	-	-	46	-
Treasury shares	-	-	-	-	176
Others reserves – transaction on treasury shares	-	-	-	-	-
Equity component of compound financial instruments	-	-	-	-	-
Undated subordinated debt	-	-	-	-	-
Financial expenses – Undated subordinated debt	-	-	-	-	-
Others (including impact on change in scope) (c)	-	-	-	-	-
Dividends paid	-	-	-	-	-
Impact of transactions with shareholders	**29,254**	**2.29**	**67**	**421**	**176**
Reserves relating to changes in fair value through shareholders' equity	-	-	-	-	-
Translation reserves	-	-	-	-	-
Employee benefits actuarial gains and losses	-	-	-	-	-
Net consolidated income	-	-	-	-	-
Total Comprehensive Income (CI)	**-**	**-**	**-**	**-**	**-**
Shareholders' equity closing December 31, 2013	**2,417,865**	**2.29**	**5,537**	**21,170**	**(188)**

Note: 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 13.1.1).
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(c) Including changes in ownership interest in consolidated subsidiaries without losing control.

Attributable to shareholders						
Other reserves						
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 Restated [(b)]
10,887	**134**	**5,735**	**(2,889)**	**13,884**	**53,606**	**2,371**
-	-	-	-	-	67	-
-	-	-	-	-	375	-
-	-	-	-	-	46	-
-	-	-	-	-	176	-
-	-	(8)	-	-	(8)	-
-	-	-	-	-	-	-
-	-	252	-	-	252	-
-	-	(284)	-	-	(284)	-
-	-	-	-	(55)	(55)	(103)
-	-	-	-	(1,720)	(1,720)	-
-	**-**	**(41)**	**-**	**(1,775)**	**(1,152)**	**(103)**
(2,399)	29	-	-	-	(2,371)	32
-	-	(277)	(2,085)	-	(2,361)	(91)
-	-	-	-	718	718	7
-	-	-	-	4,482	4,482	304
(2,399)	**29**	**(277)**	**(2,085)**	**5,201**	**469**	**252**
8,488	**162**	**5,418**	**(4,973)**	**17,310**	**52,923**	**2,520**

4.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(In Euro million)	December 31, 2014	December 31, 2013 Restated [(a)]
Operating income including discontinued operation before tax	**7,128**	**6,249**
Net amortization expense [(b)]	726	1,083
Change in goodwill impairment and other intangible assets impairment [(c)]	19	51
Net change in deferred acquisition costs and equivalent	(1,252)	(769)
Net increase/(write back) in impairment on investments, tangible and other intangible assets	619	777
Change in fair value of investments at fair value through profit or loss	(14,097)	(24,910)
Net change in liabilities arising from insurance and investment contracts [(d)]	20,265	14,130
Net increase/(write back) in other provisions [(e)]	64	415
Income (net of impairment) from investment accounted for using the equity method	73	(139)
Adjustment of non cash balances included in the operating income before tax	**6,418**	**(9,363)**
Net realized investment gains and losses	(222)	1,818
Financing debt expenses	509	618
Adjustment for reclassification to investing or financing activities	**287**	**2,436**
Dividends recorded in profit or loss during the period	(3,277)	(3,451)
Investment income & expense recorded in profit or loss during the period [(f)]	(14,143)	(9,340)
Adjustment of transactions from accrued to cash basis	**(17,420)**	**(12,791)**
Net cash impact of deposit accounting	1,684	627
Dividends and interim dividends collected	3,848	3,791
Investment income [(f)]	17,725	12,551
Investment expense (excluding interests on financing and undated subordinated debts, margin calls and others)	(3,286)	(2,864)
Net operating cash from banking activities	(287)	(294)
Change in operating receivables and payables	10	6,502
Net cash provided by other assets and liabilities [(g)]	(1,267)	1,983
Tax expenses paid	(589)	(1,212)
Other operating cash impact and non cash adjustment	(1,315)	(2,299)
Net cash impact of transactions with cash impact not included in the operating income before tax	**16,522**	**18,786**
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	**12,935**	**5,317**
Purchase of subsidiaries and affiliated companies, net of cash acquired	(482)	(13)
Disposal of subsidiaries and affiliated companies, net of cash ceded	40	364
Net cash related to changes in scope of consolidation	**(442)**	**352**
Sales of debt instruments [(g)]	49,689	56,119
Sales of equity instruments and non consolidated investment funds [(g)] [(h)]	21,367	25,447
Sales of investment properties held directly or not [(g)]	1,149	1,467
Sales and/or repayment of loans and other assets [(g)] [(i)]	27,860	22,988

(In Euro million)	December 31, 2014	December 31, 2013 Restated [(a)]
Net cash related to sales and repayments of investments [(g) (h) (i)]	**100,065**	**106,020**
Purchases of debt instruments [(g)]	(53,556)	(60,900)
Purchases of equity instruments and non consolidated investment funds [(g) (h)]	(23,956)	(24,650)
Purchases of investment properties held direct or not [(g)]	(2,089)	(2,142)
Purchases and/or issues of loans and other assets [(h) (i)]	(29,319)	(27,126)
Net cash related to purchases and issuance of investments [(g) (h) (i)]	**(108,920)**	**(114,819)**
Sales of tangible and intangible assets	11	14
Purchases of tangible and intangible assets	(353)	(348)
Net cash related to sales and purchases of tangible and intangible assets	**(342)**	**(334)**
Increase in collateral payable/Decrease in collateral receivable	32,634	37,558
Decrease in collateral payable/Increase in collateral receivable	(31,324)	(40,250)
Net cash impact of assets lending/borrowing collateral receivables and payables	**1,310**	**(2,692)**
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	**(8,329)**	**(11,473)**
Issuance of equity instruments	1,368	1,084
Repayments of equity instruments	(35)	(381)
Transactions on treasury shares	56	156
Dividends payout	(2,235)	(1,954)
Interests on undated subordinated debts paid	(639)	(425)
Acquisition/sale of interests in subsidiaries without change in control	(55)	(120)
Net cash related to transactions with shareholders	**(1,542)**	**(1,640)**
Cash provided by financial debts issuance	2,990	1,039
Cash used for financial debts repayments	(5,175)	(854)
Interests on financing debt paid [(j)]	(180)	(491)
Net interest margin of hedging derivatives on financing debt	(221)	27
Net cash related to Group financing	**(2,586)**	**(279)**
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	**(4,128)**	**(1,918)**
CASH AND CASH EQUIVALENT AS OF JANUARY 1 [(k)]	**20,477**	**29,930**
Net cash provided by operating activities	12,935	5,317
Net cash provided by investing activities	(8,329)	(11,473)
Net cash provided by financing activities	(4,128)	(1,918)
Impact of change in consolidation method and of reclassifications as held for sale [(l)]	(24)	(16)
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	700	(1,364)
CASH AND CASH EQUIVALENT AS OF DECEMBER 31 [(k) (m)]	**21,631**	**20,477**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes premiums/discounts capitalization and relating amortization, amortization of investment and owner occupied properties (held directly).
(c) Includes impairment and amortization of intangible assets booked in the context of business combinations.
(d) Includes impact of reinsurance and change in liabilities arising from contracts where the financial risk is borne by policyholders.
(e) Mainly includes change in provisions for risks & charges, for bad debts/doubtful receivables and change in impairment of assets held for sale.
(f) Includes gains/losses from derivatives hedging variable annuities.
(g) Includes related derivatives.
(h) Includes equity instruments held directly or by consolidated investment funds as well as non consolidated 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.
(l) In 2014, the amount includes the assets and liabilities of the Mandatory Provident fund (MPF) and Occupational Retirement Schemes Ordinance (ORSO) businesses in Hong Kong that were classified as held for sale.
(m) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

Cash and cash equivalents are presented in Note 12.

4.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, Americas 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 financial statements.

AXA is listed on Euronext Paris Compartiment A.

These consolidated financial statements including all notes were finalized by the Board of Directors on March 19, 2015.

1.2. GENERAL ACCOUNTING PRINCIPLES

1.2.1. Basis for preparation

AXA's consolidated financial statements are prepared as of December 31. However, until 2013 certain subsidiaries within AXA had a different reporting year end. In particular, AXA Life Japan previously closed its full year accounts on September 30, however it aligned its closing date with the Group calendar year starting with the 2013 annual accounts. Therefore, the contribution of AXA Life Japan to the Group net consolidated income for the 2013 annual accounts exceptionally covered a period of fifteen months.

The consolidated financial statements are prepared in compliance with IFRS standards and interpretations of the IFRS Interpretations Committee that are endorsed by the European Union before the balance sheet date with a compulsory date of January 1, 2014. The Group does not use the "carve out" option allowing it not to apply all hedge accounting principles required by IAS 39.

STANDARDS, AMENDMENTS AND INTERPRETATION PUBLISHED AND ADOPTED ON JANUARY 1, 2014

A package of five new and revised standards was published on May 12, 2011 (followed by amendments for investment entities published on October 31, 2012) addressing the accounting for consolidation, involvement in joint arrangements and disclosure of involvement with other entities.

- 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.
- IFRS 11 – Joint Arrangements 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.
- IFRS 12 – Disclosures of Interests in Other Entities requires enhanced disclosures for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- Amended IAS 27 – Separate Financial Statements sets out the unchanged requirements relating to separate financial statements. The other portions of IAS 27 are replaced by IFRS 10.
- Amended IAS 28 – Investments in Associates and Joint Ventures includes amendments for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

The retrospective application of these standards and amendments by AXA resulted in:

- the change in the consolidation method of a limited number of investment funds and real estate companies (with the full consolidation of some entities previously accounted for under the equity method or not consolidated, and, in contrast, the deconsolidation of others);
- the change from the proportionate consolidation method to the equity method for joint ventures, in particular Natio Assurances.

The changes have no impact on the total of the profit or loss for the current year and prior year and on shareholders' equity – Group share reported. The retrospective effects on the aggregates of the consolidated statement of financial position and the consolidated statement of income are as follows:

	Consolidated statement of financial position					
(In Euro million)	December 31, 2013 Published	December 31, 2013 Restated	Effect of the changes	January 1, 2013 Published	January 1, 2013 Restated	Effect of the changes
Intangible assets	39,710	39,705	(5)	40,835	40,830	(5)
Investments from insurance activities	606,039	605,976	(64)	605,823	605,754	(69)
Investments from banking and other activities [(a)]	37,360	35,790	(1,570)	35,199	33,298	(1,901)
Investments accounted for using the equity method	1,387	1,428	41	1,312	1,347	35
Reinsurers' share in insurance and investment contracts liabilities	17,727	17,808	80	10,558	10,620	63
Other assets	3,505	3,499	(6)	4,522	4,516	(6)
Receivables	29,663	29,617	(45)	32,887	32,841	(46)
Assets held for sale including discountinued operations	164	164	-	181	181	-
Cash and cash equivalents	21,588	21,455	(133)	30,546	30,375	(171)
TOTAL ASSETS	**757,143**	**755,441**	**(1,702)**	**761,862**	**759,762**	**(2,100)**
Shareholders' equity – Group share	52,923	52,923	-	53,606	53,606	-
Minority interests [(b)]	2,391	2,520	130	2,355	2,371	16
Financing debt	10,407	10,407	-	10,662	10,662	-
Liabilities arising from insurance and investment contracts	573,058	572,985	(73)	579,165	579,079	(86)
Liabilities arising from banking activities	35,374	35,375	1	33,494	33,495	1
Provisions for risks and charges	10,393	10,393	-	11,952	11,951	-
Deferred tax liabilities	4,226	4,223	(4)	5,175	5,170	(5)
Payables [(c)]	68,371	66,615	(1,756)	65,454	63,428	(2,026)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**757,143**	**755,441**	**(1,702)**	**761,862**	**759,762**	**(2,100)**

(a) Changes mainly relate to the Investments in real estate properties resulting from the changes in the consolidation method of some real estate companies.
(b) Changes in minority interests relate to the change in consolidation method of some real estate companies.
(c) Changes mainly relate to Other debt instruments issued, notes and bank overdrafts (€-1,163 million as of December 31, 2013 and €-1,387 million as of January 1, 2013) and Other payables (€-822 million as of December 31, 2013 and €-850 million as of January 1, 2013).

	Consolidated statement of income		
(In Euro million)	December 31, 2013 Published	December 31, 2013 Restated	Effect of the changes
Revenues	91,249	91,221	(28)
Change in unearned premiums net of unearned revenues and fees	(246)	(248)	(2)
Net investment result excluding financing expenses	33,958	33,953	(5)
Other operating income and expenses	(118,221)	(118,199)	22
Income from operating activities before tax	**6,740**	**6,727**	**(13)**
Income from investment accounted for using the equity method	131	139	8
Financing debts expenses	(618)	(618)	-
Net income from operating activities before tax	**6,253**	**6,249**	**(4)**
Income tax	(1,466)	(1,462)	4
Net operating income	**4,786**	**4,786**	**-**
Net consolidated income after tax	**4,786**	**4,786**	**-**

Additionally, the application of the amendments and interpretation below as of January 1, 2014 had no material impact on the Group's consolidated financial statements.

- The amendments to IAS 32 – Financial Instruments: Presentation published on December 16, 2011, provide clarifications of the application of the offsetting rules. The amendments to IAS 32 clarify that in order to result in an offset of a financial asset and a financial liability, a right to set-off must be available immediately rather than be contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy. Additional clarifications are presented regarding the settlement process.
- The amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets, published on May 29, 2013, address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- IFRIC 21 – Levies, published on May 20, 2013, is an interpretation on the accounting for levies imposed by governments. The interpretation, early adopted by AXA, clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.
- Narrow-scope amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting, published on June 27, 2013 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.

STANDARDS AND AMENDMENTS PUBLISHED BUT NOT YET EFFECTIVE

IFRS 9 – Financial Instruments, published on July 24, 2014, will replace IAS 39. The published effective date of IFRS 9 is January 1, 2018. The standard has not yet been endorsed by the European Union. The method of implementation of the future standard and its potential impact on the Group's consolidated financial statements are currently being examined within the Group. The new standard addresses the following items related to financial instruments:

- classification and measurement: IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost, fair value through Other Comprehensive Income or fair value through profit or loss. 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 ("SPPI"). 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 for sale and b) the contractual terms of cash flows are SPPI, the financial asset is measured at fair value through Other Comprehensive Income and realized gains or losses would be recycled through profit or loss upon sale. Assets not meeting either of these categories are measured at fair value through profit or loss. Additionally, 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;
- impairment: The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the IFRS 9 approach, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition;
- hedge accounting: IFRS 9 introduces new requirements for hedge accounting that align hedge accounting more closely with risk management. The requirements establish a more principles-based approach to the general hedge accounting model. The amendments apply to all hedge accounting with the exception of portfolio fair value hedges of interest rate risk (commonly referred to as "fair value macro hedges"). For these, an entity may continue to apply the hedge accounting requirements currently in IAS 39. This exception was granted largely because the IASB is addressing macro hedge accounting as a separate project.

IFRS 15 – Revenue from Contracts with Customers, published on May 28, 2014 provides a principles-based approach for revenue recognition and introduces the concept of recognizing revenue for obligations as they are satisfied. The standard will apply to all contracts with customers, except for: insurance contracts, lease contracts, financial instruments and certain contractual rights or obligations, non-monetary exchanges between entities in the same line of business to facilitate sales to customers and certain guarantees. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The standard has not been endorsed by the European Union. The potential impact of the new standard on the Group's consolidated financial statements is being assessed.

The following amendments are not expected to have a material impact on the Group's consolidated financial statements:

Amendments	Publication date	Effective for annual periods beginning on or after	Topic
IAS 19 – Employee Benefits	November 21, 2013	July 1, 2014 *	Clarification of requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, practical expedient of valuation is allowed if the amount of the contributions is independent of the number of years of service.
IAS 16 – Property, Plant, and Equipment and IAS 38 – Intangible Assets	May 12, 2014	January 1, 2016 *	Clarification of the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset.
IAS 1 – Presentation of Financial Statements	December 18, 2014	January 1, 2016 *	Improvement of presentation and disclosure in financial reports. The amendments are designed to encourage entities to apply professional judgment in determining what information to disclose in their financial statements. For example, materiality should apply to the whole of financial statements knowing that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.
Consolidation:			
IFRS 11	May 6, 2014	January 1, 2016 *	Guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.
IFRS 10 and IAS 28	September 11, 2014	January 1, 2016	Guidance regarding the sale or contribution of assets between an investor and its associate or joint venture. A consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business and a partial gain or loss is recognized when a transaction involves assets that do not constitute a business.
IFRS 10, IFRS 12, and IAS 28	December 18, 2014	January 1, 2016 *	Clarification of the requirements when accounting for investment entities.
Annual Improvements to IFRSs:			
2010-2012 Cycle and IFRSs 2011-2013 Cycle	December 12, 2013	July 1, 2014	Collection of amendments to IFRSs in response to issues that are not part of a major project.
2012-2014 Cycle	September 25, 2014	January 1, 2016 *	

** With earlier application being permitted (subject to conditions in some cases).*

PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. It requires a degree of judgment in the application of Group accounting principles described below. The main balance sheet captions concerned are goodwill (in particular impairment tests described in paragraph 1.7.1), intangible assets acquired in a business combination, the value of acquired business in force, deferred acquisition costs and equivalent, certain assets accounted at fair value, deferred tax assets, liabilities relating to the insurance business, pension benefit obligations and balances related to share-based compensation. The principles set out below specify the measurement methods used for these items. These methods, along with key assumptions where required, are discussed in greater depth in the notes relating to the asset and liability items concerned where meaningful and useful.

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

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

1.2.2. First time adoption of IFRS

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

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

PURCHASE ACCOUNTING, GOODWILL AND OTHER INTANGIBLES RELATED TO PAST BUSINESS COMBINATIONS PERFORMED PRIOR TO JANUARY 1, 2004

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

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

As a result, the goodwill gross value disclosed in Note 5 represents 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, 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. They are fully consolidated from the date on which control is transferred to AXA. Under IFRS 10, AXA controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Only substantive rights (*i.e.* the holder must have the practicability to exercise them) and rights that are not protective shall be considered. AXA can have power with less than a majority of the voting rights of an investee, in particular through:

- the proportion of ownership with regards to the other investors;
- potential voting rights;
- a contractual arrangement between the investor and other vote holders;
- rights arising from other contractual arrangements; or
- a combination of these indicators.

Under IFRS 11, companies over which AXA exercises a joint controlling influence alongside one or more third parties are joint ventures and are accounted for under the equity method.

Companies in which AXA exercises significant influence are accounted for under the equity method. Under IAS 28, significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights. Significant influence can also be exercised through an agreement with other shareholders.

Under the equity method, AXA's share of equity investments' post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in reserves is stated under "Other reserves".

Investment funds and real estate companies are either fully consolidated or accounted for under the equity method, depending on which conditions of IFRS 10/IFRS 11/IAS 28 listed above they satisfy. Fees received by asset managers are also taken into account in the assessment of the exposure to variability of returns. 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.

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 them 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 previous minority interest held by the Group is measured at fair value and the resulting adjustment is recognized through 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.

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.

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 exchange rate;
- revenues and expenses are translated at the average exchange rates over the period;
- all resulting foreign exchange differences are recognized as a separate component of equity (translation differences).

At the local entity level, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied as explained in paragraph 1.10.

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

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

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. FAIR VALUE MEASUREMENT

The Group applies the IFRS 13 fair value hierarchy as described below for all assets and liabilities where another IFRS requires or permits fair value measurement or disclosures about fair value measurement in the Notes. Principles below address mostly assets given the nature of the activities of the Group.

a) Active market: quoted price

Fair values of assets and liabilities traded on active markets are determined using quoted market prices when available. An instrument is regarded as quoted in an active market if quoted prices 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 between a willing seller and a willing buyer. For financial instruments traded in active markets, quotes received from external pricing services represent consensus prices, *i.e.* using similar models and inputs resulting in a very limited dispersion.

The fair value amounts of assets and liabilities for which fair value is determined in whole directly by reference to an active market are disclosed as level 1 in the Notes to the financial statements.

b) Active versus inactive markets – financial instruments

Equity instruments quoted on exchange traded markets and bonds actively traded on liquid markets for which prices are regularly provided by external pricing services that represent consensus with limited dispersion and for which quotes are readily available are generally considered as being quoted in an active market. Liquidity may be defined as the possibility to sell or dispose of the asset in the ordinary course of business within a certain limited time period at approximately the price at which the investment is valued. Liquidity for debt instruments is assessed using a multi-criteria approach including the number of quotes available, the place of issuance and the evolution of the widening of bid ask spreads.

A financial instrument is regarded as not quoted in an active market if there is little observation of transaction prices as an inherent characteristic of the instrument, when there is a significant decline in the volume and level of trading activity, in case of significant illiquidity or if observable prices cannot be considered as representing fair value because of dislocated market conditions. Characteristics of inactive markets can therefore be very different in nature, inherent to the instrument or indicative of a change in the conditions prevailing in certain markets.

c) Assets and liabilities not quoted in an active market

The fair values of assets and liabilities that are not traded in an active market are estimated:

- using external and independent pricing services; or
- using valuation techniques.

Fair values of assets and liabilities that are not traded in active market mainly based on observable market data are disclosed as level 2 in the Notes to the financial statements.

Fair values mainly not based on observable market data are disclosed as level 3 in the Notes.

- No active market: use of external pricing services

External pricing services may be fund asset managers in the case of non consolidated investments in funds or brokers. To the extent possible, the Group collects quotes from external pricing providers as inputs to measure fair value. Prices received may form tight clusters or dispersed quotes which may then lead to the use of valuation techniques. The dispersion of quotes received may be an indication of the large range of assumptions used by external pricing providers given the limited number of transactions to be observed or reflect the existence of distress transactions. In addition, given current market conditions since the financial crisis and the persistency of complete inactivity of some markets since then, many financial institutions closed their desks dedicated to structured assets deals and are no longer in a position to deliver meaningful quotes.

- No active market: use of valuation techniques

The objective of valuation techniques is to arrive at the price at which an orderly transaction would take place between market participants (a willing buyer and a willing seller) at the measurement date. Valuation technique models include:

- market approach: The consideration of recent prices and other relevant information generated by market transactions involving substantially similar assets or liabilities;
- income approach: Use of discounted cash flow analysis, option pricing models, and other present value techniques to convert future amounts to a single current (*i.e.* discounted) amount;

- cost approach: The consideration of amounts that would currently be required to construct or replace the service capacity of an asset.

Valuation techniques are subjective in nature and significant judgment is involved in establishing fair values. They include recent arm's length transactions between knowledgeable willing parties on similar assets if available and representative of fair value and involve various assumptions regarding the underlying price, yield curve, correlations, volatility, default rates and other factors. Unlisted equity instruments are based on cross checks using different methodologies such as discounted cash flows techniques, price earning ratios multiples, adjusted net asset values, taking into account recent transactions on instruments which are substantially the same if concluded at arm's length between knowledgeable willing parties, if any. The use of valuation techniques and assumptions could produce different estimates of fair value. However, valuations are determined using generally accepted models (discounted cash flows, Black & Scholes models, etc.) based on quoted market prices for similar instruments or underlyings (index, credit spread, etc.) whenever such directly observable data are available and valuations are adjusted for liquidity and credit risk.

Valuation techniques may be used when there is little observation of transaction prices as an inherent characteristic of the market, when quotes made available by external pricing providers are too dispersed or when market conditions are so dislocated that observed data cannot be used or need significant adjustments. Internal mark to model valuations are therefore normal market practices for certain assets and liabilities inherently scarcely traded or exceptional processes implemented due to specific market conditions.

- Use of valuation techniques in dislocated markets

The dislocation of certain markets may be evidenced by various factors, such as very large widening of bid ask spreads which may be helpful indicators in understanding whether market participants are willing to transact, wide dispersion in the prices of the small number of current transactions, varying prices over time or among market participants, inexistence of secondary markets, disappearance of primary markets, closing down of dedicated desks in financial institutions, distress and forced transactions motivated by strong needs of liquidity or other difficult financial conditions implying the necessity to dispose of assets immediately with insufficient time to market the assets to be sold, and large bulk sales to exit such markets at all costs that may involve side arrangements (such as sellers providing finance for a sale to a buyer).

In such cases, the Group uses valuation techniques including observable data whenever possible and relevant, adjusted if needed to develop the best estimate of fair value, including adequate risk premiums or develops a valuation model based on unobservable data representing estimates of assumptions that willing market participants would use when prices are not current, relevant or available without undue costs and efforts: in inactive markets, transactions may be inputs when measuring fair value, but would likely not be determinative and unobservable data may be more appropriate than observable inputs.

1.6. 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.

1.7. INTANGIBLE ASSETS

1.7.1. 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-criteria analysis with parameters such as the value of assets, future operating profits and market share, in order to determine any significant adverse changes. It also considers the interdependence of transactions within sub-groups. Within each cash generating unit, a comparison is made between net book value and the recoverable value (equal to the higher of fair value less costs to sell and value in use). Value in use consists of the net assets and expected future earnings from existing and new business, taking into account the cash generating units' future cash flows. The value of future expected earnings is estimated on the basis of the life insurance and investment contracts embedded value models or similar calculations for other activities. Fair values less costs to sell are based on the IFRS 13 fair value as described in Note 1.5 using various valuation multiples.

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

The value of purchased insurance contracts and investment contracts with discretionary participating features recognized in a business combination (see paragraph 1.3.2) is amortized as profits emerge over the life of the contracts' portfolio. In conjunction with the liability adequacy test (see paragraph 1.14.2), VBI is subject to annual recoverability testing based on actual experience and expected changes in the main assumptions.

1.7.3. 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 incremental direct costs of acquiring a portfolio of insurance contracts and investment contracts with discretionary participating features, primarily related to the selling, underwriting and initiating the insurance contracts in a portfolio, are deferred by recognizing an asset. In Property and Casualty, DAC are amortized over the terms of the policies, as premium is earned. For Life business, the asset is amortized based on the estimated gross profits emerging over the life of the contracts. This asset is tested for recoverability and any amount above future estimated gross profits is expensed. DAC are also tested through the liability adequacy test (see paragraph 1.14.2).

For investment contracts with no discretionary participating features, a similar asset is recognized, *i.e.* Rights to future management fees, also known as Deferred origination costs (DOC) (see Note 7) but limited to incremental 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.

1.7.4. 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.

1.7.5. 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.

1.8. INVESTMENTS FROM INSURANCE, BANKING AND OTHER ACTIVITIES

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

1.8.1. 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.

1.8.2. Financial instruments classification

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

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

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

- financial investments when electing the fair value option allows the Group to solve accounting mismatch, and in particular:
  - assets backing liabilities arising from contracts where the financial risk is borne by policyholders,
  - assets included in hedging strategies set out by the Group for economical reasons but not eligible for hedge accounting as defined by IAS 39,
  - debt held by structured bond (primarily Collateralized Debt Obligations) funds controlled and consolidated by the Group;
- 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 with change in fair value through shareholders' equity unless involved in a qualifying hedge relationship or more broadly when electing the fair value option reduces accounting mismatch. As specified above, the financial instruments held in the "Satellite Investment Portfolios" are accounted for at fair value with changes in fair value recognized through income statement.

Assets designated as available-for-sale, trading assets, investments designated as at fair value through profit or loss and all derivatives are measured at fair value, *i.e.* the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The Group applies the IFRS 13 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.

1.8.3. Repurchase agreements and securities lending

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

Additionally, the Group is party to total return swaps under which financial assets are sold to a counterparty with a corresponding agreement. Cash flows equal to those of the underlying assets will be remitted to the Group in exchange for specified payments taking into account any increase or decline in the fair value of the assets. This results in substantially all of the risks and rewards of the financial assets remaining with the Group. As such, the Group does not derecognize the financial assets.

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.

1.9. 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.

1.10. 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. Given IAS 39 constraints, only a few hedges are eligible to hedge accounting provisions described above. However, most of the derivatives used by the Group are purchased with a view to hedge or for example to use such instruments as an alternative to gain exposure to certain asset classes through "synthetic positions". See Note 20.

The Group holds financial investments that also 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, derivatives are presented alongside the underlying assets or liabilities for which they are used, regardless of whether these derivatives meet the criteria for hedge accounting.

The purpose and condition of the use of derivatives within the Group are detailed in Note 20.

1.11. 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.

1.12. 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.

1.13. SHARE CAPITAL AND SHAREHOLDERS' EQUITY

1.13.1. 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.

1.13.2. 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).

1.13.3. Compound financial instruments

Any financial instrument issued by the Group with an equity component (for example certain options 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.

1.13.4. 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.

1.14. LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

1.14.1. 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.

1.14.2. Insurance contracts and investment contracts with discretionary participating features

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

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

- reserves must be sufficient;
- life reserves cannot be discounted using a discount rate higher than prudently estimated expected assets yield;
- acquisition costs are deferred to the extent recoverable and amortized based on the estimated gross profits emerging over the life of the contracts;
- property and casualty claims reserves represent estimated ultimate costs. Post claims reserves are generally not discounted, except in limited cases (a detail of discounted reserves is shown in Note 14.9).

PRE-CLAIMS RESERVES

Unearned premiums reserves represent the prorata 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's regulation provided methods used are consistent with the Group's policies and using assumptions on investment yields, morbidity/mortality and expenses.

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

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

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

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

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

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

POST CLAIMS RESERVES

Claims reserves (life and non life contracts)

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

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

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

In compliance with the option in IFRS 4, shadow accounting is applied to insurance and investment contracts with discretionary participating features. Shadow accounting includes adjustments to technical liabilities, policyholders participation, other obligations, deferred 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.

For example, for contracts with discretionary participating features, 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 group insurance policies), Germany and France where the minimum is set to 90%, 90% and 85% respectively, of a basis which may include not only financial income but also other components such as in Germany or Switzerland. Participating business is less prevalent in the United States or in Japan.

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

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

Unrealized gains and losses on assets classified as trading or designated at fair value through profit and loss, along with any other entry impacting the income statement and generating a timing difference, are accounted for through the income statement with a corresponding shadow entry adjustment also 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 a net deferred participation asset is recognized, the Group uses liquidity analyses performed by the entities to assess the capacity to hold assets showing unrealized loss position, if any, generating such debits. The Group then performs projections to compare the value of assets backing policyholders' contracts with expected payments to be made to policyholders.

Liability Adequacy Test

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

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

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

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

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

Any identified deficiency is charged to the income statement, initially by respectively writing off DPA, DAC or VBI, and subsequently by establishing a LAT provision for losses arising from the liability adequacy test for any amount in excess of DPA, DAC and VBI. For non-life insurance contracts, an unexpired risk provision is recognized 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.

Embedded derivatives meeting the definition of an insurance contract are described in Note 14.10.

1.14.3. Investment contracts with no discretionary participating features

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

This category includes mainly Unit-Linked contracts that do not meet the definition of insurance or investment contracts with discretionary participating features. For these Unit-Linked contracts, the liabilities are valued at current unit value, *i.e.* on the basis of the fair value of the financial investments backing those contracts at the balance sheet date together with Rights to future management fees, also known as Deferred origination costs (DOC, described in paragraph 1.7.3).

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.

1.15. 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.

1.16. FINANCING DEBT

Financing debt issued to finance the solvency requirements of operational entities or to acquire a portfolio of contracts are isolated in a specific aggregate of the statement of financial position and are accounted for at amortized cost.

1.17. OTHER LIABILITIES

1.17.1. Income taxes

The current income tax expense (benefit) is recorded in the income statement on the basis of local tax regulations.

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 taking into account the existence of tax groups and any legal or regulatory requirements on the limits (in terms of amounts or timing) relating to the carry forwards of unused tax credits. 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 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.

1.17.2. 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 frameworks 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 defined benefit plans is the difference between the present value of the Defined Benefit Obligation and the market value at the balance sheet date of the corresponding invested plan assets after adjustment for any minimum funding requirement or any asset ceiling effect. If the net result is positive, a provision is recorded under the provision for risks and charges heading. If the net result is negative, a prepaid pension asset is recorded in the balance sheet but not more than its recoverable amount (asset ceiling). Actuarial gains and losses (now termed remeasurments under IAS 19 revised) arising from experience adjustments and changes in actuarial assumptions are recognized in shareholders' equity (in Other Comprehensive Income) in full in the period in which they occur. Similarly, the actual return on assets and any change in asset ceiling, excluding the net interest income on assets, is recognized in shareholders' equity. The regular impact in the income statement mainly relates to the current service cost (annually accruing employee benefit) and the net interest on the amount recorded in the opening balance sheet (unwinding of discount applied to the net liability/asset at start of the annual period, taking into account contributions and benefits payments during the period). Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment to a defined benefits plan. It is recognized totally and immediately in the income statement when incurred. Gains and losses on the settlement of a defined benefit plan also have an impact in the income statement when the settlement occurs.

1.17.3. Share-based compensation plans

The Group's share-based compensation plans are predominantly settled in equities.

All equity-settled share-based compensation plans are accounted for at fair value at the date they were granted and the fair value is expensed over the vesting period.

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

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

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

1.18. PROVISIONS FOR RISKS, CHARGES AND CONTINGENT LIABILITIES

1.18.1. 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.

1.18.2. Other provisions and contingencies

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

Provisions are measured at management's best estimate, at the balance sheet date, of the expenditure required to settle the obligation, discounted at the market risk-free rate of return for long term provisions.

1.19. REVENUE RECOGNITION

1.19.1. 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.

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

Amounts collected as premiums from investment contracts with no discretionary participating features are reported as deposits net of any loadings and policy fees. Revenues from these contracts consist of loadings and policy fees relating to underwriting, investment management, administration and surrender of the contracts during the period. Front-end fees collected corresponding to fees for future services are recognized over the estimated life of the contract (see "Unearned fees reserves" paragraph 1.14.3).

1.19.3. 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.

1.19.4. 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 the recognition of 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, rights and obligations related to contracts are recognized in all situations.

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

Changes in unearned premium reserves net of unearned revenues and fees include both the change in the unearned premiums reserve reported as a liability (see "Unearned premiums reserves" in paragraph 1.14.2) and the change in unearned revenues and fees. Unearned revenues and fees correspond to upfront charges for future services recognized over the estimated life of insurance and investment contracts with discretionary participating features (see "Unearned revenues reserves" in paragraph 1.14.2) and investment contracts with no discretionary participating features (see paragraph 1.14.3 "Unearned fees reserves").

1.19.6. Net revenues from banking activities

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

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

1.19.7. 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 the sales or distribution of financial products; and
- rental income received by real estate management companies.

1.19.8. Net investment result excluding financing expenses

The net investment result includes:

- investment income from investments other than from banking activities, net of depreciation expense on real estate investments (depreciation expense relating to owner occupied properties is included in "administrative expenses"); 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; and
- 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" (see paragraph 1.19.6).

1.20. 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	December 31, 2014 Voting rights percentage	December 31, 2014 Group share of interests	December 31, 2013 Voting rights percentage	December 31, 2013 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	Merged with AXA Life Insurance	-	-	99.02	99.02
Germany					
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	100.00	100.00
AXA Konzern AG		100.00	100.00	100.00	100.00
Belgium					
AXA Holdings Belgium		100.00	100.00	100.00	100.00
Luxembourg					
AXA Luxembourg SA		100.00	100.00	100.00	100.00
Finance Solutions SARL		100.00	100.00	100.00	100.00
The Netherlands					
Vinci BV		100.00	100.00	100.00	100.00
Mediterranean and Latin American Region					
AXA Mediterranean Holding SA		100.00	100.00	100.00	100.00
AXA 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	December 31, 2014 Voting rights percentage	December 31, 2014 Group share of interests	December 31, 2013 Voting rights percentage	December 31, 2013 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
AXA Re Arizona Company		100.00	100.00	100.00	100.00
United Kingdom					
AXA Insurance UK Plc		100.00	99.98	100.00	99.98
AXA PPP Healthcare Limited		100.00	99.98	100.00	99.98
AXA Isle of Man Limited		100.00	99.98	100.00	99.98
AXA Wealth Limited		100.00	99.98	100.00	99.98
Architas Multi-Manager Limited		100.00	99.98	100.00	99.98
AXA Portfolio Services Limited		100.00	99.98	100.00	99.98
Ireland					
AXA Insurance Limited		100.00	99.98	100.00	99.98
AXA Life Europe Limited		100.00	100.00	100.00	100.00
AXA Life Invest Reinsurance		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]	Minority interest buyout	43.63	43.63	42.48	42.48
Japan					
AXA Life Insurance	Merged with AXA Japan Holding	99.02	99.02	100.00	99.02
Germany					
AXA Versicherung AG		100.00	100.00	100.00	100.00
AXA Art		100.00	100.00	100.00	100.00
AXA Lebensversicherung AG	Minority interest buyout	100.00	100.00	100.00	99.90
Pro Bav Pensionskasse	Minority interest buyout	100.00	100.00	100.00	99.90
Deutsche Ärzteversicherung		100.00	100.00	100.00	100.00
AXA Krankenversicherung 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
Les Assurés Réunis		100.00	100.00	100.00	100.00
Luxembourg					
AXA Assurances Luxembourg		100.00	100.00	100.00	100.00
AXA Assurances Vie Luxembourg		100.00	100.00	100.00	100.00
Mediterranean and Latin American Region					
AXA Vida, S. A. de Seguros (Spain)	Minority interest buyout	99.84	99.84	99.82	99.82

Life & Savings and Property & Casualty	Change in scope	December 31, 2014		December 31, 2013	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Aurora Vida, S.A. de Seguros (Spain)	Minority interest buyout	99.97	99.81	99.96	99.78
AXA Seguros Generales, S. A. (Spain)		99.90	99.90	99.90	99.90
AXA Interlife (Italy)		100.00	100.00	100.00	99.99
AXA Assicurazioni e Investimenti (Italy)		100.00	100.00	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 +1voting right	50.00	50.00 +1 voting right	50.00
AXA MPS Financial (Italy)		50.00 +1 voting right	50.00	50.00 +1 voting right	50.00
AXA Colpatria Capitalizadora (Colombia)	Acquisition	51.00	51.00	-	-
AXA Colpatria Seguros de vida (Colombia)	Acquisition	51.00	51.00	-	-
AXA Colpatria Seguros (Colombia)	Acquisition	51.00	51.00	-	-
AXA Portugal Companhia de Seguros SA		99.73	99.49	99.73	99.49
AXA Portugal Companhia de Seguros de Vida SA		95.09	94.89	95.09	94.89
AXA Assurance Maroc		100.00	100.00	100.00	100.00
AXA Hayat ve Emeklilik A.S. (Turkey)		100.00	100.00	100.00	100.00
AXA Sigorta AS (Turkey)		92.61	92.61	92.61	92.61
AXA Cooperative Insurance Company (Gulf)		50.00	34.00	50.00	34.00
AXA Insurance (Gulf) B.S.C.c.		50.00	50.00	50.00	50.00
AXA Insurance A.E. (Greece)		99.98	99.98	99.98	99.98
AXA Seguros S.A. de C.V. (Mexico)	Minority interest buyout	100.00	100.00	99.97	99.97
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	Disposal	-	-	100.00	100.00
AXA Poland		100.00	100.00	100.00	100.00
AXA Poland Pension Funds		100.00	100.00	100.00	100.00
AXA Slovakia		100.00	100.00	100.00	100.00
AXA Ukraine		50.17	50.17	50.17	50.17
Direct (b)					
Avanssur (France and Poland)		100.00	100.00	100.00	100.00
Kyobo AXA General Insurance Co. Ltd. (South Korea)	Minority interest buyout	99.61	99.61	99.55	99.55
AXA Non Life Insurance Co. Ltd. (Japan)		100.00	99.02	100.00	99.02
Touring Assurances SA (Belgium)		100.00	100.00	100.00	100.00
Hilo Direct SA de Seguros y Reaseguros (Spain)		100.00	100.00	100.00	100.00
Quixa S.p.A (Italy)		100.00	100.00	100.00	100.00
Seguro Directo Gere Companhia de Seguros SA (Portugal)		100.00	100.00	100.00	100.00

(a) AXA Group exercises control in accordance with shareholders' agreements.
(b) UK Direct activities is part of AXA Insurance UK Plc.

International Insurance (entities having worldwide activities)	Change in scope	December 31, 2014		December 31, 2013	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Corporate Solutions Assurance (sub-group)		98.75	98.75	98.75	98.75
AXA Global P&C		100.00	100.00	100.00	100.00
AXA Global Life		100.00	100.00	100.00	100.00
AXA Assistance SA (sub group)		100.00	100.00	100.00	100.00
Portman Insurance Ltd.		100.00	100.00	100.00	100.00
Colisée RE		100.00	100.00	100.00	100.00
AXA Corporate Solutions Life Reinsurance Company		100.00	100.00	100.00	100.00

Asset Management (entities having worldwide activities)	Change in scope	December 31, 2014		December 31, 2013	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
AXA Investment Managers (sub group)	Minority interests buyout	96.17	96.11	95.87	95.82
AllianceBernstein (sub group)[(a)]		62.65	62.65	63.68	63.68

(a) The decrease in the Group share of interest is mainly due to the granting of holding units to the employees in relation with the share-based compensation programs.

Banking	Change in scope	December 31, 2014		December 31, 2013	
		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
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	December 31, 2014		December 31, 2013	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
France					
CFP Management		100.00	100.00	100.00	100.00

Main changes in scope of consolidation are detailed in Note 5.

CONSOLIDATED INVESTMENT FUNDS AND REAL ESTATE COMPANIES

As of December 31, 2014, investment funds represented a total of €98,458 million invested assets (€92,280 million at the end of 2013), corresponding to 261 investment funds mainly in France, Japan, Germany and Belgium and mainly relating to the Life & Savings segment.

In most investment funds (particularly open-ended investment funds), minority interests are presented as liabilities under "Minority interests of consolidated investment funds". As of December 31, 2014, minority interests in consolidated investment funds amounted to €10,241 million (€7,795 million as of December 31, 2013).

As of December 31, 2014, 19 consolidated real estate companies corresponded to a total of €7,515 million invested assets (€5,025 million at the end of 2013), mainly in France, Germany and Japan.

MAIN SUBSIDIARIES WITH MINORITY INTERESTS

As regards main subsidiaries with minority interests (other than investment funds and real estate companies):

- the financial information of AllianceBernstein is available in Part II – Item 8. Financial Statements and Supplementary Data of its Annual Report for the year ended December 31, 2014, which is filed with the SEC;
- summarized financial information for AXA MPS is as follows (including AXA and external share but excluding goodwill related to AXA's holdings and before intercompany eliminations with other companies of the Group).

(In Euro million)	December 31, 2014	December 31, 2013
Net consolidated income – Minority Interests	84	82
Minority interests	974	950
Dividends paid to minority interests	(87)	(65)
Cash and cash equivalents	730	558
Total investments	24,850	22,815
Other assets	1,714	1,744
Total assets	**27,295**	**25,117**
Liabilities arising from insurance & investment contracts	24,503	22,384
Other Liabilities	843	833
Total liabilities (excluding shareholders' equity)	**25,346**	**23,217**
Total Revenues	4,334	3,946
Net income	**168**	**164**
Other Comprehensive Income	54	68
Total Comprehensive Income	**221**	**233**

Above entities represent 80% of minority interests of the Group at December 31, 2014. AllianceBernstein is part of the Asset Management segment and AXA MPS is part of both Life & Savings and Property & Casualty segments.

2.1.2. Main investments in companies accounted for using the equity method

Companies accounted for using the equity method listed below exclude investment funds and real estate entities:

		December 31, 2014		December 31, 2013	
Life & Savings and Property & Casualty	**Change in scope**	**Voting rights percentage**	**Group share of interests**	**Voting rights percentage**	**Group share of interests**
France					
Neuflize Vie (previously NSM Vie)		39.98	39.98	39.98	39.98
Natio Assurances [(a)]		50.00	49.96	50.00	49.96
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
ICBC-AXA Life Insurance Co. Ltd		27.50	27.50	27.50	27.50
PT AXA Mandiri Financial Services		49.00	49.00	49.00	49.00
Bharti AXA Life		26.00	26.00	26.00	26.00
Bharti AXA General Insurance Company Limited (India)		26.00	26.00	26.00	26.00
AXA Insurance Public Company Limited (Thailand)		99.31	99.31	99.31	99.31
AXA Tian Ping	Acquisition	50.00	50.00	-	-
Russia					
Reso Garantia (RGI Holdings B.V.)		39.34	39.34	39.34	39.34
Mediterranean and Latin American Region					
AXA Middle East SAL (Lebanon)		51.00	51.00	51.00	51.00

(a) Before the retrospective application of IFRS 11 on January 1, 2014 (see Note 1.2), Natio Assurances was proportionately consolidated.

Asset Management (entities having worldwide activities)	Change in scope	December 31, 2014		December 31, 2013	
		Voting rights percentage	Group share of interests	Voting rights percentage	Group share of interests
Kyobo AXA Investment Managers Company Limited	Shares acquisition	50.00	48.06	50.00	47.91

Main changes in scope of consolidation are detailed in Note 10.

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

As of December 31, 2014, real estate companies accounted for using the equity method amounted to €243 million invested assets (€280 million at the end of 2013) and investment funds accounted for using the equity method amounted to €4,324 million invested assets (€3,076 million at the end of 2013), mainly in the United States, United Kingdom, Ireland, France, Belgium and Germany.

2.2. CONSOLIDATED ENTITIES RELATING TO SPECIFIC OPERATIONS

ARCHE FINANCE

In 2008, AXA France invested in Arche Finance, an investment vehicle dedicated to credit investment, which entered the scope of consolidation in June 2008 with a debt of €200 million. On January 14, 2014 the debt reached maturity.

2.3. UNCONSOLIDATED STRUCTURED ENTITIES

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when relevant activities are directed by means of contractual arrangements. Structured entities often have a narrow and well-defined objective or restricted activities.

The Group does not hold significant interests in unconsolidated insurance/reinsurance structured entities.

Furthermore, given its insurance business, the Group holds direct investments in corporates of various sectors, such as debt instruments, equity securities and loans. These investments are not designed to be done in structured entities and the whole Group's exposure is reflected on the consolidated balance sheet.

In addition, the Group holds interests in investment funds including real estate companies. Some of these funds are fully consolidated or accounted for using the equity method (see Note 2.1). Other funds are not consolidated because they are not controlled or under significant influence. By nature, and notably because of the power of decision usually given to the asset managers (internal or external to AXA), most of these funds are structured entities.

As investor, AXA interests in unconsolidated funds are limited to the investments held. These ones are fully recognized in the consolidated balance sheet. Depending on the nature of its investment, AXA receive interests or dividends and can realize capital gains or losses in case of sale. These investments are subject to impairment testing as usual financial assets.

The Group's asset manager companies also receive fees for the services they provide when they manage investment funds. Some unconsolidated funds managed by the Group are partially or fully held by external investors.

Information on these unconsolidated investment funds is provided in different sections of the Annual Report:

- Section 1.2 "Information on the Company":
  - business overview: AXA's total assets under management including assets managed on behalf of third parties;
  - asset Management segment: Assets under management (including assets managed on behalf of third parties) and revenues;
- Section 1.3 "Activity report" – Asset Management segment;
- Section 4.6. "Notes to the consolidated financial statements":
  - Note 9 – Investments with the breakdown of investments and detail on non-consolidated investment funds in Note 9.8;
  - Note 22 – Net investment result excluding financing expenses.

Note 3 Consolidated statement of income by segment

Given the activities of AXA, the operating results are presented on the basis of five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking. An additional “Holding companies” segment includes all non-operational activities. The financial information relating to AXA’s business segments and holding Company activities reported to the Board of Directors twice a year is consistent with the presentation provided in the consolidated financial statements.

The Group has set up an organization by Global business lines for both Life & Savings and Property & Casualty in order to improve the speed and effectiveness of the organization and further leverage its size. In addition, the Group announced in December 2014 the creation of a third Global Business line dedicated to Health insurance business.

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 Global business line dedicated to Health insurance business has set the following priorities:

- become a health benchmark in up to 11 countries where AXA is present;
- become a leader in the international health insurance niche; and
- develop a new Health Business Model focused on advice.

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’s Life & Savings products include a broad range of Investment & Savings products as well as Protection & Health products marketed to individual and commercial clients. The Life & Savings products offered by AXA include Term life, Whole life, Universal life, endowment, deferred annuities, immediate annuities, and other investment-based products. The Health products offered include critical illness and permanent health insurance products. The types and specificities of the products offered by AXA vary from market to market. The Life & Savings segment aggregates ten geographic operating components: France, the United States, the United Kingdom, Japan, Germany, Switzerland, Belgium, the Mediterranean and Latin American Region, Asia (excluding Japan) and other countries.

Property & Casualty: This segment includes a broad range of products including mainly motor, household, property and general liability insurance for both personal and commercial customers (commercial customers being mainly small to medium-sized companies). In some countries, this segment includes Health products. The Property & Casualty segment aggregates nine geographical operating components (France, Germany, the United Kingdom and Ireland, Switzerland, Belgium, the Mediterranean and Latin American Region, Central and Eastern Europe, Asia and Other countries) and one operating component for the Direct business.

International Insurance: This segment’s operations include insurance products that notably relate to AXA Corporate Solutions Assurance. These products provide coverage to large national and international corporations. This segment also includes assistance activities, life reinsurance activities in run-off primarily AXA Corporate Solutions Life Reinsurance Company and the Group Property & Casualty run-off managed by AXA Liabilities Managers.

The **Asset Management** segment includes diversified asset management (including investment fund management) and related services offered by AXA Investment Managers and AllianceBernstein entities, which are provided to a variety of institutional investors and individuals, including AXA’s insurance companies.

The **Banking** segment includes banking activities (mainly retail banking, mortgage loans, savings) conducted primarily in France, Belgium and Germany.

The **Holding companies** segment includes all non-operational activities.

The inter-segment eliminations include only operations between entities from different segments. They mainly relate to reinsurance treaties, assistance guarantees recharging, asset management fees and interests on loans within the Group.

In this document, “Insurance” covers the three insurance segments: Life & Savings, Property & Casualty and International Insurance. The term “Financial Services” includes both the Asset Management segment and the Banking segment.

3.1. CONSOLIDATED STATEMENT OF INCOME BY SEGMENT

	December 31, 2014							
(In Euro million)	Life & savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies	Inter-segment eliminations	Total
Gross written premiums	53,872	29,699	3,173	-	-	-	(478)	86,267
Fees and charges relating to investment contracts with no participating features	327	-	-	-	-	-	-	327
Revenues from insurance activities	**54,200**	**29,699**	**3,173**	**-**	**-**	**-**	**(478)**	**86,595**
Net revenues from banking activities	-	-	-	-	533	-	26	559
Revenues from other activities	1,269	63	267	3,722	5	-	(492)	4,834
Revenues	**55,469**	**29,762**	**3,440**	**3,722**	**538**	**-**	**(944)**	**91,988**
Change in unearned premiums net of unearned revenues and fees	**(202)**	**(10)**	**(70)**	**-**	**-**	**-**	**(16)**	**(298)**
Net investment income (a)	14,021	2,145	232	5	-	309	(572)	16,139
Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	1,447	398	60	-	-	16	4	1,924
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss (b)	12,133	(159)	31	49	-	268	3	12,325
of which change in fair value of assets with financial risk borne by policyholders	*9,520*	-	-	-	-	-	-	*9,520*
Change in investments impairment	(328)	(203)	(5)	-	-	(42)	-	(579)
Net investment result excluding financing expenses	**27,272**	**2,181**	**318**	**54**	**-**	**550**	**(565)**	**29,810**
Technical charges relating to insurance activities	(71,182)	(20,608)	(2,164)	-	-	-	512	(93,441)
Net result from outward reinsurance	233	(542)	(433)	-	-	-	(20)	(762)
Bank operating expenses	-	-	-	-	(106)	-	-	(106)
Acquisition costs	(4,005)	(5,098)	(477)	-	-	-	12	(9,568)

(a) Includes gains/losses from derivatives hedging variable annuities within Life & Savings and International Insurance segments.
(b) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.

	December 31, 2014							
(In Euro million)	Life & savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies	Inter-segment eliminations	Total
Amortization of the value of purchased business in force	(228)	-	-	-	-	-	-	(228)
Administrative expenses	(2,674)	(2,784)	(226)	(2,640)	(393)	(937)	427	(9,227)
Change in goodwill impairment and other intangible assets impairment	(16)	(100)	-	(3)	-	-	-	(118)
Other income and expenses	(141)	14	10	(274)	(82)	254	(120)	(338)
Other operating income and expenses	**(78,013)**	**(29,117)**	**(3,290)**	**(2,916)**	**(581)**	**(683)**	**812**	**(113,789)**
Income from operating activities before tax	**4,527**	**2,815**	**398**	**859**	**(43)**	**(133)**	**(713)**	**7,710**
Income (net of impairment) from investment accounted for using the equity method	120	(200)	1	1	-	5	-	(73)
Financing debt expenses	(94)	(10)	(8)	(29)	(10)	(1,073)	713	(509)
Net income from operating activities before tax	**4,554**	**2,606**	**390**	**831**	**(53)**	**(1,201)**	**-**	**7,128**
Income tax	(950)	(821)	(127)	(234)	5	337	-	(1,791)
Net consolidated income after tax	**3,603**	**1,785**	**264**	**597**	**(47)**	**(864)**	**-**	**5,337**
Split between:								
Net consolidated income – Group share	3,524	1,734	261	419	(49)	(864)	-	5,024
Net consolidated income – Minority interests	79	51	3	178	1	-	-	313

(a) Includes gains/losses from derivatives hedging variable annuities within Life & Savings and International Insurance segments.
(b) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.

	December 31, 2013 Restated[a]							
(In Euro million)	**Life & savings**	**Property & Casualty**	**International Insurance**	**Asset Management**	**Banking**	**Holding companies**	**Inter-segment eliminations**	**Total**
Gross written premiums	53,918	28,994	3,008	-	-	-	(439)	85,481
Fees and charges relating to investment contracts with no participating features	323	-	-	-	-	-	-	323
Revenues from insurance activities	**54,241**	**28,994**	**3,008**	**-**	**-**	**-**	**(439)**	**85,804**
Net revenues from banking activities	-	-	-	-	507	-	11	518
Revenues from other activities	1,193	57	268	3,815	6	-	(440)	4,900
Revenues	**55,433**	**29,052**	**3,277**	**3,815**	**513**	**-**	**(869)**	**91,221**
Change in unearned premiums net of unearned revenues and fees	**3**	**(267)**	**(19)**	**-**	**-**	**-**	**35**	**(248)**
Net investment income[b]	9,511	2,041	157	11	-	631	(684)	11,666
Net realized gains and losses relating to investments at cost and at fair value through shareholders'equity	1,820	350	26	192	-	23	1	2,410
Net realized gains and losses and change in fair value of other investments at fair value through profit or loss[c]	20,825	(65)	(6)	51	-	(151)	(33)	20,621
of which change in fair value of assets with financial risk borne by policyholders	*22,187*	-	-	-	-	-	*(6)*	*22,180*
Change in investments impairment	(493)	(127)	(15)	1	-	(111)	-	(744)
Net investment result excluding financing expenses	**31,663**	**2,199**	**162**	**255**	**-**	**391**	**(717)**	**33,953**
Technical charges relating to insurance activities	(75,377)	(19,498)	(1,947)	-	-	-	304	(96,519)
Net result from outward reinsurance	(85)	(670)	(516)	-	-	-	114	(1,156)
Bank operating expenses	-	-	-	-	(109)	1	-	(108)
Acquisition costs	(4,543)	(5,030)	(438)	-	-	-	19	(9,993)

(a) *As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.*
(b) *Includes gains/losses from derivatives hedging variable annuities within Life & Savings and International Insurance segments.*
(c) *Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.*

	December 31, 2013 Restated[a]							
(In Euro million)	Life & savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies	Inter-segment eliminations	Total
Amortization of the value of purchased business in force	(409)	-	-	-	-	-	-	(409)
Administrative expenses	(2,889)	(2,716)	(208)	(2,821)	(424)	(896)	330	(9,624)
Change in goodwill impairment and other intangible assets impairment	(69)	(87)	-	-	-	-	-	(157)
Other income and expenses	(191)	(32)	11	(211)	23	230	(64)	(234)
Other operating income and expenses	**(83,564)**	**(28,033)**	**(3,098)**	**(3,032)**	**(510)**	**(665)**	**703**	**(118,199)**
Income from operating activities before tax	**3,536**	**2,951**	**321**	**1,038**	**3**	**(274)**	**(847)**	**6,727**
Income from investment accounted for using the equity method	85	52	-	-	-	2	-	139
Financing debts expenses	(122)	(5)	(3)	(33)	(16)	(1,286)	847	(618)
Net income from operating activities before tax	**3,499**	**2,997**	**318**	**1,005**	**(13)**	**(1,558)**	**-**	**6,249**
Income tax	(796)	(872)	(132)	(256)	6	589	-	(1,462)
Net consolidated income after tax	**2,703**	**2,125**	**186**	**749**	**(7)**	**(969)**	**-**	**4,786**
Split between:								
Net consolidated income – Group share	2,614	2,085	184	577	(8)	(969)	-	4,482
Net consolidated income – Minority interests	89	40	2	172	1	-	-	304

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes gains/losses from derivatives hedging variable annuities within Life & Savings and International Insurance segments.
(c) Includes net realized and unrealized foreign exchange gains and losses relating to investments at cost and at fair value through shareholders' equity.

Note 4 Financial and insurance risk management

All of the following paragraphs form an integral part of the Group financial statements. They appear in Section 3.3 “Quantitative and Qualitative Disclosures about Risk Factors” and Section 1.4 “Liquidity and Capital Resources” of this Annual Report:

4.1. RISK MANAGEMENT ORGANIZATION

Please refer to pages 171 to 172 of the “Quantitative and Qualitative Disclosures about Risk Factors” section.

4.2. MARKET RISKS (INCLUDING SENSITIVITY ANALYSIS)

Please refer to pages 173 to 179 of the “Quantitative and Qualitative Disclosures about Risk Factors” section.

4.3. CREDIT RISK

Please refer to pages 179 to 182 of the “Quantitative and Qualitative Disclosures about Risk Factors” section.

4.4. INSURANCE RISK

Please refer to pages 183 to 185 of the “Quantitative and Qualitative Disclosures about Risk Factors” section.

4.5. LIQUIDITY AND CAPITAL RESOURCES

Please refer to pages 87 to 92, of the “Liquidity and Capital Resources” section.

Note 5 Goodwill

5.1 GOODWILL

An analysis of goodwill by cash generating unit is presented in the table below:

(In Euro million)	December 31, 2014 Gross value	December 31, 2014 Accumulated impairment	December 31, 2014 Net value	December 31, 2013 Gross value	December 31, 2013 Accumulated impairment	December 31, 2013 Net value
Life & Savings	**7,398**	**(1,147)**	**6,251**	**6,916**	**(1,053)**	**5,863**
France	57	-	57	61	-	61
United States	2,822	(1,081)	1,741	2,478	(949)	1,529
United Kingdom	627	-	627	585	-	585
Japan	1,646	(66)	1,580	1,649	(66)	1,583
Germany	147	-	147	147	-	147
Belgium	296	-	296	296	-	296
Switzerland	152	-	152	149	-	149
Central & Eastern Europe	156	-	156	197	(38)	159
Mediterranean and Latin America Region	959	-	959	883	-	883
Asia (excluding Japan)	532	-	532	468	-	468
Other countries	3	-	3	3	-	3
Property & Casualty	**4,925**	**(16)**	**4,909**	**4,658**	**(1)**	**4,658**
France	138	-	138	138	-	138
United Kingdom & Ireland	632	-	632	605	-	605
Belgium	563	(1)	563	563	(1)	563
Germany	918	-	918	918	-	918
Mediterranean and Latin America Region	1,506	-	1,506	1,327	-	1,327
Switzerland	203	-	203	199	-	199
All direct business	717	-	717	678	-	678
Asia	225	-	225	197	-	197
Central & Eastern Europe	15	(15)	-	25	-	25
Other countries	7	-	7	7	-	7
International Insurance	**13**	**-**	**13**	**20**	**-**	**20**
Asset Management	**4,812**	**-**	**4,812**	**4,210**	**-**	**4,210**
AXA Investment Managers	395	-	395	374	-	374
AllianceBernstein	4,417	-	4,417	3,837	-	3,837
Banking	**127**	**(59)**	**68**	**127**	**(59)**	**68**
TOTAL	**17,275**	**(1,222)**	**16,053**	**15,932**	**(1,113)**	**14,819**

Note: Goodwill related to entities accounted for using the equity method is not presented in this table (see Note 10).

The total goodwill Group share amounted to €14,906 million as of December 31, 2014 and €13,795 million as of December 31, 2013.

Consistent with IAS 36, each unit or group of units to which the goodwill is allocated represents the lowest level at which the goodwill is monitored for internal management purposes within the Group and is never larger than an operating segment as defined by IFRS 8 such as presented in Note 3.

5.2. CHANGE IN GOODWILL

5.2.1. Goodwill – change in gross value

(In Euro million)	Gross value January 1, 2014	Acquisitions during the period (a)	Disposals during the period (b)	Currency translation adjustment	Other changes	Gross value December 31, 2014
Life & Savings	6,916	77	(38)	447	(4)	7,398
Property & Casualty	4,658	177	-	87	3	4,925
International Insurance	20	-	(8)	-	-	13
Asset Management	4,210	42	-	559	-	4,812
Banking	127	-	-	-	-	127
Total	**15,932**	**296**	**(46)**	**1,093**	**(1)**	**17,275**

(a) Life & Savings: includes the Colpatria acquisition in Colombia.
Property & Casualty: includes the Colpatria acquisition in Colombia.
Asset Management: includes the Capital Fondsmaeglerselskab acquisition in Denmark by AllianceBernstein.
(b) Life & Savings: includes the disposal of Hungarian operations.
International insurance: includes the disposal of ADHAP service at AXA Assistance.

(In Euro million)	Gross value January 1, 2014	Acquisitions during the period (a)	Disposals during the period (b)	Currency translation adjustment	Other changes (a)	Gross value December 31, 2013
Life & Savings	7,606	13	(67)	(623)	(14)	6,916
Property & Casualty	4,758	-	-	(99)	-	4,658
International Insurance	33	7	(19)	-	-	20
Asset Management	4,366	24	-	(180)	-	4,210
Banking	127	-	-	-	-	127
Total	**16,890**	**45**	**(86)**	**(903)**	**(14)**	**15,932**

(a) Life & Savings: includes the HSBC employee benefit portfolio acquisition in Singapore, for which a goodwill was recognized but immediately writen-off in net income.
International insurance: includes WhiteConcierge acquisition at AXA Assistance.
Asset Management: includes purchased W.P. Stewart by AllianceBernstein.
(b) Life & Savings: includes the sale of MONY portfolio in the United States.
International insurance: includes the disposal of Cours Legendre at AXA Assistance.

5.2.2. Goodwill – change in impairment

(In Euro million)	Cumulative impairment January 1, 2014	Increase in Impairment during the period (a)	Write back of impairment of goodwill sold during the period (b)	Currency translation adjustment	Other Changes	Cumulative impairment December 31, 2014
Life & Savings	1,053	-	(38)	132	-	1,147
Property & Casualty	1	18	-	(3)	-	16
International Insurance	-	-	-	-	-	-
Asset Management	-	-	-	-	-	-
Banking	59	-	-	-	-	59
Total	**1,113**	**18**	**(38)**	**128**	**-**	**1,222**

(a) Property & Casualty: includes a full impairment of the goodwill in Ukraine P&C as a consequence of deteriorated economic perspectives.
(b) Life & Savings: includes the write back of impairment due to the disposal of Hungary Life & Savings operations.

(In Euro million)	Cumulative impairment January 1, 2013	Increase in Impairment during the period (a) (b)	Write back of impairment of goodwill sold during the period	Currency translation adjustment	Other Changes (b)	Cumulative impairment December 31, 2013
Life & Savings	1,076	51	-	(61)	(13)	1,053
Property & Casualty	1	-	-	-	-	1
International Insurance	-	-	-	-	-	-
Asset Management	-	-	-	-	-	-
Banking	59	-	-	-	-	59
TOTAL	**1,136**	**51**	**-**	**(61)**	**(13)**	**1,113**

(a) Includes the expected disposal of the Hungarian Life & Savings operations (€38 million).
(b) Includes the immediate write off in net income of the goodwill related to the HSBC employee benefit portfolio acquisition in Singapore (€13 million).

An impairment loss is recognized for a cash-generating unit if, and only if, the recoverable amount of the unit or group of units is less than the carrying amount of the unit or group of units. The recoverable amount of each cash-generating unit or group of units is the higher of (i) the cash-generating unit or group of units' fair value less costs to sell and (ii) its value in use.

Fair value includes quotations when available and/or relevant or valuation techniques incorporating observable market data, adjusted when necessary to take into account control premiums. Value in use calculations are based on valuation techniques, incorporating both observable market data and entity specific assumptions.

LIFE & SAVINGS

For Life & Savings businesses, such valuation techniques include discounted cash flows taking into account:

- the current shareholders' net asset value plus future profitability on business in force.

  Such techniques (embedded value types of methodologies) are industry specific valuation methods which are consistent with the principles of discounted earnings approaches as the value of business in force results from the projection of distributable earnings. The Group uses however both market consistent risk neutral approaches and traditional discounted cash flows projections. The current shareholders' net asset value is adjusted to take into account any difference between the basis of cash flows projections used in the value of business in force calculations and IFRS;
- the profitability on future new business.

  The value of new business is computed either on the basis of multiples of a standardized year of new business contribution (present value of projected future distributable profits generated from business written in a year) or on a projection of each of the expected annual future earnings when multiples are not appropriate. Major assumptions include expected growth, expenses, cost of capital, future investment margins, financial market volatility, first assessed on a risk free basis (basic test) and then on the basis of illustrative investment assumptions suitable for a traditional embedded value approach if the previous recoverable value is lower than the carrying amount.

PROPERTY & CASUALTY AND ASSET MANAGEMENT

For each group of units of the Property & Casualty and Asset Management businesses (tested separately), the calculation uses cash flow projections based on business plans approved by management covering up to a five years period and a risk adjusted discount rate. Cash flows beyond that period have been extrapolated using a steady growth rate and terminal value.

COMMON KEY ASSUMPTIONS TO ALL SEGMENTS

In these tests, for all segments, discount rates used in non-risk neutral approaches range from 6.0% to 10.8%, compared to range from 5.6% to 11.9% in 2013, and growth rates, where applicable, from 2% to 4% beyond the strategic plan horizon, which corresponds to the same growth rates as in 2013.

ALL CASH-GENERATING UNITS (CGU)

The goodwill for Ukraine was fully impaired. For all others, the results of cash flow projections exceed the carried amount of each related cash-generating unit or group of units.

Note that Greece is part of the Mediterranean and Latin American Region cash-generating units both in Life & Savings and Property & Casualty.

For all cash-generating units, to the extent that securities valuations and interest rates levels remain depressed for prolonged periods of time, volatility and other market conditions stagnate or worsen, new business volumes and profitability together with the in force portfolio value would likely be negatively affected. In addition, the future cash flow expectations from both the in force and new business and other assumptions underlying management's current business plans could be negatively impacted by other risks to which the Group's business is subject. For each CGU, sensitivity analyses were performed with regards to the discount rate: an increase of 0.5% in the discount rate would not lead to an impairment loss for any of the CGUs as the recoverable amount for each CGU would still exceed its carrying value.

However, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of these assets in the foreseeable future.

5.3. OTHER INFORMATION RELATING TO GOODWILL, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

5.3.1. Hong Kong pension disposal

On November 7, 2014, AXA announced it has entered into an agreement with The Principal Financial Group ("The Principal") to sell its Mandatory Provident Fund (MPF) and Occupational Retirement Schemes Ordinance (ORSO) businesses in Hong Kong Life & Savings. In conjunction, The Principal would enter into an exclusive distribution agreement with AXA proprietary networks in Hong Kong (Life & Savings), for relevant MPF and ORSO mandatory schemes, for 15 years. Under the terms of the agreement, the total cash consideration payable at closing would amount to HKD 2.6 billion (€270 million) (1).

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to take place in the third quarter of 2015.

The assets and liabilities of the MPF and ORSO businesses are classified as held for sale separately from other assets and liabilities in the consolidated statements of financial positions as of December 31, 2014.

The major classes of assets and liabilities of these businesses classified as held for sale included the following as of December 31, 2014 (amounts are presented net of intercompany balances with other AXA entities):

(In Euro million)	December 31, 2014
Intangible assets	20
Investments	1,012
Cash and cash equivalents	22
Total assets held for sale	**1,054**
Liabilities arising from insurance and investment contracts	946
Total liabilities held for sale	**946**

As of December 31, 2014 comprehensive income amounted to €66 million.

5.3.2. Colombia acquisition

On November 11, 2013, AXA announced it had entered into an agreement with Grupo Mercantil Colpatria to acquire a 51% stake in its composite insurance operations in Colombia *(Colpatria Seguros)* (2).

On April 2, 2014, AXA announced it had completed the acquisition. The acquired operations have been in the scope of the Mediterranean and Latin American Region and fully consolidated since April 2, 2014. Taking into consideration a price adjustment paid by AXA on August 26, 2014, the final acquisition cost was COP 683 billion (or €256 million (3)).

Colpatria´s activities between April 2, 2014 and December 31, 2014 contributed to the Group consolidated income amounting €621 million for revenues and €13 million for total net income (€7 million Group share).

AXA decided to recognize goodwill only for the Group share. At December 31, 2014, based on the closing exchange currency rate, the goodwill related to the operation had a value of €240 million, (respectively €167 million for Property & Casualty and €73 million for Life and Savings within the Mediterranean and Latin America Region cash generating units).

In accordance with IFRS 3 Business Combinations, adjustments to the initial accounting for the assets, liabilities and minority interests can be made within twelve months of the acquisition date if new information becomes available to complete the initial accounting.

(1) EUR1 = HKD 9.6200 as of November 6, 2014.

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

(3) EUR1 = COP 2.667.

Assets and liabilities at the acquisition date of Colpatria were as follows:

(In Euro million) **At acquisition date**	**Fair value of assets and liabilities**
Intangible assets	11
Investments	818
Other assets	397
Total assets (excluding goodwill)	**1,226**
Liabilities arising from insurance and investment contracts	1,061
Provisions for risks and charges	4
Other payables	157
Total liabilities	**1,222**
Total Net Asset Value	**4**
Minority interests	2
Total Net Acquired Asset Value	**2**
Acquisition cost	**256**
Goodwill	**254**

5.3.3. Hungary Life & Savings operation

On June 3, 2014, AXA announced it has completed the sale of its Life & Savings operations in Hungary [(1)] to Vienna Insurance Group. AXA continues to have banking operations in the country. These transactions led to recognize a €-50 million exceptional loss (net of tax and group share) in AXA consolidated financial statements as of December 31, 2013.

5.3.4. MONY portfolio transaction

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

On October 1, 2013, AXA announced it had successfully completed these transactions for a total cash consideration of US$1.06 billion (or €0.79 billion).

These transactions led to recognize €-11 million exceptional loss (net of tax and group share) in AXA consolidated financial statements as of December 31, 2013.

In AXA consolidated financial statements as of December 31, 2014 an exceptional gain of €26 million (net of tax and group share) has been recognized following the re-evaluation of the transaction as part of the terms of the agreement.

5.3.5. AXA Private Equity

On September 30, 2013, AXA announced that AXA Investment Managers had completed the sale of a majority stake in AXA Private Equity, generating a €165 million realized capital gain (net of tax and group share). As of December 31, 2014, the AXA Group held a 10% share (17% at the December 31, 2013) in AXA Private Equity capital. On September 30, 2013, the transaction valued AXA Private Equity at €510 million for 100% before transaction costs.

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

Note 6 Value of purchased life business in-force

The change in Value of Business In-force ("VBI") in the Life & Savings segment was as follows:

(In Euro million)	2014	2013
Gross carrying value as of January 1	5,865	7,011
Accumulated amortization and impairment	(3,268)	(3,675)
Shadow accounting on VBI	(215)	(651)
Net carrying value as of January 1	**2,382**	**2,685**
VBI capitalization	-	-
Capitalized interests	104	129
Amortization and impairment for the period	(331)	(538)
Changes in VBI amortization, capitalization and impairment	**(228)**	**(409)**
Change in shadow accounting on VBI	43	372
Currency translation and other changes	100	(109)
Acquisitions and disposals of subsidiaries and portfolios [a]	-	(157)
Net carrying value as of December 31	**2,297**	**2,382**
Gross carrying value as of December 31	5,984	5,865
Accumulated amortization and impairment	(3,509)	(3,268)
Shadow accounting on VBI	(178)	(215)

(a) In 2013, includes the sale of MONY portfolio in the United States.

Note 7 Deferred acquisition costs and equivalent

7.1. BREAKDOWN OF DEFERRED ACQUISITION COSTS (DAC) AND EQUIVALENT

(In Euro million)	December 31, 2014	December 31, 2013 Restated [a]
Deferred acquisition costs relating to Life & Savings [b]	19,888	17,418
Deferred Origination Costs [c]	1,125	943
Shadow accounting on DAC	(1,713)	(784)
Deferred acquisition costs and equivalent relating to Life & Savings	**19,299**	**17,577**
Deferred acquisition costs and equivalent relating to Property & Casualty and International Insurance	**1,819**	**1,768**
Deferred acquisition costs and equivalent	**21,119**	**19,345**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Applicable to Life & Savings insurance contracts and investment contracts with discretionary participation features according to IFRS 4. Amounts are net of accumulated amortization.
(c) Applicable to investment contracts with no discretionary participation features (IAS 39).

7.2. ROLLFORWARD OF DEFERRED ACQUISITION COSTS AND EQUIVALENT – LIFE & SAVINGS

Changes in deferred acquisition costs and equivalent for Life & Savings were as follows:

(In Euro million)	2014		2013	
	Life & Savings Deferred Acquisition Costs [a]	Life and Savings Deferred Origination Costs [b]	Life & Savings Deferred Acquisition Costs [a]	Life and Savings Deferred Origination Costs [b]
Life & Savings deferred acquisition costs and equivalent net carrying value as of January 1	**16,634**	**943**	**16,312**	**932**
Amortization and impairment for the period	(1,529)	(109)	(2,049)	(149)
Capitalized interests for the period	797	25	796	19
DAC and similar costs capitalization for the period	1,871	202	1,965	169
Changes in amortization, capitalization and impairment	**1,139**	**118**	**712**	**39**
Change in shadow accounting on DAC	(870)	-	390	-
Currency translation and other changes	1,289	64	(766)	(29)
Acquisitions and disposals of subsidiaries and portfolios [c]	(18)	-	(13)	-
Life & Savings deferred acquisition costs and equivalent net carrying value as of December 31	**18,174**	**1,125**	**16,634**	**943**
TOTAL	**19,299**		**17,577**	

(a) Relating to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features (IAS 39).
(c) In 2014 includes the classification as held for sale of MPF portfolio in Hong Kong Life & Savings. In 2013 includes the sale of MONY portfolio in the United States.

7.3. DEFERRED ACQUISITION COSTS AND EQUIVALENT, NET OF AMORTIZATION, UNEARNED REVENUE RESERVES AND UNEARNED FEE RESERVES – LIFE & SAVINGS

The value of Life & Savings deferred acquisition costs and equivalent, net of amortization, unearned revenue reserves and unearned fee reserves, was as follows:

(In Euro million)	December 31, 2014		December 31, 2013	
	Life & Savings Deferred Acquisition Costs [a]	Life and Savings Deferred Origination Costs [b]	Life & Savings Deferred Acquisition Costs [a]	Life and Savings Deferred Origination Costs [b]
DAC and equivalent	**18,174**	**1,125**	**16,634**	**943**
of which shadow DAC	*(1,713)*	-	*(784)*	-
Unearned revenues and unearned fees reserves	**2,356**	**681**	**2,422**	**577**
of which shadow unearned revenues reserves	*(468)*	-	*(260)*	-
DAC net of unearned revenues and unearned fees reserves	**15,818**	**444**	**14,212**	**366**
TOTAL	**16,263**		**14,578**	

(a) Relating to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features (IAS 39).

Note 8 Other intangible assets

8.1. BREAKDOWN OF OTHER INTANGIBLE ASSETS

Other intangible assets represented €3,149 million net value as of December 31, 2014 and mainly included:

(In Euro million)	Gross value	Accumulated amortization	Accumulated impairment	Net Value December 31, 2014	Net Value December 31, 2013
Software capitalized	2,200	1,483	28	689	668
Intangible assets recognized in business combinations and other business operations	3,156	806	51	2,299	2,311
Other intangible assets	547	385	1	161	179
Total other intangible assets	**5,903**	**2,674**	**80**	**3,149**	**3,159**

8.2. BREAKDOWN OF INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS AND OTHER BUSINESS OPERATIONS

		December 31, 2014				December 31, 2013			
(In Euro million)	Transaction Year	Gross value	Accu-mulated amorti-zation	Accu-mulated impair-ment	Net carrying value	Gross value	Accu-mulated amorti-zation	Accu-mulated impair-ment	Net carrying value
Asia Property and Casualty	2012	158	(34)	-	124	139	(16)	-	123
Greece Life and Savings	2007	43	(3)	(24)	15	41	(3)	(24)	14
Greece Property and Casualty	2007	78	(26)	-	51	56	(22)	-	34
AXA MPS (Italy) Life and Savings	2007 & 2008	592	-	-	592	592	-	-	592
AXA MPS (Italy) Property and Casualty	2007 & 2008	347	-	-	347	347	-	-	347
Switzerland Life and Savings	2006	170	(68)	-	102	166	(58)	-	108
Switzerland Property and Casualty	2006	565	(289)	-	277	555	(252)	-	303
Germany Property and Casualty	2006	92	(25)	-	67	92	(18)	-	73
Belgium Property and Casualty	2006	67	(21)	-	45	67	(18)	-	49
Spain Property and Casualty	2006	247	(205)	-	42	247	(193)	-	54
AXA Investment Managers	2005	207	(7)	-	201	196	(6)	-	190
Others [(a)]		591	(128)	(27)	437	581	(127)	(28)	426
TOTAL		**3,156**	**(806)**	**(51)**	**2,299**	**3,078**	**(714)**	**(53)**	**2,311**

(a) 2013 includes €41 million from the 10 years distribution agreement signed with HSBC in Mexico and €16 million from the acquisition of W.P. Stewart by AllianceBernstein.

Intangible assets recognized in business combinations mainly include value of distribution agreements and customer related intangibles, including €1,447 million (net carrying value) assets with indefinite useful life.

The amortization period for intangible assets recognized in business combinations with a finite useful life ranges from 10 to 20 years.

8.3. CHANGE IN INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS AND OTHER BUSINESS OPERATIONS

(In Euro million)	2014	2013
Net value as of January 1	**2,311**	**2,388**
Acquisition during the period [a]	46	61
Amortization allowance	(99)	(106)
Impairment allowance	-	-
Disposal during the period	-	-
Purchase decreases following adjustments	-	-
Currency impact	43	(27)
Other changes	(2)	(5)
Closing net value as of December 31	**2,299**	**2,311**

(a) In 2014, includes €23 million in Greece due to the extension of the distribution agreement with Alpha Bank to Emporiki bank.
In 2014, includes €21 million on acquisition of Capital Fondsmaeglerselskab in Denmark by AllianceBernstein.
In 2013, includes €41 million from the 10 years distribution agreement signed with HSBC in Mexico and €16 million from the acquisition of W.P. Stewart by AllianceBernstein.

Note 9 Investments

9.1. 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 which are shown separately. Detailed effects of derivatives are provided in Note 20.3.

	Insurance		
(In Euro million)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost	23,491	17,587	2.58%
Investment in real estate properties designated as at fair value through profit or loss [a]	1,023	1,023	0.15%
Macro-hedge and other derivatives	-	-	-
Investment in real estate properties	**24,514**	**18,610**	**2.73%**
Debt instruments held to maturity	-	-	-
Debt instruments available for sale	361,872	361,872	53.17%
Debt instruments designated as at fair value through profit or loss [b]	39,077	39,077	5.74%
Debt instruments held for trading	301	301	0.04%
Debt instruments (at cost) that are not quoted in an active market [c]	5,156	4,939	0.73%
Debt instruments	**406,406**	**406,189**	**59.68%**
Equity instruments available for sale	15,046	15,046	2.21%
Equity instruments designated as at fair value through profit or loss [a]	7,990	7,990	1.17%
Equity instruments held for trading	162	162	0.02%
Equity instruments	**23,199**	**23,199**	**3.41%**
Non consolidated investment funds available for sale	6,825	6,825	1.00%
Non consolidated investment funds designated as at fair value through profit or loss [a]	4,985	4,985	0.73%
Non consolidated investment funds held for trading	35	35	0.01%
Non consolidated investment funds	**11,844**	**11,844**	**1.74%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**8,828**	**8,828**	**1.30%**
Macro-hedge and other derivatives	**1,098**	**1,098**	**0.16%**
Financial investments	**451,375**	**451,158**	**66.28%**
Loans held to maturity	-	-	-
Loans available for sale	-	-	-
Loans designated as at fair value through profit or loss [a]	-	-	-
Loans held for trading	-	-	-
Loans at cost [d]	31,386	29,801	4.38%
Macro-hedge and other derivatives	-	-	-
Loans	**31,386**	**29,801**	**4.38%**
Assets backing contracts where the financial risk is borne by policyholders	**181,082**	**181,082**	**26.60%**
INVESTMENTS	**688,358**	**680,651**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**507,276**	**499,569**	**73.40%**
Life & Savings	433,198	426,435	62.65%
Property & Casualty	66,366	65,424	9.61%
International Insurance	7,711	7,710	1.13%

(a) Assets measured at fair value under the fair value option.
(b) Includes assets measured at fair value notably under the fair value option.
(c) Eligible to the IAS 39 Loans and Receivables measurement category.
(d) Mainly relates to mortgage loans and policy loans.

December 31, 2014					
Other activities			Total		
Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
1,898	613	1.55%	25,390	18,200	2.53%
-	-	-	1,023	1,023	0.14%
-	-	-	-	-	-
1,898	**613**	**1.55%**	**26,413**	**19,223**	**2.67%**
-	-	-	-	-	-
9,863	9,863	24.95%	371,734	371,734	51.62%
767	767	1.94%	39,845	39,845	5.53%
24	24	0.06%	325	325	0.05%
1,952	1,952	4.94%	7,108	6,891	0.96%
12,607	**12,607**	**31.89%**	**419,013**	**418,795**	**58.15%**
1,381	1,381	3.49%	16,428	16,428	2.28%
407	407	1.03%	8,398	8,398	1.17%
-	-	-	162	162	0.02%
1,789	**1,789**	**4.52%**	**24,987**	**24,987**	**3.47%**
25	25	0.06%	6,850	6,850	0.95%
253	253	0.64%	5,238	5,238	0.73%
477	477	1.21%	511	511	0.07%
756	**756**	**1.91%**	**12,600**	**12,600**	**1.75%**
202	**202**	**0.51%**	**9,031**	**9,031**	**1.25%**
(165)	**(165)**	**-0.42%**	**933**	**933**	**0.13%**
15,188	**15,188**	**38.42%**	**466,563**	**466,346**	**64.75%**
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,656	23,725	60.01%	57,043	53,526	7.43%
9	9	0.02%	9	9	-
25,666	**23,734**	**60.03%**	**57,052**	**53,535**	**7.43%**
-	**-**	**-**	**181,082**	**181,082**	**25.14%**
42,753	**39,535**	**100.00%**	**731,110**	**720,187**	**100.00%**
-	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

(In Euro million)	Insurance		
	Fair value	**Carrying value**	**% (value balance sheet)**
Investment in real estate properties at amortized cost	21,754	16,446	2.71%
Investment in real estate properties designated as at fair value through profit or loss[(b)]	1,033	1,033	0.17%
Macro-hedge and other derivatives	-	-	-
Investment in real estate properties	**22,787**	**17,479**	**2.88%**
Debt instruments held to maturity	-	-	-
Debt instruments available for sale	319,473	319,473	52.72%
Debt instruments designated as at fair value through profit or loss[(c)]	34,263	34,263	5.65%
Debt instruments held for trading	251	251	0.04%
Debt instruments (at cost) that are not quoted in an active market[(d)]	6,517	6,410	1.06%
Debt instruments	**360,505**	**360,397**	**59.47%**
Equity instruments available for sale	15,154	15,154	2.50%
Equity instruments designated as at fair value through profit or loss[(b)]	6,477	6,477	1.07%
Equity instruments held for trading	140	140	0.02%
Equity instruments	**21,771**	**21,771**	**3.59%**
Non consolidated investment funds available for sale	6,041	6,041	1.00%
Non consolidated investment funds designated as at fair value through profit or loss[(b)]	4,396	4,396	0.73%
Non consolidated investment funds held for trading	-	-	-
Non consolidated investment funds	**10,437**	**10,437**	**1.72%**
Other assets designated as at fair value through profit or loss, held by consolidated investment funds	**6,876**	**6,876**	**1.13%**
Macro-hedge and other derivatives	**886**	**886**	**0.15%**
Financial investments	**400,474**	**400,366**	**66.07%**
Loans held to maturity	-	-	-
Loans available for sale	-	-	-
Loans designated as at fair value through profit or loss[(a)]	-	-	-
Loans held for trading	-	-	-
Loans at cost[(e)]	26,714	25,943	4.28%
Macro-hedge and other derivatives	-	-	-
Loans	**26,715**	**25,944**	**4.28%**
Assets backing contracts where the financial risk is borne by policyholders	**162,186**	**162,186**	**26.76%**
INVESTMENTS	**612,161**	**605,976**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**449,975**	**443,789**	**73.24%**
Life & Savings	383,193	377,779	62.34%
Property & Casualty	59,510	58,740	9.69%
International Insurance	7,272	7,270	1.20%

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Assets measured at fair value under the fair value option.
(c) Includes assets measured at fair value notably under the fair value option.
(d) Eligible to the IAS 39 Loans and Receivables measurement category.
(e) Mainly relates to mortgage loans and policy loans.

	December 31, 2013 Restated [a]					
	Other activities			Total		
	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
	1,617	573	1.60%	23,370	17,019	2.65%
	-	-	-	1,033	1,033	0.16%
	-	-	-	-	-	-
	1,617	**573**	**1.60%**	**24,403**	**18,052**	**2.81%**
	-	-	-	-	-	-
	9,515	9,515	26.58%	328,988	328,988	51.26%
	124	124	0.35%	34,387	34,387	5.36%
	28	28	0.08%	280	280	0.04%
	1,275	1,275	3.56%	7,792	7,685	1.20%
	10,942	**10,942**	**30.57%**	**371,447**	**371,339**	**57.86%**
	2,035	2,035	5.69%	17,189	17,189	2.68%
	374	374	1.04%	6,851	6,851	1.07%
	-	-	-	140	140	0.02%
	2,409	**2,409**	**6.73%**	**24,180**	**24,180**	**3.77%**
	281	281	0.79%	6,322	6,322	0.99%
	213	213	0.59%	4,609	4,609	0.72%
	388	388	1.09%	388	388	0.06%
	883	**883**	**2.47%**	**11,320**	**11,320**	**1.76%**
	13	**13**	**0.04%**	**6,888**	**6,888**	**1.07%**
	(1,362)	**(1,362)**	**-3.81%**	**(476)**	**(476)**	**-0.07%**
	12,885	**12,885**	**36.00%**	**413,358**	**413,251**	**64.39%**
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	23,711	22,323	62.37%	50,426	48,266	7.52%
	10	10	0.03%	10	10	-
	23,722	**22,333**	**62.40%**	**50,436**	**48,277**	**7.52%**
	-	**-**	**-**	**162,186**	**162,186**	**25.27%**
	38,223	**35,790**	**100.00%**	**650,384**	**641,766**	**100.00%**
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

9.2. INVESTMENT IN REAL ESTATE PROPERTIES

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

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

(In Euro million)	December 31, 2014					December 31, 2013 Restated [(a)]				
	Gross value	Amorti-zation	Impairment	Carrying value	Fair value	Gross value	Amorti-zation	impairment	Carrying value	Fair value
Investment in real estate properties at amortized cost										
Insurance	20,220	(2,013)	(620)	17,587	23,491	18,984	(1,904)	(633)	16,446	21,754
Other activities	858	(245)	-	613	1,898	781	(208)	-	573	1,617
All activities	21,078	(2,258)	(620)	18,200	25,390	19,764	(2,112)	(633)	17,019	23,370

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

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

(In Euro million)	Impairment – Investment in real estate properties		Amortization – Investment in real estate properties	
	2014	2013 Restated [(a)]	2014	2013 Restated [(a)]
Value as of January 1st	**633**	**552**	**2,112**	**2,058**
Increase for the period	50	135	227	261
Write back following sale or reimbursement	(11)	(33)	(86)	(43)
Write back following recovery in value	(44)	(20)	-	-
Others [(b)]	(9)	-	5	(165)
Value as of December 31st	**620**	**633**	**2,258**	**2,112**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes change in scope and the effect of changes in exchange rates.

9.3. 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:

Insurance

	December 31, 2014					December 31, 2013 Restated [a]				
(In Euro million)	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses
Debt instruments available for sale	310,952	363,619	363,619	53,424	757	297,303	320,110	320,110	25,277	2,469
Debt instruments (at cost) that are not quoted in an active market	4,991	5,208	4,991	219	2	6,431	6,538	6,431	141	33
Equity instruments available for sale	11,867	15,135	15,135	3,357	90	12,222	15,158	15,158	3,034	98
Non consolidated investment funds available for sale	5,969	6,934	6,934	986	21	5,113	6,002	6,002	901	11

Other Activities

	December 31, 2014					December 31, 2013 Restated [a]				
(In Euro million)	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses
Debt instruments available for sale	9,973	10,268	10,268	316	20	9,607	9,625	9,625	136	118
Debt instruments (at cost) that are not quoted in an active market	1,952	1,952	1,952	-	-	1,275	1,275	1,275	-	-
Equity instruments available for sale	1,103	1,381	1,381	280	1	1,912	2,263	2,263	361	10
Non consolidated investment funds available for sale	11	25	25	14	-	276	281	281	6	-

Total

	December 31, 2014					December 31, 2013 Restated [a]				
(In Euro million)	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses	Amortized cost [b]	Fair value	Carrying value [c]	Unrealized gains	Unrealized losses
Debt instruments available for sale	320,925	373,888	373,888	53,740	778	306,910	329,735	329,735	25,413	2,587
Debt instruments (at cost) that are not quoted in an active market	6,943	7,160	6,943	219	2	7,706	7,813	7,706	141	33
Equity instruments available for sale	12,971	16,516	16,516	3,637	91	14,133	17,421	17,421	3,395	108
Non consolidated investment funds available for sale	5,980	6,959	6,959	1,000	21	5,389	6,283	6,283	906	11

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Net of impairment – including premiums/discounts and related accumulated amortization.
(c) Net of impairment.

See also Note 9.9.1 "Breakdown of financial assets subject to impairment".

9.4. DEBT INSTRUMENTS AND LOANS

9.4.1. debt instruments by type of issuer

The table below sets out the debt instruments portfolio by issuer type, excluding macro-hedging derivatives and other derivatives but including the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges). Details of the effect of derivatives are provided in Note 20.3.

(In Euro million)	December 31, 2014 Carrying value	December 31, 2013 Restated [(a)] Carrying value
Government debt instruments	190,839	159,400
Government related debt instruments	65,467	58,425
Corporate debt instruments [(b)]	164,668	153,314
Other debt instruments [(c)]	295	1,051
Hedging derivatives and other derivatives	(2,474)	(850)
TOTAL DEBT INSTRUMENTS	**418,795**	**371,339**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes debt instruments issued by companies in which a State holds interests.
(c) Includes fixed maturity investment funds and debt securities related to reverse repo.

Additional information on the credit risk associated with debt instruments is provided in Note 4 “Financial and insurance risks management”.

9.4.2. Focus on banking loans

	December 31, 2014		December 31, 2013	
(In Euro million)	Fair value	Carrying value	Fair value	Carrying value
Mortgage loans	20,836	19,171	18,727	17,572
Other loans	4,640	4,374	4,824	4,591
TOTAL	**25,476**	**23,545**	**23,551**	**22,163**

9.5. CONTRACTUAL MATURITIES AND EXPOSURE TO INTEREST RATE RISK

The table below sets out the contractual maturities of debt instruments held by the Group. Effective maturities may differ from those presented, mainly because some assets include clauses allowing early redemption, with or without penalty or duration extension features. In some case, the effect of derivatives also modifies the maturity profile of asset presented below.

Debt instruments (at cost) that are not quoted in an active market, the effect of derivatives (detailed in Note 20.3), loans and debt instruments backing contracts where the financial risk is borne by policyholders are excluded from the table below. The effect of derivatives modifies in certain cases the maturity profile of assets presented below. Most of the debt instruments and loans held by the Group are fixed-rate instruments (*i.e.* exposed to fair value interest rate risk).

	December 31, 2014 Net carrying amount by maturity				December 31, 2013 Restated Net carrying amount by maturity [(a)]			
(In Euro million)	12 months or less [(b)]	More than 1 year up to 5 years	More than 5 years	Total net carrying value	12 months or less [(b)]	More than 1 year up to 5 years	More than 5 years	Total net carrying value
Debt instruments	28,058	113,422	272,846	414,326	22,434	107,427	234,623	364,484
Loans	7,627	16,672	31,307	55,606	6,933	14,688	28,011	49,632
Total Financial investments exposed to interest rate risk	**35,685**	**130,095**	**304,153**	**469,932**	**29,367**	**122,115**	**262,634**	**414,116**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Corresponds to financial assets held for trading purposes and financial assets recognized designated as at fair value through profit or loss.

9.6. EXPOSURE TO PRICE RISK

Excluding the effect of derivatives (detailed in Note 20.3) and equity instruments of real estate companies, the breakdown by industry of equity instruments owned across the Group is as follows:

(In Euro million)	Financial	Consumer goods & Services	Energy	Commu-nications	Industrial	Basic Materials	Techno-logy	Other	Total
Equity instruments as of December 31, 2014	7,246	6,753	970	1,395	2,526	988	1,352	3,844	25,076
Equity instruments as of December 31, 2013 Restated [(a)]	7,416	6,466	1,335	1,432	2,755	1,254	1,369	2,387	24,412

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

9.7. TRANSFERS OF FINANCIAL ASSETS NOT QUALIFYING FOR DERECOGNITION

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

Additionally, the Group is party to total return swaps under which financial assets are sold to a counterparty with a corresponding agreement. Cash flows equal to those of the underlying assets will be remitted to the Group in exchange for specified payments taking into account any increase or decline in the fair value of the assets. This results in substantially all of the risks and rewards of the financial assets remaining with the Group. As such, the Group does not derecognize the financial assets.

The breakdown of transferred financial assets/liabilities not qualifying for derecognition was as follows:

	December 31, 2014			December 31, 2013		
(In Euro million)	Debt instruments designed at fair value through profit or loss	Debt instruments available for sale	Debt instruments – Loans & Receivables	Debt instruments designed at fair value through profit or loss	Debt instruments available for sale	Debt instruments – Loans & Receivables
Carrying value of assets	2,333	27,366	1,388	1,601	25,997	3,477
Carrying value of associated liabilities [(a)]	2,276	25,794	1,388	1,625	24,418	3,766

(a) Amount does not include securities received as collateral to securities lending transactions if such collateral is not recognized under the terms of the agreement because the risks and rewards have not been transferred to the Group (detailed in Note 29).

9.8. NON CONSOLIDATED INVESTMENT FUNDS

The detail of non-consolidated investment funds breakdown was as follows:

	December 31, 2014			December 31, 2013 Restated [(a)]		
	Fair value [(b)]			Fair value [(b)]		
(In Euro million)	Insurance	Other activities	Total	Insurance	Other activities	Total
Non consolidated investment funds mainly holding equity securities	2,332	344	2,675	2,018	286	2,305
Non consolidated investment funds mainly holding debt instruments	4,336	256	4,591	3,683	217	3,900
Other non consolidated investment funds	5,358	156	5,515	4,729	379	5,108
Derivatives related to non consolidated investment funds	(182)	-	(182)	6	-	6
TOTAL	**11,844**	**756**	**12,600**	**10,437**	**883**	**11,320**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Amounts are presented net of the effect of related hedging derivatives (IAS 39 qualifying hedges or economic hedges) except derivatives related to macro-hedges which are shown separately.

The amortized cost of non consolidated investment funds available for sale was as below:

- Funds mainly holding equity securities: €909 million in 2014 compared to €797 million in 2013;
- Funds mainly holding debt instruments: €1,960 million in 2014 compared to €1,542 million in 2013;
- Other funds: €3,111 million in 2014 compared to €3,049 million in 2013.

9.9. FINANCIAL INVESTMENTS SUBJECT TO IMPAIRMENT

9.9.1. Breakdown of financial investments subject to impairment

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

	December 31, 2014					December 31, 2013 Restated [(a)]				
(In Euro million)	Cost before impairment and revaluation to fair value [(b)]	Impairment	Cost after impairment but before revaluation to fair value [(c)]	Revaluation to fair value [(e)]	Carrying value	Cost before impairment and revaluation to fair value [(b)]	Impairment	Cost after impairment but before revaluation to fair value [(c)]	Revaluation to fair value [(e)]	Carrying value
Debt instruments available for sale	320,720	(788)	319,932	51,802	371,734	306,962	(1,078)	305,884	23,104	328,988
Debt instruments (at cost) that are not quoted in an active market [(e)]	6,953	-	6,953	(61)	6,891	7,694	-	7,694	(9)	7,685
Debt instruments	**327,672**	**(788)**	**326,885**	**51,741**	**378,625**	**314,656**	**(1,078)**	**313,578**	**23,094**	**336,672**
Equity instruments available for sale	**15,093**	**(2,123)**	**12,971**	**3,457**	**16,428**	**16,515**	**(2,380)**	**14,135**	**3,054**	**17,189**
Non consolidated investment funds available for sale	**6,930**	**(950)**	**5,980**	**870**	**6,850**	**6,418**	**(1,029)**	**5,389**	**934**	**6,322**
Loans held to maturity	-	-	-	-	-	-	-	-	-	-
Loans available for sale	-	-	-	-	-	-	-	-	-	-
Loans at cost [(d)]	54,870	(647)	54,223	(697)	53,526	49,235	(621)	48,614	(348)	48,266
Loans	**54,871**	**(648)**	**54,223**	**(697)**	**53,526**	**49,235**	**(621)**	**48,614**	**(348)**	**48,266**
TOTAL	**404,567**	**(4,508)**	**400,059**	**55,371**	**455,429**	**386,824**	**(5,108)**	**381,715**	**26,734**	**408,449**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.
(c) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.
(d) Including policy loans.
(e) Revaluation to fair value for instruments at cost related to the application of hedge accounting.

9.9.2. Change in impairment on financial investments

(In Euro million)	January 1, 2014	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other[(a)]	December 31, 2014
Impairment – Debt instruments	1,078	135	(465)	(23)	63	788
Impairment – Equity instruments	2,380	388	(684)	-	39	2,123
Impairment – Non consolidated investment funds	1,029	49	(100)	-	(29)	950
Impairment – Loans	621	123	(21)	(57)	(18)	648
TOTAL	**5,108**	**694**	**(1,271)**	**(80)**	**56**	**4,508**

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

(In Euro million)	January 1, 2013	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other[(a)]	December 31, 2013 Restated[(b)]
Impairment – Debt instruments	1,340	76	(203)	(6)	(129)	1,078
Impairment – Equity instruments	2,488	443	(420)	-	(131)	2,380
Impairment – Non consolidated investment funds	1,027	101	(91)	-	(7)	1,029
Impairment – Loans	601	116	(3)	(72)	(22)	621
TOTAL	**5,456**	**736**	**(718)**	**(78)**	**(288)**	**5,108**

(a) Mainly relates to changes in the scope of consolidation and impact of changes in exchange rates.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

9.10. INVESTMENTS/FAIR VALUE

9.10.1. Investments recognized at fair value

The breakdown by valuation method of investments recognized at fair value excluding derivatives (detailed in Note 20.3 and Note 20.5) and assets backing contracts where the financial risk is borne by policyholders is as follows:

	December 31, 2014				December 31, 2013 Restated [(a)]			
	Assets quoted in an active market	Assets not quoted in an active market or no active market			Assets quoted in an active market	Assets not quoted in an active market or no active market		
(In Euro million)	Fair value determined directly by reference to an active market (level 1)	Fair value mainly based on an observable market data (level 2)	Fair value mainly not based on an observable market data (level 3)	Total	Fair value determined directly by reference to an active market (level 1)	Fair value mainly based on an observable market data (level 2)	Fair value mainly not based on an observable market data (level 3)	Total
Debt instruments	254,410	119,254	224	373,888	218,550	111,063	123	329,735
Equity instruments	12,972	1,307	2,238	16,516	14,219	1,062	2,140	17,421
Non consolidated investment funds	694	5,271	994	6,959	869	4,220	1,195	6,283
Loans	-	-	-	-	-	-	-	-
Financial investments and loans available for sale	**268,075**	**125,832**	**3,456**	**397,363**	**233,637**	**116,344**	**3,458**	**353,440**
Investments in real estate properties	-	1,023	-	1,023	-	1,033	-	1,033
Debt instruments	23,215	15,998	857	40,071	20,651	12,709	1,115	34,475
Equity instruments	3,826	566	4,005	8,396	2,589	477	3,784	6,850
Non consolidated investment funds	319	3,962	1,030	5,311	285	3,614	742	4,642
Other assets held by consolidated investment funds designated as at fair value through profit or loss	1,776	5,778	1,569	9,123	1,233	4,580	1,116	6,928
Loans	-	-	-	-	-	-	-	-
Financial investments and loans designated as at fair value through profit or loss	**29,136**	**27,326**	**7,461**	**63,924**	**24,758**	**22,413**	**6,757**	**53,928**
Debt instruments	90	277	-	368	99	175	-	274
Equity instruments	163	-	-	163	141	-	-	141
Non consolidated investment funds	474	37	-	511	384	4	-	388
Loans	-	-	-	-	-	-	-	-
Financial investments and loans held for trading	**728**	**314**	**-**	**1,042**	**624**	**179**	**-**	**803**
TOTAL FINANCIAL INVESTMENTS AND LOANS ACCOUNTED FOR AT FAIR VALUE	**297,940**	**153,472**	**10,917**	**462,329**	**259,020**	**138,936**	**10,215**	**408,171**

Note: this table excludes assets backing contracts where the financial risk is borne by policyholders with guaranteed minimum features.
(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

Methods applied to determine the fair value of investments measured at fair value in the financial statements are described in Note 1.5. The Group applies the IFRS 13 fair value hierarchy.

ASSETS CLASSIFICATION

Fair values determined in whole directly by reference to an active market relate to prices which are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis, *i.e.* the market is still active. Such assets are categorized in the Level 1 of the IFRS 13 fair value hierarchy.

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

- Values provided by external parties which:

(i) are readily available including last transaction prices but relate to assets for which the market is not always active, or

(ii) values provided at the request of the Group by pricing services and which are not readily publicly available;

- assets measured on the basis of valuation techniques including a varying degree of assumptions supported by market transactions and observable data.

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

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

a) Fair values determined in whole directly by reference to an active market (level 1)

Since the 2008 financial crisis, a significant volatility related to corporate spreads has been observed leading to transfers between level 1 and 2 with both yield and bid ask spreads widening and narrowing from one closing to another. Since 2010, this volatility has also been experienced on European government bonds with yields and bid ask spreads which widened significantly leading to transfers from level 1 to level 2. In 2013, floating rate Japanese sovereign bonds were reclassified from level 2 to level 1 consistent with sustained improved market liquidity for those instruments. At December 31, 2014, Ireland, Portugal, Spain and Italy sovereign bonds were classified in level 2. For these sovereign bonds classified in level 2, trends observed in 2012 and 2013 were confirmed in 2014 with an acceleration of peripheral countries spread contraction and liquidity improvements. These market indicators will continue to be monitored to assess the sustainability of those improvements. Therefore, the classification as at December 31, 2014 was maintained compared to December 31, 2013.

At December 31, 2014 the net transfers between Level 1 and Level 2 was €5,557 million. This amount was comprised of €9,476 million transferred investments from Level 2 to Level 1 and €3,919 million transferred from Level 1 to Level 2.

b) Fair values of assets not quoted in an active market – no active markets (level 2 and level 3)

Overview of the nature of such investments

Amounts presented in level 2 and 3 represent a variety of circumstances. A financial instrument is regarded as not quoted in an active market if there is little observation of transaction prices as an inherent characteristic of the instrument, when there is a significant decline in the volume and level of trading activity, in case of significant illiquidity or if observable prices cannot be considered as representing fair value because of dislocated market conditions. Characteristics of inactive markets can therefore be very different in nature, inherent to the instrument or be indicative of a change in the conditions prevailing in certain markets.

The identification of level 3 assets among assets not quoted in an active market involves a significant level of judgment. The following are considered as observable: inputs provided by external pricing services, information observable obtained from specialized data providers, rating agencies, external surveys. The extent to which such data are external to the Group and not assessed by internal valuation teams is one of the main criteria applied in assessing whether data are observable or not. Should those data be significantly adjusted or would they be outdated because of the lack of new available factors, such inputs would be deemed unobservable. Another area of judgment is the assessment of the significance of an input against the fair value measurement in its entirety. As a result, a different cut between observable and unobservable data and variances in the weighting of the significance of each input against the fair value measurement in its entirety could produce a different categorization.

Assets such as certain unquoted debt instruments, some instruments issued on private markets such as Private Equity instruments or private loans were always considered as not quoted in active markets as an inherent characteristic of these investments and were included as Assets not quoted in active markets/No active markets in all periods presented. Valuations are based either on external pricing providers or internal models using techniques commonly used by market participants.

Valuation teams make the maximum use of current transaction prices if any and observable data but some of the underlying sectors to which the investment relate may be so particular that significant adjustments are performed or unobservable data are used. Private Equity funds of funds are measured on the basis of the latest Net Asset Values of funds provided to the Group.

Transfer in and out of the level 3 category and other movements

From January 1, 2014 to December 31, 2014, the amount of Level 3 assets increased to €10.9 billion, representing 2.4% of the total assets at fair value (2.5% in 2013 *i.e.* €10.2 billion).

Main movements related to Level 3 assets to be noted were the following:

- €+1.9 billion of new investments;
- €-0.4 billion of asset sales mainly debt instruments, equity securities and investment funds accounted as available for sale and as at fair value option;
- €-0.6 billion of change in unrealized gains and losses;
- €-0.3 billion reclassified in Level 2 primarily due to the availability of more observable data;
- €+0.1 billion of foreign exchange fluctuation impact.

A majority of assets classified in Level 3 corresponds to Private Investments and in particular Private Equity assets.

9.10.2. Investments recognized at amortized cost

	December 31, 2014				December 31, 2013 Restated[a]			
	Assets quoted in an active market	Assets not quoted in an active market or no active market			Assets quoted in an active market	Assets not quoted in an active market or no active market		
(In Euro million)	Fair value determined directly by reference to an active market (level 1)	Fair value mainly based on an observable market data (level 2)	Fair value mainly not based on an observable market data (level 3)	Total	Fair value determined directly by reference to an active market (level 1)	Fair value based on a majority of observable market data (level 2)	Fair value not based on a majority of observable market data (level 3)	Total
Debt instruments held to maturity	-	-	-	-	-	-	-	-
Loans held to maturity	-	-	-	-	-	-	-	-
Financial investments and loans held to maturity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments in real estate properties at amortized cost	-	25,390	-	25,390	-	23,370	-	23,370
Debt instruments at cost (loans & receivables)	45	4,188	2,927	7,160	1,284	4,704	1,825	7,813
Loans at amortized cost	2	21,703	36,056	57,761	3	18,880	31,939	50,823
Financial investments and loans at amortized cost	**47**	**51,281**	**38,983**	**90,311**	**1,286**	**46,955**	**33,765**	**82,006**
TOTAL FAIR VALUE OF INVESTED ASSETS AT AMORTIZED COST	**47**	**51,281**	**38,983**	**90,311**	**1,286**	**46,955**	**33,765**	**82,006**

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

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. Specifics to the valuation of investments are further described in Note 9.10.1 and the same principles apply to the fair value of investments at amortized cost.

Generally fair values of investments in real estate properties cannot be determined *via* reference to quotes of an active market from an exchange market or service provider and no property is therefore categorized in level 1. However, AXA's investments in real estate properties are mostly physically located within liquid markets with identical or comparable asset sales. Given the regulatory environment, some real estate properties located in markets like France are valued by experts using very similar approaches leading to very limited dispersion in prices, with a majority of market inputs themselves homogeneous in terms of sources and values. Hence, the Group, consistently with the policy described in Note 1.5 which notably considers, for assets not quoted in an active market, the weight of observable inputs in the valuation, concludes that the fair value calculations, which are based on valuations performed by qualified property appraisers mainly based on market observable inputs, are considered as level 2 fair values. However, as noted in Note 1.5 and Note 9.10.1, the assessment of the significance of an input against the fair value measurement in its entirety involves judgment and a different weighting could produce a different categorization.

The fair values of debt instruments and loans at cost are determined with consideration of market inputs to the extent possible. For level 2 instruments, the fair value is mainly derived using valuation techniques based upon observable market interest rate curves. For level 3 instruments, the fair values of debt instruments and loans at cost are determined by valuation techniques using limited observable market data.

9.11. INVESTMENTS BACKING CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

	Fair Value[(a)]	
(In Euro million)	December 31, 2014	December 31, 2013
Investment in real estate properties	780	598
Equity instruments & non consolidated investment funds	164,199	143,519
Debt instruments	13,933	15,981
Others	2,171	2,088
Total Insurance activities	**181,082**	**162,186**

(a) Fair value equals carrying value.

These assets (including investment in real estate properties) are measured at fair value through profit or loss. Financial assets included in these investments are valued at fair value through profit or loss under the fair value option.

As described in Note 4 (Financial and insurance risks management), the financial risk associated with these contracts is borne by policyholders, except for contracts that offer some investment-related guarantees.

Note 10 Investments in joint ventures and associates accounted for using the equity method

10.1. BREAKDOWN OF JOINT VENTURES AND ASSOCIATES

	2014					
(In Euro million)	January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes [(a)]	December 31
Neuflize Vie	150	-	13	-	6	169
Philippine AXA Life Insurance Corporation	30	-	12	4	(8)	38
Krungthai AXA Life Insurance Company Ltd	98	-	51	16	(18)	147
ICBC-AXA Assurance Co Ltd (previously AXA Minmetals Assurance Co Ltd)	147	-	4	30	126	307
PT AXA Mandiri Financial Services	46	-	33	5	(32)	52
Bharti AXA Life	24	-	2	3	4	34
Bharti AXA General Insurance Company Limited	14	-	(4)	2	7	20
Reso Garantia [(b) (c)]	754	-	(218)	(223)	-	313
Kyobo AXA Investment Managers Company Limited	28	-	2	3	(1)	31
Natio Assurance	41	-	9	-	(1)	49
AXA Tian Ping [(d)]	-	495	4	56	2	556
Other	95	-	19	7	5	126
TOTAL	**1,428**	**495**	**(73)**	**(97)**	**90**	**1,842**

(a) Includes increase in capital, dividend distributions, changes in consolidation method, and impacts of revaluation to fair value of financial investments in shareholders' equity.

(b) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

(c) The contribution to the net income of the period includes the impairment (€-251 million) of part of the value of the associate due to deteriorated economic perspectives in Russia.

(d) AXA Tian Ping has been accounted for using the equity method since February 20, 2014.

TIAN PING INSURANCE

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

On February 20, 2014, AXA announced the completion of the acquisition. The acquired operations have been integrated in the scope of the Asian Region and accounted for using the equity method since February 20, 2014. The final acquisition cost was RMB 4.1 billion (or €495 million [(2)]), corresponding to a 50% stake. AXA and Tian Ping's current shareholders jointly control AXA-Tianping. AXA's previously existing Chinese P&C operations have been integrated within the new joint venture.

AXA became the largest foreign Property & Casualty insurer in China and consolidated its position as the largest international P&C insurer in Asia (excluding Japan). In accordance with IFRS 3 Business Combinations, adjustments to the initial accounting for the assets, liabilities and minority interests can be made within twelve months of the acquisition date if new information becomes available to complete the initial accounting.

(1) Source: CIRC, December 2013.

(2) EUR 1 = RMB 8.432.

(In Euro million)	2013 Restated [a] January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes [b]	December 31
Neuflize Vie	147	-	8	-	(4)	150
Philippine AXA Life Insurance Corporation [c]	29	-	12	(4)	(7)	30
Krungthai AXA Life Insurance Company Ltd	89	-	37	(12)	(16)	98
ICBC-AXA Assurance Co Ltd (previously AXA Minmetals Assurance Co Ltd)	91	-	(1)	(1)	58	147
PT AXA Mandiri Financial Services	60	-	29	(15)	(28)	46
Bharti AXA Life [c]	25	-	(1)	(4)	5	24
Bharti AXA General Insurance Company Limited	-	-	(3)	(2)	19	14
Reso Garantia [d]	788	-	34	(68)	-	754
Kyobo AXA Investment Managers Company Limited	29	-	2	(1)	(2)	28
Natio Assurance	-	-	8	-	33	41
Other	55	-	15	(4)	30	95
TOTAL	**1,312**	**-**	**139**	**(111)**	**88**	**1,428**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes dividend distributions, changes in consolidation method, impacts of revaluation to fair value of financial investments in shareholders' equity and increase in capital.
(c) Starting from 2013, these entities close their full year accounts as of December 31.
(d) This entity closes its full year accounts as of September 30.

10.2. MAIN JOINT VENTURES

Financial information for main joint ventures is as follows (including AXA and external share but excluding goodwill related to AXA's investment):

(In Euro million)	December 31, 2014 ICBC-AXA Assurance Co Ltd	December 31, 2014 AXA Tian Ping [a]	December 31, 2013 ICBC-AXA Assurance Co Ltd
Cash and cash equivalents	1,104	156	753
Total assets (including cash and cash equivalents)	**5,407**	**1,479**	**2,579**
Financing debts	-	-	-
Total liabilities (including financing debts but excluding shareholders' equity)	**4,292**	**1,016**	**2,046**
Net assets	**1,115**	**462**	**533**
Revenues	1,884	667	1,265
Change in unearned premiums net of unearned revenues and fees	3	(37)	-
Net investment result excluding financing expenses	160	43	88
Other operating income and expenses	(2,030)	(661)	(1,357)
Financing debt expenses	-	-	-
Income tax expense or income	-	(3)	-
Net income	**16**	**8**	**(3)**
Other Comprehensive Income	202	50	(36)
Total Comprehensive Income	**218**	**58**	**(39)**
Dividends received by AXA from the joint venture	**-**	**-**	**-**

(a) AXA Tian Ping has been accounted for using the equity method since February 20, 2014.

A reconciliation of the summarized financial information to the carrying amount of the joint ventures is as follows:

	December 31, 2014		December 31, 2013
(In Euro million)	ICBC-AXA Assurance Co Ltd	AXA Tian Ping [(a)]	ICBC-AXA Assurance Co Ltd
Net assets as presented above	1,115	462	533
Group share in net assets	307	231	147
Goodwill	-	325	-
Carrying value	307	556	147

(a) AXA Tian Ping has been accounted for using the equity method since February 20, 2014.

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10.3. MAIN ASSOCIATES

Financial information for main associates is as follows (including AXA and external share but excluding goodwill related to AXA's investment):

	December 31, 2014		December 31, 2013	
(In Euro million)	RESO Garantia [(a)]	Neuflize Vie	RESO Garantia [(b)]	Neuflize Vie [(b)]
Total assets	**1,533**	**11,505**	**2,464**	**11,047**
Total liabilities (excluding shareholders' equity)	**1,199**	**11,081**	**2,001**	**10,670**
Net assets	**334**	**424**	**463**	**377**
Revenues	1,349	929	1,405	1,012
Net income	**84**	**34**	**87**	**19**
Other Comprehensive Income	(212)	31	(40)	3
Total Comprehensive Income	**(129)**	**65**	**47**	**22**
Dividends received by AXA from the associate	**-**	**7**	**-**	**6**

(a) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

(b) Final published data.

A reconciliation of the summarized financial information to the carrying amount of the associates is as follows:

	December 31, 2014		December 31, 2013	
(In Euro million)	RESO Garantia [(a)]	Neuflize Vie	RESO Garantia [(b)]	Neuflize Vie [(b)]
Net assets as presented above	334	424	463	377
Group share of net assets	131	169	182	151
Goodwill	345	-	572	-
Impairment of Associate [(c)]	(164)	-	-	-
Carrying value	313	169	754	150

(a) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

(b) Final published data.

(c) Based on closing foreign exchange rate. Using average foreign exchange rate, the impairment booked in the net income was €-251 million.

This note excludes investment funds and real estate companies accounted for using the equity method, which are presented as financial investments (Note 9).

Note 11 Receivables

(In Euro million)	December 31, 2014 Gross value	December 31, 2014 Impairment	December 31, 2014 Carrying value	December 31, 2014 Fair value	December 31, 2013 Restated [a] Gross value	December 31, 2013 Restated [a] Impairment	December 31, 2013 Restated [a] Carrying value	December 31, 2013 Restated [a] Fair value
Deposits and guarantees	1,572	(1)	1,571	1,571	1,497	(1)	1,496	1,496
Current accounts receivables from other Companies	1,502	(1)	1,501	1,501	1,504	(10)	1,493	1,493
Receivables from policyholders, brokers and general agents	8,357	(336)	8,021	8,021	8,005	(304)	7,701	7,701
Premiums earned not yet written	3,596	-	3,596	3,596	3,406	-	3,406	3,406
Receivables arising from direct insurance and inward reinsurance operations	**15,026**	**(338)**	**14,688**	**14,688**	**14,412**	**(316)**	**14,096**	**14,096**
Deposits and Guarantees	48	-	48	48	63	-	63	63
Receivables from reinsurers	863	(51)	812	812	695	(60)	634	634
Receivables from brokers and general agents	19	(9)	11	11	31	(18)	13	13
Receivables arising from outward reinsurance operations	**930**	**(60)**	**871**	**871**	**789**	**(78)**	**710**	**710**
Current tax receivables	**1,511**	**-**	**1,511**	**1,511**	**1,885**	**-**	**1,885**	**1,885**
Employee benefits & related	1,257	-	1,257	1,257	1,201	-	1,201	1,201
Other deposits	1,851	-	1,851	1,851	2,247	(7)	2,240	2,240
Others	11,277	(885)	10,392	10,392	10,146	(661)	9,485	9,484
Other receivables	**14,385**	**(885)**	**13,501**	**13,501**	**13,594**	**(668)**	**12,926**	**12,926**
TOTAL RECEIVABLES	**31,853**	**(1,283)**	**30,570**	**30,570**	**30,679**	**(1,062)**	**29,617**	**29,617**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

Note 12 Cash and cash equivalents

(In Euro million)	December 31, 2014 Carrying value [b]	December 31, 2013 Restated [a] Carrying value [b]
Arising from insurance activities	15,660	15,262
Arising from banking activities	704	653
Arising from other activities	5,684	5,540
Cash and cash equivalents [c]	**22,048**	**21,455**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Fair value is assessed as being equal to net carrying value given the nature of such assets.
(c) including €279 million deposits in the central banks in 2014 and €333 million in 2013.

The table below reconciles assets and liabilities cash and cash equivalent balances with the statement of consolidated cash flows:

(In Euro million)	December 31, 2014	December 31, 2013 Restated [a]
Cash and cash equivalent	22,048	21,455
Bank overdrafts [b]	(418)	(978)
Cash and cash equivalent as of December 31 [c]	**21,631**	**20,477**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Included in "Other debt instruments issued and bank overdrafts".
(c) The "Cash and cash equivalents" item excludes cash backing contracts where the financial risk is borne by policyholders (unit-linked contracts).

The tables above exclude cash held by consolidated investment funds in the "Satellite Investment Portfolio", as defined in Note 1.7.2.

As of December 31, 2014, total consolidated net cash and cash equivalents amounted to €21,631 million, net of €418 million bank overdrafts classified under "Other debt instrument issued and bank overdrafts" in the consolidated statement of financial position.

Net cash and cash equivalents increased by €1,154 million compared to 2013 mainly due to:

- the US Life & Savings €+1,527 million mainly reflecting higher inflows from sale of unit-linked contracts, higher repurchase agreements, partly offset by higher investments mainly in debt instruments;
- France Life & Savings €-215 million as a result of higher positive inflows from insurance business partly offset by higher investment;
- the Company €-207 million mainly due to the reimbursement of the subordinated debt in January 2014 for €2,122 million partly offset by bond issuances for €1,910 million.

Regarding the consolidated statement of cash flows presented together with the primary financial statements, net cash provided by operating activities totaled €12,935 million in 2014, compared to €5,317 million in 2013.

Net cash used in investing activities was €-8,329 million in 2014, mainly reflecting:

- €-8,855 million of net cash used in purchases and sales of financial invested assets;
- €+1,310 million of net cash impact of assets lending/borrowing collateral receivables and payables;

Net cash used in investing activities was €-11,473 million in 2013, mainly reflecting:

- €-8,799 million of net cash used in purchases and sales of financial invested assets;
- €-2,692 million of net cash impact of assets lending/borrowing collateral receivables and payables;
- €+352 million net cash related to changes in scope of consolidation, mainly following the sale of MONY Life Insurance Company and the sale of a majority stake in AXA Private Equity, partly offset by the acquisition of HSBC's P&C operations in Mexico and W.P.Stewart & CO.Ltd by AllianceBernstein.

Net cash relating to financing activities totalled €-4,128 million in 2014 mainly driven by:

- Undated subordinated debt issued for of €+997 million (net of fees) and an early redemption call of €-35 million;
- Financing debt with a repayment of €2,122 million subordinated debt maturing in 2014 and €809 million of Euro senior Note due on 2014 and an issuance of £750 million (€963 million as of December 31, 2014 foreign exchange rate) subordinated debt due 2054;
- Dividends payments of €-2,235 million.

Net cash relating to financing activities totaled €-1,918 million in 2013 mainly due to:

- Dividends payments of €-1,954 million.

Note 13 Shareholders' equity and minority interests

13.1. IMPACT OF TRANSACTIONS WITH SHAREHOLDERS

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

13.1.1. Change in shareholders' equity Group share in 2014

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During 2014, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- employee share offering (December 2014) of 19 million shares for €313 million net of related charges;
- stock-option exercise of 4 million shares for €53 million;
- share-based payments for €35 million.

TREASURY SHARES

As of December 31, 2014, the Company and its subsidiaries owned approximately 0.6 million AXA shares, representing 0.02% of the share capital, a decrease of 3 million shares compared to December 31, 2013.

As of December 31, 2014, the carrying value of treasury shares and related derivatives was €164 million. There was no AXA shares held by consolidated Mutual funds not backing contracts where financial risk borne by policyholders.

As of December 31, 2014, 2 million treasury shares backing contracts where financial risk is borne by policyholders held in consolidated investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €33 million and their market value €39 million at the end of December 2014.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

As described in Note 1.13.2 of the accounting principles, undated subordinated debt issued by the Group does 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 foreign exchange differences are cancelled out through the translation reserve.

In 2014, the change in other reserves was driven by:

- €+997 million from the issuance of a new subordinated debt (net of fees);
- €-35 million from the exercise of an early redemption call on an undated subordinated debt;
- €-307 million from interest expense related to the undated subordinated debt (net of tax);
- €+418 million from foreign exchange rate fluctuations.

On October 29, 2014, AXA launched a liability management exercise and offered to eligible holders of four series of existing notes the possibility to exchange them for new undated deeply subordinated resettable notes. This transaction is part of AXA's active management of its refinancing program aiming to ensure adequate visibility and optimum terms for the renewal of its outstanding debt maturing in the coming years.

The exchange offer has been successfully completed on November 7, 2014 with a 58% average take-up rate and resulted in the issuance of €984 million undated deeply subordinated resettable notes (initial coupon set at 3.941% *per annum* until the first call date in 2024) and £724 million undated deeply subordinated resettable notes (initial coupon set at 5.453% *per annum* until the first call date in 2026). Impact was €-105 million post tax on shareholder's equity (Group Share) due to the premium offered to the holders.

As of December 31, 2014 and December 31, 2013, undated subordinated debt recognized in shareholders' equity broke down as follows:

(In Euro million)	December 31, 2014		December 31, 2013	
	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 - 1,000 M€ 5.8% [a]	431	426	1,000	994
July 6, 2006 - 500 M£ 6.7% [a]	257	324	500	594
July 6, 2006 - 350 M£ 6.7%	350	449	350	420
October 26, 2006 - 600 MA$ (of which 300MA$ 7.5%)	600	402	600	386
November 7, 2006 - 150 MA$ 7.5%	150	101	150	97
December 14, 2006 - 750 MUS$ 6.5%	750	615	750	541
December 14, 2006 - 750 MUS$ 6.4%	750	615	750	541
October 5, 2007 - 750 M€ 6.2% [a]	335	331	750	746
October 16, 2007 - 700 M£ 6.8% [a]	219	279	700	837
November 7, 2014 - 984 M€ 3.941% [a]	984	981	-	-
November 7, 2014 - 724 M£ 5.453% [a]	724	927	-	-
May 20, 2014 - 1,000 M€ 3.9%	1,000	997	-	-
January 22, 2013 - 850 MUS$ 5.5%	850	695	850	611
Undated notes -625 M€, variables rates	625	625	660	660
Undated notes - 27,000 MJPY 3.3%	27,000	186	27,000	187
Undated notes - 375 MUS$ variables rates	375	309	375	272
Sub-Total Undated Subordinated Debt		**9,135**		**7,761**
Equity component of convertible debt (2017)	95	95	95	95
TOTAL		**9,230**		**7,856**

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

In addition to the nominal amounts shown above, shareholders' equity included net accumulated financial expenses of:

- €-2,716 million as of December 31, 2014;
- €-2,410 million as of December 31, 2013.

Undated subordinated debt often contains the following features:

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

DIVIDENDS PAID

At April 23, 2014 Shareholders' Meeting, shareholders approved a dividend distribution of €0.81 per share corresponding to €1,960 million with respect to the 2013 financial year.

13.1.2 Change in shareholders' equity Group share in 2013

SHARE CAPITAL AND CAPITAL IN EXCESS OF NOMINAL VALUE

During 2013, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- employee share offering (December 2013) of 19 million shares for €292 million net of related charges;
- stock-option exercise of 10 million shares for €150 million;
- share-based payments for €46 million.

TREASURY SHARES

As of December 31, 2013, the Company and its subsidiaries owned approximately 4 million AXA shares, representing 0.2% of the share capital, a decrease of 12 million shares compared to December 31, 2012.

As of December 31, 2013, the carrying value of treasury shares and related derivatives was €188 million. This figure included €0.9 million relating to AXA shares held by consolidated Mutual funds (69,818 shares) not backing contracts where financial risk is borne by policyholders.

As of December 31, 2013, 2 million treasury shares backing contracts where financial risk is borne by policyholders held in consolidated investment funds were not deducted from shareholders' equity. Their total estimated historical cost was €40 million and their market value €42 million at the end of December 2013.

UNDATED SUBORDINATED DEBT AND RELATED FINANCIAL EXPENSES

In 2013, the change in other reserves was driven by:

- €+633 million from the issuance of a new subordinated debt;
- €-284 million from interest expense related to the undated subordinated debt (net of tax);
- €-381 million from the exercise of an early redemption call on an undated subordinated debt;
- €-277 million from foreign exchange rate fluctuations.

DIVIDENDS PAID

At April 30, 2013 Shareholders' Meeting, shareholders approved a dividend distribution of €1,720 million with respect to the 2012 financial year.

13.2. 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.

13.2.1. Comprehensive income for 2014

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 totalled €+30,479 million, of which €+30,137 million increase in unrealized capital gains on debt securities which was mainly driven by interest rates and corporate spreads decrease.

The following table shows the reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding reserve recognized in shareholders' equity:

(In Euro million)	December 31, 2014 [(a)]	December 31, 2013 Restated [(b)]
Gross unrealized gains and losses [(c)]	**57,487**	**27,008**
Less unrealized gains and losses attributable to:		
Shadow accounting on policyholders' participation and other obligations	(33,973)	(14,270)
Shadow accounting on Deferred Acquisition Costs [(d)]	(1,246)	(523)
Shadow accounting on Value of purchased Business In force	(178)	(215)
Unallocated unrealized gains and losses before tax [(e)]	**22,091**	**11,998**
Deferred tax	(6,762)	(3,580)
Unrealized gains and losses (net of tax) – Assets available for sale	**15,328**	**8,418**
Unrealized gains and losses (net of tax) – Equity accounted companies	140	8
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% – TOTAL	**15,469**	**8,426**
Minority interests' share in unrealized gains and losses [(f)]	(154)	(104)
Translation reserves [(g)]	12	166
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE) [(e)]	**15,327**	**8,488**

(a) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(c) Unrealized gains and losses on total available for sale invested assets including loans.
(d) Net of shadow accounting on unearned revenues and fees reserves and held for sale activities.
(e) Including unrealized gains and losses on assets held for sale operations.
(f) Including foreign exchange impact attributable to minority interests.
(g) Group share.

At December 31, 2014, most of the unrealized gains on assets available for sale related to the Life & Savings segment, leading to significant movements in shadow policyholders' participation and other obligations.

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 December 31, 2014:

(In Euro million)	December 31, 2014		
	France Life & Savings	Germany Life & Savings	Switzerland Life & Savings
Gross unrealized gains and losses [(a)]	**19,099**	**9,731**	**4,095**
Less unrealized gains and losses attributable to:			
Shadow accounting on policyholders' participation and other obligations	(14,268)	(8,459)	(3,363)
Shadow accounting on Deferred Acquisition Costs [(b)]	(235)	-	(20)
Shadow accounting on Value of purchased Business In force	-	-	(85)
Unallocated unrealized gains and losses before tax	**4,596**	**1,273**	**627**
Deferred tax	(1,549)	(388)	(132)
Unrealized gains and losses (net of tax) – Assets available for sale	**3,047**	**885**	**496**
Unrealized gains and losses (net of tax) – Equity accounted companies	42	-	-
UNREALIZED GAINS AND LOSSES (NET OF TAX) – 100% – TOTAL	**3,089**	**885**	**496**
Minority interests' share in unrealized gains and losses [(c)]	**(8)**	**-**	**-**
Translation reserves [(d)]	-	-	(174)
UNREALIZED GAINS AND LOSSES (NET GROUP SHARE)	**3,081**	**885**	**322**

(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 as of December 31, 2014 and December 31, 2013 broke down as follows:

(In Euro million)	December 31, 2014 [(a)]	December 31, 2013 Restated [(b)]
Unrealized gains and losses (net of tax) 100%, opening	**8,426**	**11,177**
Transfer in the income statement on the period [(c)]	(538)	(472)
Investments bought in the current accounting period and changes in fair value [(b)]	7,228	(1,866)
Foreign exchange impact	219	(386)
Change in scope and other changes [(b)]	133	(27)
Unrealized gains and losses (net of tax) 100%, closing	**15,469**	**8,426**

(a) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(c) 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.

CURRENCY TRANSLATION RESERVE

The total impact of foreign exchange rate movement was €+2,625 million (of which €+2,432 million from group share and €+193 million from minority interest) as of December 31, 2014.

The group share translation reserves movement (€+2,432 million) was mainly driven by the United States (€+1,392 million), the United Kingdom (€+357 million), Hong Kong (€+323 million), AXA IM (€+214 million) and Switzerland (€+185 million), partly offset by Russia (€-223 million), Japan (€-76 million), and the Company (€-44 million) driven by change in fair value of debt hedging net investments in foreign operations.

EMPLOYEE BENEFITS ACTUARIAL GAINS AND LOSSES

The total impact of employee benefits actuarial gains and losses amounted to €-1,239 million (of which group share was €-1,230 million and minority interests was €-8 million) as of December 31, 2014.

The negative impact in equity of actuarial gains and losses arising from employee defined benefits obligation was mainly explained by:

- the decrease in the discount rates;
- plan assets outperformance above the opening discount rate;
- the decrease in the inflation rate and pension growth rates.

Additional information on pension benefits is provided in Note 26.2.

13.2.2. Comprehensive income for 2013

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

The decrease in gross unrealized gains and losses on assets available for sale totaled €10,554 million, mainly from debt instruments (€8,000 million), mainly due to an increase in interest rates partly offset by credit spreads decrease.

CURRENCY TRANSLATION RESERVE

The total impact of foreign exchange rate movement was €-2,453 million (of which €-2,361 million from group share and €-91 million from minority interest) as of December 31, 2013.

The group share translation reserves movement (€-2,361 million) was mainly driven by Japan (€-1,424 million), the United States (€-416 million), the United Kingdom (€-105 million) and Switzerland (€-134 million), partly offset by the Company (€+370 million), driven by change in fair value of derivatives and debt hedging net investments in foreign operations.

EMPLOYEE BENEFITS ACTUARIAL GAINS AND LOSSES

The total impact of employee benefits actuarial gains and losses amounted to €726 million (of which group share was €718 million and minority interests was €7 million) as of December 31, 2013.

Additional information on pension benefits is provided in Note 26.2.

13.3. 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.

13.3.1. Change in minority interests for 2014

The €294 million increase in minority interests to €2,815 million was driven by comprehensive income and transactions with minority interests' holders:

- the comprehensive income for the period notably included the following:
  - net income attributable to minority interests for €+313 million;
  - reserves relating to changes in fair value through shareholders' equity for €+54 million;
  - foreign exchange movements for €+193 million;
- transactions with minority interests' holders, mainly included:
  - dividend payout to minority interests' holders for €-276 million.

13.3.2. Change in minority interests for 2013

The €149 million increase in minority interests to €2,520 million was driven by comprehensive income and transactions with minority interests' holders:

- the comprehensive income for the period notably included the following:
  - net income attributable to minority interests for €+304 million;
  - reserves relating to changes in fair value through shareholders' equity for €+32 million;
  - impact from open market purchase of AllianceBernstein holding units for €-31 million;
- transactions with minority interests' holders, mainly included:
  - dividend payout to minority interests' holders for €-237 million.

Note 14 Liabilities arising from insurance and investment contracts

14.1. LIABILITIES ARISING FROM INSURANCE CONTRACTS (GROSS AND REINSURERS' SHARE)

Liabilities arising from insurance contracts, including those where the financial risk is borne by policyholders, were split by segment as follows:

	December 31, 2014				December 31, 2013 Restated [a]			
(In Euro million)	Life & Savings	Property & Casualty	International Insurance	Total	Life & Savings	Property & Casualty	International Insurance	Total
Future policy benefit reserves	291,772	35	588	292,396	272,091	24	512	272,627
Unearned premiums reserves	631	9,679	600	10,911	583	9,264	511	10,358
Claim reserves [b]	11,453	39,295	7,703	58,452	11,176	37,183	7,584	55,943
of which IBNR [c]	*3,413*	*7,942*	*3,274*	*14,629*	*3,245*	*7,362*	*3,191*	*13,798*
Liability adequacy test reserves	-	-	-	-	-	-	-	-
Other reserves [d]	4,580	5,071	65	9,717	4,782	4,570	55	9,407
Liabilities arising from insurance contracts	**308,437**	**54,080**	**8,957**	**371,474**	**288,632**	**51,041**	**8,661**	**348,334**
of which measured at current assumptions [e]	*11,366*	-	-	*11,366*	*6,058*	-	-	*6,058*
Future policy benefit reserves	141,802	-	-	141,802	125,379	-	-	125,379
Claim reserves [b]	74	-	-	74	82	-	-	82
of which IBNR [c]	*2*	-	-	*2*	-	-	-	-
Other reserves	166	-	-	166	133	-	-	133
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	**142,042**	**-**	**-**	**142,042**	**125,593**	**-**	**-**	**125,593**
Reinsurers' share in future policy benefit reserves	12,518	-	-	12,518	11,888	-	1	11,889
Reinsurers' share in unearned premiums reserves	49	560	194	803	31	432	183	645
Reinsurers' share in claim reserves [b]	1,366	2,114	1,425	4,905	1,198	1,729	1,810	4,736
of which IBNR [c]	*15*	*291*	*205*	*511*	*18*	*205*	*269*	*492*
Reinsurers' share in other reserves	425	(5)	-	420	356	4	-	360
Reinsurers' share in liabilities arising from insurance contracts	**14,358**	**2,669**	**1,619**	**18,646**	**13,472**	**2,164**	**1,994**	**17,630**
Reinsurers share in liabilities arising from insurance contracts where the financial risk is borne by policyholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACTS, NET OF REINSURANCE CEDED	**436,121**	**51,411**	**7,338**	**494,869**	**400,753**	**48,877**	**6,668**	**456,297**

Note: Liabilities relating to unearned revenues and fees (see Note 7.3), to policyholders participation (see Note 14.8), and derivative instruments (see Note 20.4) are excluded from the table above.

Reinsurer's share in insurance contracts liabilities relating to policyholders' participation (€154 million in 2014 and €155 million in 2013), as well as derivatives instruments (none in 2014 and 2013) are excluded from the table above.

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

(b) Includes reserves for claim handling expenses.

(c) For the detail of Property & Casualty and International Insurance IBNR, see Note 21.3.4.

(d) Notably includes non-life annuities mathematical reserves.

(e) See Note 1.14.2 – Reserves measured according to the option offered by IFRS 4.24 for selective re-measurement of reserves at current market assumptions.

14.2. LIABILITIES ARISING FROM INVESTMENT CONTRACTS (GROSS AND REINSURERS' SHARE)

The following table shows a breakdown by segment of liabilities arising from investment contracts including those where the financial risk is borne by policyholders:

(In Euro million)	December 31, 2014 Total	December 31, 2013 Total
Future policy benefit reserves	33,377	33,545
Unearned premiums reserves	-	-
Claim reserves [(a)]	281	289
Liability adequacy test reserves	-	-
Other reserves	11	16
Liabilities arising from investment contracts with discretionary participating features	**33,669**	**33,850**
of which measured at current assumptions [(b)]	-	-
Future policy benefit reserves	475	93
Claim reserves [(a)]	6	6
Other reserves	1	1
Liabilities arising from investment contracts with no discretionary participating features	**481**	**99**
Future policy benefit reserves	39,282	36,916
Claim reserves [(a)]	17	9
Other reserves	-	-
Liabilities arising from investment contracts where the financial risk is borne by policyholders	**39,299**	**36,925**
Reinsurers' share in liabilities arising from investment contracts with discretionary participating features	**89**	**18**
Reinsurers share in liabilities arising from investment contracts with no discretionary participating features	**-**	**-**
Reinsurers share in liabilities arising from investment contracts where the financial risk is borne by policyholders	**4**	**4**
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS – NET OF REINSURANCE CEDED	**73,355**	**70,852**

Note: Liabilities relating to unearned revenues and fees (see Note 7.3), to policyholders' participation (see Note 14.8), and derivative instruments (see Note 20.4), are excluded from the table above.

Reinsurance's share in investments contracts liabilities relating to policyholders' participation (none in 2014 and 2013), as well as derivatives instruments (none in 2014 and 2013) are excluded from the table above.

(a) Includes reserves for claim handling expenses.

(b) See Note 1.14.2. – Reserves measured according to the option opened by IFRS 4.24 for selective re-measurement of reserves at current market assumptions.

14.3. CHANGE IN CLAIM RESERVES FOR PROPERTY & CASUALTY AND INTERNATIONAL INSURANCE (INSURANCE CONTRACTS)

14.3.1. Change in gross of reinsurance claim reserves

	2014			2013 Restated [a]		
(In Euro million)	Property & Casualty	International Insurance	Total	Property & Casualty	International Insurance	Total
Claim reserves as of January 1	36,093	7,330	43,423	35,411	7,760	43,171
Claim handling cost reserves as of January 1	1,090	253	1,344	1,143	259	1,402
Gross claims reserve as of January 1 [b]	**37,183**	**7,584**	**44,767**	**36,555**	**8,018**	**44,573**
Current year charge	19,084	1,872	20,956	18,398	1,705	20,103
Loss reserves development (prior years)	(516)	(237)	(753)	(360)	(217)	(578)
Total claim expenses [c]	**18,568**	**1,636**	**20,203**	**18,038**	**1,488**	**19,526**
Claim payments (current year)	(9,539)	(526)	(10,064)	(9,266)	(551)	(9,817)
Claim payments (prior years)	(7,804)	(1,409)	(9,213)	(7,828)	(1,247)	(9,076)
Claim payments [c]	**(17,343)**	**(1,935)**	**(19,278)**	**(17,094)**	**(1,798)**	**(18,893)**
Change in scope of consolidation and change in accounting method	**383**	**157**	**540**	**29**	**30**	**59**
Impact of foreign currency fluctuation	**504**	**262**	**766**	**(344)**	**(154)**	**(498)**
Claim reserves as of December 31	38,172	7,442	45,614	36,093	7,330	43,423
Claim handling cost reserves as of December 31	1,123	261	1,384	1,090	253	1,344
Gross claim reserves as of December 31 [b]	**39,295**	**7,703**	**46,998**	**37,183**	**7,584**	**44,767**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Excluding "other policy benefits liabilities" (mainly mathematical annuity reserves), which totaled €5.1 billion in 2014 and €4.6 billion in 2013.
(c) Excluding claim handling expense reserves.

14.3.2. Change in reinsurers' share in claim reserves

	2014			2013 Restated [a]		
(In Euro million)	Property & Casualty	International Insurance	Total	Property & Casualty	International Insurance	Total
Reinsurers' share in claim reserves as of January 1	**1,728**	**1,810**	**3,538**	**1,632**	**2,112**	**3,745**
Reinsurers' share in total claim expenses	1,192	(109)	1,083	898	120	1,018
Reinsurers' share in claim payments	(932)	(519)	(1,451)	(706)	(407)	(1,113)
Change in scope of consolidation, portfolio transfers, change in accounting principles and other changes	76	157	233	(40)	30	(10)
Impact of foreign currency fluctuation	49	86	136	(56)	(46)	(103)
Reinsurers' share in claim reserves as of December 31	**2,114**	**1,425**	**3,539**	**1,728**	**1,810**	**3,538**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

14.4. CHANGE IN LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS – LIFE & SAVINGS

14.4.1. Change in liabilities arising from insurance and investment contracts – gross of reinsurance

The table below includes liabilities arising from insurance and investment contracts for the Life & Savings segment, whether or not the risk is borne by policyholders (*i.e.* including unit-linked business), but excludes unearned revenue and unearned fees reserves, liabilities arising from policyholders' participation and other obligations and derivative instruments relating to insurance and investment contracts.

	2014			2013		
(In Euro million)	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total
Technical reserves as of January 1 [(a)]	**414,226**	**70,874**	**485,100**	**416,480**	**70,664**	**487,145**
Collected premiums net of loadings on premiums (+)	45,056	9,269	54,325	46,489	6,841	53,329
Surrenders, maturities and other claims and benefits paid net of charges and penalties (-)	(46,807)	(8,098)	(54,905)	(46,394)	(9,854)	(56,247)
Unit-Linked technical reserves value adjustment (+/-)	8,631	(1,641)	6,990	20,297	761	21,058
Change in reserves relating to technical and actuarial items (+/-) [(b)]	8,826	2,681	11,507	(1,313)	2,901	1,588
Transfers following technical reserves/ contract reclassification	581	(581)	-	(45)	45	-
Change in scope of consolidation, portfolio transfers and change in accounting principles	272	(851)	(580)	(5,473)	194	(5,280)
Impact of foreign currency fluctuation	19,694	1,797	21,491	(15,816)	(678)	(16,494)
Technical reserves as of December 31 [(a)]	**450,479**	**73,449**	**523,928**	**414,226**	**70,874**	**485,100**

(a) Includes: future policy benefits reserves (including shadow accounting reserves), unearned premiums reserves, unexpired risk reserves, claims reserves, claims expense reserves, other policy benefits reserves. Excludes: unearned revenues and unearned fees reserves, liabilities from policyholders' participation.

(b) Notably includes interests credited and policyholders participation credited to reserves, fees on account balance and investment management fees and change in reserves relating to other technical and actuarial items.

In 2014, the change in scope of consolidation totalled €-580 million, mainly due to the classification as held for sale of the Mandatory Provident fund (MPF) and Occupational Retirement Schemes Ordinance business (ORSO) in Hong Kong for €-847 million partially offset by the entry of Colpatria (Colombia) for €+406 million.

14.4.2. Change in reinsurers' share in liabilities arising from insurance and investment contracts

(In Euro million)	2014 Insurance contracts	2014 Investment contracts	2014 Total	2013 Insurance contracts	2013 Investment contracts	2013 Total
Reinsurers' share in technical reserves as of January 1 [(a)]	**13,473**	**23**	**13,495**	**6,162**	**18**	**6,180**
Reinsurers' share in collected premiums net of loadings on premiums (+)	1,273	15	1,288	2,254	2	2,257
Reinsurers' share in surrenders, maturities and other claims and benefits paid net of charges and penalties (-)	(1,080)	(5)	(1,086)	5,900	1	5,902
Reinsurers' share in change in reserves relating to technical and actuarial items (+/-) [(b)]	144	2	146	(298)	-	(299)
Change in scope of consolidation and change in accounting principles	(74)	58	(16)	(308)	1	(307)
Impact of foreign currency fluctuation	623	1	624	(237)	-	(237)
Reinsurers' share technical reserves as of December 31 [(a)]	**14,358**	**94**	**14,452**	**13,473**	**23**	**13,495**

(a) Includes: future policy benefits reserves (including shadow accounting reserves), unearned premiums reserves, unexpired risk reserves, claims reserves, claims expense reserves, other policy benefits reserves. Excludes: unearned revenues and unearned fees reserves, liabilities from policyholders participation.

(b) Notably includes interests credited and policyholders participation credited to reserves, fees on account balance and investment management fees and change in reserves relating to other technical and actuarial items.

14.5. LIABILITIES ARISING FROM INVESTMENT CONTRACTS BY ACCOUNTING METHOD

(In Euro million)	Carrying value December 31, 2014	Carrying value December 31, 2013
(Non Unit-Linked) – Liabilities arising from:		
Investment contracts with Discretionary Participation Features (DPF) measured according to existing accounting policies [(a)] [(d)]	33,669	33,850
Investment contracts with Discretionary Participation Features (DPF) measured with current assumptions [(b)]	-	-
Investment contracts with no Discretionary Participation Features (DPF) measured according to existing accounting policies	481	99
(Unit-Linked) – Liabilities arising from contracts where financial risk is borne by policyholders:		
Investment contracts with Discretionary Participation Features (DPF) measured according to existing accounting policies [(a)] [(c)]	4,053	4,243
Investment contracts with no Discretionary Participation Features (DPF) measured at current unit value [(d)]	35,246	32,682
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**73,449**	**70,874**

Note: This information is presented net of the impact of derivatives, which is described in Note 20.4.1.

(a) In accordance with IFRS 4 standard which allows, under certain conditions, to continue to use a previous accounting policy to liabilities arising from contracts with discretionary participating features.

(b) See Note 1.14.2. – Reserves measured according to IFRS 4.24 option which allows to evaluate certain portfolios with current assumptions.

(c) & (d) As unit-linked contracts, such contracts share the same reserves measurement determined on the basis of held assets units fair value ("current unit value"). Only the valuation of related assets is different:

- *for unit-linked contracts with a discretionary participating feature (c), an asset representing the deferred acquisition costs is recognized in continuity with previous accounting policies;*
- *for unit-linked contracts with no discretionary participating feature (d), an asset representing the rights to future management fees is recognized in accordance with IAS 18 (Rights to future management fees also known as Deferred Origination Costs "DOC") – see Note 1.7.3 and Note 7.*

The recognition of investment contracts with discretionary participating features is subject to IFRS 4, which allows, under certain conditions, the use of accounting principles applied prior to the adoption of IFRS. However, these contracts must be treated in accordance with IFRS 7 with regards to the disclosures to be provided in the Notes to the financial statements. IFRS 7 requires the disclosure of fair value or value ranges for these contracts, unless the Group cannot reliably measure the participating features.

In Phase I, the IAS Board acknowledged the difficulties involved in the recognition and the measurement of discretionary participating features included in insurance or investment contracts. The IAS Board issued guidance to measure fair value but with no principles addressing policyholder participation features and interpreting them before the issuance of IFRS 4 Phase II would be premature.

Outstanding questions on these issues are highly complex and are not yet sufficiently advanced. Phase II discussions regarding insurance and certain investment contracts, even if re-activated at the IASB level soon after the issuance of IFRS 4, are still insufficiently developed. After a Draft Statement of principles issued in 1997, a Phase II Discussion Paper was published in May 2007 and an Exposure Draft in July 2010.

A new Exposure Draft was issued in June 2013. Most of the comment letters posted in October 2013 rejected the proposal for participating contracts as too complex and not reflecting the Asset and Liability (ALM) management principles which are the essence of the insurance business. In this context, too many uncertainties remain outstanding to define how to determine the fair value of participating contracts. As a result, AXA cannot reliably disclose fair value or value ranges for investment contracts with a discretionary participating features.

14.6. LOSS RESERVE DEVELOPMENT TABLE

The loss reserves development table shows movements in loss reserves between 2004 and 2014, based on previously applied accounting standards, in accordance with IFRS 4. All contracts concerned are insurance contracts as defined by IFRS.

The first line labelled “Gross reserves for unpaid claims and claim expenses developed initially at the booking date” represents the loss reserves developed in the Group’s balance sheet on the reporting date for the year indicated in the column heading. For example, the amount of €31,168 million appearing in the first line of the table in the 2005 column represents all loss reserves developed in all years of occurrence prior to and including 2005, recognized on the Group’s balance sheet as of December 31, 2005.

The second line entitled “Gross reserves for unpaid claims and claim expenses developed in 2014 adjusted for changes in exchange rates and scope of consolidation” indicates the amount that would have been developed initially at the booking date, had the exchange rates for the current year been used (for reserves recognized by AXA Group entities that do not use the Euro as their functional currency) and assuming an identical scope of consolidation to that used for the last diagonal of the table.

The first section of the table entitled “Cumulative payments” shows, for a given column N, the cumulative amount of payments related to years of occurrence prior to and including N, made since December 31 of year N.

The second part of the table entitled “Reserve re-estimated” shows, for a given column N, an estimate of the final cost of liabilities carried as of December 31 of year N in respect of all years of occurrence prior to and including N, at each future period end. The final cost estimate varies year on year as information relating to losses still outstanding becomes more reliable.

The surplus (shortfall) of the initial reserve with respect to the re-estimated (gross) final cost for each year represents, for a given year N, the difference between the amount shown in the second line (gross reserves for unpaid claims and claims expenses developed in 2014 adjusted for changes in exchange rates and scope of consolidation) and the amount shown in the final diagonal under “Reserve re-estimated”.

LOSS RESERVES DEVELOPMENT TABLE: PROPERTY & CASUALTY AND INTERNATIONAL INSURANCE (EXCLUDING COLISÉE RE (EX AXA RE)

(In Euro million)	2004 [(a)]	2005	2006 [(c)]	2007	2008 [(d)]	2009	2010	2011 [(e)]	2012	2013 [(f)]	2014
Gross reserves for unpaid claims and claims expenses developed initially at the booking date [(a)]	**29,128**	**31,168**	**41,301**	**44,020**	**44,046**	**44,470**	**46,367**	**45,946**	**46,440**	**47,031**	**49,868**
Gross reserves for unpaid claims and claims expenses developed in 2014 adjusted for changes in exchange rates and scope of consolidation [(a)]	**27,645**	**28,982**	**43,012**	**44,903**	**45,372**	**45,649**	**45,877**	**46,236**	**46,994**	**48,264**	**49,868**
Cumulative payments at:											
One year later	6,180	6,084	7,652	8,312	9,145	9,483	8,953	9,183	9,361	9,422	
Two years later	8,871	8,700	11,243	12,395	13,358	13,360	13,016	12,841	13,315		
Three years later	10,580	10,314	14,036	15,418	15,549	16,078	15,330	15,911			
Four years later	11,590	12,239	16,451	17,143	17,525	17,684	18,012				
Five years later	13,133	13,460	17,782	18,553	18,679	19,741					
Six years later	14,106	13,637	18,655	19,429	20,317						
Seven years later	14,440	14,483	19,337	20,790							
Eight years later	14,780	14,702	20,563								
Nine years later	15,032	15,559									
Ten years later	15,781										
Reserve re-estimated at:											
One year later	29,179	29,878	40,966	41,371	42,610	44,814	44,518	44,971	45,394	47,707	
Two years later	27,833	27,084	38,406	39,471	42,501	41,973	42,904	43,412	44,479		
Three years later	25,572	24,595	37,019	39,818	39,889	41,301	41,782	42,449			
Four years later	23,455	24,048	37,590	38,094	39,302	40,250	40,769				
Five years later	23,050	24,008	35,992	37,509	38,372	39,653					
Six years later	23,212	23,434	35,402	36,737	37,931						
Seven years later	22,877	23,493	34,371	36,302							
Eight years later	22,567	22,975	34,139								
Nine years later	22,249	23,476									
Ten years later	22,767										
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves: [(b)]											
Amount	4,878	5,506	8,873	8,601	7,440	5,996	5,109	3,787	2,515	556	
Percentages	17.6%	19.0%	20.6%	19.2%	16.4%	13.1%	11.1%	8.2%	5.4%	1.2%	

(a) In 2004, AXA Corporate Solutions Assurance US, Mosaic Insurance Company (ex AXA RE P&C Insurance Company) were transferred from Colisée RE (ex AXA RE) to "other international activities". The reserves of AXA Corporate Solutions Assurance US were presented on an occurrence year basis and included in the Property & Casualty loss reserves development table. The reserves of Mosaic Insurance Company (ex AXA RE P&C Insurance Company) and Coliseum RE (ex AXA CS Reinsurance Company) were presented on an underwriting year basis and included in the Colisée RE (ex AXA RE) loss reserves development table.

(b) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserves development presented in the table, as conditions and trends that have affected development of the liability in prior periods may not necessarily occur in the future periods. Redundancy/deficiency disclosed includes forex impact between one year and the next.

This line also includes the impact of the unwind of discount rate on annuities (which are developed from 2006 on) for an amount of €119 million for 2013.

(c) In 2006, Winterthur's operations were integrated within AXA. Total loss reserves developed amounted to €41.3 billion including €8.7 billion in respect of Winterthur (final figure after PGAAP re-opening).

(d) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group adjusted certain items impacting the allocation of Seguros ING (Mexico) purchase price, resulting in a €33 million increase in the goodwill to €512 million. Most of this increase in goodwill was due to adjustments to provisions for liabilities and claims reserves.

(e) Following the disposal of Canadian operations, amounts in its respect were not reported for the current year while previously disclosed amounts were unchanged.

(f) The comparative information related to previous periods was restated for the implementation of IFRS 10 and 11.

LOSS RESERVES DEVELOPMENT TABLE: COLISÉE RE (EX AXA RE)

On December 21, 2006, the Group finalized an agreement to sell the Coliseé Re reinsurance business to Paris Ré Holding. Under the terms of the agreement, AXA retains exposure to any changes in the final cost of claims occurring before December 31, 2005. However, the proportional treaty set in place as part of the agreement between Coliseé Re and Paris Ré protects AXA entirely from any claims occurring after January 1, 2006. Consequently, the table below shows the development of loss reserves recognized in Coliseé Re's balance sheet at each year-end until December 31, 2005. Reserves recognized after that, which correspond to exposure assumed fully by Paris Ré, have not been developed. Paris Ré has been acquired by PartnerRe and terms of the agreements mentioned above remains in-force.

(In Euro million)	**2004 (b)**	**2005**
Gross reserves for unpaid claims and claims expenses developed initially at the booking date (a)	**3,314**	**4,523**
Gross reserves for unpaid claims and claims expenses developed in 2014 (b)	**3,314**	**4,253**
Initial retroceded reserves	(410)	(1,048)
Retroceded reserves in 2014 (b)	(502)	(1,048)
Initial net claims reserves	2,812	3,205
Cumulative payments at:		
One year later	1,127	1,191
Two years later	1,574	1,688
Three years later	1,812	2,123
Four years later	2,289	2,298
Five years later	2,225	2,421
Six years later	2,347	2,571
Seven years later	2,469	2,606
Eight years later	2,527	2,672
Nine years later	2,584	2,696
Ten years later	2,618	
Reserve re-estimated at:		
One year later	3,797	4,061
Two years later	3,621	3,745
Three years later	3,399	3,884
Four years later	3,664	3,629
Five years later	3,282	3,654
Six years later	3,340	3,495
Seven years later	3,217	3,436
Eight years later	3,199	3,292
Nine years later	3,115	3,194
Ten years later	3,094	
Cumulative redundancy (deficiency) from the initial gross claims reserves in excess of (less than) re-estimated gross claim reserves	**220**	**1,059**
Re-estimated retroceded reserves	325	498
Premiums adjustment (c)	(374)	(403)
Re-estimated net claims reserves	-	-
Initial net claims reserves in excess of (less than) re-estimated net claims reserves as of December 31, 2014		
Amount (a)	417	912
Percentage of original net reserve (a)	14.8%	28.5%

(a) The loss reserves development table is presented on an underwriting year basis for Colisée RE (ex AXA RE) business. Accordingly reserves re-estimated and the excess of re-estimated reserves of the initial reserves include reserves for losses occurring up to twelve months subsequent to the original year-end. It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserves development presented in the table, as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in future periods.

(b) In 2004, AXA Corporate Solutions Assurance US, Mosaic Insurance Company (ex AXA RE P&C Insurance Company) were transferred from Colisée RE (ex AXA RE) to the "other international activities". The reserves of AXA Corporate Solutions Assurance US were presented on an occurrence year basis and included in the Property & Casualty loss reserves development table. The reserves of Mosaic Insurance Company (ex AXA RE P&C Insurance Company) and Coliseum RE (ex AXA CS Reinsurance Company) were presented on an underwriting year basis and included in the Colisée RE (ex AXA RE) loss reserves development table.

(c) Represents premiums earned subsequent to the accounting year end and premiums reinstatements/experience-rated premiums received and accrued from the ceding insurers as assumed losses were incurred.

RECONCILIATION BETWEEN DEVELOPED RESERVES AND TOTAL RECOGNIZED CLAIM RESERVES

(In Euro million)	December 31, 2014 Carrying value	December 31, 2013 Restated [(a)] Carrying value
Gross claims and other reserves developed		
Property & Casualty and International Insurance (excluding Colisée RE (ex AXA RE)) [(b)]	49,868	47,031
■ *of which future policy benefit annuity reserves*	*4,571*	*4,171*
■ *of which construction reserves (PSNEM)*	*2,016*	*1,947*
Total gross claims and other reserves developed	**49,868**	**47,031**
Other reserves non developed [(c)]	**2,267**	**2,360**
TOTAL GROSS CLAIM RESERVES AND OTHER RESERVES FOR PROPERTY & CASUALTY AND INTERNATIONAL INSURANCE	**52,135**	**49,391**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

(b) Total gross claims and other reserves developed are presented on the basis of the loss reserves development table. The reserves of AXA Corporate Solutions Insurance US were included in Property & Casualty and International Insurance loss reserves. The reserves of Mosaic Insurance Company (ex AXA RE P&C Insurance Company) and Coliseum RE (ex AXA CS Reinsurance Company) (€72 million in 2014, €67 million in 2013) were included in Colisée RE's (ex AXA RE) loss reserves development table.

(c) Includes reserves inward reinsurance (€1,222 million in 2014, €1,194 million in 2013).

14.7. ASBESTOS

AXA continues to receive claims from policies written in prior years asserting damages from asbestos-related exposures.

There is considerable uncertainty as to the future cost of asbestos. The ultimate cost of claims is very much dependent on legal factors that are difficult to predict with any certainty. It is common to have issues of allocation of responsibility among parties, as well as involvement of multiple insurers and multiple policy periods. Such issues raise considerable coverage issues.

AXA actively conducts its exposure to asbestos claims by using its unit specialized in non-life run-offs: AXA Liabilities Managers. Claims are managed by dedicated teams of experts who use a variety of claims payment including settlements, policy buy-backs and, in certain cases, litigation. In addition, they focus specifically on final resolutions of exposures, either through commutations or other solutions.

The calculation of reserves for asbestos risks raises specific difficulties as conventional reserving techniques cannot be used for evaluating IBNR. AXA evaluates the future cost of those claims using a range of specific methods based either on exposure analysis, frequency/cost projections or reserving benchmarks. Asbestos reserves are reviewed on a yearly basis to ensure that they adequately reflect the latest claims experience, as well as legal and economic developments. Consistent with AXA's reserving practices, and despite the particularly long-tail nature of those risks, reserves for asbestos are undiscounted.

Due to the uncertainty surrounding asbestos claims, it is not possible to determine their future cost with the same degree of certainty as for other types of claims. Although AXA considers its reserves for asbestos claim to be adequate, it is possible that, under some adverse scenarios, they may turn out to be insufficient to cover future losses.

At year-end 2014, key data relating to Asbestos claims were as follows:

	2014		2013	
(in Euro million)	Gross	Net	Gross	Net
Evolutions of reserves				
Claims reserves at end of year	1,117	1,050	1,046	976
of which Reported claims	*176*	*159*	*176*	*159*
of which IBNR claims	*941*	*892*	*870*	*817*
Reserves adequacy ratios				
3-Year survival ratio excluding commutations[(a)]	38 years	42 years	39 years	42 years
IBNR / Case Reserves	535%	561%	494%	515%
Cumulative Payments to date / Projected Ultimate Cost	43%	42%	42%	41%

(a) Reserves at the end of the year / Average yearly payments over the last 3 years (excluding commutations).

In 2014, AXA paid a net amount of €32 million in respect of asbestos. During the year, AXA incurred loss is €45 million net of reinsurance at constant exchange rates. It was mainly driven by the re-estimation of the ultimate liability for UK mesothelioma claims. In addition, the impact of change in exchange rates is significantly unfavourable this year due to an important movement in exchange rates between 2013 and 2014.

As a result of those various changes and after allowing for movements in exchange rates, AXA held total reserves for asbestos exposure (net of reinsurance) of €1,050 million at year-end 2014.

14.8. LIABILITIES AND ASSETS ARISING FROM POLICYHOLDERS' PARTICIPATION AND OTHER OBLIGATIONS

The following table shows liabilities and assets arising from policyholders' participation and other obligations as of December 31, 2014.

(In Euro million)	December 31, 2014	December 31, 2013
Policyholders' participation reserves	9,804	9,177
Policyholders' deferred participation liabilities and other obligations	38,687	17,093
Total Liabilities arising from policyholders' participation and other obligations	**48,491**	**26,271**
Total Assets arising from policyholders' participation	**-**	**-**

The deferred policyholders' participation and other obligations liability and deferred policyholders' participation asset include the impact of shadow accounting (see definition in Note 1.14.2) mainly in relation to unrealized gains and losses on invested financial assets available for sale as described in Note 13.2.1, but also with regard to other temporary differences not necessarily linked to financial assets. Note 13.2.1 also contains a focus on jurisdictions with significant portions of participating business and where required minimum local policyholders' share in the entities' results are significant. This Note discloses for such jurisdictions unrealized gains and losses related to available for sale investments and related shadow accounting adjustments. The Increase in deferred policyholders' participation liability mainly relates to increase in unrealized gains on assets available for sale in France, Germany, Switzerland and Belgium.

14.9. PAYMENT, SURRENDER PROJECTIONS, INSURANCE AND INVESTMENT CONTRACT LIABILITIES DISCOUNT RATES

In the tables presented in Note 14.9.1 and 14.9.2, liabilities arising from Life & Savings and Property & Casualty insurance and investment contracts exclude contracts where the financial risk is borne by policyholders. These liabilities are not exposed to interest rate or duration risk, except unit-linked contracts with performance guarantees. In addition, as far as liquidity risk is concerned, entities hold unit-linked assets backing the corresponding liabilities arising from these contracts. Occasional mismatches result mainly from administrative timing differences in the processing of day-to-day operations.

14.9.1. Payment and surrender projections

The table below shows the breakdown of projected payments and surrenders related to insurance and investment contracts (excluding contracts where the financial risk is borne by policyholders) of Life & Savings, Property & Casualty and International Insurance. Actual maturities may differ significantly from the estimates set out below, mainly because some of the contracts contain a surrender option controlled by the policyholder that may reduce their duration.

The projections shown below cannot be compared with the reserves carried on the balance sheet and are higher than the published balance sheet figures because they represent expected cash flows without any discounting element. They are also shown net of inflows of periodical premiums payable by policyholders.

The figures shown in the first line of the table below represent estimated undiscounted cash outflows in connection to death, incapacity and disability claims, surrenders, annuities, minimum guaranteed benefits for unit-linked contracts, Property & Casualty and Health claims, net of premiums due from policyholders under contracts in-force. These cash flows are based on assumptions regarding mortality, incapacity and disability, surrender and settlement frequency for Property & Casualty, which are consistent with past experience in the Group's business. They are gross of reinsurance. Given the strong use of estimates, it is likely that actual payments will differ.

	2014				2013			
(In Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total	12 months or less	More than 1 year up to 5 years	More than 5 years	Total
Liabilities arising from insurance and investment contracts	28,512	76,524	478,186	583,222	26,253	70,971	467,177	564,402
of which Life & Savings liabilities relating to contracts including a surrender option with some surrender benefit before maturity	*13,154*	*53,424*	*344,072*	*410,650*	*13,299*	*51,713*	*338,990*	*404,001*

14.9.2. Insurance and investment contract liabilities – discount rates

The table hereafter and related comments exclude contracts where the financial risk is borne by policyholders (unit-linked contracts).

The general principles for establishing insurance liabilities are set out in Note 1 of the consolidated financial statements. Liabilities are based on estimates, and one of the key assumptions used in these estimates is the discount rate.

As shown in the table below, as of December 31, 2014: 88% of Life & Savings reserves (excluding unit-linked contracts) were discounted, of which 11% were subject to a revision of the discount rate and 77% retained the rate set at inception, subject to the liability adequacy test described in Note 1.

By convention, contracts with zero guaranteed rates are deemed not-discounted, except for products offering guaranteed rates updated annually and for one year: these contracts are presented in discounted reserves. Reserves for savings contracts with non-zero guaranteed rates are discounted at the technical interest rate. Contracts for which the assumptions are revised in the financial statements at closing mainly consist of reserves for guarantees (Guaranteed Minimum Death Benefits, etc.).

In Property & Casualty and International Insurance business, most reserves (91% as of December 31, 2014) are not discounted, with the exception of disability annuities and worker's compensation liabilities that are deemed structured settlements and where the discount rate is revised regularly. Undiscounted reserves are not sensitive to interest rate risks in the financial statements.

The rates presented in the table below are weighted average rates for all the portfolios under consideration. For contracts with guaranteed rates that are revised annually, rates are considered at the closing date. The risk factors associated with policyholders contracts are set out in Note 4.

(In Euro million)	December 31, 2014 Carrying value	December 31, 2014 Average discount rate %	December 31, 2013 Restated[(a)] Carrying value	December 31, 2013 Restated[(a)] Average discount rate %
Life & Savings – locked-in discount rate[(b)]	263,746	2.25%	249,271	2.34%
Life & Savings – unlocked discount rate	36,670	3.47%	35,446	3.40%
Life & Savings – undiscounted reserves	42,172	-	37,864	-
Sub-total Life & Savings	**342,588**	**-**	**322,582**	**-**
Non Life – locked-in discount rate[(b)]	4,324	3.61%	4,177	3.82%
Non Life – unlocked discount rate	1,462	3.25%	1,168	3.18%
Non Life – undiscounted reserves	57,251	-	54,358	-
Sub-total – Non Life and International Insurance	**63,037**	**-**	**59,702**	**-**
TOTAL INSURANCE AND INVESTMENT CONTRACTS	**405,625**	**-**	**382,284**	**-**

Amounts are presented excluding the impact of derivatives on insurance and investment contracts (presented in Note 20.4) and excluding liabilities related to unearned revenues and fees, and to policyholders' participations. Liabilities relating to contracts where the financial risk is borne by policyholders are also excluded.

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

(b) Subject to liability adequacy tests.

In accordance with IFRS 7, the Group discloses, in Note 4 of its consolidated financial statements, quantitative sensitivities of the Group "Embedded Value" (as defined in the "market risks" section) to interest risk and equity price risk.

The estimated impact of the unlocking of discount rates relating to Life & Savings reserves was €3,207 million reserve increase for 2014 (compared to €1,603 million reserve decrease for 2013) gross of policyholders' participation, tax impacts and other shadow accounting impacts and was included in the income statement of the period.

14.9.3. Major business areas

The tables in Note 21 set out the Group's major insurance business areas, and reflect the Group's high level of diversification.

14.10. EMBEDDED DERIVATIVES MEETING THE DEFINITION OF AN INSURANCE CONTRACT

AXA sells insurance contracts that contain a variety of options and guarantees for contract-holders. These features are described in Note 4. They are not embedded derivatives which AXA reports separately at fair value because:

- many of the features would be considered clearly and closely related to the host contract; and
- many of the features would themselves qualify as insurance contracts under Phase I (IFRS 4).

This Note describes the features that are embedded derivatives and meet the definition of an insurance contract on a stand-alone basis. The primary features can be divided into two main categories: guaranteed minimum death benefits (GMDBs) or guaranteed minimum income benefits (GMIBs) offered on unit-linked contracts and guaranteed annuity purchase rates.

GMDB features provide a guaranteed death benefit which may be higher than the contract account balances of the unit-linked contract, depending on performance of the unit-linked assets. GMIB features provide a guaranteed lifetime annuity which may be elected by the contract-holder after a stipulated waiting period, and which may be larger than what the contract account balance could purchase at then-current annuity purchase rates.

The risk of GMDB and GMIB features to AXA are related to the unhedged portion of the benefits and to the policyholder behaviour becoming materially different from the expected behavior. Reserves are established for these features on the basis of actuarial assumptions related to projected benefits and related contract charges. The determination of estimated GMDB and GMIB liabilities is based on models which involve numerous estimates and subjective judgments, including those regarding expected market rates of return and volatility, policyholders' behaviour assumptions and GMIB election rates. There can be no assurance that ultimate experience will not differ from management's estimates. In addition to providing for risk through establishing reserves, AXA also manages the risk through a combination of reinsurance programs and active financial risk management programs including derivatives.

Guaranteed annuity purchase rates provide contract-holders with a guarantee that at a future date the accumulated balance on their contract will be sufficient to purchase a lifetime annuity at currently defined rates. The risk to AXA in these features is either that longevity will improve significantly so that contract-holders electing to exercise this benefit will live longer than assumed in the guaranteed purchase rates, or that investment returns during the payout period will be lower than assumed in the guaranteed purchase rates. Reserves are established for these features on the basis of actuarial assumptions related to projected benefits and related contract charges. The determination of this estimated liability is based on models which involved numerous estimates and subjective judgments, including those regarding expected rates of return and volatility, policyholders' behaviour assumptions, mortality, and benefit election rates. There can be no assurance that ultimate experience will not differ from management's estimates. In addition to providing for risk through establishing reserves, AXA also manages these risks through asset-liability management programs including derivatives to protect against a decline in interest rates.

Note 15 Liabilities arising from banking activities

15.1. BREAKDOWN OF THE LIABILITIES ARISING FROM BANKING ACTIVITIES

	December 31, 2014		December 31, 2013 Restated [a]	
(In Euro million)	Carrying value	Fair value	Carrying value	Fair value
Banking liabilities issued at fair value – Retail customers	2,447	2,447	1,690	1,690
Retail customers	19,720	19,727	19,153	19,159
Corporate customers	8,638	8,640	8,206	8,208
Interbanking refinancing	3,976	3,978	3,975	3,976
Refinancing with central banks	330	330	-	-
Other liabilities arising from banking activities	2,529	2,600	2,489	2,508
Macro-hedge derivatives and other derivatives relating to liabilities arising from banking activities	(239)	(239)	(138)	(138)
TOTAL LIABILITIES ARISING FROM BANKING ACTIVITIES	**37,402**	**37,484**	**35,375**	**35,404**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

The fair value option is used to measure certain debt (Euro Medium Term Notes) from banking activities designated at fair value through profit or loss (€2,447 million in 2014 and €1,690 million in 2013).

In 2014, debt relating to investments under lending agreements and equivalent in banking activities amounted to €8,375 million (€ 9,163 million in 2013).

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. The valuation method of liabilities arising from banking activities excluding derivatives (detailed in Note 20.5) are as follows:

Banking liabilities issued at fair value:

- €834 million at 2014 based upon market prices that are available in active markets and are considered as Level 1 fair values;
- €1,333 million at 2014 (€1,690 million at 2013) mainly based on observable market data inputs and are considered as Level 2 fair values; and
- €280 million fair values at 2014 not mainly based on observable market data inputs and are considered to be Level 3 fair values.

Banking liabilities related to retail customers, corporate customers, and interbanking refinance, are not traded in active markets and quoted prices are not available. Given the short maturities of main liabilities arising from banking activities (see Note 15.2), the carrying amounts may be considered as reasonable proxies for fair values. Thus, the fair value of amounts displayed above for these instruments are considered to be Level 3 fair values.

Other liabilities arising from banking activities relate to bonds issued with prices quoted regularly and publically available in active markets. As such, the fair values of these liabilities are considered as Level 1 instruments.

15.2. BREAKDOWN BY MATURITY

	December 31, 2014				December 31, 2013 Restated[a]			
	Carrying value by contractual maturity				Carrying value by contractual maturity			
(In Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
Banking liabilities issued at fair value – Retail customers	35	764	1,648	2,447	30	642	1,019	1,690
Retail customers	17,596	1,999	124	19,720	17,542	1,343	268	19,153
Corporate customers	8,608	23	7	8,638	8,160	42	4	8,206
Interbanking refinancing	3,595	222	159	3,976	3,725	59	191	3,975
Refinancing with central banks	150	180	-	330	-	-	-	-
Other liabilities arising from banking activities	179	1,737	613	2,529	-	1,303	1,185	2,489
Macro-hedge derivatives and other derivatives related to liabilities arising from banking activities	23	(60)	(201)	(239)	(1)	(34)	(103)	(138)
TOTAL LIABILITIES ARISING FROM BANKING ACTIVITIES	**30,187**	**4,865**	**2,350**	**37,402**	**29,456**	**3,355**	**2,564**	**35,375**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

Note 16 Provisions for risks and charges

16.1. BREAKDOWN OF PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges included the following items:

(In Euro million)	December 31, 2014	December 31, 2013 Restated[(a)]
Employee benefits	10,116	8,017
Share-based compensation	154	174
Restructuring provisions	258	385
Lawsuits contingency provisions	286	356
Other provisions for risks and charges	1,841	1,461
TOTAL PROVISIONS FOR RISKS AND CHARGES	**12,656**	**10,393**

(a) As described in Note 1.2.1, comparative information related to previous period was retrospectively restated for the application of IFRS 10 and 11.

Provisions relating to employee benefits and share-based compensations are commented in Note 26 "Employees".

As of December 31, 2014, the "Other provisions for risks and charges" mainly included provisions for tax liability (€870 million) mainly in the United States (€781 million). Other provisions for risks and charges other than provisions for tax liability amounted to €970 million mainly in the Holdings (€462 million), in Banking segment (€152 million), France (€88 million) and the United Kingdom and Ireland (€72 million). For more details on litigations, please refer to Note 31.

16.2. CHANGE IN PROVISIONS FOR RISKS AND CHARGES (EXCLUDING EMPLOYEE BENEFITS AND SHARE-BASED COMPENSATION)

Changes in provisions for risks and charges (excluding employee benefits and share-based compensation) are set out below:

(In Euro million)	2014	2013 Restated[(a)]
Carrying value as of January 1	**2,202**	**2,123**
Financial cost related to unwind	4	3
Impact of change in scope of consolidation and changes in accounting method	(106)	67
Increase in provisions	543	524
Write back after use	(140)	(308)
Write back after final cost review	(260)	(153)
Impact of foreign exchange fluctuations	144	(53)
Carrying value as of December 31	**2,386**	**2,202**

(a) As described in Note 1.2.1, comparative information related to previous period was retrospectively restated for the application of IFRS 10 and 11.

Note 17 Financing debt

17.1. FINANCING DEBT BY ISSUANCE

(In Euro million)	Carrying value December 31, 2014	Carrying value December 31, 2013
AXA	**6,714**	**7,492**
Debt component of subordinated notes, 2.5% due 2014 (€)	-	2,122
Debt component of subordinated convertible notes, 3.75% due 2017 (€)	1,622	1,549
Subordinated notes, 5.25% due 2040 (€)	1,300	1,300
Subordinated notes, 5.125% due 2043 (€)	1,000	1,000
U.S. registered redeemable subordinated debt, 8.60% 2030 (US$)	993	868
U.S. registered redeemable subordinated debt, 7.125% 2020 (£)	417	390
Subordinated debt, 5.625% due 2054 (£)	963	-
Derivatives relating to subordinated debts [(a)]	418	264
AXA Financial	**165**	**145**
Surplus notes, 7.70%, due 2015	165	145
AXA Bank Europe	**165**	**245**
Subordinated debt maturity below 10 years fixed rate	68	98
Undated Subordinated debt fixed rate	97	147
AXA-MPS Vita and Danni	**76**	**79**
Subordinated notes, euribor 6 months +81bp	76	79
Other subordinated debt (under €100 million)	**26**	**25**
Subordinated debt	**7,146**	**7,986**
AXA	**1,000**	**1,000**
Euro Medium Term Notes, due through 2015	1,000	1,000
AXA Financial	**288**	**253**
Senior notes, 7%, due 2028	288	253
AXA UK Holdings	**196**	**183**
GRE: Loan Notes, 6.625%, due 2023	196	183
Other financing debt instruments issued (under €100 million)	**102**	**132**
Other financing debt instruments issued (under €100 million)	155	185
Derivatives relating to other financing debt instruments issued [(a)]	(53)	(53)
Financing debt instruments issued	**1,586**	**1,568**
AXA	**-**	**809**
Other financing debt owed to credit institutions (under €100 million)	**-**	**44**
Financing debt owed to credit institutions	**-**	**853**
TOTAL FINANCING DEBT [(b)]	**8,733**	**10,407**

(a) Hedging instruments in accordance with IAS 39 and economic hedge derivatives which are not qualified as hedge under IAS 39.
(b) Excluding accrued interest on derivatives.

Main movements on financing debt during the period were the following:

- the repayment of €2,122 million subordinated debt maturing in 2014;
- issuance of £750 million (€963 million as of December 31, 2014 foreign exchange rate) subordinated debt due 2054 with an initial coupon at 5.625% *per annum* fixed until the first call date in January 2034;
- the repayment of €809 million Euro Senior Note due 2014.

Derivative instruments hedging financing debt are commented in Note 20.

For the sensitivity to movements in interests rates, please refer to page 174 of the "Interest rates & Equity risk related to the operating activities of Group subsidiaries" Section.

17.2. FAIR VALUE MEASUREMENT OF FINANCING DEBT

(In Euro million)	December 31, 2014 Carrying value	December 31, 2014 Fair value	December 31, 2013 Carrying value	December 31, 2013 Fair value
Subordinated debt at cost	6,728	8,009	7,722	8,629
Derivatives on subordinated debt [(a)]	418	418	264	264
Subordinated debt	**7,146**	**8,427**	**7,986**	**8,892**
Financing debt instruments issued at cost	1,639	1,847	1,621	1,810
Derivatives on financing debt instruments issued [(a)]	(53)	(53)	(53)	(53)
Financing debt instruments issued	**1,586**	**1,794**	**1,568**	**1,757**
Financing debt owed to credits institutions at cost	-	-	853	846
Financing debt owed to credit institutions	**-**	**-**	**853**	**846**
FINANCING DEBT	**8,733**	**10,221**	**10,407**	**11,495**

(a) Hedging instruments in accordance with IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.

The Group does not hold any financing debt designated as at fair value through profit or loss (fair value option or trading instruments).

Information on the fair value figures presented in this Note is provided in addition to information on carrying values and should be used with caution. On the one hand, these estimates are based on closing date parameters such as interest rates and spreads, which fluctuate over time, and resulting in instantaneous values, and on the other hand because there are multiple possible methods to derive these estimates.

Data used when calculating the fair value of financing debt are period-end market data that reflect (i) interest rates by currency, (ii) AXA's average spread by maturity and currency, distinguishing subordinated and senior debt and (iii) options included in issued contracts, such as issuer redemption options.

The fair value of subordinated convertible bonds is equal to the quoted price for these instruments at the end of the period. Therefore, reported fair value includes the value of the conversion option, which is included as a component of equity.

The fair value of financing debt as of December 31, 2014, excluding accrued interests, was €10,221 million, including related hedging derivative instruments. The fair value decreased by €-1,274 million compared to December 31, 2013 mainly due to the repayment of subordinated notes partly offset by the decrease in interest rates.

The Group applies the IFRS 13 fair value hierarchy as described in Note 1.5. The fair value amounts are mainly based on observable market data inputs and are therefore considered as level 2 fair value amounts.

17.3. EXPOSURE TO INTEREST RATE RISK AND CONTRACTUAL MATURITIES

The table below sets out the contractual maturities of financing debt (excluding the impact of derivatives detailed in Note 20.4). Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

	Carrying value of financing debt by contractual maturity as of December 31			
(In Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
2014	1,128	1,743	5,497	8,367
2013	3,070	2,892	4,234	10,196

Note 18 Payables

18.1. BREAKDOWN OF PAYABLES

(In Euro million)	Carrying value December 31, 2014	Carrying value December 31, 2013 Restated[(a)]
Minority interests of consolidated investment funds	**10,241**	**7,795**
Other debt instrument issued, notes and bank overdraft[(b)]	**1,855**	**2,412**
Debts relating to investments under total return swap agreement[(c)]	**138**	**138**
Payables arising from direct insurance and inward reinsurance operations	**8,831**	**8,305**
Deposits and guarantees	931	934
Current accounts payables to other insurance companies	737	964
Payables to policyholders, brokers and general agents	7,164	6,407
Payables arising from direct outward reinsurance operations	**12,538**	**12,225**
Deposits and guarantees	8,199	8,284
Current accounts payable to other companies	4,336	3,933
Other payables	3	9
Payable – current tax position	**1,616**	**968**
Debt relating to investments under lending agreements and equivalent[(d)]	**21,331**	**20,909**
Other payables	**14,352**	**13,862**
PAYABLES	**70,902**	**66,615**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Other activities than banking operations.
(c) Amounts are included in the line item Other debt instruments issued, notes and bank overdrafts in 4.1 Consolidated statement of financial position.
(d) Excludes debt relating to investments under lending agreements and equivalent in Bank segment (see Note 15).

The "Minority interests in consolidated investment funds" caption is the contra of assets recognized on the different lines of the consolidated balance sheet for the share not held by the Group in consolidated investment funds. Movements in this caption both depend on the changes in the Group's ownership and the changes in fair values of these funds.

Minority interests in funds under this caption totaled €10,241 million as of December 31, 2014, an increase of €2,447 million compared with December 31, 2013, mainly due to a decrease in Group share of the funds as well as increase in Net Assets Value of the funds mainly in France Life & Savings, the United Kingdom Property & Casualty and Switzerland Life & Savings.

"Debt relating to investments under lending agreements and equivalent" totaled €21,331 million as of December 31, 2014, an increase of €422 million compared with December 31, 2013, or €130 million at constant exchange rate, mainly due to the increase in repurchase agreements activity in Switzerland Property & Casualty.

18.2. OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT) BY ISSUANCE

Other debt instruments issued, notes and bank overdrafts (other than financing debt) by issuance are described below:

	Carrying value	
(In Euro million)	December 31, 2014	December 31, 2013 Restated [(a)]
AXA Financial	**760**	**798**
Commercial paper	760	798
AllianceBernstein	**404**	**195**
Short term commercial paper, 4.3%	404	195
Other	**-**	**77**
OTHER DEBT INSTRUMENTS ISSUED (OTHER THAN FINANCING DEBT)	**1,164**	**1,070**
France	**-**	**204**
Arche Finance – convertible debts due 2014	-	204
AXA Life Insurance Japan	130	-
Collateralized debt – JPY Libor 3M +4bps annual interest – maturity March 27, 2021	130	-
Real estate investment funds	**132**	**133**
Other	**11**	**26**
OTHER DEBT (OTHER THAN FINANCING DEBT) – OWED TO CREDIT INSTITUTIONS	**273**	**363**
Bank overdrafts	**418**	**978**
OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT)	**1,855**	**2,412**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

As of December 31, 2014, other debt instruments issued and bank overdrafts (other than financing debt) totaled €1,855 million, the decrease of €557 million compared to December 31, 2013, mainly due to decrease of Bank overdrafts notably from France Life & Savings, Switzerland Life & Savings and the United States Life & Savings as well as the maturity of the Arche Finance debt in France Life & Savings partially offset by the collateral loan in Japan Life & Savings.

18.3. FAIR VALUE MEASUREMENT OF OTHER DEBT INSTRUMENTS ISSUED AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT)

The fair value of other debt instruments issued and bank overdrafts (other than financing debt) were €1,855 million as of December 31, 2014. Among the elements included in the preceding table, fair value is only calculated for other debt instruments issued.

As of December 31, 2014 and December 31, 2013, the Group did not hold any debts other than Financing debt designated as at fair value through profit or loss.

Such fair values are mainly based on observable market data input (see Note 1.5 for a description of observable data) and are therefore classified as level 2 instruments.

18.4. PAYABLES ARISING FROM DIRECT INSURANCE, INWARD REINSURANCE OPERATIONS AND DIRECT OUTWARD REINSURANCE OPERATIONS

As of December 31, 2014, payables arising from direct insurance and inward reinsurance operations totaled €8,831 million, a increase of €526 million compared to December 31, 2013 mainly due to increase in payables to policy holders, brokers and general agents and reinsurance operations in France Life & Savings and Hong-Kong Life & Savings.

As of December 31, 2014, payables arising from direct outward reinsurance operations totaled €12,538 million, an increase of €312 million compared to December 31, 2013 mainly due to rise in ceded reserves in Life & Savings segment for France, partly offset by a decrease in current accounts payables to other insurance companies in Germany Life & Savings.

Payables arising from direct insurance, inward reinsurance and direct outward reinsurance operations are measured at amortized cost.

18.5. EXPOSURE TO INTEREST RATE RISK AND CONTRACTUAL MATURITIES

The table below sets out the contractual maturities of other debt instruments issued, notes and bank overdrafts (excluding the impact of derivatives which is detailed in Note 20.4). Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

	Carrying value of other debt instrument issued, notes and bank overdrafts by contractual maturity			
(In Euro million)	12 months or less	More than 1 year up to 5 years	More than 5 years	Total carrying value
2014	1,657	1	197	1,855
2013 – Restated [(a)]	2,053	215	144	2,412

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

Note 19 Tax

19.1 .TAX EXPENSE

19.1.1. Breakdown of tax expense between current and deferred tax

The income tax charge was split as follows:

(In Euro million)	December 31, 2014	December 31, 2013 Restated[(a)]
Income tax – France	**510**	**289**
Current	496	6
Deferred	14	283
Income tax – Foreign countries	**1,281**	**1,173**
Current	1,581	934
Deferred	(300)	239
TOTAL INCOME TAX	**1,791**	**1,462**

(a) As described in Note 1.2.1, comparative information related to previous period was retrospectively restated for the amendments to IFRS 10 and 11.

19.1.2. Tax proof

The reconciliation between the theoretical tax charge (pre-tax profit multiplied by the applicable tax rate in France for the period concerned) and the effective tax charge was as follows:

(In Euro million)	December 31, 2014	December 31, 2013 Restated[(a)]
Income from operating activities, gross of tax expenses (excluding result from investments consolidated using equity method)	7,201	6,109
Notional tax rate	38.00%	38.00%
Notional tax charge	**2,736**	**2,322**
Impact of rates difference on notional tax charges	(586)	(498)
Impact of change in tax rates	8	21
Impact of differences in tax rate and impact of taxes not linked to pre-tax income	71	(80)
Impact of differences in tax rates and tax bases	**(507)**	**(557)**
Tax losses of prior years used in the current year without DTA recognized previously	(27)	(19)
Deferred tax assets recognized on tax losses of prior years	(16)	(12)
Deferred tax assets not recognized on tax losses of the year	23	47
Derocognition of deferred tax assets on tax losses of prior years[(b)]	6	14
Tax losses impact	**(14)**	**31**
Impact of permanent differences	**(308)**	**(319)**
Adjustments of tax relating to prior years	(137)	(22)
Derecognition/Recognition of DTA on temporary differences of prior years (other than tax losses)[(b)]	(3)	(23)
Other	25	31
Impact of adjustments, decrease in value and other items	**(115)**	**(14)**
EFFECTIVE TAX CHARGE	**1,791**	**1,462**
EFFECTIVE TAX RATE (%)	**24.87%**	**23.93%**

(a) As described in Note 1.2.1, comparative information related to previous period was retrospectively restated for the amendments to IFRS 10 and 11.
(b) Derecognition of Deferred Tax Assets (DTA) arising on tax losses is shown in "Tax losses impact".

The impact of rate differences on notional tax charge represents the difference between the expected tax calculated at each entity level with the applicable standard rate and the tax calculated using the 38.00% French tax rate applicable to the Company. This tax rate is composed of the following items: a basic tax rate (33.3%), a social contribution (1.1%) and a temporary exceptional contribution (3.6%). The blended standard rate was 30% in 2014 and 30% in 2013.

Permanent differences mainly represent the impact in some countries of non-deductible financial impairments and realized capital losses on equity instruments, or non taxable dividends and realized capital gains on equity instruments.

19.2. DEFERRED TAX

Net deferred tax balances broke down as follows:

	December 31, 2014			December 31, 2013 Restated [a]
(In Euro million)	Deferred tax assets	Deferred tax liabilities	Net deferred tax position	Net deferred tax position
Deferred tax Assets/(liabilities) concerning:				
■ Profit or loss	11,166	10,053	1,113	775
■ Reserves relating to the fair value adjustment of available for sale assets	9,806	16,569	(6,762)	(3,580)
■ Reserves relating to hedge accounting and other items	(59)	223	(281)	(157)
■ Reserves relating to gains and losses on defined benefits pension plans	1,589	1	1,588	965
■ Reserves relating to stock options	9	1	8	13
TOTAL NET DEFERRED TAX	**22,512**	**26,846**	**(4,335)**	**(1,983)**

(a) As described in Note 1.2.1, comparative information related to previous period was retrospectively restated for the amendments to IFRS 10 and 11.

In the table above, the net deferred tax position corresponds to the difference between deferred tax assets (DTA) and deferred tax liabilities (DTL) carried on the Group's consolidated statement of financial position. Note that the breakdown of DTA/DTL disclosed in these tables corresponds to the deferred tax before the netting that occurs for balance sheet presentation purpose as required by IAS 12.

The change from net liability position €-1,983 million in 2013 to €-4,335 million in 2014 mainly came from a significant increase in unrealized capital gains on fixed income assets.

	2014	2013 Restated [a]
(In Euro million)	Net deferred tax	Net deferred tax
January 1	**(1,983)**	**(2,116)**
Movements through profit or loss	285	(522)
Movements through shareholders' equity [b]	(2,749)	576
Forex impact	58	132
Change in scope and other variations	55	(53)
December 31	**(4,335)**	**(1,983)**

(a) As described in Note 1.2.1, comparative information related to previous period was retrospectively restated for the amendments to IFRS 10 and 11.
(b) The movements through shareholders' equity mainly concern net investment hedge in the Company, revaluation to fair value of financial investments through shareholders' equity and employee benefits actuarial gains and losses.

In 2014, the change in scope was mainly driven by the first time consolidation of Colpatria (Colombia).

In 2013 it was mainly driven by the sale of MONY portfolio in the United States of America.

Recognized Deferred Tax Assets (DTA) on tax loss carried forward by maturity and expiration date:

The tables below break down (i) in the first part the maturity by which the Group expects to use the DTA accounted at year end and the corresponding tax losses carried forward, (ii) in the second part, the "expiration date" of the DTA, *i.e.* the latest date at which the Group could use them.

The decrease in tax losses carried forward in 2014 mainly concerns Germany.

The €22,512 million DTA included €1,584 million of DTA on tax losses carried forward as of December 31, 2014.

	2014									
(In Euro million)	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years	DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturi-ty date	Total
	Expected date of use									
DTA recognized on tax losses carried forward	**216**	**254**	**208**	**254**	**239**	**142**	**252**	**19**	**-**	**1,584**
Corresponding carry forward losses	737	880	736	828	743	437	756	72	1	5,190
	Latest date of possible use									
DTA recognized on tax losses carried forward	**6**	**23**	**12**	**6**	**5**	**6**	**70**	**607**	**848**	**1,584**
Corresponding carry forward losses	27	80	60	28	18	16	242	1,781	2,939	5,190

In 2013, the €1,983 million net DTL position included €15,701 million DTA of which €2,216 million DTA on tax losses carried forward.

	2013 Restated (a)									
(In Euro million)	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years	DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturi-ty date	Total
	Expected date of use									
DTA recognized on tax losses carried forward	**283**	**285**	**274**	**202**	**269**	**78**	**281**	**543**	**-**	**2,216**
Corresponding carry forward losses	932	969	913	699	912	244	846	1,720	-	7,236
	Latest date of possible use									
DTA recognized on tax losses carried forward	**9**	**3**	**52**	**23**	**14**	**1**	**59**	**619**	**1,436**	**2,216**
Corresponding carry forward losses	28	13	209	100	51	2	199	1,795	4,838	7,236

(a) As described in Note 1.2.1, comparative information related to previous period was retrospectively restated for the amendments to IFRS 10 and 11.

Unrecognized Deferred Tax Assets (DTA):

The amount of the potential DTA which has not been recorded in the accounts at the end of the year as considered unrecoverable represented €479 million (€514 million in 2013) of which:

- €404 million concerned unrecognized DTA on €1,764 million tax losses carried forward (€447 million DTA on €1,889 million tax losses carried forward in 2013). The major part of these losses has no maturity date (€1,565 million in 2014 and €1,669 million in 2013);
- €75 million related to other unrecognized deferred tax assets (€68 million in 2013).

Note 20 Derivative instruments

This Note includes all types of derivatives excluding derivative instruments that meet the definition of shareholders' equity instruments (see Note 13 for details) or derivative instruments held by consolidated investment funds in the "satellite investment portfolio" (see Note 1.8.2) which are recognized at fair value in accordance with the IFRS hierarchy as described in Note 1.5.

20.1. DERIVATIVE INSTRUMENTS: MATURITIES, NOTIONAL VALUES AND FAIR VALUES

	Maturity of notional amount as of December 31, 2014 (a)			Notional amount		Positive fair value		Negative fair value		Net fair value	
(In Euro million)	< 1 year	1 to 5 years	> 5 years	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Interest rates derivatives	56,979	89,203	115,397	261,579	250,369	14,597	7,347	12,799	6,626	1,798	722
Equity derivatives	15,966	6,220	939	23,125	22,260	1,420	1,250	811	994	609	256
Currencies derivatives	77,407	18,091	5,402	100,901	88,232	2,172	3,237	4,298	4,463	(2,126)	(1,226)
Credit derivatives	2,151	18,276	1,096	21,523	17,622	237	258	387	376	(150)	(117)
Other derivatives	17,413	1,669	7,330	26,413	24,772	912	329	787	886	125	(556)
TOTAL	**169,917**	**133,459**	**130,164**	**433,540**	**403,254**	**19,338**	**12,422**	**19,082**	**13,344**	**256**	**(923)**

Note: This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.
(a) By convention, notional amounts are displayed in absolute value, and exclude potential netting out.

Main reasons for the evolution in the use of derivatives (mostly interest rates, currency derivatives and credit derivatives) are detailed in Note 20.2.

20.2. DERIVATIVES INSTRUMENTS BY IAS 39 TYPE OF HEDGE

Derivative instruments are broken down as follows:

	December 31, 2014									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in cash flow hedging relationship		Derivative instruments used in hedges of net investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
(In Euro million)	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rates derivatives	47,630	(2,022)	5,826	1,619	-	-	208,123	2,200	261,579	1,798
Equity derivatives	749	(19)	-	-	-	-	22,376	628	23,124	609
Currencies derivatives	4,030	(143)	1,876	(2)	5,688	(92)	89,306	(1,890)	100,901	(2,126)
Credit derivatives	3,037	(103)	-	-	-	-	18,486	(47)	21,523	(150)
Other derivatives	287	(2)	4,168	(29)	-	-	21,958	156	26,413	125
TOTAL	**55,733**	**(2,288)**	**11,870**	**1,588**	**5,688**	**(92)**	**360,248**	**1,048**	**433,540**	**256**

Note: This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.

	December 31, 2013									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in cash flow hedging relationship		Derivative instruments used in hedges of net investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
(In Euro million)	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rates derivatives	44,496	(1,067)	4,662	449	-	-	201,211	1,340	250,369	722
Equity derivatives	962	(252)	-	-	-	-	21,297	508	22,260	256
Currencies derivatives	3,097	14	737	55	6,909	243	77,488	(1,538)	88,232	(1,226)
Credit derivatives	3,534	(129)	-	-	-	-	14,089	11	17,622	(117)
Other derivatives	287	19	3,772	(187)	-	-	20,713	(388)	24,772	(556)
TOTAL	**52,376**	**(1,416)**	**9,171**	**317**	**6,909**	**243**	**334,798**	**(67)**	**403,254**	**(923)**

Note: This table includes all derivatives (assets and liabilities) as described in Note 1.10, i.e. hedge, macro-hedge and other asset or liability positions.

As of December 31, 2014, the notional amount of all derivative instruments totaled €433.5 billion (€403.3 billion at the end of 2013). Their net fair value as of December 31, 2014 totalled €256 million (€-923 million at the end of 2013).

AXA uses derivatives primarily to hedge various risks stemming from both sides of the balance sheet in the context of its Asset Liability Management (ALM) strategy in insurance companies, as well as holdings and banks. Notional amount of such hedging strategies amounted to €424.0 billion as of December 31, 2014 (€393.1 billion at the end of 2013) and includes:

- **(i)** managing interest rate exposures on fixed maturity investments, long-term debt and guaranteed interest rates on insurance contracts;
- **(ii)** reducing foreign-currency exposures on foreign-currency denominated investments and liabilities;
- **(iii)** managing liquidity positions (including the ability to pay benefits and claims when due) in connection with Asset Liability Management and local regulatory requirements for insurance and banking operations,
- **(iv)** limiting equity risk; and
- **(v)** limiting credit risk with regard to certain investments in corporate debt instruments.

AXA also uses derivatives as an alternative to gain exposure to certain asset classes through "synthetic positions", for example, holding cash and equity futures instead of physical equities. Another example is the combination of government bonds and credit default swaps (CDS) as a synthetic position and an alternative to the direct purchase of a corporate bond. These schemes do not add any specific risks compared with other investment assets.

The notional amount of derivatives which is used to express the volume of instruments outstanding and to provide a basis for comparison with other financial instruments most certainly overstates the level of activity and does not directly measure risk as it greatly exceeds the possible credit and market loss that could arise from such transactions. It does not represent the amounts that are effectively exchanged by the parties, and thus is not a measure of the Group's exposure to derivative instruments. For example, the Group is exposed to credit risk in respect of its counterparties to the derivative instruments, but is not exposed to credit risk on the entire notional amounts. AXA actively manages counterparty risk generated by derivatives through a specific Group-wide policy. This policy includes a limit framework and an exposure monitoring process. Limits are specifically set for each authorized counterparty, based on an internal scoring system. This policy also includes daily to weekly collateralization for the majority of the Group's exposure. The total net collateral received or given for all derivative instruments including those related to derivatives held within investment funds of the "satellite investment portfolio" (see Note 1.8.2) was €-0.6 billion as of December 31, 2014 (€-1.6 billion at the end of 2013). This net total includes amounts recognized in the Consolidated Statement of Financial Position and unrecognized commitments received or given disclosed in Note 29.

The market turmoil that started in 2008 has increased the importance of risk management and led to additional hedging activity. While AXA's liabilities remained almost stable, the notional amount of the derivatives used by AXA almost doubled over the 2006-2012 period. The rise in derivative activity was part of AXA's risk management response to such a tumultuous environment. Since then AXA has continued its use of derivatives to hedge risks, increasing or decreasing derivative positions in accordance with AXA's governance framework for derivatives.

Moreover, regulatory developments will most likely continue to increase derivative hedging activities. Indeed, in a regime where the capital requirements are based on the value at risk over a one-year horizon of the marked-to-market balance sheet, the extensive use of derivatives is the major way to decrease the risk of the options and guarantees that are implicit in most Life & Savings products and some Property & Casualty products.

For further detail on Asset Liability Management governance, please refer to page 188 of Section 3.4 “Investment Community and Organization”.

In 2014, the use of derivatives within the Group increased overall by €+30.3 billion in terms of notional amount for the main reasons listed below (see also details in Note 20.2.1):

- notional amount of currency derivatives increased by €+12.7 billion compared to 2013 mainly due to an increased fair value of foreign currency portfolios driven by market conditions notably denominated in the United States dollar and the Great Britain sterling pound;
- notional amount of interest rates derivatives increased by €+11.2 billion, mainly due to (i) increase of interest rate hedging associated with guaranteed minimum benefits on Variable Annuity products, mainly in the United States mostly coming from Interest Rate Swaptions in order to hedge the risk associated with potential increasing interest rate scenarios, and (ii) increase of interest rate hedging through entering into new swaptions, Interest Rate Swaps and Interest rate forwards to hedge in line with increase in asset base notably in Germany Life & Savings;
- notional amount of credit derivatives increased by €+3.9 billion in order to decrease exposure to the corporate spread risk.

In the tables above, the fourth column includes derivatives that do not qualify for hedge accounting under IAS 39, but whose objective is nevertheless to provide economic hedging of a risk, with the exception notably of certain credit derivatives. They also include “macro-hedging” derivatives as defined by the IASB in IAS 39.

In 2014 the notional amount of hedging derivative instruments as defined by IAS 39 (fair value hedge, cash flow hedge and net investment hedge) of the Group was €73.3 billion versus €68.5 billion in 2013. The net fair value recorded was €-792 million as of December 31, 2014, *versus* €-856 million in 2013.

20.2.1. Interest rate derivative instruments

The AXA Group’s primary interest rate exposure is related to contracts with guaranteed benefits and the risk that the value of the financial assets purchased with the consideration received from the contract holders is insufficient to fund the guaranteed benefits and expected discretionary participation payable to them. To hedge against potential adverse market conditions, derivative strategies are used to reduce the risk arising from the guarantee liability over time.

As of December 31, 2014, the notional amount of interest rate derivative instruments totalled €261.5 billion (€250.4 billion at the end of 2013). Their net fair value as of December 31, 2014 totalled €1,798 million (€722 million at the end of 2013). AXA mainly uses (i) interest rate Swaps (57% of total notional amount of interest rate derivative instruments), (ii) interest rate options (26%), and (iii) futures and forwards (15%).

These instruments are mainly used to:

(i) hedge interest rate risk and interest volatility risk as part of the Asset Liability Management strategy associated with the guaranteed minimum benefits on Variable Annuity products, with notional amount of €59.6 billion at the end of 2014 (€51.1 billion at the end of 2013) mainly in the United States Life & Savings (notional amount of €27.6 billion in 2014 *versus* €21.3 billion in 2013), Germany Life & Savings (notional amount of €18.0 billion in 2014 *versus* €17.5 billion in 2013), and in Japan Life & Savings (notional amount of €7.2 billion in 2014 *versus* €6.0 billion in 2013);

(ii) manage duration gap and/or hedge convexity risk between assets and liabilities on the General Account as a part of Asset Liability Management strategy mainly in France Life & Saving for €49.2 billion (*versus* €55.6 billion in 2013) and in Japan Life & Saving for €24.0 billion in 2014 (*versus* €24.7 billion in 2013);

(iii) minimize the cost of Group debt and limit the short-to-medium term volatility of its net interest expenses mainly in the Company, with notional amount of €58.0 billion in 2014 *versus* €59.8 billion in 2013, mainly due to the unwind of interest rate derivatives related to the continuous review of the Net Investment Hedge policy;

(iv) hedge interest rate risk exposures arising in the context of its ordinary banking activities, mainly at AXA Bank Europe, in order to manage an interest rate exposure between its interest-earning assets and interest-bearing liabilities mainly by interest rate swaps (notional value of €15.6 billion in 2014 *versus* €15.3 billion in 2013).

20.2.2. Equity derivatives instruments

As of December 31, 2014, the notional amount of equity derivative instruments totalled €23.1 billion (€22.3 billion at the end of 2013). Their net fair value as of December 31, 2014 totalled €609 million (€256 million at the end of 2013). AXA mainly uses (i) Equity puts and calls (49% of total notional amount of equity derivative instruments) and (ii) Equity futures and forwards (43%).

These instruments are mainly used to:

(i) hedge equity risk as part of the Asset Liability Management strategy associated with the guaranteed minimum benefits on Variable Annuity products, which totalled €10.8 billion at the end of 2014 (€10.9 billion at the end of 2013) mainly in the United States Life & Savings (notional amount of €9.9 billion in 2014 compared with €10.0 billion in 2013);

(ii) hedge the exposure to equity risk within the General Account assets, protecting policyholders' investments and their guaranteed liability over time, mainly in the United States Life & Savings (notional amount of €5.2 billion in 2014 compared with €3.6 billion in 2013), and in Japan Life & Saving for €0.7 billion (*versus* €0.8 billion in 2013).

20.2.3. Currency derivative instruments

The Group has entered into different currency instruments to reduce its exposure to foreign currency risk. Currency derivative instruments represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date.

In 2014, the notional amount of currency derivative amounted to €100.9 billion *versus* €88.2 billion in 2013. Their market value was €-2,126 million *versus* €-1,226 million in 2013. AXA mainly uses (i) Currency future and forward contracts (63% of total notional amount of currency derivative instruments), (ii) Currency swaps (29%) and (iii) Currency option contracts (8%).

One of the main objectives of currency derivatives instruments is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates in order to protect partially or in full the value of AXA's net foreign-currency investments in its subsidiaries and thus reduce the variability of Group consolidated shareholders' equity against currency fluctuations, but also of others key indicators such as liquidity, gearing and solvency ratios. Notional amount of derivatives used by the Company to hedge the foreign currency exposure increased from €21.5 billion in 2013 to €23.1 billion in 2014, mainly due to the continuous review of its Net Investment Hedge policy.

Currency derivative instruments are also used to hedge foreign exchange mismatch between assets and liabilities in insurance subsidiaries of the Group. While most of the operating units' commitments are matched by assets denominated in the same currency, some entities may invest in foreign currency denominated assets to diversify their investments. This is the case mainly in (i) Switzerland using such contracts to hedge exchange rate risk arising from their investments in equities and debt instruments denominated in non CHF currencies (mainly € and US$) with a total notional amount of €34.4 billion in 2014 *versus* €31.4 billion in 2013, and (ii) Japan Life & Savings using future and forward foreign currency contracts to hedge exchange-rate risk arising from its investments in fixed-maturity debt instruments denominated in non JPY currencies with a total notional amount of €15.5 billion in 2014 *versus* €13.3 billion in 2013.

A description of Exchange-rate risk related to the operating activities of Group subsidiaries and the Company is included in Section 3.3 Quantitative and qualitative disclosures about risk factors with amounts of exposures to exchange-rate risk and corresponding hedges.

In accordance with IAS 21 and IAS 39, the translation difference relating to these debt instruments used in operational entities is recognized in profit & loss and offsets most of the change in market value of associated derivative instruments, which is also recognized in profit & loss.

20.2.4. Credit derivative instruments (CDS)

The Group, as part of its investment and credit risk management activities, uses strategies that involve credit derivatives, which consist mainly of Credit Default Swaps (CDS). These instruments are used as an alternative to corporate bonds portfolios, when coupled with government debt instruments, but also as a protection on single names or specific portfolios.

In 2014, the notional amount of credit derivatives held by the Group was €21.5 billion compared to €17.6 billion in 2013 (excluding the instruments held within investment funds of the "satellite investment portfolio" (€0.7 billion); see Note 1.8.2).

Credit derivative instruments are mainly used to:

(i) hedge credit risk involving the purchase of CDS as a protection mainly on single corporate names or specific portfolios (notional amount of €8.5 billion in 2014 *versus* €3.5 billion in 2013);

(ii) implement credit risk hedging strategies by purchasing bonds and protection on the same name (*i.e.* CDS). During stressed market conditions, the credit derivative market is indeed more liquid than the cash market. For instance, holders of cash bonds may be unwilling or unable to sell the bonds that they hold as part of their longer-term investment strategies. For this reason, rather than simply selling their bonds, they turn to the CDS market to buy protection on a specific company or issuer and thus, contribute to increase the CDS market liquidity. This creates hedging opportunities (*i.e.* bond spread is higher than CDS spread) where the Group can hedge the underlying asset at an attractive price. In fact, through hedging strategies, insurance companies execute Negative Basis Trade (NBT) strategies, leading to the creation of an asset that can be compared to a risk-free asset. CDS protections use by AXA in this context amounted to €3.4 billion in 2014 *versus* €4.0 billion in 2013;

(iii) enhance the return mainly on government bonds portfolios by holding government bonds and at same time selling protection on very good quality names as an alternative to the direct purchase of a corporate bond. This type of ALM strategy is implemented to compensate for the lack of depth or liquidity in some markets by taking a synthetic credit risk (notional amount of €9.5 billion in 2014 *versus* €10.1 billion in 2013).

20.3. EFFECT OF HEDGING ON FINANCIAL INVESTMENTS

The impact of derivative instruments is presented in the consolidated statement of financial position within their related underlying financial assets (and liabilities see Note 20.4). The table below sets out the impact of derivative instruments on the related underlying assets.

	December 31, 2014								
	Insurance			Other activities			Total		
(In Euro million)	Net book value excluding effect of derivatives [a]	Impact of derivative instruments [b]	Net book value including effect of derivatives [c]	Net book value excluding effect of derivatives [a]	Impact of derivative instruments [b]	Net book value including effect of derivatives [c]	Net book value excluding effect of derivatives [a]	Impact of derivative instruments [b]	Net book value including effect of derivatives [c]
Investment in real estate properties	**18,610**	**-**	**18,610**	**613**	**-**	**613**	**19,223**	**-**	**19,223**
Debt instruments	408,257	(2,068)	406,189	13,013	(406)	12,607	421,269	(2,474)	418,795
Equity securities	23,287	(89)	23,199	1,789	-	1,789	25,076	(89)	24,987
Non consolidated investment funds	12,026	(182)	11,844	756	-	756	12,781	(182)	12,600
Other investments [d]	8,882	(54)	8,828	202	-	202	9,084	(54)	9,031
Macro-hedge and other derivatives	(265)	1,363	1,098	-	(165)	(165)	(266)	1,199	933
TOTAL FINANCIAL INVESTMENTS	**452,186**	**(1,028)**	**451,158**	**15,759**	**(570)**	**15,188**	**467,945**	**(1,599)**	**466,346**
Loans	**29,801**	**1**	**29,801**	**24,444**	**(710)**	**23,734**	**54,244**	**(709)**	**53,535**
Assets backing contracts where the financial risk is borne by policyholders	**181,082**	**-**	**181,082**	**-**	**-**	**-**	**181,082**	**-**	**181,082**
TOTAL INVESTMENTS	**681,679**	**(1,028)**	**680,651**	**40,815**	**(1,280)**	**39,535**	**722,495**	**(2,308)**	**720,187**

(a) Carrying value, i.e net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(b) Including macro-hedge and other derivatives.
(c) Carrying value (see (a)), but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macro-hedge and other derivatives.
(d) Other investments held through consolidated investment funds designated as at fair value through profit or loss.

	December 31, 2013 Restated [a]								
	Insurance			Other activities			Total		
(In Euro million)	Net book value excluding effect of derivatives[b]	Impact of derivative instruments[c]	Net book value including effect of derivatives[d]	Net book value excluding effect of derivatives[a]	Impact of derivative instruments[c]	Net book value including effect of derivatives[d]	Net book value excluding effect of derivatives[b]	Impact of derivative instruments[c]	Net book value including effect of derivatives[d]
Investment in real estate properties	**17,479**	**-**	**17,479**	**573**	**-**	**573**	**18,052**	**-**	**18,052**
Debt instruments	361,137	(740)	360,397	11,052	(110)	10,942	372,189	(850)	371,339
Equity securities	21,776	(5)	21,771	2,637	(227)	2,409	24,412	(232)	24,180
Non consolidated investment funds	10,431	6	10,437	883	-	883	11,313	6	11,320
Other investments[e]	6,933	(57)	6,876	13	-	13	6,945	(57)	6,888
Macro-hedge and other derivatives	(103)	988	886	-	(1,362)	(1,362)	(103)	(373)	(476)
TOTAL FINANCIAL INVESTMENTS	**400,174**	**192**	**400,366**	**14,584**	**(1,699)**	**12,885**	**414,758**	**(1,507)**	**413,251**
Loans	**25,980**	**(36)**	**25,944**	**22,683**	**(350)**	**22,333**	**48,663**	**(387)**	**48,277**
Assets backing contracts where the financial risk is borne by policyholders	**162,186**	**1**	**162,186**	**-**	**-**	**-**	**162,186**	**1**	**162,186**
TOTAL INVESTMENTS	**605,819**	**157**	**605,976**	**37,840**	**(2,050)**	**35,790**	**643,659**	**(1,893)**	**641,766**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Carrying value, i.e net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(c) Including macro-hedge and other derivatives.
(d) Carrying value (see (b)), but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macro-hedge and other derivatives.
(e) Other investments held through consolidated investment funds designated as at fair value through profit or loss.

20.4. EFFECT OF HEDGING ON LIABILITIES

The impact of derivative instruments is presented in the balance sheet within their related underlying financial liabilities (and assets see Note 20.3). The tables below set out the impact of derivative instruments on the related underlying liabilities.

20.4.1. Liabilities arising from insurance and investment contracts

	December 31, 2014			December 31, 2013 Restated [a]		
(In Euro million)	Carrying value excluding effect of hedging value	Impact of derivative instruments	Carrying value including effects of derivatives	Carrying value excluding effect of hedging value	Impact of derivative instruments	Carrying value including effects of derivatives
Liabilities arising from insurance contracts	371,474	(1,338)	370,137	348,334	(533)	347,802
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	142,042	-	142,042	125,593	2	125,595
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACT	**513,516**	**(1,338)**	**512,179**	**473,928**	**(530)**	**473,397**
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**73,449**	**(75)**	**73,374**	**70,874**	**(22)**	**70,852**
MACRO-HEDGE AND OTHER DERIVATIVE INSTRUMENTS ON INSURANCE AND INVESTMENT CONTRACTS (LIABILITIES)	**-**	**(1,424)**	**(1,424)**	**-**	**(533)**	**(533)**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

20.4.2. Liabilities (and assets) arising from banking activities

As of December 31, 2014, derivatives related to banking liabilities shown in Note 15 are used to hedge interest rate risk exposures in the context of ordinary banking activities, in order to achieve an appropriate interest rate spread between its interest earning assets and interest bearing liabilities. Related hedged assets are disclosed in Note 9.4.2 and liabilities in Note 15.

20.4.3. Other financial liabilities

	December 31, 2014			December 31, 2013 Restated[(a)]		
(In Euro million)	Carrying value excluding effect of derivative instruments	Impact of derivative instruments	Carrying value including effects of derivative instruments	Carrying value excluding effect of derivative instruments	Impact of derivative instruments	Carrying value including effects of derivative instruments
Subordinated debt	6,728	418	7,146	7,722	264	7,986
Financing debt instruments issued	1,639	(53)	1,586	1,621	(53)	1,568
Financing debt owed to credit institutions	-	-	-	853	-	853
FINANCING DEBT[(b)]	**8,367**	**365**	**8,733**	**10,196**	**211**	**10,407**
Liabilities arising from banking activities	**37,640**	**(239)**	**37,402**	**35,513**	**(138)**	**35,375**
PAYABLES	**70,756**	**145**	**70,902**	**66,572**	**43**	**66,615**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Financing debts are disclosed in the balance sheet net of the impact of derivatives. As a result, the amount showing in the column "value including effect of derivatives" is their carrying value.

20.5. BREAKDOWN OF DERIVATIVE INSTRUMENTS BY VALUATION METHOD

	December 31, 2014				December 31, 2013			
	Instruments quoted in an active market	Instruments not quoted in an active market – No active market			Instruments quoted in an active market	Instruments not quoted in an active market – No active market		
(In Euro million)	Fair value determined directly by reference to an active market (Level 1)	Fair value mainly based on observable market data (Level 2)	Fair value mainly not based on observable market data (Level 3)	Total	Fair value determined directly by reference to an active market (Level 1)	Fair value mainly based on observable market data (Level 2)	Fair value mainly not based on observable market data (Level 3)	Total
Net value of derivative instruments – assets (1)	**(1,822)**	**(486)**	**-**	**(2,308)**	**(215)**	**(1,678)**	**-**	**(1,893)**
Derivative instruments relating to insurance and investment contracts	19	(2,856)	-	(2,837)	13	(1,099)	-	(1,086)
Derivative instruments relating to financing debt, operating debt and other financial liabilities	-	365	-	365	-	211	-	211
Macro-hedge banking activities and other derivatives	3	(80)	(17)	(93)	20	(115)	-	(95)
Net value of derivative instruments – liabilities (2)	**22**	**(2,570)**	**(17)**	**(2,565)**	**33**	**(1,003)**	**-**	**(970)**
NET FAIR VALUE (1)-(2)				**256**				**(923)**

Principles applied by the Group in order to proceed with the classification of financial instruments into the IFRS 13 fair value hierarchy categories and the fair value hierarchy applicable to such instruments are described in Note 1.5. Same principles apply as far as derivatives instruments are concerned.

The Group mitigates counterparty credit risk of derivative instruments by contractually requiring collateral for the majority of derivative contracts. At December 31, 2014, the adjustment to the fair value of derivatives for non-performance risk was not material.

Note 21 Information by segment

For more information about the Group's segments identification, please refer to page 227 to 231 of Note 3 Statement of income by segment.

21.1. TOTAL REVENUES

Total revenues [a] *(In Euro million)*	**December 31, 2014**	**December 31, 2013 Restated** [b]
LIFE & SAVINGS	**55,345**	**55,331**
of which direct premiums	*50,551*	*50,704*
of which reinsurance assumed	*3,255*	*3,158*
of which fees and charges on investment contracts with no participation features	*327*	*323*
of which revenues from other activities	*1,211*	*1,147*
France	15,121	14,115
United States	11,469	11,303
United Kingdom	639	568
Japan [c]	3,801	5,579
Germany	6,640	6,520
Switzerland	6,720	7,063
Belgium	1,813	2,012
Mediterranean and Latin American Region	6,384	5,575
Asia (excl. Japan)	2,280	2,086
Other countries	478	510
PROPERTY & CASUALTY	**29,460**	**28,763**
of which direct premiums	*28,902*	*28,303*
of which reinsurance assumed	*495*	*403*
of which revenues from other activities	*63*	*57*
France	6,034	5,853
Germany	3,779	3,779
United Kingdom and Ireland	4,034	3,807
Switzerland	2,783	2,706
Belgium	2,026	2,025
Mediterranean and Latin American Region	7,440	7,360
Direct	2,361	2,247
Asia	853	816
Other countries	149	171
INTERNATIONAL INSURANCE	**3,292**	**3,143**
of which direct premiums	*2,360*	*2,244*
of which reinsurance assumed	*704*	*670*
of which revenues from other activities	*228*	*228*
AXA Corporate Solutions Assurance	2,118	2,093
AXA Global Life & AXA Global P&C	102	57
AXA Assistance	1,021	937
Other	51	56
ASSET MANAGEMENT	**3,326**	**3,461**
AllianceBernstein	2,175	2,097
AXA Investment Managers	1,151	1,364
BANKING	**564**	**524**
AXA Banque	217	133
AXA Bank Europe	252	308
German bank	32	30
Other Banks	63	52
Holdings	-	-
TOTAL	**91,988**	**91,221**

(a) Net of intercompany eliminations.
(b) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(c) AXA Life Japan aligned its closing date with the Group calendar year starting with 2013 annual accounts. Therefore, its contribution to the AXA consolidated result for the 2013 annual accounts exceptionally covered a period of fifteen months.

Geographical information regarding revenues and assets of International Insurance and Asset Management is not readily available in the Group reporting tool and the cost to develop it would be excessive. A relevant split by entity is provided above for these segments.

Given the Group's scale and diversity, none of its client's accounts for more than 10% of its business.

21.2. TOTAL ASSETS

Total assets [(a)(b)] *(In Euro million)*	December 31, 2014	December 31, 2013 Restated [(c)]
LIFE & SAVINGS	**656,576**	**583,869**
France	180,364	163,718
United States	157,255	131,750
United Kingdom	26,552	22,833
Japan	43,855	42,107
Germany	78,679	69,910
Switzerland	70,290	64,488
Belgium	38,624	35,044
Mediterranean and Latin American Region	43,093	38,795
Asia (excl. Japan)	13,162	8,472
Other countries	4,704	6,752
PROPERTY & CASUALTY	**77,807**	**71,042**
France	20,344	19,415
Germany	10,452	9,730
United Kingdom and Ireland	8,951	7,244
Switzerland	9,016	8,105
Belgium	9,019	8,668
Mediterranean and Latin American Region	14,261	12,499
Direct	4,395	3,918
Asia	1,593	1,217
Other countries [(d)]	(224)	247
INTERNATIONAL INSURANCE	**12,721**	**12,881**
AXA Corporate Solutions Assurance	9,307	8,655
AXA Global Life & AXA Global P&C	457	447
AXA Assistance	902	869
Other	2,055	2,909
ASSET MANAGEMENT	**7,416**	**6,401**
AllianceBernstein	4,941	4,318
AXA Investment Managers	2,475	2,083
BANKS	**38,948**	**36,706**
AXA Banque	5,671	5,035
AXA Bank Europe	32,339	30,730
German bank	604	569
Other Banks	333	373
Holdings	**46,602**	**44,542**
TOTAL	**840,069**	**755,441**

(a) Net of intercompany eliminations and after deduction of the value related to the shares eliminated in consolidation.

(b) Including assets held for sale.

(c) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

(d) Reso Garantia is accounted for using the equity method in the Group consolidated financial statements on the basis of a closing at September 30. Given significant movements in the Russian ruble exchange rate between September 30, 2014 and December 31, 2014, the balance sheet used as a basis of the equity method has been translated using December 31 exchange rate.

21.3. OTHER INFORMATION BY SEGMENT

21.3.1. Life & Savings

(In Euro million)	December 31, 2014			December 31, 2013		
	Gross written premiums	Liabilities arising from insurance contracts [(a)]	Liabilities arising from investment contracts [(a)]	Gross written premiums	Liabilities arising from insurance contracts [(a)]	Liabilities arising from investment contracts [(a)]
Retirement/annuity/investment contracts (individual)	20,153	223,514	30,227	17,926	190,522	30,363
Retirement/annuity/investment contracts (group)	2,212	27,285	7,161	3,531	40,711	6,703
Life contracts (including endowment contracts)	21,493	165,030	334	22,090	154,664	1,008
Health contracts	7,747	23,075	-	7,962	21,755	-
Other	2,202	11,575	-	2,352	6,573	19
Sub-total	**53,806**	**450,479**	**37,722**	**53,861**	**414,226**	**38,093**
Fees and charges relating to investment contracts with no participating features [(b)]	327	-	35,727	323	-	32,781
Fees, commissions and other revenues	1,211	-	-	1,147	-	-
TOTAL	**55,345**	**450,479**	**73,449**	**55,331**	**414,226**	**70,874**
Contracts with financial risk borne by policyholders (unit-linked)	15,650	142,042	39,299	16,016	125,593	36,925

(a) Excludes liabilities relating to unearned revenues and fees, and policyholder bonuses, along with derivatives relating to insurance and investment contracts.

(b) Relates to liabilities arising from investment contracts without discretionary participation features and investment contracts without discretionary participation features where the financial risk is borne by policyholders.

21.3.2. Property & Casualty

(In Euro million)	Gross written premiums		Liabilities arising from insurance contracts	
	December 31, 2014	December 31, 2013 Restated [(a)]	December 31, 2014	December 31, 2013 Restated [(a)]
Personal lines	**17,216**	**16,682**	**25,412**	**23,750**
Motor	10,383	10,004	17,669	16,228
Property damage	3,870	3,834	3,456	3,491
Health	1,446	1,336	1,203	1,081
Other	1,517	1,508	3,084	2,950
Commercial lines	**11,671**	**11,575**	**27,679**	**26,304**
Motor	2,623	2,683	4,008	3,760
Property damage	3,042	2,986	3,019	2,919
Liability	1,668	1,660	7,926	7,753
Health	2,441	2,305	6,766	4,166
Other	1,897	1,942	5,961	7,706
Other	**509**	**448**	**989**	**987**
Sub-total	**29,397**	**28,706**	**54,080**	**51,041**
Fees, commissions and other revenues	63	57	-	-
TOTAL	**29,460**	**28,763**	**54,080**	**51,041**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

21.3.3. International Insurance

(In Euro million)	Gross written premiums		Liabilities arising from insurance contracts	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Property damage	780	653	1,517	1,354
Motor, Marine, Aviation	903	885	2,189	2,157
Liability	524	521	4,041	3,903
Other	857	855	1,210	1,247
Sub-Total	**3,064**	**2,914**	**8,957**	**8,661**
Fees, commissions and other revenues	228	228	-	-
TOTAL	**3,292**	**3,143**	**8,957**	**8,661**

21.3.4. Liabilities arising from insurance contracts in the property & casualty and international insurance segments

(In Euro million)	December 31, 2014						
	Claims reserves	IBNR	Claim expense reserves	Claim expense reserve on IBNR	Total Claims reserves including IBNR and expenses	Unearned premiums reserves & others	Total Technical Liabilities
Personal lines							
Motor	10,571	2,406	366	18	13,361	4,308	17,669
Property damage	1,334	408	69	4	1,814	1,642	3,456
Other	1,484	642	80	7	2,213	2,074	4,287
Sub-total Personal lines	**13,388**	**3,456**	**515**	**29**	**17,388**	**8,024**	**25,412**
Commercial lines							
Motor	2,265	509	89	5	2,867	1,140	4,008
Property damage	1,685	340	40	3	2,067	952	3,019
Liability	5,402	1,856	161	14	7,433	493	7,926
Other	6,867	1,514	237	15	8,632	4,095	12,727
Sub-total Commercial lines	**16,219**	**4,218**	**527**	**36**	**20,999**	**6,680**	**27,679**
Other	688	204	17	-	908	81	989
TOTAL – PROPERTY & CASUALTY EXCLUDING INTERNATIONAL INSURANCE	**30,295**	**7,877**	**1,058**	**64**	**39,295**	**14,785**	**54,080**
Property damage	756	433	47	6	1,242	275	1,517
Motor, Marine, Aviation	1,224	799	69	14	2,106	84	2,189
Liability	1,948	1,827	87	29	3,890	150	4,041
Other	291	165	8	1	465	745	1,210
TOTAL – INTERNATIONAL INSURANCE	**4,218**	**3,224**	**211**	**50**	**7,703**	**1,254**	**8,957**
TOTAL – PROPERTY & CASUALTY INCLUDING INTERNATIONAL INSURANCE	**34,513**	**11,101**	**1,270**	**114**	**46,998**	**16,039**	**63,037**

(In Euro million)	December 31, 2013 Restated[(a)]						
	Claims reserves	IBNR	Claim expense reserves	Claim expense reserve on IBNR	Total Claims reserves including IBNR and expenses	Unearned premiums reserves & others	Total Technical Liabilities
Personal lines							
Motor	9,766	2,270	351	20	12,406	3,822	16,228
Property damage	1,417	377	71	4	1,868	1,623	3,491
Other	1,442	567	67	6	2,082	1,949	4,031
Sub-total Personal lines	**12,625**	**3,213**	**489**	**29**	**16,356**	**7,393**	**23,750**
Commercial lines							
Motor	2,074	484	87	4	2,649	1,110	3,760
Property damage	1,655	344	37	3	2,039	880	2,919
Liability	5,397	1,739	145	13	7,294	459	7,753
Other	6,348	1,320	227	24	7,919	3,954	11,872
Sub-total Commercial lines	**15,474**	**3,887**	**496**	**44**	**19,901**	**6,403**	**26,304**
Other	709	185	28	4	926	61	987
TOTAL – PROPERTY & CASUALTY EXCLUDING INTERNATIONAL INSURANCE	**28,808**	**7,285**	**1,013**	**77**	**37,183**	**13,858**	**51,041**
Property damage	663	491	25	9	1,188	166	1,354
Motor, Marine, Aviation	1,202	802	66	16	2,087	71	2,157
Liability	2,048	1,578	69	36	3,731	173	3,903
Other	289	257	30	2	578	669	1,247
TOTAL – INTERNATIONAL INSURANCE	**4,202**	**3,128**	**190**	**63**	**7,584**	**1,078**	**8,661**
TOTAL – PROPERTY & CASUALTY INCLUDING INTERNATIONAL INSURANCE	**33,010**	**10,413**	**1,204**	**140**	**44,767**	**14,935**	**59,702**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

21.4. NET REVENUES FROM BANKING ACTIVITIES

(In Euro million)	December 31, 2014	December 31, 2013 Restated[(a)]
Net interests revenues	492	456
Net commissions	67	62
Others	5	6
Net revenues from banking activities	**564**	**524**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

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Note 22 Net investment result excluding financing expenses

Net investment result (excluding financing expenses) from the financial assets of insurance Companies and Companies in other business segments (excluding revenues from the financial assets of banks included in net revenues from banking activities) was as follows:

	December 31, 2014				
(In Euro million)	Net investment income [a]	Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	Net realized gains and losses and change in fair value of other investments at fair value through profit or loss	Change in investments impairment	Net investment result
Investment in real estate properties at amortized cost	668	242	-	(7)	903
Investment in real estate properties as at fair value through profit or loss	41	-	15	-	56
Investment in real estate properties	**709**	**242**	**15**	**(7)**	**959**
Debt instruments held to maturity	-	-	-	-	-
Debt instruments available for sale	11,648	513	245	(112)	12,293
Debt instruments designated as at fair value through profit or loss [b]	1,023	-	688	-	1,711
Debt instruments held for trading	20	-	(12)	-	7
Non quoted debt instruments (amortized cost)	3	-	-	-	3
Debt instruments	**12,694**	**513**	**920**	**(112)**	**14,014**
Equity instruments available for sale	666	991	67	(388)	1,336
Equity instruments designated as at fair value through profit or loss [c]	276	-	292	-	568
Equity instruments held for trading	6	-	(2)	-	4
Equity instruments	**948**	**991**	**357**	**(388)**	**1,909**
Non consolidated investment funds available for sale	279	159	169	(49)	558
Non consolidated investment funds designated as at fair value through profit or loss	331	-	(29)	-	302
Non consolidated investment funds held for trading	2	-	5	-	7
Non consolidated investment funds	**612**	**159**	**145**	**(49)**	**867**
Other assets held *by* consolidated investment funds designated as at fair value through profit or loss	**78**	**-**	**77**	**-**	**155**
Loans held to maturity	-	-	-	-	-
Loans available for sale	4	-	-	-	4
Loans designated as at fair value through profit or loss	-	-	1	-	1
Loans held for trading	-	-	-	-	-
Loans at cost	1,073	11	-	(26)	1,058
Loans	**1,078**	**11**	**1**	**(26)**	**1,063**
Assets backing contracts where the financial risk is borne by policyholders	**-**	**-**	**9,520**	**-**	**9,520**
Derivative instruments	**624**	**-**	**(1,588)**	**-**	**(964)**
Investment management expenses	**(615)**	**-**	**-**	**-**	**(615)**
Other	**12**	**9**	**2,879**	**2**	**2,902**
NET INVESTMENT RESULT	**16,139**	**1,924**	**12,325**	**(579)**	**29,810**

(a) Includes gain/losses from derivatives hedging variable annuities.
(b) Includes debt instruments held by consolidated investment funds, designated as at fair value through profit or loss.
(c) Includes equity instruments held by consolidated investment funds, designated as at fair value through profit or loss.

	December 31, 2013 Restated[a]				
(In Euro million)	Net investment income[b]	Net realized gains and losses relating to investments at cost and at fair value through shareholders' equity	Net realized gains and losses and change in fair value of other investments at fair value through profit or loss	Change in investments impairment	Net investment result
Investment in real estate properties at amortized cost	705	325	-	(120)	911
Investment in real estate properties as at fair value through profit or loss	43	-	20	-	63
Investment in real estate properties	**748**	**325**	**20**	**(120)**	**974**
Debt instruments held to maturity	-	-	-	-	-
Debt instruments available for sale	11,958	694	(273)	(70)	12,309
Debt instruments designated as at fair value through profit or loss[c]	1,063	-	(475)	-	588
Debt instruments held for trading	24	-	(17)	-	7
Non quoted debt instruments (amortized cost)	104	1	-	-	105
Debt instruments	**13,148**	**694**	**(765)**	**(70)**	**13,008**
Equity instruments available for sale	525	984	130	(443)	1,196
Equity instruments designated as at fair value through profit or loss[d]	184	-	304	-	489
Equity instruments held for trading	6	-	-	-	6
Equity instruments	**715**	**984**	**435**	**(443)**	**1,691**
Non consolidated investment funds available for sale	249	195	(29)	(101)	313
Non consolidated investment funds designated as at fair value through profit or loss	305	-	(7)	-	298
Non consolidated investment funds held for trading	2	-	11	-	13
Non consolidated investment funds	**556**	**195**	**(26)**	**(101)**	**624**
Other assets held *by* consolidated investment funds designated as at fair value through profit or loss	**376**	**-**	**21**	**-**	**397**
Loans held to maturity	-	-	-	-	0
Loans available for sale	29	-	-	-	29
Loans designated as at fair value through profit or loss	-	-	11	-	11
Loans held for trading	-	-	-	-	-
Loans at cost	1,080	-	-	(12)	1,068
Loans	**1,110**	**-**	**11**	**(12)**	**1,108**
Assets backing contracts where the financial risk is borne by policyholders	**-**	**-**	**22,180**	**-**	**22,180**
Derivative instruments	**(4,612)**	**-**	**(1,480)**	**-**	**(6,092)**
Investment management expenses	**(543)**	**-**	**-**	**-**	**(543)**
Other	**169**	**212**	**223**	**1**	**606**
NET INVESTMENT RESULT	**11,666**	**2,410**	**20,621**	**(744)**	**33,953**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes gain/losses from derivatives hedging variable annuities.
(c) Includes debt instruments held by consolidated investment funds, designated as at fair value through profit or loss.
(d) Includes equity instruments held by consolidated investment funds, designated as at fair value through profit or loss.

Net investment income is presented net of impairment charges on directly-owned investment properties, and net of amortization of debt instruments premiums/discounts. All investment management fees are also included in the aggregate figure.

Net realized gains and losses relating to investment at cost and at fair value through shareholders' equity include write back of impairment following investment sales.

Net realized gains and losses and change in fair value of investments designated as at fair value through profit or loss consists mainly of:

- adjustments relating to investments backing contracts where the financial risk is borne by policyholders which are offset by an adjustment of related policyholders reserves, as there is a full pass through of the performance of held assets to the individual contract holder;
- changes in the fair value of investments designated as at fair value through profit or loss held by funds of the "Satellite Investment Portfolios" as defined in Note 1.8.2;
- changes in fair value of underlying hedged items in fair value hedges (as designated by IAS 39) or "natural hedges" (*i.e.* underlying assets designated as at fair value through profit or loss part of an economic hedge not eligible for hedge accounting as defined by IAS 39).

The changes in investments impairment for available for sale assets include impairment charges on investments, and releases of impairment only following revaluation of the recoverable amount. Write back of impairment following investment sales are included in the net realized capital gains or losses on investments aggregate.

Note 23 Net result of reinsurance ceded

Net result of reinsurance ceded was as follows:

	December 31, 2014				
(In Euro million)	Life & Savings	Property & Casualty	International Insurance	Inter-segment eliminations	Total
Premiums ceded and unearned premiums ceded	(1,908)	(2,050)	(857)	484	(4,332)
Claims ceded (including change in claims reserves)	2,154	1,242	293	(490)	3,198
Commissions received from / paid to reinsurers	(13)	266	131	(13)	371
NET RESULT OF REINSURANCE CEDED	**233**	**(542)**	**(433)**	**(20)**	**(762)**

	December 31, 2013 Restated [(a)]				
(In Euro million)	Life & Savings	Property & Casualty	International Insurance	Inter-segment eliminations	Total
Premiums ceded and unearned premiums ceded	(2,668)	(1,889)	(940)	400	(5,096)
Claims ceded (including change in claims reserves)	2,165	983	302	(267)	3,183
Commissions received from / paid to reinsurers	417	236	122	(18)	757
NET RESULT OF REINSURANCE CEDED	**(85)**	**(670)**	**(516)**	**114**	**(1,156)**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

Note 24 Financing debt expenses

In 2014, financing debt expenses, which includes income and expenses relating to hedging derivative instruments on financing debt, amounted to €509 million (€618 million in 2013) mainly in the Company: €460 million (€536 million in 2013).

Note 25 Expenses by type

25.1. ACQUISITION EXPENSES

	December 31, 2014									December 31, 2013 Restated [a]
(In Euro million)	Life & Savings	Property & Casualty	International Insurance	Total Insurance	Asset Management	Banking	Holdings	Inter-segment eliminations	Total	Total
Acquisition expenses – gross [b]	5,263	5,089	481	10,833	-	-	-	(12)	10,821	10,762
Change in deferred acquisition expenses and equivalents [c]	(1,258)	9	(3)	(1,252)	-	-	-	-	(1,252)	(769)
NET ACQUISITION EXPENSES	**4,005**	**5,098**	**477**	**9,580**	**-**	**-**	**-**	**(12)**	**9,568**	**9,993**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Includes all acquisition expenses relating to insurance and investment contracts before capitalization/amortization of deferred acquisition expenses and equivalents.
(c) Change (capitalization and amortization) in deferred acquisition expenses relating to insurance and investment contracts with discretionary participation features and changes in net rights to future management fees relating to investment contracts with no discretionary participation features.

25.2. EXPENSES BY TYPE

	December 31, 2014									December 31, 2013 Restated [(a)]
(In Euro million)	Life & Savings	Property & Casualty	International Insurance	Total Insurance	Asset Management	Banking	Holdings	Inter-segment eliminations	Total	Total
Acquisition expenses – gross	5,263	5,089	481	10,833	-	-	-	(12)	10,821	10,762
Claims handling expenses	555	1,272	489	2,316	-	-	-	(2)	2,314	2,247
Investment management expenses	323	71	6	401	0	0	133	(101)	433	270
Administrative expenses	2,674	2,784	226	5,683	2,640	393	937	(427)	9,227	9,624
Banking expenses	-	-	-	-	-	66	-	-	66	76
Increase/(write back) of tangible assets amortization	(0)	0	-	(0)	-	-	(0)	-	(0)	0
Other income/ expenses	81	(12)	(12)	57	275	82	(293)	155	276	129
TOTAL EXPENSES BY DESTINATION	**8,897**	**9,204**	**1,189**	**19,290**	**2,915**	**541**	**778**	**(387)**	**23,136**	**23,107**
Breakdown of expenses by type										
Staff expenses	2,423	2,806	479	5,708	1,496	158	249	(4)	7,607	7,459
Outsourcing and professional services	347	330	46	723	111	73	63	(106)	864	916
IT expenses	626	585	62	1,273	124	43	154	25	1,619	1,608
Charges relating to owner occupied properties	206	235	45	486	176	15	13	(0)	689	726
Commissions paid	3,986	4,470	464	8,919	679	25	-	(247)	9,376	9,233
Other expenses	1,309	778	94	2,181	330	227	298	(55)	2,981	3,165

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

Expenses increased by €29 million compared to December 31, 2013. Excluding the favourable forex impact, the effect of the alignment of AXA Life Japan closing date with the Group calendar year in 2013 and the disposal of AXA Private Equity in 2013, expenses increased by €568 million, reflecting:

- higher expenses in high growth markets mainly as a consequence of the acquisition of Colpatria in Colombia as well as business growth;
- higher expenses in AXA Bank Hungary driven by a one-off provision as a result of the law voted on July 4th, 2014 which retroactively corrected the bid-ask spreads applied to retail loans in foreign currency and obliged all banks to compensate clients for past variable interest rate changes;
- higher expenses in Asset Management mainly reflecting business growth.

This was partly offset by the favorable impact from productivity programs in mature insurance markets.

Note 26 Employees

26.1. BREAKDOWN OF STAFF EXPENSES

(In Euro million)	December 31, 2014	December 31, 2013 Restated [(a)]
Wages and benefits	5,579	5,492
Social contributions	863	760
Employee benefits expenses	583	513
Share based compensation	247	279
Other staff expenses and employees' profit sharing [(b)]	334	415
TOTAL STAFF EXPENSES	**7,607**	**7,459**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Including redundancies and early retirement expenses (triggering event = set up of the plan), and profit sharing with employees in France.

26.2. EMPLOYEE BENEFITS

26.2.1. Defined contribution plans

The cost of the contributions paid was recognized as an expense in the income statement, and amounted to €161 million as of December 31, 2014 (€138 million in 2013).

26.2.2. Defined benefit plans

The Group operates various defined post-employment benefit plans mainly in the United Kingdom, the United States, Germany, Switzerland, France and Belgium.

The defined benefit plans within AXA are mostly final salary pension plans or are based on a cash balance formula, which provide with members, benefits in the form of a guaranteed level of lump-sum payable at retirement age or pension payable for life. The level of benefits is generally based on members' length of service and their salary in the final years leading up to retirement.

In Switzerland, the benefit plan is a Swiss contribution-based plan classified as a defined benefit plan under IAS 19 because of guarantees, risks related to mortality and disability coverage.

In the United Kingdom, United States and Germany, pensions in payment are generally updated in line with the retail price index or inflation, as opposed to in other countries where pensions do not necessarily receive inflationary increases once in payment.

Most of the defined pension benefit plans are funded through long-term employee benefit funds or covered by insurance policies or mutual funds. In Switzerland and Belgium, the main defined benefit plans are contributory pension plans whereas in the United States, France and Germany, the main plans are non-contributory defined benefit plans.

Benefit payments in the United Kingdom, the United States and Switzerland are from trustee-administered funds and plan assets held in trusts are governed by local regulations and practices. The Board of trustees, generally composed of representatives of the Company and plan participants in accordance with the plan's regulations is responsible for governance of the plans including investment decisions and contribution schedules in order to meet the existing minimum funding requirement or funding regime objective, jointly with AXA at local level.

In France and Belgium, benefit payments are managed by insurance companies or mutual funds.

In the United Kingdom the main defined benefit plan was closed to new members on August 31, 2013 and members who were part of defined benefit sections had the option to participate in the defined contributions sections.

In August 2013, the Swiss pension plan was amended (with effect from January 1, 2014) to reflect the gradual decrease of the conversion rate at retirement and the increase in the retirement credits or guarantees for some employees.

In the United States, AXA Equitable discontinued benefit accruals under its defined benefit pension plans after December 31, 2013 and provides a company defined contributions benefit plan for services after January 1, 2014.

26.2.3. Significant actuarial assumptions

The assumptions for each of the liabilities are consistent with the economic features of the corresponding countries' plans. The weighted-average assumptions used by AXA for pension plans in the principal regions in which AXA operates were as follows:

DECEMBER 2014 ASSUMPTIONS

	Europe	North America	Japan	Other
Pension benefit obligation – assumptions as of December 31, 2014				
Discount rate	2.4%	3.6%	0.9%	5.5%
Salary increase for future years	2.2%	6.0%	1.9%	5.0%
Inflation rate	1.4%	2.5%	0.0%	4.0%

DECEMBER 2013 ASSUMPTIONS

	Europe	North America	Japan	Other
Pension benefit obligation – assumptions as of December 31, 2013				
Discount rate	3.5%	4.5%	1.2%	5.8%
Salary increase for future years	2.3%	6.0%	1.9%	5.0%
Inflation rate	1.5%	2.5%	0.0%	4.0%

For any given plan, the discount rate is determined at the closing date by using market yields for the corresponding currency on high quality corporate bonds with consideration of AA and depending on the plan's duration and the maturity profile of the defined benefit obligation.

26.2.4. Statement of financial position/balance sheet information

The table below presents the change in benefit obligation and the change in plan assets associated with pension plans and other benefit plans sponsored by AXA, together with an analysis of separate assets and the balance sheet position.

	Pension benefits		Other benefits		Total	
(In Euro million)	2014	2013	2014	2013	2014	2013
Change in benefit obligation						
Defined Benefit Obligation at the beginning of the year	16,787	17,937	546	705	17,333	18,641
Current service cost	213	297	8	11	222	308
Interest cost	603	538	23	21	626	559
Employee contributions	53	48	-	-	53	48
Plan amendments and curtailments [(a)]	(3)	(122)	-	-	(3)	(122)
Experience (gains) and losses	71	61	1	(44)	71	17
Actuarial (gains) and losses arising from changes in demographic assumptions	68	78	(9)	(25)	59	53
Actuarial (gains) and losses arising from changes in financial assumptions	2,540	(720)	74	(63)	2,613	(783)
Benefits paid by plan assets and by separate assets	(559)	(584)	-	(1)	(559)	(586)
Benefits directly paid by the employer	(299)	(314)	(41)	(37)	(340)	(351)
Settlements	0	(2)	-	-	0	(2)
Business combinations and disposal [(b)]	(5)	(48)	-	-	(5)	(48)
Other	8	9	-	-	8	9
Foreign exchange impact	833	(390)	63	(21)	896	(411)
Defined Benefit Obligation at the end of the year [(a)]	**20,310**	**16,787**	**665**	**546**	**20,974**	**17,333**
Change in plan assets						
Fair value of plan assets at the beginning of year	9,536	9,164	5	4	9,541	9,168
Interest income on plan assets	378	320	0	0	378	320
Actual return on plan assets, excluding interest income	799	455	(1)	(0)	799	455
Employer contributions [(c)]	219	243	1	1	220	244
Employee contributions	40	37	-	-	40	37
Net transfer In/(Out) (including acquisitions and disposals)	(0)	(0)	-	-	(0)	(0)
Benefits paid by plan assets	(453)	(458)	-	(1)	(453)	(459)
Other	(9)	(0)	-	-	(9)	(0)
Foreign exchange impact	677	(224)	-	-	677	(224)
Fair value of plan assets at the end of the year [(b)]	**11,187**	**9,536**	**5**	**5**	**11,191**	**9,541**
Change in separate assets						
Fair value of separate assets at the beginning of year	1,038	1,041	-	-	1,038	1,041
Interest income on *separate assets*	32	22	-	-	32	22
Actual return on separate assets, excluding *interest income*	38	27	-	-	38	27
Employer contributions	101	64	-	1	101	64
Employee contributions	13	11	-	-	13	11
Net transfer In/(Out) (including acquisitions and disposals)	-	(1)	-	-	-	(1)
Benefits paid by separate assets	(106)	(126)	-	(1)	(106)	(127)
Fair value of separate assets at the end of the year	**1,116**	**1,038**	**-**	**-**	**1,116**	**1,038**
Change in the cumulative effect of asset ceiling						
Cumulative effect of asset ceiling at the beginning of the year	10	10	-	-	10	10
Interest cost on asset ceiling	0	0	-	-	0	0
Changes in the asset ceiling, excluding the interest cost	6	(1)	-	-	6	(1)
Foreign exchange impact	1	(0)	-	-	1	(0)
Cumulative effect of asset ceiling at the end of the year	**17**	**10**	**-**	**-**	**17**	**10**
Funded status						
Funded status (b)-(A)	(9,123)	(7,251)	(660)	(542)	(9,783)	(7,792)
Cumulative impact of asset ceiling	(17)	(10)	-	-	(17)	(10)
Liability and asset recognized in the statement of financial position (excluding *separate assets*)						
Net position (excluding *separate assets*)	(9,140)	(7,261)	(660)	(542)	(9,800)	(7,802)
Fair value of *separate assets* at the end of the year	1,116	1,038	-	-	1,116	1,038
Net balance sheet position (including *separate assets*)	**(8,024)**	**(6,223)**	**(660)**	**(542)**	**(8,684)**	**(6,765)**

(a) In 2013, this amount mainly includes plan amendments or curtailments effect in the United States, in Switzerland, and in France.
(b) In 2013, this amount mainly includes impact of the sale of AXA Investment Managers Private Equity.
(c) In 2014 and 2013, this amount includes additional contributions paid to plan assets in the United Kingdom and in the United States to reduce the deficit.

"Other benefits" include postretirement benefits other than pensions, principally health care benefits, and post-employment benefits after employment but before retirement.

A surplus (including any minimum funding requirement effect) is recognized to the extent that it is recoverable, either through future contribution reductions or a refund to which the Group has an unconditional right, including the ability to use the surplus to generate future benefits.

26.2.5. Pension and other benefits expense

The annual expense for employee pension and other benefits recorded in the income statement (included in Note 26.1.), for the years ended December 31, 2014 and 2013 is presented below:

	Pension benefits		Other benefits		Total	
(In Euro million)	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Pension and other benefits expense						
Current service cost	213	297	8	11	222	308
Plan amendments and curtailments	(3)	(122)	-	-	(3)	(122)
Settlement gains or losses	0	(2)	-	-	0	(2)
Other	24	7	-	-	24	7
Total Service Cost	**235**	**179**	**8**	**11**	**244**	**190**
Interest cost on the defined benefit obligation	603	538	23	21	626	559
Interest income on plan assets	(378)	(320)	(0)	(0)	(378)	(320)
Interest income on separate assets	(32)	(22)	-	-	(32)	(22)
Interest cost on asset ceiling	0	0	-	-	0	0
Net Interest Cost/Income	**194**	**196**	**22**	**21**	**216**	**217**
Defined pension and other benefits expense (Service Cost + Net Interest Cost/Income)	**429**	**375**	**31**	**32**	**460**	**407**

26.2.6. Change in the liability (net of plan assets but excluding separate assets and assets within the insurance General Accounts backing employee benefits) recognized in the statement of financial position

Consistently with IAS 19 requirements, this Note only considers liabilities net of Plan Assets and therefore excludes Separate Assets and assets within the insurance General Accounts that are backing employee benefits.

DESCRIPTION OF THE RELATIONSHIP BETWEEN SEPARATE ASSETS (OR REIMBURSEMENT RIGHT) AND RELATED OBLIGATIONS

Separate Assets amounted to €1,116 million as of December 31, 2014 (€1,038 million as of December 31, 2013) mainly in France and Belgium. This represents the fair value of assets backing Defined Benefit Obligations covered by both i) insurance policies written within the Group that provide direct rights to the employees and ii) insurance policies with related parties that are outside the scope of consolidation. Under these circumstances, these assets are not considered Plan Assets that would be deducted from pensions' DBO (Defined Benefit Obligation), but represent reimbursement rights accounted for as Separate Assets under IAS 19. Insurance assets or liabilities (within the Group) and pension obligations remain on the balance sheet.

Similarly in some other countries (mainly in Switzerland), although non-transferable insurance policies related to Defined Benefits Obligation between entities within the Group are effectively backed by General Account assets (available to general creditors in case of bankruptcy), they are not taken into consideration in the pension assets disclosures.

IAS 19 considers liabilities net of Plan Assets on the one hand and Separate Assets and a part of Swiss assets on the other hand separately while economically, Separates Assets and a part of Swiss assets should be considered as backing Defined Benefit Obligation like any other Plan Assets (which are presented in Note 26.2.8.) and deducted from the Defined Benefit Obligation. The presentation required by IAS 19 seems to imply that such DBOs are not covered by corresponding assets.

Consistently with IAS 19 requirements, the roll-forward of the statement of financial position liability from January 1, 2014 to December 31, 2014 shown below only captures the evolution of the liability recorded in the Group's statement of financial position net of Plan Assets and does not include Separate Assets and Swiss assets included in the Insurance General Account liabilities (which are presented in Note 26.2.8.). The table below shows the detailed roll-forward of the statement of financial position liability, with the separate assets added at each year end.

	Pension benefits		Other benefits		Total	
(In Euro million)	2014	2013	2014	2013	2014	2013
Change in the liability recognized in the statement of financial position						
Statement of financial position liability at the beginning of the year	(7,261)	(8,783)	(542)	(700)	(7,802)	(9,484)
Pension and other benefits expense	(429)	(375)	(31)	(32)	(460)	(407)
Adjustment due to *separate assets*	(83)	(61)	-	-	(83)	(61)
Employer contributions	219	243	1	1	220	244
Benefits directly paid by the employer	299	314	41	37	340	351
Benefits paid by separate assets	106	126	-	1	106	127
Net transfer in/(out) (including acquisitions and disposals)	5	47	-	-	5	47
Net transfer in/(out) of separate assets to plan assets	-	-	-	-	-	-
Actuarial gains and losses recognized in OCI	(1,839)	1,062	(66)	131	(1,905)	1,193
Other	-	-	-	-	-	-
Foreign exchange impact	(157)	166	(63)	21	(220)	187
Statement of financial position liability at the end of the year	**(9,140)**	**(7,261)**	**(660)**	**(542)**	**(9,800)**	**(7,802)**
Fair value of separate assets at the end of the year	1,116	1,038	-	-	1,116	1,038
Net balance sheet position at the end of the year	**(8,024)**	**(6,223)**	**(660)**	**(542)**	**(8,684)**	**(6,765)**

26.2.7. Sensitivity analysis of the Defined Benefit Obligation (DBO): Gross of all assets

A description of the risk that pension schemes are exposed to is presented in Note 26.2.10. The sensitivity analysis for significant actuarial assumptions showing how the defined benefit obligation (totaling €20,974 million as of December 31, 2014 and €17,333 million as of December 31, 2013) would have been affected by changes in the relevant actuarial assumption that is reasonably possible for year ended as of December 31, 2014 and 2013 is presented below:

	2014		2013	
	Effect of 0.50% increase	Effect of 0.50% decrease	Effect of 0.50% increase	Effect of 0.50% decrease
Discount rate	-7.4%	8.3%	-7.1%	7.6%
Salary growth rate	0.9%	-0.8%	0.8%	-0.8%
Inflation rate	4.5%	-3.1%	4.3%	-3.0%

The sensitivity analysis are performed plan by plan using the projected unit credit method (same as the method applied when calculating the defined benefit liability recognized in the statement of financial position) and are based on a change in an assumption while holding all other assumptions constant.

26.2.8. Near-term cash flows (benefits paid and employer contributions)

FUNDING POLICY AND FUNDING ARRANGEMENTS THAT AFFECT FUTURE CONTRIBUTIONS

In the United Kingdom, the Pensions Act 1995 legislation governs pension funds and the Pensions Act 2004 introduced regulations on the funding of defined benefit pension arrangements and several other measures. Central to the funding regime are the Statutory Funding Objective (SFO) which is a requirement that the Scheme has appropriate and adequate assets to meet its technical provisions and the Statement of Funding Principles (SFP) which is a document prepared by the Trustees which sets out their policy for ensuring that the SFO is met. As part of the actuarial valuation, the appropriate level of future contributions to be paid to the pension plan is determined and a schedule of contributions is prepared by the Trustees of the pensions scheme following discussions with the entity. This includes a 10 year recovery plan to ensure that the Statutory Funding Objective (SFO) is met. The contributions for the recovery plan are based on the actuarial valuation performed every three years. However the schedule of contributions may change more frequently if significant events occur in the year.

In the United States, the funding policy of the plans is to make an annual aggregate contribution to satisfy its funding obligations each year in an amount not less than the minimum required by ERISA (Employee Retirement Income Security Act of 1974), and not greater than the maximum it can deduct for Federal income tax purposes. Valuations are performed annually on a January 1 measurement date and any contribution in excess of the minimum is determined at the discretion of the plan sponsor.

In Switzerland and Belgium, entities should fund the cost of the entitlements expected to be earned on at least a yearly basis where contributions are determined as a percentage of pensionable salaries depending on the age-class of the beneficiaries.

In Switzerland, the presentation of the pension liability reflects the fact that the assets covering a large part of the retirees do not qualify as pension assets defined under IAS 19 (not taken into consideration in the pension assets disclosures as described in Note 26.2.6.) because managed internally by the insurance company and not handled by a third party. However, legally, the sole purpose of these assets is the coverage of the liabilities of the pension fund. This means that under statutory (and legal) requirements, the pension fund of AXA Switzerland is not underfunded and therefore there is no requirement of additional contributions from AXA.

In France, voluntary regular employer annual contributions are made to separate assets, with an objective of the coverage ratio remaining within a targeted range of the total Defined Benefit Obligation after consideration of the yearly predetermined service cost.

In Germany, there is no requirement to fund employee benefit obligation.

In summary, considering both the Swiss case (and other entities in a similar case) and Separate Assets, the net economic situation of the funding for Defined Benefit plans is the following:

	Pension benefits		Other benefits		Total	
(In Euro million)	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Statement of financial position liability[(a)]	(9,140)	(7,261)	(660)	(542)	(9,800)	(7,802)
Assets other than plan assets[(b)]	2,794	2,747	-	-	2,794	2,747
Net economic position	**(6,347)**	**(4,514)**	**(660)**	**(542)**	**(7,006)**	**(5,056)**

(a) This amount represents the Defined Benefit Obligation less plan assets adjusted for any assets not recoverable.
(b) This amount includes: Separate Assets or right to reimbursements and other assets managed within the Group but not taken into consideration in the pension disclosures as described in Note 26.2.6.

ESTIMATED EMPLOYER CONTRIBUTIONS TO PLAN FOR THE NEXT ANNUAL REPORTING

The estimated amount of 2015 employer contributions for pension benefits is €296 million (€287 million estimated in 2013 for 2014).

Estimated future benefits to be paid by the assets or the employer

(In Euro million)	Pension benefits	Other benefits
2015	969	42
2016	907	40
2017	963	39
2018	973	37
2019	958	36
Five years thereafter	4,927	173
From year N+11 until the last benefit payments is paid	26,512	684

These estimated future contributions and benefits expected to paid are subject to uncertainty as they will be notably driven by economics of future years.

26.2.9. Asset mix of plan assets

As pension liabilities have a long-term nature, a mix of equity instruments, debt instruments and other investments is used in plan assets.

The following tables disclose the fair values of plan assets and their level within the fair value hierarchy for the Defined Benefit plans of AXA Group as at December 31, 2014 and 2013, respectively (fair value hierarchy principles as described by the Group are described in Note 1.5.):

	Total Group			Europe			North America			Other		
December 31, 2014 Asset mix for plan assets	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total
Equity instruments	15.1%	0.0%	15.1%	9.2%	0.0%	9.2%	36.9%	0.0%	36.9%	0.3%	0.1%	0.4%
Debt instruments	50.7%	0.1%	50.8%	51.1%	0.0%	51.1%	48.7%	0.4%	49.1%	93.1%	5.8%	98.9%
Other(a)	12.2%	21.9%	34.1%	14.2%	25.5%	39.7%	5.1%	9.0%	14.1%	0.1%	0.6%	0.7%
TOTAL	**78.0%**	**22.0%**	**100.0%**	**74.5%**	**25.5%**	**100.0%**	**90.6%**	**9.4%**	**100.0%**	**93.5%**	**6.5%**	**100.0%**
TOTAL *(In Euro million)*	**8,733**	**2,458**	**11,191**	**6,530**	**2,231**	**8,761**	**2,177**	**225**	**2,402**	**27**	**2**	**29**

(a) *The other category of plan assets mainly includes Investment funds.*

	Total Group			Europe			North America			Other		
December 31, 2013 Asset mix for plan assets	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total
Equity instruments	14.8%	0.7%	15.5%	8.8%	0.9%	9.7%	36.8%	0.0%	36.8%	0.4%	0.0%	0.4%
Debt instruments	33.7%	7.3%	41.0%	29.6%	9.2%	38.7%	47.9%	0.4%	48.3%	93.1%	5.1%	98.2%
Other(a)	16.7%	26.8%	43.5%	19.6%	32.0%	51.6%	6.4%	8.5%	14.9%	0.7%	0.7%	1.4%
TOTAL	**65.2%**	**34.8%**	**100.0%**	**58.0%**	**42.0%**	**100.0%**	**91.1%**	**8.9%**	**100.0%**	**94.2%**	**5.8%**	**100.0%**
TOTAL *(In Euro million)*	**6,218**	**3,322**	**9,541**	**4,329**	**3,139**	**7,468**	**1,861**	**182**	**2,043**	**28**	**2**	**30**

(a) *The other category of plan assets mainly includes Investment funds, Derivatives and Cash or Cash Equivalent.*

26.2.10. Management of risks specific to the Group arising from defined benefit plans

Local operating entities and trustees have the primary responsibility for managing the risks that plans are exposed to through a defined benefit plan, in accordance with local legislation if any and the risk framework defined at local Level.

Defined benefit plans expose AXA mainly to market investment risk, interest rate risk, inflationary risk and longevity risk:

- a decline in asset market value (equity, real estate, alternatives, etc.) will immediately increase the balance sheet liability and the near-term cash-flows for countries where there is a minimum funding requirements;
- a decrease in corporate bond yields will result in an increase in plan liabilities even if this effect will be partially offset by an increase in the value of the plans' bonds;
- and an increase in inflation rate or an increase in life expectancy will result in higher plan liabilities.

INVESTMENT POLICIES AND STRATEGIES USED BY ENTITIES/TRUSTEES TO MANAGE RISKS

In most countries, Trustees or Investment Committees set the general investment policies and guidelines regarding the allocation of plan assets in accordance with the long term horizon of the benefit plans. The investment strategy is reviewed regularly, following actuarial valuations of the funded benefit plans.

The investment positions are managed within an Asset Liability Management (ALM) framework defining an optimal strategic allocation with respect to the liabilities structure. The management of the assets notably includes liquidity management, diversification of each asset type so that the failure of any specific investment does not present a material risk to the plans, and implementation of hedging programs.

Moreover, caps on inflationary increases are in place to protect the plan against extreme inflation in the United Kingdom and in the United States.

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26.2.11. Statement of financial position/balance sheet reconciliation

(In Euro million)	December 31, 2014	December 31, 2013
Statement of financial position reconciliation		
■ Net position (excluding *separate assets*) [(a)]	(9,800)	(7,802)
Other liabilities	(316)	(211)
TOTAL [(b)]	**(10,116)**	**(8,013)**

(a) Net position (excluding separate assets) for pension benefits and other benefits as reported in Note 26.2.6.
(b) It corresponds to a liability of €10,116 million as of December 31, 2014 (€8,013 million as of December 31, 2013) included in the statement of financial position under the caption "provision for risks and charges", and an asset included in the statement of financial position under the caption "other receivables".

26.3. SHARE-BASED COMPENSATION

All figures are gross of tax *(In Euro million)*	2014	2013
Cost by plan		
AXA SA stock options	**5.1**	**8.1**
■ 2009 grants	-	0.7
■ 2010 grants	0.1	1.2
■ 2011 grants	0.9	2.5
■ 2012 grants	1.5	2.5
■ 2013 grants	1.5	1.2
■ 2014 grants	1.0	-
AXA stock options for US holding Company	**1.0**	**2.0**
■ 2010 AXA SA grants	0.1	0.4
■ 2011 AXA SA grants	0.3	0.6
■ 2012 AXA SA grants	0.2	0.5
■ 2013 AXA SA grants	0.1	0.4
■ 2014 AXA SA grants	0.3	-
AXA Group shareplan	**6.9**	**8.0**
■ Classic Plan	0.1	0.1
■ Leverage Plan	6.8	7.9
AXA Miles	6.9	14.6
■ Plan 2012 (2+2)	**1.7**	**9.6**
■ Plan 2012 (4+0)	5.2	5.0
AXA Performance Shares (in France)	**31.4**	**27.7**
■ 2011 grants	-	3.3
■ 2012 grants	4.8	12.8
■ 2013 grants	15.6	11.5
■ 2014 grants	11.0	-
AXA “Performance Units” and “International Performance Shares” plans	**78.2**	**130.4**
■ 2009 cash grants	-	(0.1)
■ 2010 cash grants	-	1.1
■ 2011 cash grants	1.2	32.6
■ 2012 cash grants	28.2	63.9
■ 2013 equity grants	19.8	32.9
■ 2014 equity grants	29.0	-
AXA Financial share-based compensation instruments	**0.2**	**1.1**
■ AXA Financial TSARs / SARs	0.2	1.0
■ AXA Financial Restricted Shares and PARS	0.1	0.1
AXA Investment Managers Performance Shares	**7.7**	**18.6**
AllianceBernstein share-based compensation instruments	**116.2**	**104.3**
TOTAL EMPLOYEE SHARE-BASED COMPENSATION COST	**253.7**	**314.8**

The cost includes the expenses from share-based compensation instruments issued by the Group as well as by AXA subsidiaries. The above presentation of the cost related to Performance Units does not include a loss of €12.0 million in 2014 before tax (gain of €81.0 million in 2013) on the hedging program through equity swaps in place at Group level. Including this hedging loss, the cost related to Performance Units and International Performance shares amounted to €90.2 million in 2014 (net amount of €49.4 million in 2013).

The share-based compensation instruments listed above are mostly composed of instruments settled in equity but include also instruments settled in cash. The unit cost of the equity settled instruments does not vary for a given plan while the cash settled instruments unit cost is updated at each closing.

The total charge is amortized over the vesting period and adjusted at each future closing date for the difference between actual and expected lapse to take into account actual service conditions and actual non-market performance conditions.

A detail of each of the major plans and associated cost is presented in Note 26.3.1 and in Note 26.3.2.

26.3.1. Share-based compensation instruments issued by the Group

AXA SA STOCK OPTIONS

Executive officers and other key employees may be granted options on AXA ordinary shares under employee stock option plans. These options may be either subscription options involving newly issued AXA ordinary shares or purchase options involving AXA treasury shares. While the precise terms and conditions of each option grant may vary, options are currently (i) granted at a price not less than the average closing price of the ordinary share on the Paris Stock Exchange during the 20 trading days preceding the date of grant, (ii) valid for a maximum term of ten years, and (iii) vest generally in instalments of 33.33% per year on each of the second, third and fourth anniversaries of the grant date. For options granted in 2014, the vesting remains in instalments of 33.33% per year but on each of the third, fourth and fifth anniversaries of the grant date.

From 2007 to 2012, for the employees who were granted more than 5,000 options, the first two instalments vest unconditionally at the end of the vesting period, while the final instalment is subject to the fulfilment of certain conditions regarding the performance of the AXA shares compared to the STOXX Insurance Index ("SXIP"). Since 2013, for all beneficiaries, the vesting of the final instalment has been subject to the fulfilment of the market performance condition regardless of the number of options granted.

All options granted to the members of the Management Board since 2009, Management Committee since 2011, and Executive Committee in 2014, have been subject to the fulfilment of this market-based performance condition.

The following table shows AXA SA stock options granted under all plans:

	Options (in million)		Weighted price (In Euro)	
	2014	2013	2014	2013
Options AXA				
Outstanding on January 1	**66.2**	**72.8**	**20.23**	**19.74**
Granted	3.1	3.5	18.68	13.81
Exercised	(3.3)	(9.0)	14.68	14.72
Cancelled and expired	(2.6)	(1.2)	18.58	13.09
Outstanding as of December 31	**63.3**	**66.2**	**20.52**	**20.23**
Options ex-FINAXA				
Outstanding on January 1	**0.3**	**1.8**	**15.00**	**12.72**
Exercised	(0.3)	(1.5)	15.00	12.25
Cancelled and expired	-	-	-	-
Outstanding as of December 31	**-**	**0.3**	**-**	**15.00**
TOTAL AXA AND EX-FINAXA	**63.3**	**66.5**	**20.52**	**20.21**

The number of outstanding options and the number of exercisable options among the outstanding options are shown below by maturity date:

Expiry year of options *(in million)*	Outstanding options December 31, 2014	Outstanding options December 31, 2013	Exercisable options (taking into account the market-based performance condition) December 31, 2014	Exercisable options (taking into account the market-based performance condition) December 31, 2013
2014	-	2.3	-	2.3
2015	10.2	10.4	10.2	10.4
2016	9.6	9.8	8.6	8.9
2017	8.1	8.3	6.5	6.7
2018	7.7	7.9	6.3	6.5
2019	4.5	5.1	2.7	3.2
2020	5.8	6.7	3.9	3.5
2021	7.1	8.0	3.7	2.1
2022	3.8	4.4	0.8	0.0
2023	3.3	3.4	0.0	-
2024	3.1	-	-	-
Total AXA	**63.3**	**66.2**	**42.9**	**43.6**
Options ex-FINAXA				
2014	-	0.3	-	0.3
TOTAL AXA AND EX-FINAXA	**63.3**	**66.5**	**42.9**	**43.9**

Options AXA and ex-FINAXA	Outstanding options Number *(in million)*	Outstanding options Exercise price *(in Euro)*	Exercisable options (taking into account the market-based performance condition) Number *(in million)*	Exercisable options (taking into account the market-based performance condition) Exercise price *(in Euro)*
Price range				
€6.48 – €12.96	6.5	11.20	3.2	10.40
€12.97 – €19.44	21.4	15.44	8.3	15.20
€19.45 – €25.92	17.7	20.31	16.3	20.25
€25.93 – €32.40	9.6	27.82	8.7	27.82
€32.41 – €38.87	8.1	33.21	6.5	33.22
€6.48 – €38.87	**63.3**	**20.52**	**42.9**	**22.04**

The fair value of AXA SA stock options is calculated using the Black & Scholes option pricing model. The effect of expected early exercise is taken into account through the use of an expected life assumption based on historical data. AXA SA share price volatility is estimated on the basis of implied volatility, which is checked against an analysis of historical volatility to ensure consistency. The expected AXA SA dividend yield is based on the market consensus. The risk-free interest rate is based on the Euro Swap Rate curve for the appropriate term.

The option pricing assumptions and fair value at grant date for plans issued in 2014, 2013, 2012, and 2011 are as follows:

	2014	2013	2012	2011
Assumptions[(a)]				
Dividend yield	6.51%	7.66%	8.36%	7.16%
Volatility	29.24%	31.27%	39.89%	33.86%
Risk-free interest rate	1.64%	1.39%	2.11%	3.25%
Expected life (in years)	8.8	7.9	7.6	7.1
Weighted average fair value per option at grant date in Euro[(b)(c)]	1.88	1.36	1.81	1.78

(a) Assumptions at grant date, in average weighted by grants of the year.

(b) The options with market performance criteria were valued at €1.78 per option granted in 2014 and €1.28 per option granted in 2013, based on a Monte-Carlo model. The options without performance criteria were valued at €2.03 per option granted in 2014 and €1.43 per option granted in 2013, based on the Black & Scholes model.

(c) Based on an estimated 5% pre-vesting lapse rate per year for options without performance criteria.

The total cost is amortized over the vesting period and an estimated pre-vesting lapse rate of 5% is applied. On that basis, the expense recognized in profit or loss for the year ended December 31, 2014 was €6.1 million (€10.1 million for the year ended December 31, 2013).

AXA ADR STOCK OPTIONS

AXA Financial granted options to purchase AXA ADRs (American Depositary Receipt). These options were issued at the market value of AXA ADRs on the date of grant. Options granted prior to 2004 vest over a three-year period, with one third vesting on each anniversary date. However, starting in 2004, new grants generally vest over a four-year period with one third vesting on each of the second, third and fourth anniversary dates (generally in March). Options currently issued and outstanding have a 10-year contractual term from their date of grant.

In first quarter 2010, AXA voluntarily delisted the AXA ADRs from the New York Stock Exchange and filed to deregister and terminate its reporting obligation with the SEC. AXA's deregistration became effective in second quarter 2010. Following these actions, AXA ADRs continue to trade in the over-the-counter markets in the United States and be exchangeable into AXA ordinary shares on a one-to-one basis while AXA ordinary shares continue to trade on the compartiment A of Euronext Paris, the primary and most liquid market for AXA shares. Consequently, current holders of AXA ADRs may continue to hold or trade those shares, subject to existing transfer restrictions, if any.

The terms and conditions of AXA Financial's share-based compensation programs generally were not impacted by the delisting and deregistration except that AXA ordinary shares generally will be delivered to participants in lieu of AXA ADRs at exercise or maturity of outstanding awards and new offerings are expected to be based on AXA ordinary shares. In addition, due to United States securities law restrictions, certain blackouts on option exercise are expected to occur each year when updated financial information for AXA will not be available.

None of the modifications made to AXA Financial's share-based compensation programs as a result of AXA's delisting and deregistration resulted in the recognition of additional compensation expenses.

The following tables show a summary of the United States holding Company's AXA ADR stock option plans:

	Options (in million)		Weighted price (in US$)	
	2014	2013	2014	2013
Options				
Outstanding on January 1	**1.8**	**5.0**	**23.60**	**20.01**
Granted	-	-	-	-
Exercised	(0.6)	(3.0)	20.00	17.70
Cancelled and expired	(0.1)	(0.2)	23.40	22.00
Outstanding as of December 31	**1.1**	**1.8**	**25.53**	**23.60**

	Outstanding options		Exercisable options	
	Number (in million)	Weighted Exercise price (in US$)	Number (in million)	Weighted Exercise price (in US$)
Price range				
$12.01 - $15.61	0.0	12.01	0.0	12.01
$25.59 - $33.26	1.1	25.59	1.1	25.59
$33.41 - $43.44	0.0	37.10	0.0	37.10
$12.01 -$ 43.44	**1.1**	**25.53**	**1.1**	**25.53**

The fair value of AXA ADR stock options was calculated using the Black & Scholes option pricing model. The effect of expected early exercise was taken into account through the use of an expected life assumption based on historical data. AXA ADR volatility was based on AXA SA ordinary shares volatility, adjusted for the US$/€ exchange rate volatility. The expected dividend yield on AXA SA shares was based on the market consensus. The risk-free interest rate was based on the U.S. Treasury bond curve for the appropriate maturity.

AXA GROUP SHAREPLAN

AXA offers to its employees the opportunity to become shareholders through special employee share offerings. In countries that meet the legal and fiscal requirements, two investment options are available: the traditional plan and the leveraged plan.

The traditional plan allows employees to purchase, through a personal investment, AXA shares (either through mutual funds (FCPE) or through direct share ownership) with a discount of up to 20%. The shares are restricted from sale during a period of 5 years (except specific early exit cases allowed by applicable laws). Employees bear the risk of all movements in the share as compared to the subscription price.

The leveraged plan allows employees to purchase, on the basis of 10 times their personal investment, to AXA shares (either through mutual funds (FCPE) or through direct share ownership) with a discount. The leverage on the employees' personal investment is in the form of a loan (non-recourse) from a third party bank. The shares are restricted from sale during a period of 5 years (except specific early exit cases allowed by applicable laws). Employees who participate in the leverage plan benefit from a guarantee on their personal investment and also receive a defined percentage of any upside appreciation (above the non-discounted reference price) on the full leveraged amount invested.

At the end of the 5 years restricted period, the employees can, depending on their residence country, do any one of the following: (1) receive the cash value of their assets; (2) receive the value of their assets in the form of AXA shares; or (3) transfer their assets invested in the leveraged plan into the traditional sub-fund.

The cost of this plan is valued taking into account the five-year lock-up period, as recommended by the ANC *(Autorité des normes comptables).* The ANC approach values the restricted shares through a replication strategy whereby the employee would sell the restricted shares forward at the end of the lock-up period, borrow enough money to buy unrestricted shares immediately, and uses the proceeds of the forward sale together with dividends paid during the lock-up period to finance the loan. For the leveraged plan, the cost also includes the opportunity gain implicitly provided by AXA by enabling its employees to benefit from an institutional price for derivatives as opposed to a retail price.

On October 24, 2014, the AXA Group made an employee share offering at €14.75 per share for the traditional plan (discount of 20% to the reference price of €18.43 representing the average over the twenty trading days ending on October 23, 2014) and at €16.44 per share for the leverage plan (discount of 10.80% to the reference price). Subscriptions amounted to 19.3 million shares, increasing the share capital by €313.8 million. This offering represented a total cost of €6.9 million taking into account the five-year lock-up period.

In 2014, the cost of the lock-up period was measured at 19.64% for the traditional plan and 10.76% for the leveraged plan (due to different discounts). In addition to the lock-up cost, the opportunity gain offered to the employees under the leveraged plan was measured at 2.05%.

The table below shows the main features of the plan, the amounts subscribed, valuation assumptions, and the cost of the plan for 2013 and 2014:

	2014		2013	
	Traditional	Leveraged	Traditional	Leveraged
Plan maturity (in years)	5	5	5	5
[A] Discount to face value	20.00%	10.80%	20.00%	12.95%
Reference price (In Euro)	18.43		17.97	
Subscription price (In Euro)	14.75	16.44	14.38	15.64
Amount subscribed by employee (In Euro million)	23.7	29.0	20.4	27.2
Total amount subscribed (In Euro million)	23.7	290.2	20.4	272.4
total number of shares subscribed (in million shares)	1.6	17.7	1.4	17.4
Interest rate on employee loan	6.50%	6.91%	7.40%	7.59%
5-year risk-free rate (euro zone)	0.48%		0.77%	
Dividend yield	6.19%		5.94%	
Early exit rate	0.98%		1.14%	
Interest rate for borrowing securities (repo)	0.20%		0.30%	
Retail/institutional volatility spread	N/A	3.30%	N/A	2.78%
[B] Cost of the lock-up for the employee	19.64%	10.76%	19.73%	12.88%
[C] Opportunity gain	N/A	2.05%	N/A	2.45%
Total cost for AXA = [A] – [B] + [C] (as a percentage of the reference price)	**0.36%**	**2.09%**	**0.27%**	**2.52%**
TOTAL COST FOR AXA (IN EURO MILLION)	**0.10**	**6.80**	**0.10**	**7.90**

AXA MILES

On March 16, 2012, AXA granted 50 free AXA ordinary shares ("AXA Miles") to more than 120,000 employees worldwide, engaging all employees in the successful execution of the Company's strategic plan Ambition AXA. A first tranche of 25 AXA Miles was granted without any condition. The second tranche was subject to the fulfilment of a performance condition determined by AXA's Board of Directors. This condition required the achievement of at least one of two indicators related to Ambition AXA: (1) an increase in underlying earnings per share or (2) an increase in the Group's customer satisfaction index ("Customer Scope"). For the year ended December 31, 2012, both of these conditions were met and, consequently, the grant of the second tranche has been confirmed.

These 50 AXA Miles shares granted in 2012 will vest upon completion of a two or four year vesting period (*i.e.* in 2014 or 2016) depending on applicable local regulations, and subject to fulfilment of certain conditions.

The free shares are valued using the ANC *(Autorité des normes comptables)* approach described in the AXA Group Shareplan section using assumptions adapted to the structure of the plan (2+2 or 4+0 plan), based on a market price of €13.18 per share on March 16, 2012 and an estimated 5% pre-vesting lapse rate.

The total cost of the AXA Miles is amortized over the vesting period (*i.e.* over 2 years for the 2+2 plan and over 4 years for the 4+0 plan) starting from the grand date. On that basis, the expense recognized in the profit or loss for the year ended December 31, 2014 was €6.9 million (€14.6 million as of December 31, 2013).

OTHER SHARE-BASED COMPENSATION

AXA Performance Shares

Performance Shares are granted to executive officers and other key employees in France. These Performance Shares plans are equity-settled award plans subjected to a non-market performance criteria and have a two-year vesting period followed by a two-year restrictions period until 2013. For 2014 grants, the performance and the vesting period is raised to 3 years for 100% of Performance Shares granted to the Group's executive officers and for 50% of the Performance Shares granted to other eligible employees.

The Performance Shares are valued using the ANC approach described in the AXA Group Shareplan section using assumptions adapted to the structure of the plan.

In 2014, the valuation was based on a market price of €18.52 per share at grant date and an estimate 5% pre-vesting lapse rate per year. The grant date average fair value of Performance Shares granted in 2014 was €12.65 (€9.78 for 2013 grants).

The total cost of Performance Shares recognized was €31.4 million as December 31, 2014 (€27.7 million as of December 31, 2013).

AXA Performance Units and International Performance Shares

AXA issues Performance Units and International Performance Shares to executive officers and other key employees outside France.

During the vesting period, the Performance Units initially granted are subject to non-market performance criteria.

For 2010 grants, the employing entity at the end of the vesting period in 2012 paid in cash the first half of the Performance

Units definitely acquired. One year later in 2013, the employing entity paid in cash the second half provided that the beneficiary was still an employee of the AXA Group at that date. For the settlement of the second half of the Performance Units definitely acquired, beneficiaries may, if they wished, choose a settlement of all or part of their Performance Units in AXA shares.

For 2011 and 2012 grants, the number of Performance Units definitely acquired is known after two years and is paid one year later in cash by the employing entity, provided that the beneficiary is still an employee of the AXA Group at that date.

For the cash-settled instruments, the expected payment at the maturity date of the instrument is revised at each closing dates and amortized over the vesting period *(prorata temporis).*

In 2013, AXA established common terms and conditions for the attribution of "International Performance Shares" to eligible employees. Under this 2013 International Performance Shares (PSi) plan, beneficiaries of Performance Shares have the right to receive at the settlement date, a certain number of AXA shares based on the achievement of performance criteria defined by AXA. The performances period and measurement is 2-years (similar to Performance Units granted in 2011 and 2012). The vesting period (service condition) is 3 years (similar to Performance Units granted in 2011 and 2012). However, as opposed to Performance Units granted in 2012 and 2011, under the 2013 International Performance Shares plan, the settlement will be made in shares rather than in cash.

In 2014, the terms and conditions for the grant made are similar to 2013 grants, except that for 50% of "International Performance Shares" the performance period is raised to 3 years and the vesting period to 4 years.

The total cost of the Performance Units and International Performance Shares recorded as of December 31, 2014, was €78.2 million in earnings (€130.4 million as of December 31, 2013).

26.3.2. Share-based compensation instruments issued by AXA subsidiaries

Main share-based compensation plans issued by AXA subsidiaries are described below:

AXA INVESTMENT MANAGERS SHARE-BASED COMPENSATION PLANS

AXA Investment Managers grants Performance Shares to certain key employees as part of its overall LTI policy that also includes DIP (Deferred Incentive Plan) and LTIP (deferred payments based on unit rights per employee). The Investment Managers Performance Shares incentive plan is a long term award plan in which participants are allocated AXA Investment Managers or its subsidiaries shares or, more specifically rights to acquire shares upon completion of a two or four years vesting period depending on applicable local regulations, and subject to fulfilment of certain performance conditions typically measured as average performance of the first two years of the vesting period. The Performance condition is based on the achievement of Actual AXA Investment Managers Underlying Earnings Group share *versus* budgeted.

The total cost of Investment Managers Performance Shares recorded as of December 31, 2014 amounted to €7.7 million in earnings (€18.6 million as of December 31, 2013) gross of tax.

ALLIANCEBERNSTEIN SHARE-BASED COMPENSATION PLANS

AllianceBernstein grants Restricted AB Holding Units and options to acquire AB Holding Units, which are valued and booked according to IFRS principles.

The deferred awards under AllianceBernstein Incentive Compensation Award Plan are in the form of restricted AB Holding Units or cash which are granted to certain key employees.

During the fourth quarter of 2011, AllianceBernstein amended all outstanding year-end long-term incentive compensation awards of active employees, so that employees who terminate their employment or are terminated without cause may retain their award, subject to compliance with certain agreements and restrictive covenants set forth in the applicable award agreement, including restrictions on competition, employee and client solicitation, and a clawback for failing to follow existing risk management policies. This amendment eliminated employee service requirement but did not modify delivery dates contained in the original award agreements.

Most of the awards granted in 2013 and in 2014 contained the same conditions as awards amended in 2011, resulting in the immediate recognition of the cost of these awards instead of an amortization over a maximum of four years.

Under the Incentive Compensation Program, AllianceBernstein made awards in December 2014 aggregating €132.6 million (€119.1 million in December 2013) of which €120.6 million in the form of Restricted AB Holding Units (€106.1 million in 2013), elected in December 2014 and representing 6.6 million restricted AB Holding Units (6.5 million in 2013).

AllianceBernstein also awarded restricted Holding Units in connection with certain employee and separation agreements.

Moreover, options to acquire AB Holding Units were granted as follows: 25,106 options were granted during 2014, 37,690 options were granted during 2013, 114,443 options were granted during 2012, and 70,328 options were granted in 2011.

At the end, the 2014 total cost amounted to €116.2 million (€104.3 million in 2013), gross of tax.

26.4. COMPENSATION OF MANAGEMENT AND OFFICERS

Compensation costs/expenses:

- short-term benefits: compensation paid to members of the Management Committee in 2014 totaled €15.5 million (€13.8 million in 2013), including fixed salary, bonuses, directors' fees and benefits in kind;
- share-based compensation: the expense recognized in 2014 in respect of share-based compensation granted to Management Committee members was €7.6 million (€7.3 million in 2013).

Long-term benefits:

Amounts provisioned or recognized by AXA SA and its subsidiaries for the payment of pensions or retirement benefits to the members of the Management Committee totaled €105.2 million as of December 31, 2014 (€62.2 million as of December 31, 2013).

26.5. SALARIED WORKFORCE

At December 31, 2014, the Group employed 96,279 salaried people on a full-time equivalent basis (93,146 at the end of December 2013).

The increase of salaried employees by 3,133 in 2014 was mainly driven by:

- the Mediterranean and Latin American Region (+2,600) mainly attributable to the acquisition of Colpatria in Colombia;
- AXA Assistance (+500) mainly driven by business growth, notably in Mediterranean and Latin American Region and Asia;
- AXA Business Services (+359) following business growth;
- the United Kingdom & Ireland (+238) mainly driven by business expansion, partly offset by restructuring plans in the Wealth management business, in particular the bancassurance channel;

Partly offset by:

- Germany (-401) following efficiency programs;
- Belgium (-295) mainly following efficiency programs.

Note 27 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.

Net income per ordinary share takes into account interest payments related to undated subordinated debt classified in shareholders' equity.

(In Euro million) [(a)]		December 31, 2014	December 31, 2013
Net income group share		**5,024**	**4,482**
Undated subordinated debt financial charge		(307)	(284)
Net income including impact of undated subordinated debt	**A**	**4,718**	**4,198**
Weighted average number of ordinary shares (net of treasury shares) – opening		2,414	2,372
Increase in capital (excluding stock options exercised) [(b)]		3	1
Stock options exercised [(b)]		2	4
Treasury shares [(b)]		2	6
Share purchase program [(b)]		-	-
Weighted average number of ordinary shares	**B**	**2,420**	**2,384**
BASIC NET INCOME PER ORDINARY SHARE	**C = A/B**	**1.95**	**1.76**
Potentially dilutive instruments:			
■ Stock options		6	4
■ Other		5	10
Fully diluted – weighted average number of shares [(c)]	**D**	**2,432**	**2,397**
FULLY DILUTED NET INCOME PER ORDINARY SHARE	**F = A/D**	**1.94**	**1.75**

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

In 2014, net income per ordinary share stood at €1.95 on a basic calculation, all attributable to continuing operations, and €1.94 on a fully diluted basis also all attributable to continuing operations.

In 2013, net income per ordinary share stood at €1.76 on a basic calculation, all attributable to continuing operations, and €1.75 on a fully diluted basis also all attributable to continuing operations.

Note 28 Related-party transactions

In 2014, the Company was party to the following transactions with related parties which may be deemed to have been material to AXA or the related party in question or unusual in their nature or conditions.

28.1. RELATIONSHIPS WITH THE MUTUELLES AXA

The Mutuelles AXA (AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle, hereafter the "Mutuelles AXA") are two mutual insurance companies engaged in the Property & Casualty insurance business and Life & Savings insurance business in France. On December 31, 2014, the Mutuelles AXA collectively owned 14.03% of the Company's outstanding ordinary shares representing 23.61% of the voting rights.

Each Mutuelle AXA is supervised by a Board of Directors elected by delegates representing policyholders. Certain members of the Company's Executive Management and Board of Directors serve as directors or executive officers of the Mutuelles AXA.

The Mutuelles AXA and certain of the Company's French insurance subsidiaries, AXA France IARD and AXA France Vie (the "Subsidiaries"), are parties to an agreement pursuant to which they provide a full range of management services to manage the insurance operations and portfolios of the Mutuelles AXA. The agreement includes provisions designed to ensure the legal independence and protection of the respective client portfolios of the Mutuelles AXA and these Subsidiaries. Certain costs and charges (excluding commissions) are allocated between the Subsidiaries and the Mutuelles AXA through an economic interest grouping (*groupement d'intérêt économique*) or "GIE".

The Property & Casualty insurance business generated in France by insurance brokers is underwritten through a coinsurance arrangement between AXA Assurances IARD Mutuelle and AXA France IARD, a Property & Casualty insurance subsidiary of the Company. For coinsurance, AXA France IARD underwrites 89% of businesses and AXA Assurances IARD Mutuelle 11%. Aggregate written premiums recorded in this coinsurance agreement amounted to €1,862 million in 2014 (of which €1,657 million was attributed to AXA France IARD).

28.2. *GROUPEMENT D'INTÉRÊT ÉCONOMIQUE* (GIE)

From time to time the Company enters into GIEs with certain of its subsidiaries. GIEs are intercompany partnerships, governed by French law, created to perform various common services for their members and to allocate associated costs and expenses among their members. The allocation of costs and expenses invoiced to GIE members may be based on various agreed criteria including particular activity drivers. The GIEs to which the Company was party during 2014 covered a variety of common services including services performed by the Group's central functions (GIE AXA) for the benefit of AXA Group companies (*e.g.* finance, accounting and reporting, tax, legal, marketing and brand, internal audit, human resources, procurement, information systems, risk management, cash management) as well as certain other services. Expenses invoiced by these GIEs to the Company and its subsidiaries are generally invoiced at cost and are included in the consolidated expenses reflected in the Company's audited consolidated financial statements. Expenses invoiced by the GIE AXA to its members in 2014 and 2013 amounted to respectively €213 million and €199 million.

28.3. LOANS, GUARANTEES, CAPITAL CONTRIBUTIONS, ETC.

AXA has given numerous commitments and guarantees, including financing commitments, guarantees given to financial institutions and customers, pledged assets, collateralized commitments and letters of credit. For a description of these commitments and guarantees, see Note 29 "Contingent assets and liabilities and unrecognized contractual commitments" to the Group's Consolidated Financial Statements.

Certain of these guarantees are given by the Company for the benefit of its subsidiaries and affiliates for various business purposes including to promote development of their business (*e.g.* to facilitate acquisitions, integration of acquired businesses, distribution arrangements, off-shoring arrangements, internal restructurings, sales or other disposals of assets or businesses, sales or renewals of products or services or similar transactions), to support their credit ratings, and/or to promote efficient use of the Group's capital resources. In this context, the Company may guarantee repayment of loans or other obligations between its subsidiaries, guarantee obligations of its subsidiaries to third parties, or provide other types of guarantees for the benefit of its subsidiaries.

The beneficiaries of these guarantees are generally required to compensate the Company at a negotiated rate based on prevailing market rates and conditions for guarantees of a similar nature. In addition, from time to time, the Company may provide comfort letters or similar letters to rating agencies and/or regulators for the benefit of its subsidiaries and affiliates for various business purposes, including facilitating specific transactions, achieving target rating levels and, more generally, helping to develop the business of these subsidiaries.

Commitments granted by the Company to its subsidiaries are disclosed in Appendix V of this Annual Report "AXA parent Company Financial Statements: subsidiaries and participating interests".

The Company, from time to time, makes capital contributions, loans, other extensions of credit, or otherwise provides liquidity and capital resources to its subsidiaries and affiliates for various business purposes including to finance their business operations and/or to promote the development of their business (*e.g.* to facilitate acquisitions, integration of acquired businesses, distribution arrangements, internal restructurings, or similar transactions). These transactions may involve the Company entering into various types of transactions with its subsidiaries and affiliates from time to time including loans or other types of credit arrangements, acquisitions or sales of assets, securities or other financial instruments and/or similar transactions. In addition, the Company may from time to time borrow from its subsidiaries for various business purposes. These transactions are generally carried out on arms-length terms and conditions with loans and other extensions of credit bearing interest at varying rates that generally reflect prevailing market rates at the respective dates such loans were originated.

In addition, the Company may enter into various other types of transactions with its subsidiaries and affiliates from time to time for various other business purposes including in connection with liquidity, solvency and capital management initiatives designed to promote efficient use and fungibility of the Group's capital resources. These transactions may involve loans or other types of credit arrangements, acquisitions or sales of assets, securities or other financial instruments (including swaps or other types of derivatives), securitization transactions, and/or other types of arrangements or transactions to which the Company may be a direct party and/or guarantor.

28.4. KEY MANAGEMENT AND DIRECTORS

To the best of the Company's knowledge, based on information reported to it:

- on December 31, 2014, there were no loans outstanding from the Group to any of the Company's executive officers or to any member of the Company's Board of Directors;
- various members of the Company's Board of Directors as well as various other executive officers and directors of other AXA Group companies may, from time to time, purchase insurance, wealth management or other products or services offered by AXA in the ordinary course of its business. The terms and conditions of these transactions are substantially similar to the terms and conditions generally available to the public or to AXA employees in general. In addition, certain members of the Board of Directors are corporate officers, directors or have interests, directly or indirectly, in companies that may have agreements or enter into transactions from time to time with AXA Group entities including extensions of credit, loans (including investments in loans to French midcap companies developed by AXA France with banking partners) purchases of securities (for their own account or for third parties), underwriting of securities and/or furnishing of other types of services or goods. These agreements or deals are generally fully negotiated and performed on arm's length terms and conditions.

Note 29 Contingent assets and liabilities and unrecognized contractual commitments

Consistent with the principles set forth in Note 1.3.1 "Scope and basis of consolidation" to the financial statements, (i) AXA's investments or other arrangements with non-consolidated special purpose entities (SPEs) do not allow AXA to exercise control over such SPEs; and (ii) SPEs controlled by AXA are consolidated as disclosed in Note 2.2 to the financial statements.

Investments in non-consolidated investment funds are limited to the shares in these funds which do not provide control. Any material arrangements between AXA and these funds are disclosed in this Note.

29.1. BREAKDOWN OF COMMITMENTS RECEIVED

(In Euro million)	December 31, 2014	December 31, 2013 Restated [(a)]
Financing commitments	**14,285**	**14,613**
Customers	-	16
Credit institutions	14,285	14,597
Guarantee commitments	**18,935**	**17,342**
Credit institutions	2,515	1,987
Customers	16,420	15,355
Other	**46,809**	**37,307**
Pledged securities and collaterized commitments	37,306	32,769
Letters of credit	728	355
Other commitments	8,776	4,183
TOTAL	**80,030**	**69,262**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.

Commitments received by AXA totalled €80,030 million at the end of 2014, and increased by €10,768 million compared to the end of 2013, mainly due to an increase in other commitments mainly from AXA Bank Europe from forex and money market activity (€4,593 million), in pledged assets and collaterals (€4,536 million) and in guarantee commitments (€1,593 million).

These commitments broke down as follows:

Financing commitments received totalled €14,285 million at the end of 2014, and mainly consisted of:

- credit facilities received from banks for €12,750 million in the Company mainly due to stand-by credit lines;
- €1,033 million at AllianceBernstein including €826 million commitment lines with various banks and other lenders and €207 million stand-by credit lines;
- €372 million commitment lines granted to Japan Life & Savings as part of its operations;
- €110 million stand-by credit lines at AXA Banque France.

Guarantee commitments received totalled €18,935 million at the end of 2014, and mainly consisted of (i) guarantees from customers related to mortgage loans (€13,967 million) received by Switzerland Life & Savings (€7,491 million), AXA Bank Europe (€2,935 million), Belgium Life & Savings (€1,421 million), Switzerland Property & Casualty (€1,309 million) and AXA Banque France (€493 million), (ii) €2,453 million other guarantees received from customers mainly at AXA Banque France and (iii) €2,515 million guarantees received from credit institutions mainly at AXA Banque France (€2,291 million).

Pledged securities and collateralized commitments received totalled €37,306 million at the end of 2014, and mainly consisted of:

- mortgage security collateral taken for loans totaled €23,373 million, mainly from AXA Bank Europe (€20,416 million) and AXA Bank Hungary (€2,859 million);
- security reverse repurchase agreements and similar operations totaled €3,343 million mainly in Japan Life & Savings (€1,096 million), Switzerland Property & Casualty (€741 million), Germany Life & Savings (€732 million), France Life & Savings (€447 million) and Belgium Property and Casualty (€205 million);

- €4,018 million collaterals for reinsurance operations of which €2,810 million in the United States Life & Savings and €620 million in International Insurance (AXA Corporate Solutions Assurance and AXA Cessions);
- €6,419 million collateral for derivatives mainly from AXA Bank Europe (€1,578 million), Germany Life & Savings (€1,555 million) and France Life & Savings (€1,288 million) from an increase in collaterals deposit according to the variations of the derivatives to cover the risk of the counterparty.

Letters of credit received totaled €728 million at the end of 2014 and were mainly from the US Holdings (€199 million) mainly due to LOC increase in 2014 due to Life Reserve increase, Turkey Property & Casualty (€175 million) and from the US Life & Savings (€127 million).

Other commitments received totaled €8,776 million at the end of 2014, and mainly consisted of:

- €3,617 million mainly received by AXA Bank Europe (€3,118 million) and by AXA Bank Hungary (€499 million) related to forex and money market activities;
- €2,979 million mainly received by Germany Life & Savings (€556 million), Japan Life & Savings (€472 million), Belgium Life & Savings (€209 million), Belgium Property & Casualty (€209 million) and Germany Property & Casualty (€136 million), related to mortgages as guarantees for debt instruments;
- €1,134 million mainly received by Switzerland Life & Savings (€835 million) and Switzerland Property & Casualty (€299 million) due to covered bonds collaterals;
- €1,036 million mainly received by France Life & Savings (€969 million) mainly due to commitments received by real estate funds.

29.2. BREAKDOWN OF COMMITMENTS GIVEN

	December 31, 2014					December 31, 2013
	Expiring date					
(In Euro million)	12 months or less	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years	Total	Total
Financing commitments	**1,157**	**1,563**	**142**	**374**	**3,237**	**2,486**
Customers	1,157	1,563	140	311	3,172	2,417
Credit institutions	-	-	2	63	65	69
Guarantee commitments	**1,397**	**1,226**	**2,380**	**2,460**	**7,463**	**7,799**
Credit institutions	1,329	1,224	2,380	2,399	7,332	7,564
Customers	68	2	-	61	131	235
Other	**40,744**	**2,670**	**1,326**	**9,938**	**54,679**	**47,829**
Pledged securities and collaterized commitments	35,980	362	460	2,921	39,723	34,424
Letters of credit	202	8	-	92	301	144
Other commitments	4,563	2,301	866	6,925	14,655	13,261
TOTAL	**43,299**	**5,459**	**3,848**	**12,772**	**65,378**	**58,113**

Commitments given totaled €65,378 million at the end of 2014, an increase of €7,265 million compared to the end of 2013, mainly due to a increase of €5,299 million in pledged securities and collateralized commitments mainly in relation with derivative instruments and repurchase transactions and similar operations (see below).

Financing commitments given totalled €3,237 million at the end of 2014, and mainly consisted of financing commitments to customers (€3,172 million), notably comprising loan commitments granted at AXA Bank Europe (€1,427 million), AXA Germany Life & Savings (€556 million), AXA Bank France (€552 million) and AXA France Life & Savings (€263 million) to their customers.

Guarantee commitments given totalled €7,463 million at the end of 2014, and mainly consisted of:

- €7,332 million guarantee commitments given to credit institutions mainly from the Company with guarantees related to loans (€3,437 million); through guarantees related to financial obligations (€1,987 million) and from AXA Bank Europe through guarantees in case of insolvency or default (€1,624 million);

- €131 million guarantee commitments given to customers mainly at AXA Banque France (€64 million), Belgium Life & Savings (€22 million) and AXA Bank Europe (€21 million).

Pledged securities and collateralized commitments given totalled €39,723 million at the end of 2014, and mainly consisted of:

- security repurchase agreements and similar operations totaled €31,072 million mainly in France Life & Savings (€9,195 million), AXA Bank Europe (€8,398 million), Japan Life & Savings (€5,942), The United States Life & Savings (€2,276 million), France Property & Casualty (€1,738 million), Switzerland Life & Savings (€1,139 million) and Switzerland Property & Casualty (€630 million);
- pledged assets/collaterals for derivatives instruments totaled €6,247 million mainly in Japan Life & Savings (€2,005 million), France Life & Savings (€1,696 million), AXA Bank Europe (€1,231 million) and Belgium Life & Savings (€828 million);
- other pledged assets/collaterals totaled €2,296 million mainly in AXA Bank Europe (€1,996 million) due to securities in its own investment portfolio given as collateral for derivative instruments.

Letters of credit given totalled €301 million at the end of 2014 and were mainly from CS Life Re Company (€165 million) and from AXA Liabilities Managers (€88 million).

Other commitments given totalled €14,655 million at the end of 2014 and mainly consisted of:

- €5,000 million commitment to Private equity funds mainly from France Life & Savings (€1,752 million), Switzerland Life & Savings (€843 million), Japan Life & Savings (€616 million), Germany Life & Savings (€577 million), the United States Life & Savings (€394 million) and France Property & Casualty (€312 million);
- €2,429 million commitments to invested assets other than real estate funds/Private equity funds mainly from Belgium Life & Savings (€1,234 million), Belgium Property & Casualty (€757 million) and Germany Life & Savings (€257 million);
- €2,420 million guarantees given by the Company as part of Group employee insurance contracts;
- €2,082 million as commitments to real estate funds mainly from France Life & Savings (€1,329 million) and the United States Life & Savings (€411 million);
- €327 million guarantees given by the Company as part of acquisition and disposal of companies;
- €160 million of unamortized balance of the Company's subordinated debt instruments: the Company issued subordinated debt with reimbursement premiums which are amortized over the life of the instrument at the effective interest rate for each debt.

29.3. OTHER AGREEMENTS

Partial disposal of UK Life & Savings operations

AXA has guaranteed the liabilities and obligations of AXA UK in connection with the sale, in 2010, of part of its Life & Savings insurance business to Resolution Ltd. This includes the potential liability of AXA UK under customary warranties and indemnities given by AXA UK to Resolution Ltd. in connection with this transaction.

Employee and director indemnification obligations

In addition to other employment-related obligations, various AXA subsidiaries are required to indemnify their employees and directors against certain liabilities and costs that they may incur from time to time in performing activities within the scope of their duties. These activities may include, for example, service as a director, officer, agent, general partner, or in a similar capacity for (i) an AXA Group company other than the employee's principal employer or (ii) a company outside the AXA Group where service is at the request of (or for the benefit of) the Group (*e.g.* joint ventures, partnerships, or special-purpose investment Companies or funds). The potential amount of compensation relating to commitments covered by these obligations cannot be evaluated with any certainty.

Supports provided without having a contractual or constructive obligation to do so

The Group did not provide any material support without having a contractual or constructive obligation to do so to structured entities during the period.

29.4. OTHER ITEMS: RESTRICTION ON DIVIDEND PAYMENTS TO SHAREHOLDERS

Certain AXA subsidiaries and joint ventures, principally insurance companies, are subject to restrictions on the amount of funds they may transfer in the form of cash dividends or otherwise.

In most cases, the amounts available for distribution from AXA's insurance subsidiaries and joint ventures are limited to net income for the year and retained earnings calculated in accordance with the statutory accounting policies used by the subsidiaries to prepare their local financial statements. Further restrictions may be imposed by the local insurance regulators in countries where AXA operates. In some cases, amounts available for distribution are also subject to regulatory capital adequacy tests or the approval of an independent actuary, or subject to individual provisions contained in a company's by-laws.

In accordance with European Union directives, insurance companies with their registered office in a European Union member country are required to maintain minimum solvency ratios which must be supported by capital, retained earnings and reserves and unrealized capital gains on marketable securities and real estate as reported in regulatory filings or subject to approval by local regulators in some countries. AXA's insurance operations in countries outside the European Union are also subject to local capital adequacy and solvency margin regulations.

AXA SA is exposed to foreign currency fluctuations notably stemming from its non Euro participations. The aim of the hedging programs of AXA SA is to protect the shareholder value while managing the associated costs.

Note 30 Fees paid to Statutory Auditors

30.1. STATUTORY AUDITORS

Incumbent auditors

PRICEWATERHOUSECOOPERS AUDIT:

63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex, represented by Messrs. Xavier Crépon and Michel Laforce, first appointed on February 28, 1989. The current appointment is for a term of 6 years, until the General Shareholders' Meeting called to approve the financial statements for the fiscal year 2017.

Membership in a professional body:

PricewaterhouseCoopers Audit is registered as an independent auditor with the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

MAZARS:

61, rue Henri-Regnault – 92400 Courbevoie, represented by Messrs. Philippe Castagnac and Gilles Magnan, first appointed on June 8, 1994. The current appointment is for a term of 6 years, until the General Shareholders' Meeting called to approve the financial statements for the fiscal year 2015.

Membership in a professional body:

Mazars is registered as an independent auditor with the *Compagnie Régionale des Commissaires aux Comptes de Versailles.*

Alternate auditors

Mr. Yves Nicolas: 63, rue de Villiers – 92208 Neuilly-sur-Seine, first appointed on April 25, 2012. The current appointment is for a period of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2017.

Mr. Jean-Brice de Turckheim: 61, rue Henri-Regnault – 92400 Courbevoie Cedex, first appointed on April 29, 2010. The current appointment is for a period of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2015.

30.2. FEES PAID TO STATUTORY AUDITORS

According to Article 222-8 of the *Autorité des marchés financiers* (AMF) General Regulations, the table below distinguishes the fee amounts paid by AXA to each of the statutory auditors in charge of auditing the Group's financial statements between the fees for the legal mission of statutory auditors of the statements, for the diligence directly related to them, and for other services.

	PwC				Mazars			
	Amount (before VAT)		%	%	Amount (before VAT)		%	%
(In Euro thousand)	2014	2013 – Restated [(a)]	2014	2013 – Restated [(a)]	2014	2013 – Restated [(a)]	2014	2013 – Restated [(a)]
Audit								
Statutory audit and certification of local and consolidated financial statements	23,732	24,061	65%	62%	10,212	10,288	79%	81%
Parent company	2,483	2,419	7%	6%	685	675	5%	5%
Fully consolidated subsidiaries	21,249	21,642	59%	56%	9,527	9,613	74%	76%
Other specific audit assignment	8,392	9,478	23%	24%	2,591	2,339	20%	18%
Parent company	2,816	4,466	8%	12%	1,352	1,490	10%	12%
Fully consolidated subsidiaries	5,576	5,012	15%	13%	1,239	849	10%	7%
Sub-total	**32,124**	**33,540**	**89%**	**87%**	**12,803**	**12,626**	**99%**	**99%**
Other services								
Legal, tax and employment consulting	2,714	4,332	7%	11%	54	52	0%	0%
other [(b)]	1,430	859	4%	2%	54	16	0%	0%
Sub-total	**4,144**	**5,191**	**11%**	**13%**	**109**	**68**	**1%**	**1%**
TOTAL	**36,268**	**38,731**	**100%**	**100%**	**12,912**	**12,695**	**100%**	**100%**

(a) As described in Note 1.2.1, comparative information related to previous periods was retrospectively restated for the implementation of IFRS 10 and 11.
(b) Including Technology, IT systems consulting and other services.

External audit fees are also paid by certain Affiliates and Mutual funds which are not required to be included in the table above.

Note 31 Litigation

With respect to all significant litigation matters, we consider the likelihood of a negative outcome. If we determine the likelihood of a negative outcome is probable, and the amount of the loss can be reasonably estimated, we establish a reserve and record an estimated loss for the expected outcome of the litigation. However, it is often difficult to predict the outcome or estimate a possible loss or range of loss because litigation is subject to inherent uncertainties, particularly when plaintiffs allege substantial or indeterminate damages, the litigation is in its early stages, or when the litigation is highly complex or broad in scope.

31.1. MATTERS DIRECTLY CONCERNING AXA SA

AXA SA is involved in lawsuits, investigations and other actions arising in the various jurisdictions where it does business, including the following:

In 2007, AXA SA completed the squeeze out of the minority shareholders at two German subsidiaries, AXA Konzern AG ("AKAG") and Kölnische Verwaltungs-AG für Versicherungswerte ("KVAG"). Following the effective date of these squeeze out transactions in July 2007, certain former AKAG and KVAG shareholders brought an action in Germany alleging that the cash compensation offered by AXA SA was not adequate. Management believes that these claims are without merit and intends to vigorously defend them. Management also believes that these judicial proceedings are likely to continue for a significant period of time before they are definitively resolved due to the complexities, procedural and otherwise, of this matter.

31.2. MATTERS CONCERNING AXA SUBSIDIARIES

In addition, several AXA subsidiaries are involved in lawsuits (both class action and individual), investigations, and other actions arising in the various jurisdictions where they do business, including the following:

31.2.1. United States matters

In the United States, certain AXA subsidiaries are involved in a number of lawsuits (both class actions and individual litigations), investigations and other actions in various states and jurisdictions where they do business. A detailed description of significant matters involving AXA Equitable Life Insurance Company and its subsidiaries (including AllianceBernstein L.P.) is included in the Annual Reports on Form 10-K for the year ended December 31, 2014 and subsequent reports on Form 10-Q, respectively, of AXA Equitable Life Insurance Company (SEC file no. 000-20501) and AllianceBernstein (SEC file no. 000-29961) filed with the SEC (collectively, the "Subsidiary SEC Reports"). The Subsidiary SEC Reports are publicly available and Management encourages readers of the financial statements to consult the Subsidiary SEC Reports for a full description of all the various litigations and related matters in which these subsidiaries are involved. Copies of the Subsidiary SEC Reports can be obtained through the SEC's EDGAR system (www.sec.gov).

A number of lawsuits have been filed against insurers and other financial institutions in the United States and elsewhere involving insurers' sales practices, alleged agent misconduct or misrepresentation, alleged failure to properly supervise agents, compensation of intermediaries, product features, fees or performance as well as numerous other matters. Some of these actions have resulted in the award of substantial judgments against insurers (including material amounts of punitive damages) or in substantial settlements. In certain jurisdictions, juries have broad discretion in awarding punitive damages. AXA's United States subsidiaries are involved in these types of litigations as well as regulatory inquiries, investigations or actions with respect to these and a wide variety of other matters related to the ownership or management of real estate, asset or investment management activities, corporate transactions, employee benefit disputes, alleged discrimination in employment practices, as well as other matters. For additional details on these matters, please see the Subsidiary SEC Reports.

AXA EQUITABLE

A lawsuit was filed in the United States District Court of the District of New Jersey in July 2011, entitled Mary Ann Sivolella v. AXA Equitable Life Insurance Company and AXA Equitable Funds Management Group, LLC ("FMG LLC") ("Sivolella Litigation"). The lawsuit was filed derivatively on behalf of eight funds and seeks recovery under Section 36(b) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), for alleged excessive fees paid to AXA Equitable and FMG LLC for investment management services and asserts a variety of other claims including unjust enrichment. Plaintiff purports to file the lawsuit as a class action in addition to a derivative action and seeks recovery of the alleged overpayments, rescission of the contracts, restitution of all fees paid, interest, costs, attorney fees, fees for expert witnesses and reserves the right to seek punitive damages where applicable. In January 2013, a second lawsuit was filed in the United States District Court of the District of New Jersey entitled Sanford et al. v. FMG LLC ("Stanford Litigation"). This suit was filed derivatively on behalf of eight funds (four of which are named in the Sivolella Litigation and four of which are new), and seeks recovery under Section 36(b) of the Investment Company Act for alleged excessive fees paid to FMG LLC for investment management services. These two suits have been consolidated.

In April 2013, the plaintiffs in the Sivolella and Sanford Litigations amended the complaints to add additional claims under Section 36(b) of the Investment Company Act for recovery of alleged excessive fees paid to FMG LLC in its capacity as administrator of EQ Advisors Trust. The Plaintiffs seek recovery of the alleged overpayments, or alternatively, rescission of the contract and restitution of the excessive fees paid, interest, costs and fees. In January 2015, defendants filed a motion for summary judgment as well as various motions to strike certain of the Plaintiffs' experts in the Sivolella and Sanford Litigations. Also, in January 2015, two Plaintiffs in the Sanford Litigation filed a motion for partial summary judgment relating to the EQ/Core Bond Index Portfolio, as well as motions *in limine* to bar admission of certain documents and preclude the testimony of one of defendants' experts. AXA Equitable believes that it has strong defenses to these claims and will defend them vigorously.

In June 2014 an action was filed against AXA Equitable Life Insurance Company (Zweiman v. AXA Equitable) in New York state court and a second substantially similar action (Shuster v. AXA Equitable) was filed in November 2014 in New Jersey state court. These actions were brought on behalf of a class of persons who purchased variable annuities from AXA Equitable that were subject to the AXA Tactical Manager (ATM) strategy which is a managed volatility strategy in certain variable investment options offered to purchasers of AXA Equitable Variable Annuity contracts. These suits assert a single claim for breach of contract which alleges that AXA Equitable breached express provisions of the contract by failing to comply with New York State law when it implemented this strategy. Damages sought are not quantified. AXA Equitable believes that it has strong defenses to these claims and will defend them vigorously.

In April 2014 an action was filed against AXA Equitable Life Insurance Company (Andrew Yale v. AXA Equitable) in US federal district court for the Southern District of New York. The lawsuit is a putative class action on behalf of all persons and entities that, directly or indirectly, purchased, renewed or paid premiums on life insurance policies issued by AXA Equitable from 2011 to March 11, 2014 (the "Policies"). The complaint alleges that AXA Equitable did not disclose in its New York statutory annual statement or elsewhere that certain reinsurance transactions with affiliated reinsurance companies were collateralized using "contractual parental guarantees", and thereby AXA Equitable allegedly misrepresented its "financial condition" and "legal reserve system". The lawsuit seeks recovery under Section 4226 of the New York Insurance Law of the equivalent of all premiums paid by the class for the Policies during the relevant period. In June 2014, AXA Equitable files a motion to dismiss the complaint on procedural grounds, which was denied in October 2014. In February 2015, plaintiffs substituted two new named plaintiffs for the current named plaintiff, who had determined that he could not serve as the named plaintiff and class representative in the case. In March 2015, AXA Equitable filed a motion to dismiss on substantial grounds. AXA Equitable believes that it has strong defenses to these claims and will defend them vigorously.

ALLIANCEBERNSTEIN

During the first quarter of 2012, AllianceBernstein received a legal letter of claim ("Letter of Claim") on behalf of Philips Pension Trustees Limited and Philips Electronics UK Limited ("Philips") a former European pension fund client, alleging that AllianceBernstein Limited (a wholly-owned subsidiary of AllianceBernstein organized in the U.K.) was negligent and failed to meet certain applicable standards of care with respect to the initial investment in and management of a £500 million portfolio of U.S. mortgage-backed securities. The alleged damages range between $177 million and $234 million, plus compound interest on an alleged $125 million of realized losses in the portfolio. On January 2, 2014, Philips filed a claim form ("Claim") in the High Court of Justice in London, England, which formally commenced litigation with respect to the allegations in the Letter of Claim. AllianceBernstein believes that any losses to Philips resulted from adverse developments in the U.S. housing and mortgage market that precipitated the financial crisis in 2008 and not from any negligence or failure on their part. AllianceBernstein believes that it has strong defenses to these claims and will defend this matter vigorously.

31.2.2. Other litigations

AXA FRANCE

A class action was brought against AXA France and AGIPI (a French insurance association) on October 28, 2014 by a French consumer association, CLCV. This action alleges that AXA France and AGIPI breached their contractual obligation to maintain a 4.5% interest rate on certain life insurance contracts (CLER) subscribed by policyholders prior to June 1995. The class action complaint cites seven individual cases and is brought on behalf of all similarly situated policyholders. AXA France believes that it has strong defences to these claims and will defend this matter vigorously.

AXA SPAIN

During the fourth quarter of 2012 a lawsuit was filed against AXA Seguros Generales SA de Seguros y Reaseguros ("AXA Spain") in Madrid by a real estate development company, Sistema KLEC, alleging breach of contract in connection with an arrangement entered into by AXA Spain in 2008 for the development of up to 125 agencies. The plaintiff claims damages on alternative theories for amounts ranging from approximately €149 million to €623 million. AXA Spain believes that it has strong defenses to these claims and will defend them vigorously. The trial in this case was completed in January 2014 and a decision is expected shortly. This decision is subject to appeal by either party to this litigation.

AXA CORPORATE SOLUTIONS

ERDF (a subsidiary of the primary electric utility in France) has notified claims for coverage under a professional liability policy underwritten by AXA Corporate Solutions. The underlying liabilities in question arise out of a series of lawsuits (more than 500 individual suits) brought against ERDF by local electricity producers in France engaged in production of solar/green energy. These local producers allege financial losses due to ERDF's delay in processing their applications to be connected to the public grid within the statutory period, resulting in their inability to profit from attractive buyback rates under certain French government Decrees promulgated in 2006 and 2010 (the "Decrees"). In February 2014, the Court of Appeals of Versailles ruled against ERDF in one of these law suits and, as part of this decision, ruled that AXA CS was liable to ERDF under the terms of the insurance policy for compensation of these losses in this specific case. AXA CS has appealed this decision to the French *Cour de cassation*. AXA CS believes that strong defences exist to the claims brought against ERDF.

In addition to the various matters noted above, AXA and certain of its subsidiaries are also involved in numerous legal actions and proceedings arising out of transactions involving the acquisition or sale of businesses or assets, mergers or other business combination transactions, the establishment or dissolution of joint ventures or other partnerships, public exchange or tender offers, buy-outs of minority interests or similar types of transactions ("M&A Transactions"). In connection with M&A Transactions, AXA and its subsidiaries from time to time:

- are involved in legal actions or other claims brought by purchasers, joint venture partners, shareholders or other transaction parties asserting claims for damages on various theories (including misrepresentation, failure to disclose material information, failure to perform contractual duties, breach of fiduciary duties), seeking contractual indemnification, or otherwise seeking to impose liability on AXA and/or its subsidiaries; and/or
- benefit from contractual rights to indemnification from third party sellers or other transaction counterparties that are designed to protect the Group against existing or potential future litigation exposures or other types of contingent liabilities of the acquired businesses or assets. These indemnities generally constitute unsecured obligations of the indemnifying party and, consequently, their value may be substantially impaired or rendered worthless in the event of the bankruptcy or insolvency of the indemnifying party.

For example, Friends Provident ("FP") has notified certain indemnification claims to AXA UK in connection with the sale of AXA Sun Life Holdings Limited and Winterthur Life UK Limited. Many of these claims relate to potential future contingencies that have not yet transpired and, consequently, the extent to which they may give rise to future liability (if any) for AXA UK is currently unclear. In connection with this transaction, AXA UK also granted a separate indemnity to Friends Provident for any losses that FP may suffer as a result of having to pay out monies to pension scheme trustees/employers in relation to pension equalisation claims. These indemnification claims are currently under review and the ultimate amount of liability in these matters will take several months/years to determine. Management believes that AXA's ultimate liability in connection with these matters will not be material to the Group's consolidated results of operations or financial position in any event.

AXA and certain of its subsidiaries are also involved in tax assessment negotiations and/or active litigation with tax authorities over contested assessments or other matters in a number of jurisdictions. These actions or assessments arise in a variety of circumstances including matters in connection with M&A, restructuring or financing transactions as well as in the ordinary course of business.

Over the past several years a number of jurisdictions, including France and Belgium, have enacted legislation that permits corporate entities to be charged with criminal offences. The standard for attributing criminal conduct by corporate officers and employees to corporate entities is not clearly defined in many of these jurisdictions and government prosecutors and judges have broad discretion in this area. In recent years, complaints against or indictments of corporate entities for alleged criminal offences have become increasingly common and certain AXA Group companies have been the subject of penal complaints and/or indictments from time to time including in Belgium and France. While a criminal complaint against or indictment of a corporate entity may not pose material financial risk, it has broad potential implications for a regulated financial institution like AXA both from a reputation point of view and from a regulatory perspective because a criminal conviction can have potentially far reaching negative implications for AXA Group companies engaged in regulated businesses around the world (including for their ability to obtain and/or maintain licenses to engage in certain types of regulated business activities such as asset management, insurance and banking).

In addition to the matters noted above, AXA and its subsidiaries are also involved in various legal actions and proceedings of a character normally incident to their business including claims litigation arising in connection with the Group's insurance business and litigation arising from the Group's asset management business.

Beyond litigation risks of the type described above, AXA and its subsidiaries are subject to comprehensive regulation in the various jurisdictions where they do business. In this context, AXA and its subsidiaries are subject, from time to time, to examinations, investigations, enforcement proceedings and other actions by regulatory and law enforcement authorities (involving civil and/or penal matters) as well as to proposed changes in law and/or regulation that may significantly impact their business and results of operations. For additional information on these matters as well as other risks and contingent liabilities affecting the Group and its business, please see section 3.1 "Regulation" and 3.2 "Risk Factors" in Part 3 of this Annual Report and Note 29 to the Group's consolidated financial statements in Part 4 of this Annual Report. Some of the litigations described above have been brought on behalf of various alleged classes of claimants, and certain of the claimants in these actions seek significant or unspecified amounts of damages, including punitive damages.

Although the outcome of any lawsuit cannot be predicted with certainty, particularly in the early stages of an action, management believes that the ultimate resolutions of the matters described above are not likely to have a material adverse effect on the consolidated financial position of AXA, taken as a whole. However, due to the nature of such lawsuits and investigations and the frequency of large damage awards and regulatory sanctions in certain jurisdictions (particularly the United States) that bear little or no relation to actual economic damages incurred by plaintiffs or the underlying regulatory violations, AXA's management cannot make an estimate of loss, if any, or predict whether or not these matters will have a material adverse effect on AXA's consolidated results of operations in any particular period.

Note 32 Subsequent events

SWISS NATIONAL BANK'S DECISION TO DISCONTINUE MINIMUM EXCHANGE RATE

Following the Swiss National Bank (SNB)'s decision of January 15, 2015 to discontinue the minimum exchange rate of 1.20 franc per euro and lower interest rate on sight deposit balances to -0.75%, the Swiss franc increased sharply against the euro. This appreciation, if durable, is expected to have a mechanical effect on the translation reserve included in the shareholders' equity of AXA in Switzerland and on earnings translation in 2015. In addition, the decisions of the SNB are expected to affect significantly the financial and economic environment of AXA Winterthur including long term government bond yields, stock market performance and economic growth in Switzerland.

ECB'S DECISION TO EXTEND ITS ASSET PURCHASE PROGRAMME

European Central Bank (ECB) announced on January 22, 2015 an extension of its asset (sovereign bonds, covered bonds and ABS) purchase programme in order to stimulate the economy by encouraging credit creation and risk taking. This decision is expected to impact sovereign and corporate yields across the Eurozone and foreign currency exchange rates against the Euro.

4.7 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

MAZARS
61, rue Henri-Regnault
92400 Courbevoie

Report of the Statutory Auditors on the consolidated financial statements
(For the year ended December 31, 2014)

AXA

25, avenue Matignon

75008 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of AXA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- your Company describes in Notes 1.8.2, 4.3 and 9.9 to the consolidated financial statements the valuation methods it applies to financial assets.

  We have assessed the appropriateness of the financial asset valuation process, as well as the information disclosed in the above mentioned notes;

- certain consolidated statement of financial position items that are specific to the insurance and reinsurance business are estimated on the basis of statistical and actuarial data, such as technical reserves, policyholders' deferred participation, deferred acquisition costs and their amortization, and the value of business in force. The methods and assumptions used to calculate the carrying values of these items are described in Notes 1.14, 1.7.3 and 1.7.2 to the consolidated financial statements.

  We assessed the reasonableness of the assumptions used to calculate these values, particularly with respect to the Group's experience and its regulatory and economic environments as well as the overall consistency of these assumptions;
- the carrying value of goodwill is tested for impairment at each closing date using the methods described in Notes 1.7.1 and 5.2.2 to the consolidated financial statements.

  We ensured that the valuation approaches used were based on assumptions that are consistent with the forecasts resulting from the strategic plans established by the Group. We also examined the information gathered by the Group to justify the other assumptions used as well as the sensitivity tests performed;
- deferred tax assets and liabilities are recorded and measured using the methods described in Note 1.17.1 to the consolidated financial statements.

  We verified that the valuation methods used take into account the nature of tax differences, forecasts established by the Group and, when accounting policies permit, its intentions;
- derivatives and hedging transactions are recognized in accordance with the methods and procedures described in Note 1.10 to the consolidated financial statements. We assessed whether transactions that qualify for hedge accounting have been duly documented in accordance with hedge accounting rules.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, March 25, 2015

The Statutory Auditors

*French original signed by **

PricewaterhouseCoopers Audit	Mazars
Michel Laforce – Xavier Crépon	Philippe Castagnac – Gilles Magnan

* *This document is the English translation of the original legal statutory audit report which is, by law, prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information therein, the original language version takes precedence over this translation. This English version should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.*

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5 CERTAIN ADDITIONAL INFORMATION

5.1 CHARTER

We summarize below certain material provisions of applicable French law, in force at the filing date of this Annual Report, and of our Charter (*Statuts*). You may obtain copies of our Charter in French from the Paris Trade and Companies Register (*Registre du commerce et des sociétés*).

Corporate purpose

Under Article 3 of its Charter, AXA's corporate purpose is generally to:

- acquire all types of ownership interests in any French or foreign company or business, including insurance companies or businesses;
- acquire, manage and sell all listed or unlisted shares and securities, as well as personal or real properties, rights, shares or securities, whether listed or unlisted, that are related to such properties; and
- perform all industrial, commercial, financial, personal or real property transactions, directly or indirectly related to any of the foregoing.

Members of the Board of Directors

In addition to French law provisions, AXA's Charter and the Board of Directors' Bylaws include a number of specific provisions concerning members of the Board of Directors, including the following:

COMPENSATION

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer(s) receive compensation in the amount and on conditions set by the Board of Directors, upon proposal of the Compensation & Governance Committee. Members of the Board of Directors receive a fixed annual directors' fee, the maximum overall amount of which is determined by the Shareholders' Meeting and apportioned by the Board of Directors among its members. Notwithstanding the above, the Board of Directors' Bylaws provide that no directors' fee shall be paid to directors who are also Executive Officers (*i.e.* the Chief Executive Officer and Deputy Chief Executive Officer).

For further information, please see Part 2 – "Corporate governance" of this Annual Report.

RETIREMENT

Notwithstanding the term of office for which the Chairman of the Board of Directors is appointed, his/her functions shall terminate, at the latest, at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the preceding fiscal year and held during the year the Chairman reaches the age of 70.

Notwithstanding the term of office for which the Chief Executive Officer is appointed, his/her functions shall terminate at the latest at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the preceding fiscal year and held during the year the Chief Executive Officer reaches the age of 65. The same rule applies for the Deputy Chief Executive Officer(s).

An individual aged 70 or older may be appointed or reappointed to the Board of Directors exclusively for a two-year term of office. His/her term of office can be renewed only once.

When the number of Board members aged 70 or older exceeds one-third of the directors in office, the oldest director is deemed to have resigned automatically unless any member of the Board of Directors aged 70 or older voluntarily resigns within three months.

When the permanent representative of a legal entity member of the Board of Directors reaches 70 years old, the legal entity is deemed to have resigned automatically unless it designates a new representative within three months.

SHAREHOLDING

In accordance with the Afep-Medef Code, the directors shall be shareholders of the Company and own a significant number of shares in the Company; if they do not own such shares at the time they are first appointed, they shall use their directors' fees to acquire AXA shares. Accordingly, the Board of Directors has set for each Board member, whether an individual or a permanent representative of a legal entity to whom directors' fees were paid, the objective of holding, within two years after first being appointed, a number of shares in the Company, the value of which, on the basis of the closing price of the AXA share on December 31 of the preceding fiscal year, corresponds to an amount at least equivalent to the gross director's fees earned in respect of the previous fiscal year. The shares purchased for the purpose of this holding objective must be held in registered form.

For additional information regarding the powers of the Board of Directors, please see Part 2 – "Corporate governance" of this Annual Report.

Rights, preferences and restrictions attached to the shares

VOTING RIGHTS

Each AXA share entitles its holder to one vote at every AXA Shareholders' Meeting, subject to the provisions regarding double voting rights described below. On May 26, 1977, the Shareholders' Meeting decided that each ordinary share fully paid up and held in registered form by the same person for at least two full fiscal years entitled its holder to double voting rights with respect to such share.

In the event of a capital increase by capitalization of existing reserves, profits or premiums, shares granted for free to any shareholder holding shares entitled to double voting rights will also carry double voting rights.

The rights of the holders of double voting rights may only be modified or cancelled upon the decision of an Extraordinary Shareholders' Meeting and after authorization by a special Meeting of the holders of these rights.

DIVIDENDS

Upon proposal by the AXA Board of Directors, the shareholders of AXA may decide to allocate all or part of distributable profits to special or general reserves, to carry them forward to the next fiscal year as retained earnings, or to allocate them to the shareholders as dividends. If AXA has earned a distributable profit since the end of the previous fiscal year, as reflected in an interim balance sheet certified by its Statutory Auditors, the Board of Directors may distribute interim dividends to the extent of the distributable profit without prior approval of the shareholders. AXA's Charter requires AXA to distribute dividends between its shareholders in proportion to their share in the capital.

Under the provisions of AXA's Charter, the actual dividend payment date is decided by the Board of Directors.

AXA's Charter provides that, the Shareholders' Meeting may grant each shareholder the choice of receiving dividends in either cash or additional ordinary shares.

PRE-EMPTIVE RIGHTS

Under French law, shareholders have preferential subscription rights to subscribe, on a *prorata* basis, additional ordinary shares (and/or convertible, exchangeable or other securities giving a claim, directly or indirectly, to AXA ordinary shares). This subscription right is transferable and normally trades separately during the subscription period for a capital increase. In order to issue additional shares without preferential subscription rights, except for issues already approved or authorized by AXA shareholders, AXA must obtain the approval of a two-thirds majority of voting rights at an Extraordinary Shareholders' Meeting.

LIQUIDATION RIGHTS

If AXA is liquidated, the assets remaining after it pays its debts, liquidation expenses and all prior claims will be used to repay AXA shareholders up to the amount of the liquidation balance and the par value of the shares held by each shareholder. Any surplus will be divided among all shareholders, subject to rights arising, if any, from the different classes of shares, in proportion of the rights they own in the Company's share capital.

Modification of shareholders' rights

Under French law, shareholders of a French public company (*société anonyme*) have the power to amend the Charter of the Company. Such an amendment generally requires the approval of two-thirds of the shareholders attending or represented at an Extraordinary Shareholders' Meeting. However, no such Extraordinary Shareholders' Meetings may decide (i) to increase the liability of the shareholders in respect of the Company or a third-party; or (ii) to reduce the individual rights vested in each shareholder (such as voting rights, the right to distributable profits of the Company when allocated as dividends, the right to sell one's shares and the right to sue the Company).

Shareholders' Meetings

Shareholders are convened, meet, and deliberate in accordance with applicable French laws and AXA's Charter.

A Notice of Meeting must be published in the *Bulletin des annonces légales obligatoires* ("BALO"), at least 35 days before any Shareholders' Meeting (or 15 days in certain specific cases) and must indicate, in particular, the agenda and the proposed resolutions.

At least 15 days (or 6 days in certain cases) prior to the date set for the meeting on first call, and at least 10 days (or 4 days in certain cases) before any second call, the Company shall send a final notice containing all the information requested by Law by mail to all registered shareholders who have held shares for more than one month prior to the date of this final notice and publish this final notice in a bulletin of legal notices as well as the BALO.

All shareholders are entitled to attend these meetings, either in person or by proxy, provided that they show valid proof of ID and share ownership as specified under French Law. This ownership is justified by a book entry showing the number of shares in the name of the shareholder (or the intermediary for the account), on the second business day preceding the meeting at midnight (Paris time), either in the registered share accounts kept by the Company or in the bearer share accounts kept by a qualified intermediary.

Anti-takeover provisions

There are no French anti-takeover statutes similar to the anti-takeover statutes enacted by certain states in the United States and other jurisdictions. However, a number of French law provisions in particular those resulting from the law dated March 29, 2014 (*visant à reconquérir l'économie réelle*) or from certain provisions of the European Directive of April 21, 2004 (which was implemented in France in 2006) concerning takeover bids, may have certain anti-takeover effects. In the case of AXA, the relevant provisions include, among other things, the existence of AXA shares with double voting rights.

French law generally requires mergers and certain consolidations to be approved by two-thirds of the shareholders attending or represented at the Extraordinary Shareholders' Meeting convened to decide on such matters. French law also requires the affirmative vote of the shareholders of the surviving corporation of a merger at an Extraordinary Shareholders' Meeting. However, Shareholders' Meetings of the respective shareholders of the merged and surviving companies are not required in the case of a merger of a wholly-owned subsidiary with its parent company.

Disclosure requirements when holdings exceed specified thresholds

Pursuant to Article 7 of AXA's Charter, any person, acting alone or jointly, who comes to hold, directly or indirectly through companies it controls within the meaning of Article L.233-3 of the French Commercial Code, a number of shares representing 0.5% of the Company's share capital or voting rights, shall notify the Company by registered letter with acknowledgment of receipt within five days from the threshold crossing. This notification shall detail the total number of shares and voting rights held as well as the total number of securities giving a differed claim to the share capital and the potential voting rights attached thereto.

The notification shall be repeated in the conditions stated above each time an additional fraction of 0.5% of the share capital or voting rights is crossed upward or downward.

In the event of failure to comply with the notification requirements described above, shares exceeding the fraction that should have been notified will be deprived of voting rights at Shareholders' Meetings if, at such meetings, the notification failure has been recorded and if one or more shareholders jointly holding at least 5% of the share capital so request. Loss of voting rights shall be applicable in all Shareholders' Meetings that would be held up until two years following proper notification.

Changes in the capital

The Company's share capital may be modified only under the conditions stipulated by the legal and regulatory provisions in force. The provisions of the Charter or the Bylaws shall not prevail over changes in the law governing the Company's share capital.

5.2 DESCRIPTION OF AXA'S SHARE CAPITAL

Transactions involving AXA's share capital

On December 31, 2014, AXA's share capital was comprised of 2,442,276,677 ordinary shares, each with a par value of €2.29. All these shares were fully paid up and non assessable and began earning dividends on January 1st, 2014. The following table sets forth changes in the number of shares from January 1st, 2012 to December 31, 2014:

Date	Transaction	Number of shares issued or cancelled	Issue or merger premium (in Euro)	Number of shares after the transaction	Amount of share capital after the transaction (in Euro)
2012	Exercise of stock options	103,184	813,732	2,357,300,704	5,398,218,612
	New equity issue reserved for employees of AXA (SharePlan 2012)	29,685,889	215,710,432	2,386,986,593	5,466,199,298
	Exercise of stock options	1,624,391	13,225,275	2,388,610,984	5,469,919,153
2013	Exercise of stock options	3,250,276	28,139,757	2,391,861,260	5,477,362,285
	New equity issue reserved for employees of AXA (SharePlan 2013)	18,834,270	244,011,703	2,410,695,530	5,520,492,764
	Exercise of stock options	7,169,941	97,734,715	2,417,865,471	5,536,911,929
2014	New equity issue related to the AXA Miles Program (2 + 2 plan)	1,521,950	-	2,419,387,421	5,540,397,194
	Exercise of stock options	2,332,987	30,549,924	2,421,720,408	5,545,739,734
	New equity issue reserved for employees of AXA (SharePlan 2014)	19,253,990	263,799,925	2,440,974,398	5,589,831,371
31/12/2014	Exercise of stock options	1,302,279	14,592,483	2,442,276,677	5,592,813,590

A APPENDICES

APPENDIX I CHAIRMAN OF THE BOARD OF DIRECTORS' REPORT

This report presents, pursuant to the provisions of Article L.225-37 of the French Commercial Code, the composition of the Board of Directors and the gender balance on the Board, the conditions of preparation and organization of the Board of Directors' work (Part 1) as well as the internal control and risk management procedures implemented by the Company (Part 2). The report also presents the principles and the rules adopted by the Board of Directors in order to determine the compensation and the other benefits granted to the Company's executive officers (Part 3). Finally, the report identifies the Company's Corporate Governance Code of reference and specifies the provisions of that code, if any, that have not been applied by the Company and the reasons why they have not been applied (Part 4).

Part 1 Composition and conditions of preparation and organization of the Board of Directors' work

For information on the composition of the Board of Directors and the gender balance on the Board, as well as on the conditions of preparation and organization of the Board of Directors' work please see Part 2 – "Corporate governance", "Board of Directors" and "Board of Directors' Committees", Sections of this Annual Report. For information on specific limitations of the powers of the Chairman & Chief Executive Officer decided by the Board of Directors please see Part 2 – "Corporate governance", "The Chairman & Chief Executive Officer" Section of this Annual Report.

Part 2 Internal control and risk management procedures

In accordance with Article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors is required to report annually on internal control and risk management procedures implemented by the Company.

In this context, the following report provides a summary of the AXA Group's principal internal control mechanisms and procedures that allow management to conclude that the Group has a sound and comprehensive system of internal control well adapted to its business and the specific risks inherent to its activities. This report is not intended to provide a comprehensive description of all internal controls and procedures in place within the Company and its subsidiaries, but rather to provide an overview of the Group's principal internal control mechanisms and procedures.

In preparing this report, the Chairman of the Board of Directors has consulted, as he deemed appropriate, AXA's executives and has taken into account information furnished to the Board of Directors with respect to the Group's internal control environment. This report was assessed by the Audit Committee before being reviewed and approved by the Board of Directors during its meeting of March 19, 2015.

In this report, the term "Group" refers to AXA SA (the "Company") together with its direct and indirect consolidated subsidiaries.

INTERNAL CONTROL AND RISK MANAGEMENT: OBJECTIVES

The AXA Group is engaged in the financial protection and wealth management business on a global scale. As such, it is exposed to a very wide variety of risks – insurance risks, financial market risks and other types of risks – which are described in detail in this Annual Report. Please see, in particular, Part 3 – "Regulation, Risk Factors, Certain disclosures about market risk and related matters" and Part 4 – "Consolidated Financial Statements" – Note 31 "Litigation".

In order to manage these risks, the Group has put in place a comprehensive system of internal controls designed to ensure that executives are informed of significant risks on a timely and continuing basis, have the necessary information and tools to appropriately analyse and manage these risks, and that the Group's financial statements and other market disclosures are timely and accurate.

These mechanisms and procedures principally include:

- the Group's corporate governance structures which are designed to ensure appropriate supervision and management of the Group's business as well as clear allocation of roles and responsibilities at the highest level;
- management structures and control mechanisms designed to ensure that the Group executives have a clear view of the principal risks the Group faces and the tools necessary to analyse and manage these risks;
- Internal Control Over Financial Reporting (ICOFR), designed to ensure the accuracy, completeness and timeliness of the Group's consolidated financial statements; and
- disclosure controls and procedures designed to ensure that executives have the necessary information to make fully informed disclosure decisions on a timely basis and that the Company's disclosures on material information (both financial and non-financial) to the markets are timely, accurate and complete.

These mechanisms and procedures, taken together, constitute a comprehensive control environment that executives believe is appropriate and well adapted to the Group's business.

CORPORATE GOVERNANCE STRUCTURES

Group level governance bodies

EXECUTIVE MANAGEMENT

Executive Management oversees implementation of the internal control system and the existence and appropriateness of internal control and risk management monitoring systems within the Group.

BOARD OF DIRECTORS

The Board of Directors determines the Company's business strategy and oversees its implementation. The Board considers any question related to the proper functioning of the Company and takes all appropriate decisions for its business. The Board of Directors undertakes all controls and verifications it deems appropriate.

The Board of Directors has established three Committees to assist it in fulfilling its responsibilities: an Audit Committee, a Finance Committee and a Compensation & Governance Committee. These Committees exercise their activities under the responsibility of the Board of Directors and report regularly to the Board of Directors on matters within the scope of their respective responsibilities.

A detailed description of AXA's corporate governance structures including the composition and assignments of the Board of Directors as well as the structure and composition of the Board of Directors' Committees is set forth in Section 2.1 "Corporate officers, executives and employees" of this Annual Report.

AUDIT COMMITTEE

All the Board Committees constitute an important part of the Group's overall internal control environment. However, the Audit Committee plays a particularly important role in reviewing internal control and risk related issues. The Committee reviews the Group's internal control systems and procedures for risk management.

The scope of the Audit Committee's responsibilities is set forth in the Audit Committee Terms of Reference, approved by the Board of Directors.

For more information about the Audit Committee's assignments and activities, its composition and the principal matters it handled in 2014, please see Section 2.1 "Corporate officers, executives and employees" of this Annual Report.

Subsidiary level governance structures

AXA's principal subsidiaries, whether publicly traded or not, are generally governed by (i) a board of directors or a supervisory board which generally include independent or non-executive directors and (ii) various board committees including an audit committee and a compensation committee, which generally include independent or non-executive directors.

AXA has taken steps designed to harmonize corporate governance standards throughout the Group. This effort is focused, among other matters, on standardizing, to the extent practicable, principles relating to various corporate governance matters including board composition and size, directors' independence criteria, board committees and their roles, and directors' fees.

Group Governance Standards require, among other things, the boards of AXA's principal subsidiaries to establish an audit committee and a compensation committee. The audit Committees have a critical role in reviewing financial results and other financial information prepared by the management, financial reporting and control processes, critical accounting policies, particular accounting issues, key risks and systems of internal control, fraud and similar issues.

The Group Governance Standards are part of a larger set of Group standards that apply to all AXA Group companies (the Group Standards Handbook). These Group Standards are designed to ensure that all the companies of the Group have effective risk management processes and appropriate governance structures, and meet the Group's minimum control requirements. Chief executive officers of AXA Group companies are therefore required to annually certify that the companies under their responsibility are in compliance with the Group Standards.

MANAGEMENT STRUCTURES AND CONTROLS

In order to manage the various risks to which it is exposed, the AXA Group has various management structures and control mechanisms designed to ensure that executives have a clear and timely view of the principal risks facing the Group and the tools necessary to analyse and manage these risks.

These management structures and controls include the following:

Management Committee

AXA currently has a 10-member Management Committee which is an internal committee that assists the Chief Executive Officer and the Deputy Chief Executive Officer in the operational management of the Group. The Management Committee does not have any formal decision making power.

AXA's Management Committee generally meets once a week to discuss strategic, financial and operational decisions.

For more information about the Management Committee including its composition, please see Section 2.1 "Corporate officers, executives and employees" of this Annual Report.

Executive Committee – Quarterly Business Reviews ("QBR") – strategic plan

AXA currently has a 19-member Executive Committee which is composed of the members of AXA's Management Committee, the Chief executive officers of the Group's principal subsidiaries and/or business units and selected other senior executives. While the Executive Committee is an internal committee with no formal decision making power, it plays an important role in assisting the Executive Management to effectively manage the Group's operating businesses, consider strategic initiatives and other subjects the Executive Management deems appropriate from time to time. The Executive Committee usually meets four times a year.

At the end of the first three quarters of each year, the Management Committee conducts QBR, during which the performance of the main Group business units is reviewed. These QBR were introduced in 2000 to provide Management with a clear and consistent framework for: (1) reviewing operational performance and monitoring the progress of key projects using quantifiable standards of measurement defined in collaboration with the Management Committee; (2) assessing the status of Group transversal projects; and (3) exchanging ideas and information on key Group strategic orientations.

These QBR constitute an important management control mechanism to monitor the operating performance of the Group and its principal business units on a continuing basis and to identify any new material risks or issues facing the Group in a timely manner.

During the fourth quarter, each business unit presents its strategic plan to the Group's strategic plan steering committee chaired by the Deputy Chief Executive Officer. The Group's strategic plan is reviewed by the Management Committee and approved by the Board of Directors.

For more information about the Executive Committee including its composition, please see Section 2.1 "Corporate officers, executives and employees" of this Annual Report.

Group Management Services (GMS) [1] Departments focused principally on internal control and risk related matters

Several GMS Departments are responsible for managing and/or monitoring some aspects of internal control and/or risk related matters. However, the following four GMS Departments are primarily focused on these matters as part of their principal day-to-day management responsibilities:

GROUP RISK MANAGEMENT DEPARTMENT

The role of Group Risk Management (GRM) is to identify, quantify and manage the main risks to which AXA is exposed. To this end, GRM develops and deploys a number of risk measurements, monitoring instruments and methods, including a standardized methodology and framework for stochastic modelling (through AXA's internal model).

When appropriate, this work leads to the implementation of decisions that affect the Group's risk profile, helping to monitor the solvency position and manage the volatility of AXA's earnings through improved understanding of the risks taken and to optimize capital allocation.

As a central team, GRM coordinates risk management for the Group and is supported by local risk management teams within each operating unit. The types of risks covered include risks coming from the invested assets, from the insurance liabilities, asset/liability mismatch risks and operational risks.

For a detailed description of the organization, governance, missions and controls of Risk Management, please see Section 3.3 "Quantitative and Qualitative Disclosures about Risk Factors" of this Annual Report.

(1) Central functions at the holding Company level.

PBRC (PLANNING, BUDGETS, RESULTS CENTRAL)

The PBRC Department within the Group Finance Department is responsible for consolidation, management reporting, internal financial control program, as well as actuarial indicators and economic balance sheet. These missions are performed for regular closings, forecasts and strategic plan exercises. It works with local PBR units within finance departments of Group subsidiaries.

The local PBR units are responsible for producing their contribution to the Group consolidated financial statements.

PBRC's role encompasses principally the following:

- establishing and distributing both consolidation and reporting standards and instructions to subsidiaries;
- managing the Group's financial reporting system;
- producing the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and analyzing key performance indicators;
- managing the Internal Financial Control (IFC) program;
- developing and using management control tools;
- steering and consolidating the European Embedded Value process, actuarial indicators related and economic balance sheet;
- coordinating the production of AXA's Annual Report (*Document de Référence*) filed with the AMF;
- coordinating the production of reports filed with the ACPR (*Autorité de Contrôle Prudentiel et de Résolution*) related to Solvency in the actual framework and in the preparation of Solvency II balance sheets;
- liaising with the Statutory Auditors and contributing to Audit Committee meetings as required; and
- steering convergence of accounting and financial reporting processes, systems and organizations for insurance activities in Europe.

PBRC has defined and implemented a set of policies and procedures to ensure that the consolidation process leading to the consolidated financial statements is timely and accurate. This consolidation process is based on the following:

Definition of standards and maintenance of an information system

Group accounting standards, which are consistent with accounting and regulatory principles, are set forth in the "AXA Group Accounting Manual" and updated regularly by PBRC experts. These guidelines are submitted to AXA's Statutory Auditors for review before being made available to AXA subsidiaries.

The information system is based on "Magnitude", a consolidation tool managed and updated by a dedicated team. This system is also used to deliver management reporting information used to produce an economic perspective on the consolidated financial statements and the economic balance sheet. The process through which this management reporting information and economic balance sheet is produced and validated is the same as the one used to prepare consolidated financial information.

Operating control mechanisms

At entity level, AXA subsidiaries are responsible for entering and controlling accounting and financial data that comply with the "AXA Group Accounting Manual" and reflect consolidation rules under IFRS accounting standards. In this respect, the Chief Financial Officer of each entity signs off on the accuracy of consolidated figures reported through Magnitude and their compliance with both the Group accounting manual and instructions in all frameworks produced (IFRS, Embedded Value, actuarial indicators and economic balance sheet) within the internal financial control program.

At PBRC level, accounting, financial and economic information reported by entities are analyzed by teams that liaise with subsidiaries on a full-time basis. In particular, these teams analyze the compliance with the "AXA Group Accounting Manual" and Group actuarial standards.

GROUP LEGAL & COMPLIANCE

The Group Legal Department is responsible for identifying and managing the significant legal, regulatory and compliance risks to which the Group is exposed. It provides expertise and advice on all significant corporate legal matters at the Group level and manages the legal aspects of transactions undertaken by the Group as well as significant litigation, regulatory, and compliance matters.

The Group Legal Department is structured in three Practice Groups which are organized around the substantive matters that the department manages on a continuing basis in addition to one-off projects or issues that arise from time to time. These Practice Groups are: (i) Corporate (Mergers & Acquisitions, Corporate Finance & Securities Law and Corporate Governance & Company Law), (ii) Compliance (including General Compliance, Financial Crime as well as Litigation and Regulatory reporting) and (iii) Global business lines (Life and Property & Casualty).

As part of its Compliance responsibilities, the Group Legal Department manages a wide range of compliance related matters including (i) regular reporting from Group companies on significant compliance, litigation and regulatory matters, (ii) implementation of the AXA Group Compliance and Ethics Guide which applies to all AXA Group employees worldwide and (iii) financial crime matters including the Group's global Anti-Money Laundering Program, the Group's anti-corruption/

bribery program, the Group's Cross-Border Business Standard and the Group Standard on business with countries and/or individuals subject to international sanctions. The Compliance Support and Development Program is a structured program of on-going reviews with the Group operating companies around the world that is designed both to review significant compliance issues and processes as well as the quality of the Group's compliance programs and personel.

The Group Legal Department works closely with the legal departments of AXA's principal subsidiaries on legal, regulatory, and compliance matters impacting those companies. In order to optimize integration, coordination, ensure open lines of communication across the Group's global Legal & Compliance Organization and share best practices, the Group General Counsel has established and chairs a Global Legal Steering Group composed of the general counsels of AXA's principal subsidiaries which meets on a regular basis.

GROUP INTERNAL AUDIT

The Group's Internal Audit function provides the Group Audit Committee and the Group's Management Committee with independent and objective assurance on the effectiveness of internal control and risk management across the Group.

The Group's Global Head of Audit reports to the Chairman of the AXA Group Audit Committee with an administrative reporting line to the Group's Deputy Chief Executive Officer.

All internal audit teams across the Group report to the Group's Global Head of Audit whilst also having a direct and unfettered reporting line to their local Audit Committee Chairman and an administrative reporting line within their local management structure.

GROUP RISK AND COMPLIANCE COMMITTEE

In 2008, Management established a Group Risk and Compliance Committee to ensure that the Group has: (i) a comprehensive view of the various risks facing the Group on a continuing basis, (ii) a dedicated forum for reviewing, analyzing and prioritizing these risks, (iii) defined action plans to manage these risks and (iv) optimal coordination and communication between the different departments managing these risks.

This internal management committee is co-chaired by the Group Chief Financial Officer and the Group Chief Operating Officer and is managed by Group Risk Management. The committee usually meets on a quarterly basis.

The Committee is comprised of the following eleven GMS Departments, each of which is responsible for presenting to the Committee the significant risks within its scope: Group Risk Management, Group Corporate Finance and Treasury, Group Audit, Group Legal & Compliance, Group Tax, Planning Budgets Results Central, Information Technology (IT)/Operational Excellence, AXA Global P&C, AXA Global Life, Group Human Resources and Group Communication Department.

In addition to its other activities, the committee has undertaken a comprehensive risk mapping exercise covering the aggregate risks to which the Group is exposed including financial, solvency, insurance, operational, legal and compliance, tax, audit, human resources, and communication risks. As part of the process, priorities and action points were established for the various GMS Departments that manage these risks.

INTERNAL CONTROL OVER FINANCIAL REPORTING

AXA's Internal Control Over Financial Reporting (ICOFR) is a process designed under the supervision of AXA's Chief Financial Officer (CFO) to provide reasonable but not absolute assurance regarding the reliability of financial reporting and the preparation of AXA's consolidated financial statements.

AXA's ICOFR includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Group assets;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with the applicable generally accepted accounting principles;
- provide reasonable assurance that receipts and expenditures are being made only in accordance with the authorization of executives and managers of the Group; and
- provide reasonable assurance that unauthorized acquisition, use or disposition of Group assets that could have a material effect on the Group's financial statements would be prevented or detected in a timely manner.

AXA has put in place a comprehensive program, managed by PBRC, entitled Internal Financial Control (IFC), designed to ensure that AXA's Chief Executive Officer and Deputy Chief Executive Officer have a reasonable basis to conclude that AXA's ICOFR is effective as of the end of each year.

The IFC program is based on AXA's IFC Standard, which is an internal control and governance standard. AXA's IFC Standard is based on the "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It is designed to define the IFC scope and governance, ensure consistency and quality in AXA's financial reporting, and provide an overall framework for the annual IFC program.

In accordance with AXA's IFC Standard, the in-scope AXA Group companies (i) document the significant processes and controls, as well as the rationale of how the associated risk of material misstatement due to error or fraud can be reduced to an acceptable level and (ii) test the design and operational effectiveness of key controls based on the test plans.

These tests form part of a continuous improvement process in the internal control exercised over financial reporting. Areas for improvement are identified by specific test plans designed by management with insight into the risks covered. These processes then help remediate the identified potential control deficiencies and maintain high standards of internal control within the Group.

At each year-end, the in-scope AXA Group companies are required to perform an evaluation of their ICOFR as part of an internal certification process. This process involves formal sign-off by the Company's process owners and culminates with a formal management report from the Company's CFO or another senior executive stating their conclusion as to the effectiveness of the Company's ICOFR.

DISCLOSURE CONTROLS AND PROCEDURES

AXA SA has implemented a formal internal review and sign-off process pursuant to which all Executive Committee members, CFOs and certain other senior executives are required to certify various matters covered in AXA's Annual Report.

This process is based on the following four pillars:

1. CFO Sign-Off Certificates required to be submitted by all local CFOs to PBRC, together with the required subsidiary financial reporting & consolidation information.
2. IFC Management Reports required to be submitted by the CFO or another senior executive of every in-scope AXA Group company, as part of the IFC program.
3. Disclosure Controls & Procedures Certificates required to be submitted by AXA's Executive Committee members, regional CFOs and certain other senior executives (including heads of GMS Departments) pursuant to which each of these executives is required to review the Group's Annual Report and formally certify (i) the accuracy and completeness of the information in the Annual Report with respect to the companies under his/her responsibility, and (ii) the effectiveness of disclosure controls and procedures and ICOFR at companies under his/her responsibility (with specific disclosure of any significant deficiencies or material weaknesses). In addition, as part of this "sub-certification" process, these executives are required to review and comment on a number of transversal disclosures in the Annual Report relating to risk and other matters.
4. CFO Sign-Off on notes to the Consolidated Financial Statements: PBRC provided regional CFOs with the contribution of the companies under their responsibility to the consolidated financial statements in order to facilitate their certification on the accuracy and completeness of the information in the Annual Report of the Group.

CONCLUSION

The AXA Group believes it has put in place a comprehensive system of internal control procedures and mechanisms that is appropriate and well adapted to its business and the global scale of its operations.

However, all internal control systems, no matter how well designed, have inherent limitations and do not constitute a guaranty or provide absolute certainty. Even systems determined to be effective by executives may not prevent or detect all human errors, all system malfunctions, all fraud or all misstatements and can provide only reasonable assurance. In addition, effective controls may become inadequate over time because of changes in conditions, deterioration of compliance with procedures or other factors.

A

Part 3 Compensation

For information on the principles and rules adopted by the Board of Directors in order to determine the compensation and the advantages granted to the corporate officers please see Part 2 – Section 2.2 "Full disclosure on executive compensation and share ownership" of this Annual Report.

Part 4 Corporate Governance Code of reference

In December 2008, AXA adopted all of the Afep-Medef recommendations, including the recommendations on the compensation of executive officers dated October 2008, as AXA's Corporate Governance Code of reference.

These recommendations were consolidated in a Corporate Governance Code of Listed Corporations published by the Afep (*Association française des entreprises privées*) and the Medef (*Mouvement des entreprises de France*) in April 2010 and revised in June 2013 (hereafter the "Afep-Medef Code"), which is available at AXA's registered office or on its website (www.axa.com) under the "Corporate governance" Section.

AXA complies with the recommendations of the Afep-Medef Code that are in line with the long-established corporate governance principles initiated by the Company. Details are presented in Sections 2.1 "Corporate officers, executives and employees" and 2.2 "Full disclosure on executive compensation and share ownership" of this Annual Report describing corporate governance mechanisms and containing information about executives' compensation.

In order to take into account certain specificities of its governance practices, AXA has decided to adapt the following provisions of the Afep-Medef Code:

- section 9.4 of the Afep-Medef Code related to the independence of parent company directors holding a directorship in a Group subsidiary: the Company considers the fact that certain members of the AXA Board of Directors hold a non executive directorship in one or more Group subsidiaries wholly owned, directly or indirectly, by AXA does not (i) place them in a situation of conflict of interest, nor (ii) impair their independence in any way. The Board believes that permitting its members to sit on the boards of certain Group subsidiaries is beneficial to the Board's overall knowledge and appreciation of the Group's operations, strategy and risk profile. Directors who also serve on the boards of Group subsidiaries, however, are required to abstain from participating in the decisions of the AXA Board which could affect the interests of the entity in which they hold a directorship;
- section 16.2.1 of the Afep-Medef Code related to the review of the accounts by the Audit Committee: for practical reasons, the review of the accounts by the Audit Committee generally occurs on the day preceding the Board of Directors' review, and not two days before as it is recommended by the Afep-Medef Code. However, the Company endeavours to provide the members of the Audit Committee with the required documents early enough to allow their proper examination. In addition, the Audit Committee holds a specific session in December of each year to discuss in detail the account closing process and any issues arising. If at that time the Audit Committee identifies one or more issues which require specific attention during the December session, it has the possibility to organize an *ad hoc* meeting to ensure the Committee has adequate time to consider and address any issues concerning the Company's annual accounts;
- section 23.2.4 of the Afep-Medef Code relative to stock options and performance shares:

(i) *holding of shares subsequent to subscription options or allotment of performance shares:* in 2007, the Company decided to implement strict rules pertaining to shareholding requirements for executive officers. This policy requires each executive officer to hold, during the entire duration of his/her functions, a minimum number of AXA shares representing a multiple of his/her annual cash compensation (fixed salary plus annual variable compensation) received for the previous fiscal year. The Chairman & Chief Executive Officer is consequently required to hold the equivalent of his/her total cash compensation multiplied by three and the Deputy Chief Executive Officer is required to hold the equivalent of his/her total cash compensation multiplied by two. AXA shares and ADS are taken into account to calculate the number of shares actually held. Each executive officer is required to meet with this minimum shareholding requirement within a period of five years from the date of his/her first appointment as executive officer. Considering the demanding level of these shareholding requirements imposed upon executive officers, the Board of Directors, upon recommendation of its Compensation & Human Resources Committee, has decided not to increase these requirements after the initial 5-year period. For the same reasons, the Board of Directors has decided that it was not appropriate to compel executive officers to acquire more AXA shares following the expiration of the compulsory holding period applicable to their performance shares,

(ii) *exercise of stock options:* pursuant to the Afep-Medef Code, companies shall determine periods preceding the disclosure of their financial statements during which the exercise of the stock options is not allowed ("sensitive periods"). To date, the sensitive periods are determined by applying the AXA Group's Compliance and Ethics Guide. They generally begin 30 days prior to the disclosure of the annual or half-year earnings releases and 15 days prior to its quarterly financial information releases. During sensitive periods, the AXA Group's Compliance and Ethics Guide (i) permits the exercise of AXA stock options but (ii) prohibits the sale of shares acquired upon exercise of stock options ("subscription and sale" transactions). Consequently, beneficiaries of options may exercise options at their pre-determined strike price at any time but may not sell AXA shares obtained upon exercise (or otherwise engage in transactions involving AXA securities) during sensitive periods (or during other periods outside of sensitive periods when they may be in possession of material non-public information).

Pursuant to the provisions of Article L.225-37 of the French Commercial Code, it is specified that the conditions for the participation to Shareholders' Meetings are detailed in Section 23 of AXA's Charter (*statuts*), copies of which are available at the Paris Trade and Companies Register (*Registre du commerce et des sociétés du tribunal de commerce de Paris*). AXA's Charter is also available on the Company's website (www.axa.com). In addition, the information referred to in Article L.225-100-3 of the French Commercial Code is made public in the report of AXA's Board of Directors which is included in this Annual Report.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine

Mazars
61, rue Henri Regnault
92400 Courbevoie

Report of the Statutory Auditors prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors of AXA

(For the year ended December 31, 2014)

This is a free translation into English of the Statutory Auditors' Report issued in the French language 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 of **AXA**
25, avenue Matignon
75008 Paris, France

Ladies and Gentlemen,

In our capacity as Statutory Auditors of AXA, and in accordance with Article L.225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of the Board of Directors of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with the professional standards applicable in France.

Information concerning internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board of Directors' report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, March 25, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Michel Laforce – Xavier Crépon	Philippe Castagnac – Gilles Magnan

APPENDIX II MANAGEMENT'S ANNUAL EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING

AXA's Internal Control Over Financial Reporting (ICOFR) is a process designed under the supervision of AXA's Chief Financial Officer (CFO) to provide reasonable but not absolute assurance regarding the reliability of financial reporting and the preparation of AXA's consolidated financial statements.

Since its delisting from the New York Stock Exchange (NYSE) in March 2010 and its deregistration with the United States Securities and Exchange Commission (SEC) in June 2010, AXA has maintained an annual Internal Financial Control (IFC) programme designed to evaluate the effectiveness of AXA's ICOFR. AXA's Statutory Auditors provide a reasonable assurance report on AXA's ICOFR each year.

The IFC programme is based on AXA's IFC Standard, which is an internal control and governance standard.

(a) AXA's IFC Standard

AXA's IFC Standard is based on the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It is designed to define the IFC scope and governance, ensure consistency and quality in AXA's financial reporting, and provide an overall framework for the annual IFC programme.

(A.1) IFC SCOPE

The IFC programme includes primarily the entities which are individually significant to AXA's consolidated financial position or results of operations, as well as the entities which provide significant services to AXA and/or its consolidated subsidiaries (the "Group").

(A.2) IFC GOVERNANCE

Management, including AXA's Chief Executive Officer (CEO) and his deputy, is responsible for establishing and maintaining adequate ICOFR.

The IFC programme is steered by the Group IFC Committee chaired by AXA's CFO and involves the Planning Budgets Results Central (PBRC) Department, other relevant AXA departments, and representatives from each in-scope AXA Group company. The IFC programme and the conclusion of management as to the effectiveness of AXA's ICOFR are also reviewed by AXA's Audit Committee.

(A.3) IFC PRINCIPLES

AXA's ICOFR includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Group assets;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with the applicable generally accepted accounting principles;
- provide reasonable assurance that receipts and expenditures are being made only in accordance with the authorization of management and directors of the Group; and
- provide reasonable assurance that unauthorized acquisition, use or disposition of Group assets that could have a material effect on the Group's financial statements would be prevented or detected in a timely manner.

In order to assess the effectiveness of ICOFR, financial reporting risks are initially identified at AXA Group level with a focus on identifying those risks that may result in a material misstatement of AXA's consolidated financial statements not being prevented or detected in a timely manner. This top-down and risk-based approach enables to identify in-scope AXA Group companies and processes.

In line with the COSO framework, AXA's ICOFR is organized around the following key process categories: Entity-Level Controls (ELC), IT ELC, Financial Statement Closing Process, Business Processes, and IT General Controls.

For every key process category, the in-scope AXA Group companies (i) document the significant processes and/or controls, as well as the rationale of how the associated risk of material misstatement due to error or fraud can be reduced to an acceptable level, (ii) test the design and operational effectiveness of key controls based on the test plans elaborated with insight into risks, and (iii) remediate identified control deficiencies.

Outstanding control deficiencies are consolidated at Group level to evaluate their impact on AXA's consolidated financial statements, considering their likelihood, potential impact, compensating controls and other qualitative factors. This evaluation process is designed to identify any control deficiencies that may rise to the level of a material weakness. A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on time.

(A.4) IFC CERTIFICATION

At each year-end, the in-scope AXA Group companies are required to perform an evaluation of their ICOFR as part of an internal certification process. This process involves formal sign-off by the Company's process owners and culminates with a formal management report from the Company's CFO or another senior executive officer stating their conclusion as to the effectiveness of the Company's ICOFR.

This internal certification process across all in-scope Group companies is designed to assist AXA's management in its evaluation of AXA's ICOFR and to support its conclusion as to the effectiveness of AXA's ICOFR.

(b) Management's annual evaluation on ICOFR based on AXA's IFC Standard

Management conducted an evaluation of the effectiveness of AXA's ICOFR in accordance with the IFC Standard as described above. Based on this evaluation, management concluded that AXA's ICOFR was effective as of December 31, 2014.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or if the degree of compliance with the policies or procedures deteriorates.

(c) Report of the Statutory Auditors on ICOFR

PricewaterhouseCoopers Audit and Mazars have performed audit procedures in order to be able to obtain reasonable assurance as to whether management's conclusion as to the effectiveness of AXA's ICOFR based on the AXA's IFC Standard is fairly stated.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri-Regnault
92400 Courbevoie

Report of the Statutory Auditors on internal control over financial reporting

To the Board of Directors of AXA:

As Statutory Auditors of AXA and at your request, we have performed audit procedures on AXA and its subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2014, in order to be able to obtain reasonable assurance as to whether AXA's management's assertion that internal control over financial reporting is effective, as included in the management's annual evaluation of internal control over financial reporting, is fairly stated.

The Company's management is responsible for maintaining effective internal control over financial reporting and for establishing a statement on its assessment of the effectiveness of internal control over financial reporting as of December 31, 2014. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS accounting principles. The assessment of the effectiveness of internal control over financial reporting is based on criteria established in the Internal Financial Control standard of AXA (the "AXA's IFC standard"), which is an internal control and governance standard, as described in the management's annual evaluation of internal control over financial reporting on page 355 of this Annual Report. Our responsibility is to express an opinion on the Company's management's assertion, based on our audit procedures.

We conducted our work in accordance with French professional standards and ISAE 3000 ("Assurance engagements other than audits or reviews of historical financial information"). These standards require that we plan and perform the audit procedures to obtain reasonable assurance about whether AXA management's assertion that internal control over financial reporting is effective, was fairly stated in all material respects. Our audit procedures included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit procedures provide a reasonable basis for our opinion.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or if the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company's management's assertion that internal control over financial reporting as of December 31, 2014 is effective, in all material respects, is fairly stated based on the criteria established in the AXA's IFC standard.

Neuilly-sur-Seine and Courbevoie, March 25, 2015

PricewaterhouseCoopers Audit
Michel Laforce – Xavier Crépon

Mazars
Philippe Castagnac – Gilles Magnan

APPENDIX III STATEMENT OF THE PERSON RESPONSIBLE FOR THE ANNUAL REPORT

STATEMENT OF THE PERSON RESPONSIBLE

I, the undersigned, having taken all reasonable care to ensure that such is the case, hereby certify that the information contained in this Annual Report is, to the best of my knowledge, in accordance with the facts and contains no material omission likely to render it misleading or inaccurate in any material respect.

I confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and fairly present the assets and liabilities, the financial position and the profit or loss of the Company and its consolidated subsidiaries for the periods presented, and that the Board of Directors' Report, the various sections of which are mentioned on page 405 of this Annual Report, fairly presents the evolution of the business, results and financial position of the Company and its consolidated subsidiaries, and describes the principal risks and contingencies facing the Group.

The Statutory Auditors have provided me with a letter of completion of assignment, in which they confirm that they have verified the information relating to the financial position and the financial statements contained in this Annual Report and have reviewed the entire document.

The Statutory Auditors prepared a report on the Company's Consolidated financial statements for the year ended December 31, 2013, which are incorporated by reference in this document. This report, set out in pages 330 and 331 of the Registration Document was filed with the AMF on March 21, 2014 under number D.14-0184.

The Statutory Auditors prepared a report on the Company's Consolidated financial statements for the year ended December 31, 2012, which are incorporated by reference in this document. This report, set out in pages 321 and 322 of the Registration Document filed with the AMF on March 21, 2013 under number D.13-0199 contains an observation.

Paris, March 26, 2015

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

Member of the AXA Board of Directors

AXA

25, avenue Matignon, 75008 Paris, France

APPENDIX IV FINANCIAL AUTHORIZATIONS

FINANCIAL AUTHORIZATIONS TO ISSUE SHARES OR OTHER TYPES OF SECURITIES VALID AS OF DECEMBER 31, 2014

AXA's authorizations to issue shares or other types of securities that were valid as of December 31, 2014 are summarized in the tables below:

Issues with preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro)*	Term	Expiration date
Capitalization of reserves, earnings or premiums	–	1 billion [(a)]	26 months	June 30, 2015
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise	6 billion [(c)]	2 billion [(d)]	26 months	June 30, 2015

Issues without preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro or in percentage of the share capital)*	Term	Expiration
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(b)]	6 billion [(c)]	545 million	26 months	June 30, 2015
Ordinary shares or securities giving access to the capital, reserved for employees	-	135 million [(e)]	18 months	October 23, 2015
Ordinary shares reserved for a specific category of beneficiaries in connection with offerings for employees	-	135 million [(e)]	18 months	October 23, 2015
Performance shares (*actions gratuites*) [(f)]	-	1% [(g)]	38 months	June 23, 2017
Shares issued in connection with the exercise of stock options	-	1% [(h)]	38 months	June 23, 2017

(a) Independent ceiling.

(b) Including the issue of ordinary shares or securities (i) in the event of private investments or through public offers, (ii) in the event of public exchange offers initiated by the Company, (iii) in consideration for contributions-in-kind for up to 10% of the Company's share capital, or (iv) as result of securities issued by subsidiaries of AXA.

(c) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion. This upper limit is separate and distinct from the limit on issuances of debt securities and does not give a claim on the Company's share capital (ceiling of €2 billion).

(d) The aggregate nominal value of the capital increase with or without preferential subscription rights may not exceed €2 billion in nominal value.

(e) Common and independent ceiling.

(f) Existing shares and/or newly issued shares.

(g) At the date on which performance shares are granted by the Board of Directors.

(h) At the date on which stock options are granted by the Board of Directors.

NEW FINANCIAL AUTHORIZATIONS

The following authorizations to issue shares or securities giving a claim to ordinary shares of the Company require the shareholders' approval and will be submitted to the Shareholders' Meeting on April 30, 2015:

Issues with preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro)*	Term	Expiration date
Capitalization of reserves, earnings or premiums	-	1 billion [(a)]	26 months	June 30, 2017
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(b)]	6 billion [(d)]	2 billion [(e)]	26 months	June 30, 2017

issues without preferential subscription rights for shareholders

Securities	Maximum nominal amount in case of debt instruments *(in Euro)*	Maximum nominal amount of the capital increase *(in Euro)*	Term	Expiration
Ordinary shares and other securities giving a claim to ordinary shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(c)]	6 billion [(d)]	550 million	26 months	June 30, 2017
Ordinary shares or securities giving access to the capital, reserved for employees	-	135 million [(f)]	18 months	October 30, 2016
Ordinary shares reserved for a specific category of beneficiaries in connection with offerings for employees	-	135 million [(f)]	18 months	October 30, 2016

(a) Independent ceiling.
(b) Including the issue of ordinary shares as result of securities issued by subsidiaries of AXA.
(c) Including the issue of ordinary shares or securities (i) in the event of private investments or through public offers, (ii) in the event of public exchange offers initiated by the Company, (iii) in consideration for contributions-in-kind for up to 10% of the Company's share capital, or (iv) as result of securities issued by subsidiaries of AXA.
(d) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion.
(e) The aggregate nominal value of the capital increase with or without preferential subscription rights may not exceed €2 billion in nominal value.
(f) Common and independent ceiling.

USE IN 2014 OF THE VARIOUS FINANCIAL AUTHORIZATIONS PERTAINING TO CAPITAL INCREASES

Equity issue reserved for employees

Please see Part 2.3 "Major shareholders and related party transactions", Section "Employee shareholders" of this Annual Report.

Stock options/Performance Shares

STOCK OPTIONS

In 2014, by virtue of the authorization granted by the shareholders at the Shareholders' Meeting of April 27, 2011 (resolution 21) 3,100,000 stock options have been granted, each of which gives the holder a right to acquire an AXA share (either newly issued or existing) at a specified strike price.

PERFORMANCE SHARES

In 2014, by virtue of the authorization granted by the shareholders at the Shareholders' Meeting of April 27, 2011 (resolution 22) 2,662,849 Performance Shares were granted by the AXA Board of Directors.

APPENDIX V AXA PARENT COMPANY FINANCIAL STATEMENTS

BOARD OF DIRECTORS' REPORT

NET INCOME

Net income for the fiscal year ended December 31, 2014 was €2,392 million against €1,727 million at year end 2013. This result reflected an exchange-rate gain of €330 million against a foreign-exchange loss of €332 million in 2013 and an impairment loss of €337 million on RGI Holdings BV (RESO GARANTIA) shares.

Dividends received from subsidiaries amounted to €3,342 million, up from €3,189 million in 2013, representing an increase of €153 million.

Dividends received from insurance companies increased by €359 million to €2,998 million due to the following factors:

- €1,442 million dividends from the Northern, Central and Eastern Europe region, compared with €727 million in 2013. In 2014, AXA Versicherungen AG (Switzerland) paid a dividend of €600 million whereas in 2013 it did not pay out any dividends in order to fund the acquisition of Chinese P&C insurer Tian Ping;
- €1,326 million dividends from AXA France Assurance, up from €1,285 million in 2013;
- €70 million dividends paid by the Mediterranean and Latin American Region, compared to €169 million in 2013; down €99 million, AXA Mediterranean Holding decreased its dividend in order to fund the acquisition of Colpatria Seguros in Colombia;
- €114 million dividends received from AXA Life Insurance Co., Ltd (Japan), down from €275 million in 2013, €336 million capital surplus being payed through a capital reduction;
- No dividend received from AXA UK against €82 million in 2013 due to local solvency constraints.

Dividends received from financial subsidiaries and other holding companies fell by €207 million to €344 million from €551 million in 2013. Of this decrease, €272 million reflected exceptional dividends paid by AXA Investment Managers in 2013 arising from the sale of AXA Private Equity.

Net financial expenses, including interest expenses net of interest income from loans and investments, totaled €1,102 million, compared to €1,063 million in 2013. This €39 million increase derived from the unwind of interest rate derivatives.

Operating expenses rose by €85 million to €452 million in order to support advertising campaigns promoting the AXA Brand and invest in our digital capabilities.

Capital operations resulted in a loss of €24 million in 2014, versus a loss of €592 million in 2013, and broke down as follows:

- a €330 million foreign-exchange gain, which mainly derived from the unwind of US dollar exchange rate derivatives, as opposed to a €332 million loss in 2013;
- €434 million in allowances to provisions for subsidiaries, compared to €157 million in 2013, including €337 million on RGI Holdings BV (RESO GARANTIA) shares due to deteriorated economic perspectives in Russia and depreciation of the Ruble and also €29 million on AXA Insurance shares (Ukraine);
- €93 million in allowances to provisions for risks and charges, against €144 million in 2013 and mainly including the annual allowance of €53 million to provisions for 2017 subordinated bond redemption premium, the €51 million decrease is due to the subordinated bond repayment in January 2014;
- an exceptional gain of €121 million, including €153 million resulting from the exchange offer for four series of undated deeply subordinated notes in November 2014 mainly due to foreign-exchange effects.

The **corporate income tax** benefit amounted to €646 million, compared with a tax benefit of €558 million in 2013. It mainly included €762 million of tax receivables from members of the tax consolidation group in France, offset partially by the €59 million payment related to the French tax of 3% on dividends paid to shareholders.

In 2013, the corporate income tax benefit derived mainly from the €580 million of tax receivables from members of the tax consolidation group in France and a €102 million allowance to provision for the risk of tax repayments.

BALANCE SHEET

At December 31, 2014, total assets amounted to €73,270 million, versus €73,281 million at December 31, 2013.

Assets

Intangible assets totaled €347 million. They mainly included the AXA brand contributed by FINAXA as part of the 2005 merger and valued at €307 million at the time based on brand royalties billed to Group subsidiaries and to the Mutuelles AXA, and €40 million relating to the capitalization of software costs.

Investments in subsidiaries net of valuation allowances totaled €62,586 million, versus €65,449 million at year-end 2013, representing a decrease of €2,863 million, reflecting:

- €2,430 million capital reduction of Finance Solution, an intra-group treasury financing company, as intra-group loans are now granted directly by AXA SA;
- a €336 million capital reduction of AXA Life Insurance Co., Ltd (Japan) given its surplus capital;
- €434 million in allowances to provisions for subsidiaries referred to above,

partly offset by:

- respectively €180 million, €54 million and €51 million increases in capital of AXA Asia, Family Protect and AXA China to foster the development of their businesses;
- a €135 million capital increase in AXA Bank Europe to strengthen its solvency.

Receivables from subsidiaries amounted to €3,521 million, up from €123 million at year-end 2013, representing an increase of €3,398 million primarily attributable to $3,294 million in loans granted to US entities (€2,645 million) and £405 million (€511 million) to AXA UK Plc linked to internal refunding mentioned above and €150 million to Société Beaujon following the acquisition of a majority stake in Mansard Insurance Plc in Nigeria.

Loans totaled €34 million, down from €46 million in 2013.

Other financial assets amounted to €872 million, versus €2,201 million in 2013, with €1,329 million decrease mainly attributable to margin calls paid to bank counterparties under collateral agreements linked to the management of derivative instruments, which amounted to €727 million at end-2014, compared with €2,059 million at end-2013.

Tax receivables came to €401 million, including a €330 million carry-back receivable.

Miscellaneous receivables totaled €134 million, reflecting €73 million in current accounts with Group entities and €20 million in financial income receivables.

Cash and cash equivalents amounted to €2,836 million, versus €3,044 million at year-end 2013, the €208 million decrease was mainly due to the reimbursement of the subordinated debt in January 2014 for €2,122 million partly offset by bond issuances for €1,910 million mentioned below.

Cash instruments totaled €50 million versus €76 million in 2013, reflecting a €26 million decline due to the restructuring of Japanese Yen hedging strategies.

Unrealized foreign exchange losses amounted to €2,448 million, of which €2,072 million related to the deferred recognition of foreign-exchange losses in line with the principles of hedge accounting, offset by unrealized gains on investments subsidiaries. The €1,077 million increase compared to 2013 is mainly due to the maturity on exchange position in Swiss Franc and Yen. This item also reflects unrealized losses on assets and liabilities denominated in foreign currencies attributable to the effects of their revaluation at the closing exchange rate.

Liabilities

Shareholders' equity, before net income for the period and after payment of the dividends relating to the prior year, came to €41,311 million. This represented an increase of €370 million, including €313 million through a capital increase reserved for employees and €53 million following the exercise of stock options.

Other shareholders' equity included undated deeply subordinated notes amounting to €6,441 million, compared to €6,165 million in 2013, owing to €298 million in negative foreign-exchange effects.

Provisions for risks and charges amounted to €1,780 million and mainly consisted in €577 million for redemption premium related to the subordinated convertible note maturing in January 2017, €511 million of provisions for foreign-exchange risk and €410 million of provisions for the possible repayment of tax savings to subsidiaries belonging to the French tax consolidation group. The €907 million reduction mainly came from the release of the provision for the subordinated bond that matured in January 2014.

Subordinated debt totaled €8,843 million, compared to €8,134 million in 2013. This €709 million increase was primarily attributable to the debt issuances of £750 million (€910 million) in January 2014 and €1 billion in May 2014 and a €324 million negative currency effect, partly offset by the maturity of a €1,516 million of nominal subordinated bond value in January 2014.

Financial debts came to €11,349 million, versus €11,557 million at December 31, 2013, representing a reduction of €208 million mainly due to loan repayments to AXA Group entities.

Unrealized foreign exchange gains amounted to €785 million at year end 2014, down from €1,216 million at December 31, 2013. This item reflects the effects derived from the revaluation of foreign-currency denominated assets and liabilities at the closing exchange rate. It declined compared to 2013 due to Pound Sterling and US Dollar exchange rate trends, which adversely impacted liabilities.

OTHER INFORMATION

In accordance with Article L. 225.102-1 of the French Commercial Code (*Code de commerce*), disclosures related to the Company's executive compensation appear in Part 2, Section 2.2. "Full disclosure on executive compensation and share ownership".

Supplier invoices to be paid at December 31, 2014 came to €8 million, €5 million of which are due within three months (application of Article D.441-4 of the French Commercial Code). At December 31, 2013, they amounted to €9 million, €3 million of which was due within three months.

ACQUISITION OF EQUITY INTERESTS

In 2014, the Company did not acquire any significant equity interests within the meaning of Article L. 233-6 of the French Commercial Code.

BALANCE SHEET

Assets

(In Euro million)		December 31, 2014			
		Gross carrying value	Amortizations and provisions	Net carrying value	Net carrying value as at December 31, 2013
FIXED ASSETS					
INTANGIBLE ASSETS		**375**	**28**	**347**	**354**
TANGIBLE ASSETS					
Land		-	-	-	-
Buildings and other fixed assets		1	-	1	2
FINANCIAL ASSETS					
Investments in subsidiaries		63,944	1,358	62,586	65,449
Receivables from subsidiaries		3,522	1	3,521	123
Other financial assets		947	75	872	2,201
Loans		34	-	34	46
	I	**68,823**	**1,462**	**67,361**	**68,175**
CURRENT ASSETS					
OPERATING RECEIVABLES					
Tax receivables		401	-	401	510
Receivables and subsidiaries' current accounts		135	1	134	66
Marketable securities		1	-	1	1
Cash instruments		50	-	50	76
Cash and cash equivalents		2,836	-	2,836	3,044
Prepaid expenses		4	-	4	6
	II	**3,427**	**1**	**3,426**	**3,703**
PREPAYMENTS AND ACCRUED INCOME					
Deferred charges		290	257	33	29
Bond redemption premiums		2	-	2	2
Unrealized foreign exchange losses		2,448	-	2,448	1,372
TOTAL ASSETS		**74,990**	**1,720**	**73,270**	**73,281**

Liabilities

(In Euro million)		December 31, 2014	December 31, 2013
SHAREHOLDERS' EQUITY			
CAPITAL			
Ordinary shares		5,593	5,537
CAPITAL IN EXCESS OF NOMINAL VALUE			
Issue premiums		19,760	19,451
Merger and contribution premiums		1,060	1,060
RESERVES			
Legal reserve		559	552
Specific reserves for long term capital gains		2,316	2,316
Other reserves		1,491	1,494
Retained earnings		10,490	10,724
Tax driven provision		42	39
Net income for the financial year		2,392	1,727
	I	**43,703**	**42,900**
OTHER SHAREHOLDERS' EQUITY			
Undated subordinated notes		6,441	6,165
	II	**6,441**	**6,165**
PROVISIONS FOR RISKS AND CHARGES	**III**	**1,780**	**2,687**
LIABILITIES			
SUBORDINATED DEBT		**8,843**	**8,134**
FINANCIAL DEBT		**11,349**	**11,557**
OPERATING PAYABLES			
Tax payables		1	2
Social payables		-	-
OTHER PAYABLES			
Debt on fixed assets		129	129
Other		232	481
Cash instruments		-	-
Deferred income		7	10
	IV	**20,561**	**20,313**
PREPAYMENTS AND ACCRUED EXPENSE			
Unrealized foreign exchange gains		785	1,216
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**73,270**	**73,281**

INCOME STATEMENT

(In Euro million)		2014	2013
I. RESULT ON ORDINARY ACTIVITIES			
FINANCIAL & OPERATING REVENUES			
Dividends received from subsidiaries		3,342	3,189
Revenues on short-term investments		52	100
Other revenues		7	7
	I	**3,401**	**3,296**
OPERATING EXPENSES			
External expenses and other expenses		(440)	(350)
Tax expenses		(1)	(1)
Payroll and compensation		(3)	(8)
Interest expense		(1,154)	(1,163)
Allowances for depreciation of buildings and deferred charges		(15)	(15)
	II	**(1,613)**	**(1,537)**
Operating profit	**(III = I + II)**	**1,788**	**1,759**
Contribution on common operations	**IV**	**-**	**-**
FINANCIAL OPERATIONS ON SECURITIES			
Reversals to provisions for marketable securities		-	-
Net income on sale of short-term securities		(18)	2
Allowances to provisions for marketable securities		-	-
Investment result on securities	**V**	**(18)**	**2**
Profit on ordinary activities before tax	**(VI = III + IV + V)**	**1,770**	**1,761**
II. RESULT ON CAPITAL OPERATIONS			
Proceeds from the sale of fixed assets		110	98
Releases of provisions for risks and charges		12	29
Releases of equity securities provisions		132	45
Foreign exchange result		330	(332)
Net book value on the sale of fixed assets		(187)	(123)
Allowances to provisions for risks and charges		(93)	(144)
Allowances to equity shares provisions		(449)	(159)
Exceptional result		121	(6)
	VII	(24)	(592)
INCOME TAX BENEFIT/(EXPENSE)	**VIII**	**646**	**558**
III. NET INCOME FOR THE FINANCIAL YEAR	**VI + VII +VIII**	**2,392**	**1,727**

FINANCIAL RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
1 - CLOSING BALANCE SHEET SUMMARY					
a) Capital - Ordinary shares *(in Euro million)*	5,313	5,398	5,470	5,537	5,593
b) Ordinary shares *(numbers in million)*	2,320	2,357	2,389	2,418	2,442
c) Bonds convertible into ordinary shares *(numbers in million)* (a)	7	7	7	7	7
2 - INCOME STATEMENT SUMMARY (IN EURO MILLION)					
a) Gross revenues before sales tax	4,134	4,719	3,438	3,289	3,394
b) Pre-tax income from continuing operations, before depreciation, amortization and releases	2,529	2,992	1,850	1,776	1,785
c) Income tax expense/benefit	944	2,002	375	558	646
d) Net after-tax income after depreciation, amortization and releases	(488)	8,649	3,261	1,727	2,392
e) Net dividend distribution (b)	1,601	1,626	1,720	1,960	2,320
3 - PER SHARE DATA (IN EURO)					
a) After tax income, before depreciation, amortization and releases	0.69	3.98	0.65	0.81	1.00
b) After tax income, after depreciation, amortization and releases	(0.21)	3.67	1.37	0.71	0.98
c) Net dividend per share (c)	0.69	0.69	0.72	0.81	0.95

(a) Since January 1, 2007, AXA's 2017 bonds can still be converted, but any dilutive impact created by the issuance of new shares resulting from the conversion of the bonds is neutralized by the automatic exercise of call options on the AXA shares which have been put in place.

(b) Net dividend distribution of €1,960 million at year-end 2013 took into account shares issued after March 17, 2014 "AXA Miles 2012" capital increase with dividends rights starting January 1, 2013.

(c) Dividend proposed at year end 2014 is submited to the Shareholders' Meeting of April 30, 2015 and based on 2,442,276,677 outstanding ordinary shares.

STATEMENT OF CASH-FLOWS

(In Euro million)	December 31, 2014	December 31, 2013
CASH INFLOWS		
Profit on ordinary activities before tax	1,770	1,761
Result on capital operations before tax	(24)	(592)
Income tax expense/benefit	646	558
Changes in reserves and amortization	(560)	236
Cash flow for the year	**1,832**	**1,963**
Increases in shareholders' equity	366	442
New borrowings	4,369	1,830
Sale or decrease in fixed assets		
■ Intangible assets	-	-
■ Tangible fixed assets	-	-
■ Financial assets	4,416	1,847
TOTAL CASH INFLOWS	**10,983**	**6,082**
CASH OUTFLOWS		
Dividends paid out during the year	1,960	1,720
Repayments of financial debt	4,318	2,182
Purchase of fixed assets		
■ Intangible assets	-	-
■ Tangible fixed assets	-	-
■ Financial assets	3,872	968
Expenses amortized over several years	17	11
TOTAL CASH OUTFLOWS	**10,167**	**4,881**
Change in working capital	**816**	**1,201**
SHORT-TERM EQUIVALENTS		
Change in:		
■ operating receivables	(42)	(45)
■ operating payables	241	36
■ cash and cash equivalent	617	1,210
TOTAL	**816**	**1,201**

SUBSIDIARIES AND PARTICIPATING INTERESTS

(In Euro million)	Share capital	Other shareholders' equity	Percentage of capital held	Gross Book Value of securities held
	1	2	3	4
A. DETAILED INFORMATION CONCERNING SUBSIDIARIES AND INVESTMENTS ACCOUNTING FOR IN EXCESS OF 1% OF AXA'S SHAREHOLDERS' EQUITY				
1) Subsidiaries (at least 50%-owned)				
AXA ASIA	8,401	94	100,00%	8,413
21, avenue Matignon - 75008 PARIS				
AXA ASSISTANCE	52	11	100,00%	58
6, rue André Gide - 92320 CHATILLON				
AXA BANK EUROPE SA	681	576	100,00%	960
25, Boulevard du Souverain - 1170 BRUXELLES - Belgium				
AXA CHINA	317	(20)	51,00%	161
23, avenue matignon - 75008 PARIS				
AXA EQUITY AND LAW PLC	1	2,703	99,96%	1,133
5 Old Broad Street - LONDON EC2N 1AD - England				
AXA FRANCE ASSURANCE	452	3,999	100,00%	4,315
26, rue Drouot - 75009 PARIS				
AXA GENERAL INSURANCE	137	(13)	99,61%	217
395-70, Shindaebang-dong, Dongjak-gu - SEOUL - South Korea				
AXA GLOBAL LIFE	11	10	100,00%	85
40, rue du Colisée - 75008 PARIS				
AXA GLOBAL P&C	176	74	95,04%	217
9, avenue de Messine - 75009 PARIS				
AXA GROUP SOLUTIONS	-	104	100,00%	158
23, avenue Matignon - 75008 PARIS				
AXA HOLDINGS BELGIUM	453	1,355	100,00%	4,493
25, Boulevard du Souverain - 1170 BRUXELLES - Belgium				
AXA HOLDING MAROC	216	67	100,00%	229
120-122, avenue Hassan II - 21000 CASABLANCA - Morocco				
AXA INVESTMENT MANAGERS	53	859	78,96%	1,551
Cœur Défense - Tour B - La Défense 4 - 100 Esplanade du Général de Gaulle - 92932 PARIS LA DEFENSE				
AXA LIFE INSURANCE COMPANY CO Ltd	546	1,163	78,92%	2,901
NBF Platinium Tower 1-17-3 Shirokane - Minato-ku 108 - 8020 TOKYO - Japan				
AXA LIFE EUROPE	100	1,070	100,00%	1,339
Guild House - Guild Street - IFSC - DUBLIN 1 - Ireland				
AXA LIFE INVEST SERVICES	120	(90)	100,00%	120
Guild House - Guild Street - IFSC - DUBLIN 1 - Ireland				

(a) For Insurance companies: gross written premiums. For real estate companies: rental revenues. For holding companies: dividends. For financial services companies: gross banking revenues.
(b) Consolidated data.

Net Book Value of securities held	Loans and cash advances given by the Company still outstanding	Guarantees and commitments given by the Company under commitments made by subsidiary/ participation	Last closing revenues available [(a)]	Last closing result available	Dividends received	Closing date and other observations
5	6	7	8	9	10	11
8,413	-	-	161	122	-	December 31, 2014
58	-	-	56	4	-	December 31, 2014
960	-	-	408	159	-	December 31, 2014
161	-	-	-	1	-	December 31, 2014
1,133	-	-	-	-	-	December 31, 2014
4,315	-	-	1,314	1,295	1,326	December 31, 2014
217	-	-	506	(3)	-	December 31, 2014
18	-	-	48	(4)	1	December 31, 2014
217	-	-	2,226	21	3	December 31, 2014
104	3	-	222	1	3	December 31, 2014
4,493	-	-	189	(143)	176	December 31, 2014
229	-	-	52	51	44	December 31, 2014
1,551	54	97	75	281	154	December 31, 2014
2,901	-	-	3,620	337	114	December 31, 2014
1,339	-	2,663	-	-	-	December 31, 2014
10	6	-	23	(18)	-	December 31, 2014

A

(In Euro million)	Share capital	Other shareholders' equity	Percentage of capital held	Gross Book Value of securities held
	1	2	3	4
AXA MEDITERRANEAN HOLDING	147	3,577	100,00%	4,076
Calle monseñor Palmer numéro 1 - PALMA DE MALLORCA - Balearic Islands				
AXA PORTUGAL COMPANHIA DE SEGUROS	37	7	83,01%	72
Rua Gonçalo Sampaio 39 - 4002-001 PORTO - Portugal				
AXA LIFE INVEST REINSURANCE	72	353	100,00%	432
Guild House - Guild Street - IFSC - DUBLIN 1 - Ireland				
AXA TECHNOLOGY SERVICES	25	9	99,78%	73
Les collines de l'Arche - 76 route de la Demi Lune 92057 PARIS LA DEFENSE				
AXA UK PLC (b)	1,969	4,646	53,12%	4,556
5 Old Broad Street - LONDON EC2N 1AD - England				
AXA VERSICHERUNGEN AG	140	1,819	100,00%	5,171
General Guisan-str, 40 - CH-8401 WINTERTHUR - Swizerland				
CFP MANAGEMENT	1	2	100,00%	140
21, avenue Matignon - 75008 PARIS				
COLISEE RE	151	191	100,00%	676
40, rue du Colisée - 75008 PARIS				
FAMILY PROTECT	171	(62)	100,00%	172
21, avenue Matignon - 75008 PARIS				
FINANCE SOLUTIONS	270	(125)	100,00%	273
21, Boulevard Grande-Duchesse Charlotte - L-1331 Luxembourg				
HOLDING VENDOME 3	-	-	100,00%	159
21, avenue Matignon - 75008 PARIS				
OUDINOT PARTICIPATIONS	9,151	3,657	100,00%	12,299
21, avenue Matignon - 75008 PARIS				
SOCIETE BEAUJON	37	685	99,99%	1,051
21, avenue Matignon - 75008 PARIS				
VINCI B.V.	1,439	651	100,00%	4,285
Graadt van Roggenweg 500 - Postbus 30800 3503 AP UTRECHT - Netherlands				
2) Participating interests (10 to 50%-owned)				
AXA HOLDING AS	443	8	16,76%	112
Meclisi Mebusan cadn° 15 - Salipazari 80040 ISTANBUL - Turkey				
AXA KONZERN AG	80	1,583	34,63%	2,120
Colonia Allee, 10-20 - 51067 KOLN - Germany				
LOR MATIGNON	8	133	28,60%	57
100 , Esplanade du Général De Gaulle - Cœur Défense Tour B 92400 COURBEVOIE				
RESO GARANTIA (RGI Holdings B.V.)	-	304	39,34%	805
Ul, Svetlanskaya, 250/1, Vladivostok,Primorsky Territory Far Eastern federal district, 690000 Russian Federation				
Sub-total A				**62,879**

(a) For Insurance companies: gross written premiums. For real estate companies: rental revenues. For holding companies: dividends. For financial services companies: gross banking revenues.
(b) Consolidated data.

Net Book Value of securities held	Loans and cash advances given by the Company still outstanding	Guarantees and commitments given by the Company under commitments made by subsidiary/ participation	Last closing revenues available [(a)]	Last closing result available	Dividends received	Closing date and other observations
5	6	7	8	9	10	11
4,076	-	431	96	(14)	9	December 31, 2014
72	-	-	287	(41)	1	December 31, 2014
402	-	-	-	(1)	-	December 31, 2014
37	-	-	222	3	-	December 31, 2014
4,556	520	1,660	-	286	-	December 31, 2014
5,171	-	-	2,756	642	600	December 31, 2014
4	-	-	-	-	2	December 31, 2014
423	-	-	4	14	41	December 31, 2014
172	-	-	14	(34)	-	December 31, 2014
273	-	-	-	155	154	December 31, 2014
-	-	-	-	-	-	December 31, 2014
12,299	-	-	-	-	-	December 31, 2014
996	150	103	74	49	-	December 31, 2014
4,285	-	-	342	345	485	December 31, 2014
112	-	-	-	-	-	December 31, 2014
2,120	-	-	476	414	166	December 31, 2014
51	-	-	13	5	1	December 31, 2013
468	-	-	1,349	(362)	-	December 31, 2014
61,636	**733**	**4,954**	**14,533**	**3,565**	**3,280**	

A

	Share capital	Other shareholders' equity	Percentage of capital held	Gross Book Value of securities held
(In Euro million)	**1**	**2**	**3**	4
B. GENERAL INFORMATION ABOUT OTHER UNITS AND PARTICIPATING INTERESTS				
1) Subsidiaries not shown in section A				
a) French subsidiaries (total)				73
b) Foreign subsidiaries (total)				180
2) Participating interests not shown in section A				
a) in French companies (total)				72
b) in foreign companies (total)				81
TOTAL (A+B)				**63,285**

(a) For Insurance companies: gross written premiums. For real estate companies: rental revenues. For holding companies: dividends. For financial services companies: gross banking revenues.
(b) Consolidated data.

Net Book Value of securities held	Loans and cash advances given by the Company still outstanding	Guarantees and commitments given by the Company under commitments made by subsidiary/participation	Last closing revenues available [(a)]	Last closing result available	Dividends received	Closing date and other observations
5	6	7	8	9	10	11
55	5	7	-	-	-	
129	-	-	-	-	56	
67	-	-	-	-	-	
38	20	-	-	-	1	
61,925	**758**	**4,961**	**14,533**	**3,565**	**3,337**	

Notes to the financial statements as at December 31, 2014

Net income

Net income for the fiscal year ended December 31, 2014 was €2,392 million against €1,727 million at year end 2013. This result reflected an exchange-rate gain of €330 million against a foreign-exchange loss of €332 million in 2013 and an impairment loss of €337 million on RGI Holdings BV (RESO GARANTIA) shares.

1. HIGHLIGHTS

The significant account movements are presented in the tables in these notes.

2. ACCOUNTING PRINCIPLES

2.1 General principles

The financial statements as at December 31, 2014 are prepared and presented in accordance with the provisions of the 2014 Chart of Accounts (regulation ANC n°2014-03 dated June 5, 2014).

Since January 1, 2011, AXA has applied the hedge accounting rules to hedge foreign-exchange risk applicable to investments in subsidiaries and affiliates.

Since January 1, 2005, AXA has applied regulations CRC 2002-10 relating to depreciation and amortization of assets (amended by regulations CRC 2003-07 and CRC 2005-09), and CRC 2004-06 relating to the definition, recognition and measurement of assets, repealed and replaced by regulation ANC n °2014-03 chapter "*titre II, chapitre I Actifs non financiers*" ; application of these regulations has had no impact on the Company's financial statements.

In accordance to regulation CRC 2008-15, repealed and replaced by regulation ANC n°2014-03 chapter "*titre VI, chapitre II, section 4 Plans d'options d'achat ou de souscription d'actions et plans d'attribution d'actions gratuites aux salariés*" (especially Articles 624-15 and 624-16) and chapters "*titre IX, chapitre IV, section 5 Comptes financiers*" (especially Article 945-50) treasury shares are recorded in "Marketable securities". At December 31, 2014 49,719 shares were allocated to hedging purposes, representing €0.9 million.

The application of regulations relating to the accounting treatment of stock options (subscription and purchase) and performance shares/units (free shares granted to employees and subject to performance conditions) had no impact on the Company's financial statements (regulation ANC n°2014-03 chapter "*titre VI, chapitre II, section 4 Plans d'options d'achat ou de souscription d'actions et plans d'attribution d'actions gratuites aux salariés*").

Find below a summary of options and performances or units shares granted in 2014 and 2013 to members of the Management Committee paid by the Company:

(In Euro)	Year 2014		Year 2013	
	Value of options granted during the year	Value of performance shares and performance units granted during the year	Value of options granted during the year	Value of performance shares granted during the year
Henri de Castries	275,900	1,580,393	216,320	1,568,712
Denis Duverne	275,900	1,252,624	216,320	1,255,752
Nicolas Moreau	119,438	510,942	112,640	516,384

Stocks options, performance shares and performance units plans are described in Part 2 – Section 2.2 "Full disclosure on executive compensation and share ownership" of this Annual Report.

2.2 Presentation of the financial statements

BALANCE SHEET

Intangible assets include concessions, patents, brands and software.

Tangible assets include investments in real estate, split between land and buildings, as well as fixtures and fittings.

Financial assets consist in (i) investments in and receivables from subsidiaries and affiliates and (ii) other financial assets and loans.

Securities are classified using the following criteria:

- investments in subsidiaries and affiliates are securities representing at least 10% of the share capital of the issuing company plus those which the Company deems held for the long term;
- other financial assets comprise securities representing less than 10% of the share capital and which are not investments in subsidiaries and affiliates.

INCOME

The income statement distinguishes between ordinary operations and capital operations:

- ordinary operations include dividends, revenues from other investments, financial expenses, operating expenses and income from transactions in investments;
- capital operations include gains or losses on the disposal of investments in subsidiaries and affiliates and portfolio management investments, impairment charges and reversals in respect of these securities and related receivables, gains and losses arising from exchange rate movements, charges and reversals of provisions for risks and charges, and exceptional income and expense;
- disposals of investments in subsidiaries and affiliates are measured using the weighted average unit cost method.

To improve the transparency of the financial statements, (i) charges and releases of provisions for exchange rate risk are recognized in foreign exchange result, and (ii) charges and reversals of provisions for tax repayment risk are recognized in income tax benefit/expense.

2.3 Intangible assets

Intangible assets totaled €347 million. They mainly included the AXA brand contributed by FINAXA as part of the 2005 merger and valued at €307 million at the time based on brand royalties billed to Group subsidiaries and to the Mutuelles AXA.

2.4 Tangible assets

Tangible assets are recognized at acquisition cost or transfer value. Buildings are depreciated using the straight line method over fifty years, and fitting work is depreciated over five or ten years as appropriate.

2.5 Financial assets

Financial assets are measured at acquisition cost or transfer cost. At the balance sheet date, the acquisition cost is compared to the fair value, and the lower of these two values is then recognized in the balance sheet.

The fair value of investments in subsidiaries and affiliates is their going concern value for the firm. This may be determined as a function of (i) their share price, or (ii) their shareholders' equity (including unrealized gains) or (iii) prospects for the subsidiary.

This multi-criteria analysis reflects the long-term nature of AXA's ownership in these subsidiaries and excludes factors relating to short-term market volatility. Net book value is compared with the going concern value, which is the value of the assets and expected profits of existing and new business, taking into account the entity's future prospects. The value of future profits is estimated on the basis of calculations of the European Embedded Value of the Life & Savings business published by the Group, or similar calculations for other activities.

For other investments, the fair value is the share price for listed securities and the likely trading value for unlisted securities.

2.6 Receivables

Receivables are measured at nominal value. An impairment provision is charged in the event of risk of non-recovery.

2.7 Marketable securities

At the balance sheet date, the acquisition cost is compared to the fair value, which corresponds to the exit value for SICAV and FCP Mutual funds and to the average share price over the last month before the balance sheet date for the other securities.

2.8 Prepayments and accrued income

Deferred charges correspond to debt issue costs, which are spread over the lifetime of the issue or for a maximum of 10 years when the debt has no predetermined maturity.

2.9 Subordinated bonds

The Company has issued two subordinated bonds:

- 2.5% bonds, reimbursed at maturity January 1, 2014;
- 3.75% bonds, maturity January 1, 2017: 6,613,129 bonds with a par value of €165.50 and a redemption value of €269.16 were in circulation at December 31, 2014. The redemption premium amounts to €688 million.

These bonds have been recognized using the single transaction approach. The redemption premium, being the difference between the value at par and the redemption value of the bond issue, was not recognized as a liability at the time of the bond issue. Redemption premium have been amortized since 2002 and will be until maturity of the issue, using the compound interest method. The yield to maturity used (3.29%) is the rate which enables future payment of the redemption premium, assuming the bond was issued on January 1, 2002.

The charge for the year ending December 31, 2014 amounted to €53 million, and the existing provision at December 31, 2014 is €577 million. The unamortized balance of €112 million was recognized as an off-balance sheet commitment.

On January 11, 2007, the meeting of holders of AXA's 2017 convertible bonds were held to vote on an amendment of the final conversion dates of the bonds to January 26, 2007 in exchange for a cash payment in respect of the value of the conversion option.

The General Meeting did not approve the amendment. As a result, to fully neutralize the dilution impact of the 2017 convertible bonds, AXA bought call options on AXA shares with an automatic exercise mechanism from a bank counterparty for a total cash amount equivalent to the payment proposed to bondholders. This €96 million premium is to be amortized over the residual ten-year term of the bond. At December 31, 2014, the remaining amount to be amortized was €19 million.

2.10 Employee benefits

Employee benefit liability was reviewed and a valuation was carried out to measure any additional adjustment necessary to ensure the coverages of future post-retirement pension obligations and retirement indemnities commitments. Pursuant to this review and following €27 million contributions made to an external institution to fund the related obligations, the employee benefit liability recognized at December 31, 2014 was nil.

2.11 Unrealized foreign exchange gains/ losses

Foreign currency receivables and liabilities are adjusted at the balance sheet date exchange rate. The matching item for this adjustment is a translation variance asset account when the difference is an unrealized loss, and a translation variance liability account when it is an unrealized gain. These items do not flow through the income statement but a provision for foreign exchange risk is made to recognize unrealized losses relating to the translation variance asset.

When a loan or borrowing generates an unrealized translation loss, but is hedged, a provision for unhedged risk is registered.

2.12 Derivative products

- Interest rate swaps: these transactions are recognized by applying the accrued interest method. A distinction is made in the income statement and balance sheet between income from the principal transaction, which is the subject of the swap, and the net income from the swap transaction. The nominal value of the swaps serving as bases for interest rate swaps is recognized off-balance sheet.
- Derivative products qualifying as hedges against foreign exchange risk (exchange rate or currency swaps, currency futures) are recognized off-balance sheet as a reciprocal liability and receivable commitment. For currency options, the premium paid on acquisition is recognized as an asset on the balance sheet in the 'cash instruments' account. When the option is exercised, the premium is recorded in the income statement. The same is true when the option is not exercised at term. For option sales, a provision for risks and charges is recognized to take into account the unrealized loss. Other derivative instruments are recognized off-balance sheet at their nominal value. Unrealized losses arising from the estimated market value of these financial instruments give rise to recognition of a provision for foreign exchange loss when the hedge accounting can not be applied.
- Equity derivative products: equity option rights paid or received are posted in a suspense account on payment or receipt of funds. At the balance sheet date, if the option has not been exercised, the rights received, representing possible income, are not recognized in the income statement. A provision is created against rights paid if it is likely, given market trends, that the option will not be exercised. When the option is exercised, this represents an addition to the acquisition price of the underlying instrument and an addition to the sale price when the option is sold.

2.13 Other shareholders' equity

Undated deeply subordinated notes are classified as "Other shareholders' equity" when, like for ordinary shares, there is no contractual obligation to remit cash or any other financial assets.

Other shareholders' equity included undated deeply subordinated notes amounting to €6,441 million, compared to €6,165 million in 2013, owing to €298 million in negative foreign-exchange effects.

2.14 Provisions for risks and charges

The Company is the head of a French tax consolidation regime group. The tax consolidation regime provides that tax savings should be recognized directly in the Company's financial statements. However, a provision for the return of tax savings is recognized when there is a high probability that the benefit will accrue to subsidiaries as a result of the prospect of future taxable income resulting from the Group's strategic planning.

3. NOTES TO THE BALANCE SHEET

3.1 Movements in intangible assets

This account includes the AXA brand, transferred by FINAXA at the time of the merger in 2005, and valued at €307 million. It also includes €40 million relating to the capitalization of software costs.

3.2 Movements in financial assets (before provisions)

(In Euro million)	Gross value at December 31, 2013	Acquisitions	Disposals/ Translation variance and accrued interests	Gross value at December 31, 2014
Investments in subsidiaries [(a)]	66,498	1,278	3,832	63,944
Receivables from subsidiaries [(b)]	124	3,749	351	3,522
Other financial assets [(c)]	2,261	-	1,314	947
Loans	46	27	39	34
TOTAL	**68,929**	**5,054**	**5,536**	**68,447**

(a) The net decrease of €2,554 million is explained by:

- *€2,430 million capital reduction of Finance Solution, an intra-group treasury financing company, as intra-group loans are now granted directly by AXA SA;*
- *a €336 million capital reduction of AXA Life Insurance Co., Ltd (Japan) given its surplus capital,*

partly offset by:

- *respectively €180 million, €54 million and €51 million increases in capital of AXA Asia, Family Protect and AXA China to foster the development of their businesses;*
- *a €135 million capital increase in AXA Bank Europe to strengthen its solvency.*

(b) The net increase of €3,398 million was primarily attributable to $3,294 million in loans granted to US entities (€2,645 million), £405 million (€511 million) to AXA UK Plc, and €150 million to Société Beaujon.

(c) The decrease of €1,314 million is mainly attributable to margin calls paid to bank counterparties under collateral agreements linked to the management of derivative instruments, which amounted to €727 million at end-2014, compared with €2,059 million at end-2013.

3.3 Movement in provisions for impairment of financial assets

(In Euro million)	Provisions at December 31, 2013	Allowances	Releases	Provisions at December 31, 2014
Investments in subsidiaries [(a)]	1,049	434	125	1,358
Receivables from subsidiaries	1	-	-	1
Other financial assets	60	15	-	75
TOTAL	**1,110**	**449**	**125**	**1,434**

(a) €434 million in allowances to provisions for subsidiaries mainly due to €337 million on RGI Holdings BV (RESO GARANTIA) shares due to deteriorated economic perspectives in Russia and depreciation of the Ruble and also €29 million on AXA Insurance shares (Ukraine).

3.4 statement of receivables by maturity

(In Euro million)	Gross value at December 31, 2014	Less than 1 year	1 to 5 years	More than 5 years
Receivables on affiliates	3,522	684	565	2,273
Tax receivables	401	313	88	-
Loans	34	3	-	31
Miscellaneous receivables and currents accounts with subsidiaries	135	135	-	-
TOTAL	**4,092**	**1,135**	**653**	**2,304**

3.5 Miscellaneous receivables and subsidiaries' current accounts

(In Euro million)	
Income receivable	14
Miscellaneous debtors	25
Accrued interest on *swaps*	23
Subsidiaries' current accounts	73
TOTAL	**135**

3.6 Expenses payable over more than one period

(In Euro million)	Gross value at December 31, 2014	Amount amortised at December 31, 2013	Charge and increase for the period	Net value at December 31, 2014
Bond issue expenses	116	104	1	11
Other debt issue expenses	103	69	12	22
Investment acquisition expenses	71	71	-	-
TOTAL	**290**	**244**	**13**	**33**

Starting January 1, 2007, acquisition expenses on investments in affiliates are capitalized (included in the purchase price) and are subject to amortization over five years.

3.7 Unrealized foreign exchange losses

Unrealized foreign exchange losses amounted to €2,448 million, of which €2,072 million related to the deferred recognition of foreign-exchange losses in line with the principles of hedge accounting, offset by unrealized gains on investments subsidiaries.

3.8 Share capital

The Company's share capital is represented by 2,442,276,677 shares with a par value of €2.29, giving a total value of €5,592,813,590.33 at December 31, 2014. These shares were all entirely subscribed and paid with rights from January 1, 2014.

3.9 Movement in shareholders'equity

(In Euro million)	Year ending December 31, 2013	Year ending December 31, 2014
Net income	1,727	2,392
Per share	0.71	0.98
Movement in shareholders' equity compared to opening balance	451	803
Per share	0.19	0.33
Proposed dividend [(a)]	1,960	2,320
Per share	0.81	0.95

(a) Net dividend distribution of €1,960 million took into account shares issued after March 17, 2014 «AXA Miles 2012» capital increase with dividends rights starting January 1, 2013. Proposed dividend at year end 2014 is submited to Shareholders' Meeting of April 30, 2015.

(In Euro million)	
Equity at December 31, 2013	**42,900**
Capital increase for employees	313
Exercise of equity instruments	53
Dividends paid out	(1,960)
Net income for the period	2,392
Tax driven provision and others	5
Equity at December 31, 2014	**43,703**

3.10 Other shareholders'equity

Other shareholders' equity amounted to €6,441 million, compared to €6,165 million at the end of 2013.

(In Euro million)	Value at December 31, 2013	Issues	Translation variance/ accrued interests	Value at December 31, 2014
Undated deeply Subordinated Notes (nominal)	6,058	-	298	6,356
Accrued interests	107	-	(22)	85
TOTAL	**6,165**	**-**	**276**	**6,441**

3.11 Provisions for risks and charges

(In Euro million)	Value at beginning of period	Allowances for the period	Releases for the period (provisions used)	Releases for the period (provisions not used)	Value at end of period
Provisions for deferred taxes [(a)]	384	53	16	-	421
Provision for foreign exchange losses	612	-	101	-	511
Other provisions for risks [(b)]	562	58	349	-	271
Amortization of convertible bond redemption premiums	1,129	53	605	-	577
TOTAL	**2,687**	**164**	**1,071**	**-**	**1,780**

(a) The €421 million provision for deferred taxes at end of the period includes €410 million of provisions for the possible repayment of tax savings to subsidiaries belonging to the French tax consolidation group.

(b) Release primarily concern provision for unrealized losses on derivatives for €305 million.

3.12 Subordinated debt

(In Euro million)	Value at December 31, 2014	Less than one year	1 to 5 years	More than 5 years
Undated subordinated debt	186	-	-	186
Undated subordinated EMTN	2,634	-	-	2,634
Convertible Subordinated bonds 3,75% 2017	1,094	-	1,094	-
Subordinated bonds 5,25% 2040	1,300	-	-	1,300
Subordinated bonds 5,125% 2043	1,000	-	-	1,000
Subordinated bonds 5,625% 2054 (£)	963	-	-	963
Redeemable subordinated bonds 8,60% 2030 ($)	1,030	-	-	1,030
Redeemable subordinated bonds 7,125% 2020 (£)	417	-	-	417
Subordinated EMTN 2023	10	-	-	10
Accrued interests	209	209	-	-
TOTAL	**8,843**	**209**	**1,094**	**7,540**

Subordinated debt totaled €8,843 million, compared to €8,134 million in 2013. This €709 million increase was primarily attributable to the debt issuances of £750 million (€910 million) in January 2014 and €1 billion in May 2014 and a €324 million negative currency effect, partly offset by the maturity of a €1,516 million of nominal subordinated bond value in January 2014.

The perpetual subordinated notes are undated bonds. The Company has the option of deferring payment of the coupons under certain conditions. Nonetheless, the coupons must be paid when these conditions cease to be met or on redemption of the instruments. When payment is deferred for an extended period, the coupons remain payable by law. Similarly, in the absence of dividends being paid, unpaid coupons accumulated over the years will be recognized as payable upon liquidation, if any. These instruments are classified as debt on the basis of this contractual obligation to pay the coupons.

3.13 Financial debt

(In Euro million)	Value at December 31, 2014	Less than one year	1 to 5 years	More than 5 years
Euro Medium Term Notes	1,350	1,000	350	-
Bonds	7,172	-	810	6,362
Loans granted by Group entities	2,661	500	612	1,549
Accrued interests	166	166	-	-
TOTAL	**11,349**	**1,666**	**1,772**	**7,911**

Financial debts came to €11,349 million, versus €11,557 million at December 31, 2013, representing a reduction of €208 million mainly due to loan repayments to AXA Group entities.

3.14 Statement of operating payables

(In Euro million)	Value at December 31, 2014	Less than 1 year	1 to 5 years
Debt on fixed assets [(a)]	129	129	-
Other payables, including tax and social payables [(b)]	232	232	-
TOTAL	**361**	**361**	**-**

(a) Debt relating to non-current assets totaled €129 million and included shares issued by entities but not yet fully paid, including €75 million for AXA Life Europe and €54 million AXA Reinsurance Ireland.

(b) Of which €223 million of expenses payable.

3.15 Unrealized foreign exchange gains

Unrealized foreign exchange gains amounted to €785 million at year end 2014, down from €1,216 million at December 31, 2013. This item reflects the effects derived from the revaluation of foreign-currency denominated assets and liabilities at the closing exchange rate. It declined compared to 2013 due to Pound Sterling and US Dollar exchange rate trends, which adversely impacted liabilities.

4. NOTES TO THE STATEMENT OF INCOME

4.1 Executive remuneration

- Directors' fees allocated to members of the Board of Directors K€1,450.
- Other remuneration (net of recharging) K€3,408.

The Company had 3 employees or executive officers at the balance sheet date.

4.2 Income tax

(In Euro million)	Income before tax	Tax benefit/ expense *	Net income
Ordinary income [(a)]	1,770	-	1,770
Income from capital operations	(24)	-	(24)
Income tax expense [(b)]	-	646	646
TOTAL	**1,746**	**646**	**2,392**

** A positive sign indicates tax benefit.*

(a) Dividends received from investments in subsidiaries with more than 5% ownership for more than 2 years are tax-exempt, apart from a share of the costs and charges equal to 5% (application of the French CGI Article 216).

(b) The corporate income tax benefit amounted to €646 million, compared with a tax benefit of €558 million in 2013. It mainly included €762 million of tax receivables from members of the tax consolidation group in France, offset partially by the €59 million payment related to the French tax of 3% on dividends paid to shareholders and €47 million allowances to provision for the risk of tax repayments.

5. OFF-BALANCE SHEET COMMITMENTS

(In Euro million)	Notional value (Commitments given)	Market value
FINANCIAL FUTURES INSTRUMENTS	**91,646**	**(906)**
Foreign exchange Forward	**3,334**	**(264)**
Swaps	**83,472**	**(792)**
Interest rate swaps	59,888	(445)
Cross Currency swaps (long term)	14,436	(371)
Foreign Exchange swaps (short term)	8,324	(20)
Equity swap	824	44
Options	**4,840**	**150**
Equity options	1,786	-
Foreign Exchange Options	3,049	150
Floor	5	-
Other commitments	**Commitments given**	**Commitments received**
Credit facilities (authorized but not drawn)	**2,306**	**12,750**
Guarantees and securities:		
Commitments to buy back shares and bonds from Group entities	45	-
Other commitments	19,798	-
Of which financial guarantees given to Group entities	13,469	-
Subordinated convertible bond redemption premium (see § 2.9 of this note)	**112**	-

6. SENSITIVITY

By virtue of its business, the Company is mainly exposed to interest rate and exchange rate risks.

The table below shows an estimate of changes in the fair value of debt, loans and hedging instruments in the event of a 1% rise in the interest rate curve or a 10% depreciation of the Euro.

Sensitivity *(In Euro million)*	Change in fair value — Interest rates: +100 bps (1)	Change in fair value — Depreciation of the Euro: 10% (2)
Debt (a)	5.7%	-3.9%
Derivatives (b)	-29.3%	-18.6%
Loans (c)	-0.4%	7.9%

(a) External and internal debts.
(b) Both eligible and not eligible derivatives.
(c) External and internal loans.
(1) A 100 bps rise in interest rates leads to a 5.7% improvement in the fair value of debt, a -29.3% deterioration in the fair value of derivatives, and a -0.4% deterioration in the fair value of loans.
(2) A 10% depreciation of the Euro leads to a -3.9% deterioration in the fair value of debt, a -18.6% deterioration in the fair value of derivatives and a 7.9% improvement in the fair value of loans.
The information on fair value presented above should be used with care:

- *since these estimates are based on the use of measurements such as interest rates and spreads at the balance sheet date; such measurements may fluctuate over time;*
- *and because there are a number of possible ways to perform these calculations.*

The information used for calculating the fair value of financing debt is market prices at the end of the period, using (i) market rates for each currency, (ii) AXA's average spread by maturity and for the main currencies, distinguishing between subordinated debt and senior debt, and (iii) options included in issue contracts, such as issuer redemption options.

This note does not omit any material commitment or any which might become material in the future.

7. OTHER INFORMATIONS *(IN EURO MILLION)*

7.1 Affiliated companies

Affiliated companies (consolidated entities) (value net of provisions for impairment) *(In Euro million)*

Investments	62,351
Of which:	
■ AXA Asia	8,413
■ AXA Konzern AG	2,120
■ AXA France Assurance	4,315
■ AXA UK Plc	4,556
■ AXA Holdings Belgium	4,493
■ Oudinot Participations	12,299
■ AXA Life Insurance co, Ltd	2,901
■ Vinci BV	4,285
■ AXA Equity & Law Plc	1,133
■ AXA Mediterranean Holding	4,076
■ AXA Versicherungen AG	5,171
■ AXA Belgium	610
■ AXA Bank Europe	960
■ AXA Investment Managers	1,551
■ AXA Life Europe	1,339
■ Société Beaujon	996
Receivables towards related companies	3,801
Payables toward related companies	10,558
Financial income and expense in respect of affiliates	
Financial expense	260
Financial income	3,355

7.2 Related parties

None of the transactions operated by related parties, that are still outstanding at year end or that occurred during the course of the year, account for the distinctive characteristics of transactions to be disclosed in accordance with the ANC regulations n° 2014-03 (Article 831-3).

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Régnault
92400 Courbevoie

Report of the Statutory Auditors on the Company's financial statements
(For the year ended December 31, 2014)

AXA SA
25, Avenue Matignon
75008 Paris

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of AXA SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II – Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- financial assets are valued using the methods applying to each category and described in paragraph 2.5 of the notes to the financial statements.

  We assessed whether the impairment tests performed by the Company, depending on the situation regarding investments and the volatility of financial markets, are appropriate and we also assessed the reasonableness of the resulting provisions. Regarding investments, for which impairment is based on the value-in-use and the intent to hold the investments, we assessed the data used in order to determine the value-in-use of the main investments in the portfolio and obtained confirmation of the intent to hold them;
- in accordance with the policies described in paragraph 2.9 of the notes to the financial statements, provisions are recorded at the year-end for redemption premiums on convertible bonds issued by the Company whenever the prevailing stock price is lower than the discounted redemption value of the underlying note. We reviewed the reasonableness of the assumptions used to calculate these provisions, as regards stock market volatility and the maturities of outstanding convertible bonds issued by the Company;

- derivatives used by your Company are assessed pursuant to the rules contained in paragraph 2.12 of the notes to the financial statements. We checked that the implementation of hedge accounting, if applicable, was documented. In all other cases, we verified that adequate provisions were recorded for the unrealized losses.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management Report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

As required by law, we have verified that the information pertaining to the identity of holders of share capital or voting rights and to reciprocal participations has been duly disclosed in the aforementioned Board of Directors' report.

Neuilly-sur-Seine and Courbevoie, March 25, 2015

The Statutory Auditors

*French original signed by**

PricewaterhouseCoopers Audit	Mazars
Michel Laforce – Xavier Crépon	Philippe Castagnac – Gilles Magnan

* *This document is the English translation of the original legal statutory audit report which is, by law, prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information therein, the original language version takes precedence over this translation. This English version should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.*

APPENDIX VI GROUP EMBEDDED VALUE

The information is disclosed in the “Embedded Value 2014 report” which is available on AXA Group website under Investor Relations/Results and Reports/Earnings presentations.

APPENDIX VII SOCIAL AND ENVIRONMENTAL INFORMATION

In accordance with the provisions of the Articles L.225-102-1 and R.225-104 of the French Commercial Code, the following information describes the manner in which the Company takes into account the social, societal and environmental impacts of its business.

Additional information about the AXA Group's corporate responsibility-related policies and practices is available in the "Activity and Corporate Responsibility Report", in the "Social Data Report" and on the AXA Group's website (www.axa.com), in particular in the "Corporate Responsibility" section.

Reporting certification, evaluation and ratings

PricewaterhouseCoopers Audit, one of AXA SA's Statutory Auditors, appointed as an independent third party, presents in their assurance report attached at the end of this appendix, their attestation of completeness on the consolidated social, environmental and societal information disclosed in the Company's management report prepared for the year ended December 31, 2014 Pursuant to Article L.225-102-1 of the French Commercial Code as well as reasoned opinion on the fairness of the Information.

The Group's environment social and governance (ESG) performance is also evaluated by specialized rating agencies. The Group ranks above average in its industry and is also included in international ethical indices.

All Environmental, Social and Governance ratings are available on www.axa.com/en/responsibility/strategy-commitments/sri/

Institutional commitments

In 2012, the AXA Group joined two major initiatives in the area of corporate responsibility: (1) the Group is a founding signatory to the UN Principles for Sustainable Insurance, a voluntary framework to integrate environmental, social and governance criteria into the insurance business; (2) the Group signed the UN Principles for Responsible Investment (UN PRI), a voluntary framework to integrate environmental, social and governance criteria into the investment value chain. Both AXA Investment Managers and AllianceBernstein were already UN PRI members.

SOCIAL INFORMATION

AXA strives to be a responsible employer, placing employee engagement at the heart of its business strategy. Achieving this has meant creating a workplace built on AXA's values which foster diversity and equal opportunities for all, promote employee participation, encourage professional development and support employee wellbeing. For additional and more comprehensive information, refer to the 2014 "Social Data Report".

Workforce size

AXA's overall salaried workforce on December 31, 2014, was 116,034 employees (open-ended and fixed-term contracts), which represents an increase of 2.8% compared to 2013. The majority of this increase is due to the acquisition of 51% of Colpatria's insurance operations in Colombia (81.4% as a proportion on total increase).

The footprint of AXA's salaried workforce in 2014 was: 62.6% in Europe (vs. 65.1% in 2013), 20.1% in Asia-Pacific (vs. 20.0% in 2013), 13.7% in the Americas (vs. 11.4% in 2013) and 3.6% in Africa (vs. 3.5% in 2013).

AXA continued to recruit in 2014 and hired more than 17,000 employees on open-ended contracts (excluding entries due to mergers and acquisitions), of which 4,200 were sales employees. Out of that total number of hires, more than 450 persons were re-hires into the Company.

Employee relations and collective bargaining

Effective labor-management communications and social dialogue pave the way for the stability which is needed to implement the Group's business development strategy. Each AXA Group entity therefore engages with staff or their representatives for communications on a regular basis. AXA has also set up a European Works Council (EWC), whose extensive role goes beyond regulatory requirements. The EWC is made up of staff representatives from AXA's largest European entities, who meet in order to receive and exchange information on the social, strategic and economic issues that concern the Group and maintain an ongoing dialogue between employees and management.

In June 2009, a Group EWC agreement (available at www.axa.com) was concluded in order to guarantee a high level of social dialogue. AXA holds two EWC plenary meetings a year as well as monthly sessions, held by 12 members of the EWC, to stay abreast of labor and economic developments in each country.

The majority of the Group's employees are covered by the EWC's framework agreement. Other affiliates outside the scope of the EWC have also developed social dialogue agreements, but these are not monitored at Group level. More generally beyond Europe, the Group strives to ensure that employees are fairly represented in all major countries where it is present. In addition to the work of the EWC, numerous collective bargaining agreements are signed on a local basis.

Headcount adjustments, mobility and related measures

THE CONDUCT OF RESTRUCTURING

The aforementioned Group EWC agreement commits the Group to a certain number of measures in favor of employees when major organizational changes impact their jobs. AXA maintains the following principles with a view to guiding its various European business units in local management practices:

- when organizational changes affect jobs, AXA pledges to supply relevant information and, as appropriate in light of local cultures and rules, to consult with employees and their representatives;
- in connection with an information-gathering and consultative process, AXA would provide data and information about possible alternative solutions, where relevant;
- factoring in its employees', customers' and shareholders' interests, AXA undertakes to maximize opportunities for internal and external redeployment, when applicable, for all AXA employees affected by possible employment issues;
- AXA will do its utmost to prevent compulsory redundancies and other collective transfers, by pursuing other approaches whenever possible;
- when geographic mobility is necessary, it must be offered as a matter of priority to employees who volunteer to move, with the process managed with a view to enabling their integration into a new environment under the best possible conditions;
- AXA pledges to acknowledge certain individuals as staff representatives and uphold their liberty, rights and purpose, in line with national legislation and, where relevant, agreements in force in local business units;
- aware that training represents a major investment both for the Group and for its employees, AXA commits to embrace a continuous-learning culture;
- AXA condemns discrimination of any kind on the basis of gender, race, color, ethnic origin, genetic form of difference, disability, sexual orientation, language, religion, personal conviction, union membership or political opinion.

In addition, AXA, UNI Europe Finance and all French trade unions signed a major European agreement on anticipating change. The agreement, negotiated within the European Works Council, sets out an approach for social dialogue with the purpose of anticipating change in the sector in order to adapt employee skills to future needs and thus preserve jobs. According to the EWC, this agreement is unique in the insurance sector. It offers significant means to secure employment in Europe.

MOBILITY AND RECRUITMENT

AXA established Group-wide mobility policies and processes and enabled Group-wide posting of internally and externally available jobs. This makes business needs immediately visible and facilitates transfers to align resources with AXA's business priorities.

In 2014 AXA signed global agreements with Facebook and LinkedIn to leverage their resources and optimize the use of social networks to aid recruitment.

Also in 2014, AXA joined the "Alliance for Youth", a private sector initiative designed to address youth unemployment in Europe. The Company committed to provide at least 20,000 young people (aged 30 and under) with professional experience over the next five years in Europe in the form of 10,000 paid apprenticeships and/or internship positions and 10,000 employment opportunities (open-ended or fixed-term contracts). Furthermore, AXA pledges to help increase employability of young people through coaching and training on essential skills and exposure to the work environment. By the end of 2014, AXA provided more than 6,800 professional opportunities for the youth in Europe (and more than 12,000 opportunities in AXA globally).

International mobility remained stable, with about 550 assignments in 2014. The main objective of international assignments is the deployment and development of key expertise and leadership skills in mature as well as developing markets. In 2014, AXA's Centre of Expertise for International Mobility provided support and expertise to at least 78% of AXA's employees who were on international assignments within the Group, and an extension of the service to cover more employees is planned for 2015. Revised international mobility policies were rolled out globally, aiming to reinforce the purpose of different types of international assignments for both the individual and the business as well as provide more tailored support to each type of assignment.

Working time and agile working environment

One of the Group's priorities over the recent years was to create the foundations for an agile working culture. Various initiatives are in place across many AXA entities. These resulted in an increase in employee trust, engagement, empowerment, work-life-balance and productivity. Moreover it boosted attraction and retention of diverse talent and yielded a reduced environmental footprint.

AXA Belgium for example launched the “New Way of Working” initiative, introducing an activity-based desk-sharing principle combined with teleworking. Today, AXA Belgium already has 1,000 employees working in this new environment. With their “Superblock” initiative, AXA Winterthur (Switzerland) also moved 1,000 employees into new, modern and agile working conditions in 2014.

Reward, benefits and compensation costs

COMPENSATION POLICY

AXA’s compensation policy aims to attract, develop and retain best talents by ensuring that (1) pay levels are market competitive, (2) internal equity relies on differentiated individual and collective performance and (3) pay-outs are affordable and in line with the Company’s financial results.

Consequently, remuneration levels are set taking into account local market conditions along with company financial and operational results.

Performance management is a key component to the overall rewards policy which fosters and recognizes individual and collective superior achievements.

In 2014, total compensation cost was €7.82 billion, which corresponds to an increase by 2.6% compared to 2013. On a comparable Foreign Exchange basis, total compensation cost increased by 2.9%.

BENEFITS

Benefits form a significant part of AXA’s broader total rewards offer. AXA’s policy is to target benefits coverage at a minimum level of the median of the relevant market. Benefits should include pension, healthcare and protection covers (the nature and type of which may vary by entity depending on local competitive and cost considerations). In all cases, local minimum requirements must be respected. Benefits should not discriminate.

“SHAREPLAN” PROGRAM

Through its “Shareplan” program, the Group encourages employees to become AXA shareholders. Offered internationally for the first time in 1994, each year “Shareplan” gives AXA employees an opportunity to acquire shares at preferential prices.

In 2014, this offer was made in 36 countries and over 21,000 employees participated to the program. The aggregate proceeds from the offering amounted to approximately €314 million, for a total of over 19 million newly-issued shares.

Employee shareholders represented 6.66% of the outstanding share capital and 8.86% of the voting rights as of December 31, 2014.

Diversity and inclusion

AXA promotes diversity & inclusion (D&I) by creating a working environment where all employees are treated with dignity and respect and where individual differences are valued. In all aspects of the working environment, AXA offers equal opportunities to all employees. AXA opposes all forms of unfair or unlawful discrimination and does not tolerate discrimination based on age, race, nationality, ethnic origin, gender, sexual orientation, gender identity, religion, marital status or disability.

In order to increase awareness of cross-cultural diversity and unconscious bias, an online e-learning module was rolled out globally in 2013. As of December 2014, more than 26,000 AXA’s employees have completed the e-learning course.

Gender equality remained a key topic for AXA in 2014. To fast track the career progression of women, AXA put in place “Sponsorship Tandems”, leveraging senior managers to act as advocates and use their influence to help strengthen the development of female talent. In 2014, 17 Sponsorship Tandems were formed with the Group’s Executive Committee members. In addition, AXA held a women’s conference for a second consecutive year, aiming to foster networking among senior executive men and women and 2014’s focus being on the topic “Insurance for Women” which was led in partnership with the International Finance Corporation (IFC).

As AXA strives to be the most inclusive company in the financial services industry, “sexual orientation” has been made another key focus area in 2014. A total of 11 sexual orientation awareness workshops were conducted in six countries. Moreover, to foster a culture of inclusion within AXA for our LGBT (Lesbian, Gay, Bi-sexual and Transgender) employees and their allies/friends, the Company launched a global Employee Resource Group on sexual orientation called “Allies@ AXA Pride”. The objectives of this employee network are to encourage socialization through virtual platforms, education on LGBT work-life issues and to make AXA the employer of choice for LGBT individuals.

AXA also continued to further encourage and support the integration of employees with disabilities. In France, the number of employees with disabilities was 857 in 2014.

Health and safety, absenteeism and employee wellbeing

In 2014, AXA developed and formalized health and safety guidelines at Group level, describing a set of rules which every local entity is expected to adhere to and implement in order to ensure a consistent management of the Group, its risks and ethics. In Europe, health and safety commitments are covered by the European Works Council agreement, which was signed with the labour organizations in June 2009 and which is available at www.axa.com.

The total absenteeism rate in 2014 remained stable at 4.6%. The proportion of absences due to sick leave decreased while the proportion due to pregnancy increased. As AXA operates in an environment that generates business through management of capital and financial services (total absenteeism rate due to work-related accidents is 0.1%), the Group does not monitor gravity, severity nor frequency of work-related accidents on a global level. Systems, procedures and processes are in place and in compliance with local health, safety and welfare legislation, wherever necessary.

Major AXA entities have undertaken initiatives to implement local policies and best practices, which they have tailor-made to their specific sectors and local environments. In accordance with AXA's business environment, entities provide services and information campaigns on lifestyle risks such as certain types of cancer and cardiovascular problems, obesity, smoking, road safety or stress prevention.

Training, learning and development

The results of AXA's development of employee skills remained high with 79.3% of its employees receiving a training course at least once during 2014. At the same time, the average number of training days per employee was at 3.0 days.

Throughout 2014, the AXA Group continued to deploy a common developmental experience in all AXA entities worldwide under the "Learning@ AXA" banner. AXA moved from more than 40 heterogeneous management programs across the Company to one single common suite of courses, with the aim to align key management practices. In 2014, this program was delivered in 50 entities with 22 languages available; more than 5,000 managers were trained. Also in 2014, new common on-boarding courses, graduate programs, and technical P&C (Property and Causality) and L&S (Life and Savings) programs were deployed across the Group.

To further support AXA's commitments to innovation and digital culture, AXA launched the "Digital Academy". Its focus is to explore and leverage new and diversified ways of learning. It aims to provide AXA employees with fully agile learning experiences (serious games, reverse mentoring and distance learning). Furthermore, two programs were designed and delivered: "AXA Digital Leaders" and "AXA Digital Acceleration". These programs aim to create a common understanding of how emerging technologies transform AXA's business.

Also in 2014, AXA introduced a Global Learning Management System (GLMS) to further take advantage of digital technology based learning features and to better measure the impact of training programs on its employee's performance and development. During 2014, more than 50,000 employees were already accessing around 2,600 digital learning programs.

Talent attraction and retention

PERFORMANCE AND TALENT MANAGEMENT

AXA conducts organization and talent review processes (OTR), which are systematic reviews of its organizational structure, challenges and key positions. The process is designed to identify the potential of key people, taking into consideration their performance and leadership behaviours. It also helps build and share a robust and solid talent pipeline to ensure the right staffing around the globe.

In 2014, OTR was specifically leveraged to better understand the impacts of digitization on jobs and skills in every business area, and to identify and address re-skilling or up-skilling needs of AXA's workforce.

A performance management standard has been established to ensure that the Group's performance-based pay policy, formalized skill mapping and the evaluation of training needs run efficiently. During 2014, 76,000 employees were already making use of AXA's PeopleSoft platform for performance management (38,000 employees in 2010). The Group also delivered a multidimensional feedback platform, "AXA 360°", enabling all AXA employees to get qualitative feedback from their professional network and to build a more comprehensive and tailored development plan. A total of 1,030 employees went through the process in 2014, supported by a community of coaches.

EMPLOYER BRAND AND GRADUATES

Throughout 2014, AXA continued deploying its employer brand in India, Thailand, Hong Kong and Morocco, in addition to the deployments in 2013 in France, Germany, the Gulf Region, Indonesia, Mexico, Singapore, Switzerland and the United States. The objective is to develop the "pride of belonging" to AXA among its current employees and attract the best diverse and international profiles.

Through communication campaigns, AXA has ensured a better visibility of its employer value proposition adapted to its markets and target talents (*e.g.* innovative agile working models in Switzerland, actuarial programs in Asia).

To better engage with students and graduates and to enhance its employer brand attractiveness among this population, AXA launched several initiatives which included: the creation of a Facebook page and a Twitter handle called "Discover AXA" (resulted in over 57,000 fans and followers at the end of December 2014); the launch of an innovative and differentiating global online game, "The Great Global Adventure", a global competition for students and graduates which attracted 16,000 players worldwide by the end of 2014.

Since 2012, AXA has been running the "AXA Global Graduates Program" to recruit graduates, including profiles with competencies that are critical to face AXA's digital transformation challenges (*e.g.* in Risk Management, Actuarial, Finance, IT, Marketing or Data departments). The objective of the program is to attract and retain high-potential talents and support them in order to gain the skills necessary to become AXA's future leaders. The program offers graduates a local permanent contract, a high quality induction program including a business acceleration conference at AXA's international headquarters in Paris, and the opportunity to have one international rotation in another AXA entity. In 2014, more than 1,000 applications were received and 39 graduates were hired.

SOCIAL DATA 2014 – AXA GROUP

WORKFORCE [a]

Headcount (number of persons) as of December 31	2014	Evolution	2013
Total headcount of salaried workforce (open-ended and fixed-term contract)	**116,034 emp.**	**+2.8% [b]**	**112,869 emp.**
Headcount of salaried workforce	**111,413 emp.**	**+2.4%**	**108,771 emp.**
■ Proportion of men	47.4 %		47.5 %
■ Proportion of women	52.6 %		52.5 %
Headcount of salaried non-sales force	**95,536 emp.**	**+2.6%**	**93,070 emp.**
Executives	3,395 emp.		3,350 emp.
■ Proportion of men	72.7 %		73.2 %
■ Proportion of women	27.3 %	+0.5pt	26.8 %
Managers	16,271 emp.		15,840 emp.
■ Proportion of men	58.8 %		59.1 %
■ Proportion of women	41.2 %	+0.3pt	40.9 %
Experts and staff	75,870 emp.		73,880 emp.
■ Proportion of men	42.8 %		42.8 %
■ Proportion of women	57.2 %		57.2 %
Headcount of salaried sales force	**15,877 emp.**	**+1.1%**	**15,701 emp.**
■ Proportion of men	52.5 %		52.3 %
■ Proportion of women	47.5 %		47.7 %
Headcount of salaried workforce with fixed-term contract	**4,621 emp.**		**4,098 emp.**
■ Non-sales force	3,962 emp.		3,630 emp.
■ Sales force	659 emp.		468 emp.

Full-time equivalent (headcount converted into full-time equivalent)	2014	Evolution	2013
Average FTE of salaried workforce	**105,766.7 fte**	**+2.1%**	**103,554.5 fte**
Average FTE of salaried non-sales force	90,353.5 fte	+2.6%	88,061.1 fte
■ Executives	3,328.7 fte		3,279.1 fte
■ Managers	15,787.5 fte		15,484.5 fte
■ Experts and staff	71,237.3 fte		69,297.5 fte
Average FTE of salaried sales force	15,413.2 fte		15,493.4 fte
Average FTE of temporary non-salaried staff	6,233.5 fte		5,913.1 fte
■ Temporary staff	3,497.6 fte		3,472.3 fte
■ Trainees/Apprentices	2,735.9 fte		2,440.8 fte

Profile of employees	2014	Evolution	2013
Average age of salaried workforce	**40.8 yrs**		**40.9 yrs**
■ Non-sales force	40.7 yrs		40.7 yrs
■ Sales force	41.7 yrs		41.5 yrs
Average length of service of salaried workforce	**11.2 yrs**		**11.4 yrs**
■ Non-sales force	11.8 yrs		12.0 yrs
■ Sales force	7.6 yrs		7.6 yrs
Disability (open-ended and fixed-term contract)			
Number of employees with disabilities - concerns entities operating in France only	857 emp.		767 emp.

WORKFORCE DYNAMICS I

Movements	2014	Evolution	2013
Movements of salaried workforce			
Net headcount evolution (entries versus departures)	2,618 emp.		-1,001 emp.
■ Entries	19,578 emp.	+18.2%	16,557 emp.
■ Departures	16,960 emp.	-3.4%	17,558 emp.
Movements of salaried non-sales force			
Net headcount evolution (entries versus departures)	2,435 emp.		-888 emp.
Entries	15,031 emp.	+27.7%	11,773 emp.
■ Number of external recruitments	11,010 emp.		9,787 emp.
■ Number of fixed-term contract transformed into open-ended contract	1,421 emp.		1,473 emp.
■ Number of re-hires in the Company	417 emp.		370 emp.
■ Number of entries following mergers and acquisitions [b]	2,183 emp.		143 emp.
Departures	12,596 emp.	-0.5%	12,661 emp.
■ Number of resignations	7,165 emp.		6,628 emp.
■ Number of economic/collective layoffs	1,554 emp.		1,989 emp.
■ Number of individual layoffs	1,247 emp.		1,374 emp.
■ Number of retirements/pre-retirements	1,630 emp.		1,733 emp.
■ Number of departures due to external transfers [c]	814 emp.		726 emp.
■ Number of other departures	186 emp.		211 emp.
Movements of salaried sales force			
Net headcount evolution (entries versus departures)	183 emp.		-113 emp.
Entries	4,547 emp.	-5.0%	4,784 emp.
■ Number of external recruitments	4,083 emp.		4,546 emp.
■ Number of fixed-term contract transformed into open-ended contract	119 emp.		121 emp.
■ Number of re-hires in the Company	40 emp.		27 emp.
■ Number of entries following mergers and acquisitions [b]	305 emp.		90 emp.
Departures	4,364 emp.	-10.9%	4,897 emp.
■ Number of resignations	3,298 emp.		3,591 emp.
■ Number of economic/collective layoffs	193 emp.		411 emp.
■ Number of individual layoffs	548 emp.		535 emp.
■ Number of retirements/pre-retirements	266 emp.		293 emp.
■ Number of departures due to external transfers [c]	29 emp.		48 emp.
■ Number of other departures	30 emp.		19 emp.
Movements of salaried workforce with fixed-term contract			
Net headcount evolution of salaried non-sales force (entries versus departures)	1,751 emp.		1,461 emp.
■ Number of external recruitments	4,948 emp.		4,597 emp.
■ Number of fixed-term contracts ended	3,197 emp.		3,136 emp.
Net headcount evolution of salaried sales force (entries versus departures)	150 emp.		202 emp.
■ Number of external recruitments	572 emp.		334 emp.
■ Number of fixed-term contracts ended	422 emp.		132 emp.

WORKFORCE DYNAMICS II

Mobility	2014	Evolution	2013
Internal mobility rate of salaried workforce	**8.9 %**	**0.0pt**	**8.9 %**
■ Non-sales force	9.7 %		9.9 %
■ Sales force	4.4 %		3.5 %

Employee turnover	2014	Evolution	2013
Turnover rate of salaried workforce	**14.6 %**	**-0.8pt**	**15.4 %**
■ Involuntary (layoffs/dismissals)	3.2 %		4.0 %
■ Voluntary (resignations)	9.5 %		9.4 %
■ Other reasons (pre/retirements and miscellaneous)	1.9 %		2.1 %
Turnover rate of salaried non-sales force	**12.4 %**	**-0.3pt**	**12.7 %**
■ Involuntary (layoffs/dismissals)	3.0 %		3.6 %
■ Voluntary (resignations)	7.6 %		7.1 %
■ Other reasons (pre/retirements and miscellaneous)	1.9 %		2.1 %
Turnover rate of salaried sales force	**27.7 %**	**-3.2pts**	**30.9 %**
■ Involuntary (layoffs/dismissals)	4.7 %		6.0 %
■ Voluntary (resignations)	21.1 %		22.9 %
■ Other reasons (pre/retirements and miscellaneous)	1.9 %		2.0 %

COMPENSATION

Compensation costs	2014	Evolution	2013
Compensation costs of salaried workforce [d]	**7,818 M€**	**+2.6%**	**7,622 M€**
■ Proportion of fixed pay (related to wages)	77.3 %		77.5 %
■ Proportion of variable pay (related to wages)	22.7 %		22.5 %
Annual gross payroll of salaried non-sales force			
■ Proportion of fixed pay (related to wages)	83.1 %		83.3 %
■ Proportion of variable pay (related to wages)	16.9 %		16.7 %
Annual gross payroll of salaried sales force			
■ Proportion of fixed pay (related to wages)	47.2 %		47.0 %
■ Proportion of variable pay (related to wages)	52.8 %		53.0 %

TRAINING

Training days	2014	Evolution	2013
Number of training days of salaried workforce	**318,774.3 days**	**-6.8%** [e]	**341,924.6 days**
■ Non-sales force	206,404.7 days		227,201.6 days
■ Sales force	112,369.6 days		114,723.0 days

Training attendees	2014	Evolution	2013
Percentage of salaried workforce having received at least one training course	**79.3 %**	**-7.2pts** [e]	**86.5 %**
■ Non-sales force	76.8 %		84.7 %
■ Sales force	95.8 %		97.4 %
Average number of training days per salaried workforce	**3.0 days**		**3.3 days**
■ Non-sales force	2.3 days		2.5 days
■ Sales force	7.4 days		7.5 days

LABOR RELATIONS

Working time	2014	Evolution	2013
Average number of working days	**225.8 days**	**-0.1%**	**226.1 days**
Average number of working hours per week	**36.6 hrs**	**+1.1%**	**36.2 hrs**
■ Full-time employees	37.9 hrs		37.5 hrs
■ Part-time employees	26.0 hrs		25.5 hrs
Part-time salaried workforce			
■ Proportion of part-time salaried non-sales force	11.9 %		12.1 %
■ Proportion of part-time salaried sales force	2.9 %		3.0 %

Absenteeism	2014	Evolution	2013
Absenteeism rate of salaried workforce	**4.6 %**	**-0.1pt**	**4.7 %**
■ Proportion of absences due to sickness	65.3 %		66.2 %
■ Proportion of short term sick absences	88.1 %		84.4 %
■ Proportion of long term sick absences	11.9 %		15.6 %
■ Proportion of absences due to work related accidents	2.1 %		2.2 %
■ Proportion of absences linked to maternity/paternity leave	32.6 %		31.6 %
Absenteeism rate of salaried non-sales force	**4.8 %**	**-0.1pt**	**4.9 %**
■ Proportion of absences due to sickness	65.9 %		67.0 %
■ Proportion of short term sick absences	87.9 %		84.2 %
■ Proportion of long term sick absences	12.1 %		15.8 %
■ Proportion of absences due to work related accidents	2.1 %		2.0 %
■ Proportion of absences linked to maternity/paternity leave	32.0 %		31.0 %
Absenteeism rate of salaried sales force	**3.6 %**	**+0.2pt**	**3.4 %**
■ Proportion of absences due to sickness	60.0 %		60.2 %
■ Proportion of short term sick absences	90.4 %		86.2 %
■ Proportion of long term sick absences	9.6 %		13.8 %
■ Proportion of absences due to work related accidents	2.4 %		3.6 %
■ Proportion of absences linked to maternity/paternity leave	37.6 %		36.2 %

Methodology note: The social data communicated here are collected through a reporting process defined by procedures associated with a list of indicators shared to all the entities of the AXA Group. This process is updated and communicated to each entity on a yearly basis. These indicators represent the data of 275 entities of the AXA Group (few entities may pre-consolidate data on a local level). The perimeter is updated annually following potential acquisitions/mergers or business disposals. These indicators are reported for the period between 01/01/2014 and 31/12/2014, unless mentioned otherwise. Evolutions are measured with ratios between 2013 and 2014 end-of-year data. The data are provided by local correspondents into an IT tool dedicated to the social data reporting process and accessible by all the entities since 2009. Consistency checks and quality controls are carried out before and during the data collect process. There are no estimations nor extrapolations made on the data provided. Regarding data published in ratios and percentages: numerator and denominator are realigned for each calculations to exclude entities with empty data points.

(a) *Salaried workforce refers to non-sales and sales force employees with open-ended contracts, unless stated otherwise.*

(b) *The majority of this increase is due to the acquisition of 51% of Colpatria's insurance operations in Colombia (81.4% as a proportion on total increase).*

(c) *Salaried workforce who have left AXA because of an activity/job transfer to an external company or due to disposal of businesses, the employee is no longer under a contract with AXA.*

(d) *As per the definition of compensation, it includes the individual fixed pay, the individual variable pay, employer social contribution and collective profit sharing (if any) and excludes equity based compensation (stocks options, performance shares, AXA Miles).*

(e) *The decrease in the percentage of workforce having received at least one training course during the year as well as the decrease in number of trainings days of salaried non-sales force is mainly due to the improved reporting capacity in AXA Konzern AG (Germany) and the end of a specific large-scale training initiative, also in AXA Konzern AG.*

ENVIRONMENTAL INFORMATION

AXA is committed to reducing its direct impact on the environment by actively managing its energy, paper and water consumption, as well as carbon emissions and waste. AXA is also conscious of the role it can play in promoting environmental protection awareness amongst its stakeholders, contributing to improve the understanding of global and local environmental risks, and committing to address climate change.

Environmental management perimeter definition

With regards to Grenelle 2 legislation, AXA Group emphasizes that its direct operations, focusing on financial services, do not generate major impacts on the environment. AXA has some sites classified for environmental protection but they do not produce any significant emissions into air, water and soil, CO_2 emissions being AXA's main environmental concern. Activities and facilities are not likely to generate noise and odor emissions. No complaints, to AXA's knowledge, related to this type of pollution were filed against the Group. AXA's operations and land use do not significantly threaten biodiversity, nor water resource, as water consumption is mainly limited to building usage. Land use is limited to the space where AXA built its buildings (representing approximately 25% of the total area occupied). In 2014, 576,435 m^2 of green space used by AXA contribute to our scale to the preservation of biodiversity.

Carbon dioxide is the most significant greenhouse gas emitted by AXA (related to fossil fuel and electricity consumption). Electronic waste is AXA's most significant hazardous type of waste. Paper is the most significant raw material consumed by AXA. As a result, AXA's environmental reporting and management processes focus on energy, water and paper consumption, as well as related CO_2 emissions.

Performance targets

AXA Group's Corporate Responsibility and operational teams (*e.g.* procurement, IT, marketing, HR) worked closely to set ambitious 2020 targets which will steer AXA to a more sophisticated and embedded environmental strategy. As a result, AXA set a new Global Key Performance Indicator (KPI) target for the 2012-2020 period:

- -25% carbon emissions per FTE

This target is broken-down into the following targets:

- -35% power consumption (kwh/FTE);
- -15% business travel: vehicle fleet (km/FTE);
- -5% business travel: air and train (km/FTE);
- -45% office paper (kg/FTE); and
- -50% marketing and distribution paper consumption (kg/client).

In addition, the Group has also set two environmental targets that are unrelated to carbon emissions:

- 95% of paper must originate from recycled or sustainable sources; and
- -15% water consumption.

Environmental reporting network, tools and perimeter

To measure its environmental footprint, the Group Corporate Responsibility team coordinates a network of around 300 dedicated environmental managers and employees in local entities. This network monitors annual progress on its reduction targets through the internal reporting tool, which helps local entities evaluate their own action plans and targets. These managers then analyse indicators, identify performance targets and promote best practice sharing. To accompany these action plans, entities have put in place a wide variety of activities to raise awareness and train employees on environmental issues and risks (*e.g.* lunch and learn conferences, etc.). At Group level, AXA organizes a yearly event on Corporate Responsibility, the "CR Week" which is rolled out by all local entities. Environmental awareness is one of the key topics addressed during this event.

In addition, an annual transport survey available in 41 countries and in 22 languages is used to help estimating the amount of CO_2 emissions related to home-work commuting and help raise employee awareness on alternative modes of transportation.

Reducing the AXA Group's impact on the environment

POWER CONSUMPTION

AXA's power consumption per FTE decreased by 11% in 2014 compared to 2013. AXA entities made significant steps forward on reducing their energy footprint. For example:

- AXA Technology Services has further pursued its Green IT program based on servers refreshes, data center consolidation and virtualization, PC refreshes and power management. For example, data centers in Germany and Switzerland have reduced their annual energy consumption by 20%;
- some entities have been recognized by their efforts on energy efficiency. For instance, AXA Hong Kong has been awarded with LEED Gold Certification, AXA France's Energi'Com tool was rewarded and AXA Sigorta earned the "Green Office" with the support of WWF organization;
- some entities have selected more energy efficient buildings in cases of location transfers (*e.g.* AXA Assicurazioni, AXA Germany). AXA Switzerland moved to a new building heated using only incineration heat with a CO_2-emission factor 7-times lower than oil. In addition, 3 of their buildings have installed a photovoltaic system producing about 175,000 kWh per year.

AXA's premises use electricity (78% of floor space), gas (14% of floor space), fuel/steam (6% of floor space) and chilled water (2% of floor space). Of note, the proportion of renewable energy consumed by AXA's premises is 37%.

CO_2 EMISSIONS: TRANSPORTATION, PAPER AND ENERGY

AXA's CO_2 emissions per FTE related to energy, paper and business travel (air, rail and car fleet) decreased by 3% between 2013 and 2014. 55% of Group CO_2 emissions are related to energy consumption, 24% from business travel (air and train), 14% from AXA's vehicle fleet and 7% from paper. In 2010, the Group defined common environmental travel guidelines, which were rolled out across the Group in 2011 and updated in 2014. Some entities have adapted these guidelines to meet their local specificities. For instance, AXA Germany, is among the first company in Germany to have implemented a "flexible driving" program offering an innovative and environment-friendly way of mobility. Employees are free to use the car-sharing vehicles for their business and private rides, which helps reduce their fleet.

To encourage employees to reduce travel, the Group has installed 50 video-conferencing rooms since 2008. These have saved 20,920 trips and 21,531 tons of CO_2 in 2014. Furthermore, employee commuting-related CO_2 emissions per FTE decreased by 25% compared to 2013 to achieve 0.67 T eq. CO_2 per FTE.

WATER CONSUMPTION

AXA's water consumption per FTE is stable (-0.1%) between 2013 and 2014. Since 2008, AXA entities have achieved a better level of management maturity and reporting quality regarding their water consumption patterns. Related recent initiatives include the installation of water sensors in bathroom facilities for AXA MPS and water-saving faucets at various entities (*e.g.* AXA Philippines, AXA China).

PAPER CONSUMPTION

AXA's office paper consumption per FTE decreased by 4% between 2013 and 2014. A significant number of entities have implemented a printing policy to help decrease office paper consumption which includes reducing the number of printers, and installing an employee badging system to collect all printed documents. In 2014, AXA's marketing and distribution paper consumption per customer increased by 12% compared to 2013 mainly explained by regulatory changes (requiring increased use of paper), business growth and a more accurate measurement process in some entities. AXA is also working on increasing the volume of paper originating from recycled sources or sustainably managed forests. In 2014, AXA used 61% of office paper and 60% of marketing and distribution paper from recycled sources. To promote this type of paper, since 2011 the Group requires environmentally-friendly office paper as a minimum standard for the main group entities.

WASTE MANAGEMENT

AXA's unsorted waste volume has decreased by 2% compared to 2013 while sorted paper for recycling decreased by 27% due to better measurement process and the decrease of paper consumption for some entities (*e.g.* AXA Insurance UK, AXA Switzerland, AXA Seguros Mexico). Concerning the recycling of ink cartridges and toners, AXA has a positive trend increasing from 61% to 63% in 2014. Indeed, AXA's IT business unit, AXA Technology Services, for which electronic waste is of particular relevance, strives to ensure compliance with the Waste Electronic and Electrical Equipment (WEEE) Directive.

Business-related environmental initiatives

In addition to reducing its operational environmental footprint, the Group seeks to minimize its "indirect" impact on the environment by offering insurance and investment solutions that promote environmentally-friendly behaviour.

Numerous offers with environmental added-value have been developed by various AXA entities in the Property & Casualty business segment:

- in the retail product line: Motor insurance policies/products encouraging low CO_2 emission vehicles (*e.g.* promoting electric, hybrid and low emitting), home insurance policies encouraging energy efficiency (*e.g.* environmental appliances upgrades), renewable energy installations (*e.g.* wind, solar power, etc.), and environmental claims strategies (*e.g.* repair rather than replace auto spare parts). In addition, prevention devices (*e.g.* smartphone applications) to help raise customer and general public awareness are also being developed;
- in the commercial product line:
  - encouraging "green" buildings or car fleets in the SME segment,
  - industrial: environmental risk prevention, promoting the development of renewable energies *via* adapted policies covering the equipment and the revenues derived from electric energy sales, etc.,
  - creating a reinsurance pool to develop infrastructures producing renewable energy.

More examples of business-related environmental initiatives are disclosed on www.axa.com/en/responsibility/environment.

AXA's position regarding climate change

AXA's position regarding climate change is not only to adapt, but to take advantage of its privileged position to provide solutions (see above sections). Indeed insurers are well equipped to address climate-related risks. They can fund and promote risk research and education. They possess claims loss data, as well as models and tools to analyse and project this data. They have a duty to unveil and disseminate knowledge about such new risks, including poorly known threats to society. Insurers, through their significant investments, are also well positioned to send the right signals to the investment community and to specific invested companies. This strategy addresses both the "mitigation" and the "adaptation" dimensions of climate change. They are not solely self-interested or commercially driven, but they need to be global and collective to be effective.

All along 2014, the Group was invited to reflect on the role of the insurance sector in the context of climate change and more specifically on the missions an insurer with an international dimension like AXA should carry to meet with costumers' needs and to build societies' resilience in facing such risks. This work has mobilized several entities of the Group and led to the adoption of a climate risk statement identifying three areas of commitment:

- enhancing knowledge on climate risk;
- reinforcing climate risk prevention services to help people better anticipate and adapt to the changing climate; and
- developing insurance and investment products to promote mitigation and adaptation.

Our ambition is to become a proactive leader on climate change, in particular in the scope of the major events that will take place in 2015 such as the new United Nations "Hyogo framework for action" on disaster risk reduction (Sendai, March), the UN Sustainable Development Goals Summit (New-York, September) and the Conference of the Parties (COP21) to the UN Framework Convention on Climate Change (Paris, December) where should be adopted the new international climate agreement that will succeed to the Kyoto Protocol.

Today the private sector is called to play an increasing role in the implementation of the objectives agreed by these multilateral processes but also in the designing of concrete and operational solutions in support to governments. As an insurer, AXA has indeed an important role in informing public policies on the importance to integrate risk prevention measures but also in helping societies at large to adapt to climate change.

In this context, AXA has reinforced its involvement within the UNISDR (United Nations Office for Disaster Risk Reduction) as we became member of the Private Sector Advisory Group in 2013. AXA has therefore contributed to the designing of a private sector position paper aiming to feed Member States' discussions over the issue of natural disaster and risk prevention for the Sendai World Conference on disaster risk reduction.

AXA also take part in the reflection launched by the UN Principles for Sustainable Insurance and UN Principles for Responsible Investments in the scope of the Paris Climate Agreement. The Group also showed its renewed commitment towards promoting research and education to help better understand, protect against and prevent climate risks through the AXA Research Fund that will dedicate €35 million to climate risk research by 2018 but also through the AXA-CARE partnership.

More examples of business-related environmental initiatives are disclosed on www.axa.com/en/responsibility/environment.

Institutional commitments to protect the environment

The AXA Group and local entities signed or joined the various initiatives in the area of environmental protection (and/or CR more generally). The Group signed: the World Business Council for Sustainable Development (WBCSD) manifesto for Energy Efficiency in buildings (2010), the "Kyoto Statement" (Geneva Association: AXA Group 2009), "Caring for Climate" (WBCSD/UNEP FI/UN Global Compact: AXA Group 2008), Carbon Disclosure Project (AXA Group partnership since 2005), "Sustainable Development Charter" (*Fédération française des sociétés d'assurances:* AXA France, 2009) and Investor Statement on Climate Change (International Investor Group on Climate Change: AXA IM, 2008).

In 2013, AXA signed the UNISDR Private Sector Commitment for Disaster Risk Reduction and is represented in their Advisory Board Group. These principles cover 5 key areas around the role that the private sector can take to further encourage Disaster Prevention, Resilience and Risk Reduction (*e.g.* increase public private partnership, share risk management expertise, etc.).

AXA is also member of 2° Investing Initiative (multi-stakeholder think tank).

Other engagements are detailed online: www.axa.com/en/responsibility/strategy-commitments/Commitments.

Legal measures and environmental expenditures

Regarding measures taken to ensure compliance with legal requirements, the main concern arises from the existence of "classified facilities" (for environmental protection purposes) such as fuel tanks for backup electricity generators, or major air conditioning systems. In 2014, the Group reported 37 sites with a specific permit. Their impact on the neighbouring environment is minimal. Nevertheless, being classified, those facilities benefit from adequate maintenance and their compliance with local legal obligations is monitored regularly. The full range of expenditures incurred to promote environmental preservation is minor, local and of a heterogeneous nature, and as such, is not monitored at Group level. No specific provisions or guarantees covering environmental risks have been set aside, considering the limited litigation risks arising from the management of AXA's direct environmental footprint. Furthermore, in 2014, 46 sites were reported to have some form of environmental certification.

AXA Group environmental indicators [a]	Unit	2013	2014
Number of employees on site, Full-Time Equivalent (FTEs)	FTE	103,554	105,767
Net internal area (sites)	m^2	1,767,558	1,750,357
POWER (SITES)			
Power consumption [b]	Mwh	453,709	412,137
KPI: Power consumption per person	**Kwh/FTE**	**4,381**	**3,897**
Evolution compared to 2013			**-11%**
TRANSPORTATION			
Business travel: airplane and train [c]	Thousands of km	266,095	310,787
Business travel: AXA vehicle fleet	Thousands of km	271,172	248,795
Home/workplace commute (round trip) [d]	Thousands of km	1,098,634	817,055
CO_2 EMISSIONS [e]			
CO_2 emissions: onsite power consumption	T. eq CO_2	133,520	126,435
CO_2 emissions: business travel: airplane and train	T. eq CO_2	47,972	56,177
CO_2 emissions: business travel: AXA vehicle fleet [f]	T. eq CO_2	35,255	31,640
CO_2 emissions: paper	T. eq CO_2	15,061	16,466
KPI: CO_2 emissions resulting from onsite power consumption, paper and business travel (airplane, train, AXA vehicle fleet) per person	**T. eq CO_2/FTE**	**2.24**	**2.18**
Evolution compared to 2013			**-3%**
CO_2 emissions: home/workplace commute [g]	T. eq CO_2	93,667	71,342
WATER			
Water consumption [h]	m^3	998,509	1,019,028
KPI: Water consumption per person	**m^3/FTE**	**9.64**	**9.63**
Evolution compared to 2013			***-0%***
PAPER [i]			
Office paper consumption	T	2,523	2,463
KPI: Office paper consumption per person	**kg/FTE**	**24**	**23**
Evolution compared to 2013			***-4%***
Paper recycled and/or garanteeing sustainable management: office	%	70	61
Marketing and distribution paper consumption	T	13,248	14,779
KPI: Marketing and distribution paper consumption per customer [j]	**kg/customer**	**0.13**	**0.14**
Evolution compared to 2013			***12%***
Paper recycled and/or garanteeing sustainable management: marketing & distribution	%	60	60
WASTE			
Unsorted waste [k]	T	5,633	5,509
Sorted paper for recycling	T	5,595	4,091
Cartridge and/or toners for recycling	%	61	63

Stable reporting perimeter compared to 2013, representing the 41 most significant countries where the AXA Group is present. Key Performance Indicators (KPIs) highlighted in bold.

(a) In 2014, environmental indicators were collected for sites representing 90,988 FTEs (unless otherwise indicated in these footnotes) and were then extrapolated, continent by continent, to cover all 105,767 salaried FTEs working at the AXA Group as of 31/12/2014. In 2013, this process took place on the basis of data collected from 89,830 FTEs, extrapolated to 103,554 FTEs.

(b) Includes electricity, natural gas, heating oil, steam and covers 90,988 FTEs.

(c) This data has been collected from 88,638 FTEs.

(d) Home/workplace commute estimations are based on an annual online transportation survey, issued to every AXA salaried employee. This data has been collected from 23,220 FTEs and then extrapolated. Sites whose response rate was below 5% have been excluded from the data consolidation process.

(e) The emissions factors specific to each country used for energy, train and air were revised in 2013. Source: the International Energy Agency (IEA) and Ademe. In 2014, the emission factor for heating oil has been revised for 2013.

(f) The AXA vehicle fleet covers 90,376 FTEs.

(g) Does not include company cars, to avoid double counting with the AXA vehicle fleet data.

(h) This data has been collected from 84,015 FTEs. Some sites in Asia and America are not equipped with water meters, which prevents accurate measurement and excludes them from the reporting scope before extrapolation. However, entities are starting to better track their water consumption with the installation of water meters (e.g. data centers, AXA Ireland).

(i) Paper indicators covers 90,988 FTEs.

(j) The Group had 103 millions customers in 2014.

(k) Unsorted wasted covers 71,596 FTEs, which is low as many entities are currently unable to monitor this waste flow.

SOCIETAL INFORMATION

Impact on regional development, subcontracting

To the extent that AXA's activities are decentralized and its staff is spread among numerous locations, AXA's activities generally have no significant direct impact on local employment or development in any given region. It does not resort to significant levels of subcontracting.

However, as a provider of insurance, savings and investment services, AXA promotes economic growth and social development through the support of 103 million clients, local communities and businesses. Indeed AXA's business is to protect people and businesses, their belongings, their health, their savings, their assets over the long run, providing peace of mind through uncertainty and support when it is most needed. This means designing reliable insurance and investment solutions to meet the needs of our customers, managing risks and claims, acting as a major long-term investor, but also sharing our business expertise by helping to build better understanding of the risks faced by individuals and Society. Moreover, insurers play a major role in supporting economic development by underwriting individual and business risks, thereby enabling their activity. Insurers also finance growth by investing significant assets in sovereign and corporate securities.

Stakeholder dialogue

AXA's stakeholders include organizations that may influence or be influenced by its decisions and activities. Contacts with them enables AXA to improve its understanding of societal issues. For example, AXA has set up a European Works Council which, beyond social dialogue issues, is also regularly invited to give its opinion on AXA's CR strategy. NGOs have in particular been associated with the development of certain investment policies. AXA also has a longstanding tradition of social involvement, in particular through corporate philanthropic efforts to benefit the community, society and culture in general. Both at Group and local levels, close ties are built up with distributor representative associations and trade bodies concerned by the sector's activities.

Community involvement: social & cultural activities, philanthropy, education, employee volunteering

RISK RESEARCH & EDUCATION

Protecting its clients from risks and unexpected events is at the core of AXA's purpose. This is why AXA is committed to use its skills, resources and expertise to build a better understanding of the risks faced by individuals and society at large. AXA developed in 2011 a set of community investment guidelines. All entities are required to ensure that 50% of their community investment projects are aligned with the CR flagship theme of Risk Research and Education by year end 2015.

Since 2011, the AXA Group partnered with CARE, an international humanitarian NGO, to help vulnerable populations better prepare for climate-related risks. As part of the CARE partnership, the AXA Group donated €3.68 million to CARE since 2011. Moreover, most AXA entities support local risk prevention projects through sponsorship, philanthropy or products in the field of road safety, health prevention, climate change, accidents at work etc.

THE AXA RESEARCH FUND

The AXA Research Fund, the science philanthropy initiative of the insurance leader AXA, supports global fundamental research to understand and better prevent environmental, human life and socio-economic risks.

Since 2007, €131 million [(1)] have been committed to 449 research projects in 32 countries.

AXA Research Fund both undertakes long-term partnerships with top-tier academia and helps them share their discoveries to enrich public debate. Searching today will help better protect tomorrow.

Media Gallery: https://gallery.axa-research.org/en/.

Institutional website: https://axa-research.org/en/.

VOLUNTEERING

AXA employees worldwide support disadvantaged people through "AXA Hearts In Action", the Group's employee volunteering program. In 2014, more than 40,000 AXA Hearts In Action volunteers around the world made their skills and time available to help underprivileged people. AXA donated more than 104,000 working hours to allow employees to volunteer [(2)].

Responsible Products

AXA's products – general insurance, savings and associated services – do not pose direct health and safety concerns for our customers. On the contrary, through our products, we encourage and reward healthy and environmentally responsible behavior, as well as help reduce social exclusion.

"Green" products are described in the "Environmental Information" section above as well as on www.axa.com in more detail.

MICROINSURANCE

AXA focuses on microinsurance projects that address social exclusion while being breakeven in the long term, by enabling vulnerable segments of the population to access insurance services. Current initiatives include:

- France: AXA, in partnership with the *Association pour le droit à l'initiative économique* (which helps people excluded from the usual circuits set up their own business) and a French mutual insurer, MACIF, offers since 2007 basic covers sold at cost.

(1) Including management costs.

(2) In 2014, the societal data of the AXA Group was collected amongst 81,238 FTE representing 77% of the total number of Fte (2014 social data).

- India: Bharti AXA GI pioneered insurance for low income segment by 2009 to distribute Personal Accident, Health and Hospital Cash products through retailers and Cooperative Banks network.
- Indonesia: To address the lower middle class customers asking for a loan, AXA leverages its partnership with Mandiri Bank to propose Credit life, Personal Accident, and protection for natural/sickness death.
- Mediterranean Region: in 2012, AXA and Grameen Jameel Microfinance Ltd have signed a cooperation protocol to develop and provide micro-insurance products to clients in the Middle-east, North Africa and Turkey.
- Nigeria: AXA Mansard ventured into Micro insurance in October 2013 with the introduction of an airtime-based insurance service sold in collaboration with the mobile network operator MTN Nigeria.

Responsible Investment

ASSET MANAGEMENT

Leveraging AXA IM's multi-expert model, AXA IM embeds global Environmental, Social and Governance (ESG) research across all asset classes and provides investors the opportunity to select the level of ESG integration that best fits their needs and objectives. To do so, AXA IM has a dedicated Responsible Investment (RI) research team as well as a global ESG research capacity through its platform, RI Search©. This tool covers more than 4,100 companies, 100% of the MSCI World index and 150 countries with ESG research from many sources. RI Search© provides an ESG score for each security and assesses these scores against peers, thus enabling the portfolio managers to take ESG risks into account in their decision-making process.

AXA IM's proxy voting coverage includes listed companies on a global basis and leads engagement efforts on specific themes and companies. Finally, the RI team conducts thematic research in order to investigate material ESG issues, such as RI & "smart beta" investing, research on the skills shortage in the Oil & Gas sector, board diversity in the largest European companies, and ESG integration in equity and sovereign debt asset classes. Further information can be found at www.axa-im.com/en/responsible-investment. AXA IM is a UN-backed Principles for Responsible Investment (UN PRI) signatory since 2007. AB signed the UN PRI in 2011 and the AXA Group in 2012.

GROUP INVESTMENT POLICY

The Group has created a Responsible Investment Committee (RIC), presided by the Group Chief Investment Officer. The RIC's mandate is to develop a global approach to responsible investment which takes into account both controversial sectors from a reputational standpoint, and the more positive inclusion of ESG issues in investment processes, from a performance and risk management perspective.

The RIC developed the Group's RI Policy. The policy defines the corporate governance practices – such as effective and accountable boards, shareholder rights and transparent remuneration policies – that AXA asset managers are expected to encourage, including *via* engagement and voting. Moreover, the Policy allows for a structured development of investment guidelines for sectors that pose particularly acute environmental or ethical challenges. Finally, the RI Policy initiates the Group's "Impact Investment" project, which allocates capital to investment strategies whose goal is to focus on assets that address key sustainability concerns such as renewable energy, poverty, health or risk prevention.

Responsible procurement

AXA is a major purchaser of products and services for the purpose of its internal operations as well as services provided to its policyholders. The volume of purchases equalled €12.8 billion in 2014. The buyers are required to sign a specific Procurement code of ethics in addition to the Group Compliance & Ethics Guide. AXA also encourages its suppliers to be socially and environmentally responsible and requests from them a formal commitment to uphold International Labor Organisation principles. In addition, the Group applies social and environmental criteria to assess supplier performance. These criteria enable the Group to improve service quality and reduce some supply chain risks.

Business ethics

AXA's Group Compliance and Ethics Guide ("the Guide") seeks to establish Group-wide guidelines and rules to ensure that AXA Group companies and employees have a common understanding of applicable ethical standards, participate in the fight against corruption and conduct business accordingly. The Guide covers a variety of matters, including specific rules concerning conflicts of interest, transactions involving AXA securities and those of its listed entities, confidentiality and control of sensitive information as well as record keeping and retention. The Guide also seeks to reflect AXA's values. Most of AXA's principal operating entities have developed ethical guidelines that comply with local regulatory and statutory requirements. The Guide is available on the Group's website (www.axa.com).

In 2013, AXA became a member of the non-profit Transparency International France and, therefore, supports TI's vision, values and founding principles disclosed in their so-called "Charter".

More information about these commitments: www.transparency-france.org/.

Compliance with International Labour Organization (ILO) recommendations

UN GLOBAL COMPACT

In addition to compliance with national law and regulations, AXA joined the United Nations' Global Compact in 2003, formally committing to upholding and protecting principles for human rights. The first chapter of the aforementioned Group Compliance and Ethics Guide refers to the UN Global Compact in its founding principles. Both the Compliance Guide and UN Global Compact adhesion are applicable to every AXA entity.

INTEGRATION OF ENVIRONMENTAL, SOCIAL AND ETHICAL ISSUES IN RISK MANAGEMENT AND PRODUCT DEVELOPMENT

When appropriate or relevant, the Group underwriters and portfolio managers integrate a number of emerging environmental and social risks, including human rights concerns, as well as more generally ethical concerns in their product development processes and policies. This is notably undertaken *via* (1) the AXA Group Controversial weapons policy, (2) the Group underwriting guidelines for P&C Commercial lines that require local AXA entities to exclude certain sensitive sectors or activities, and (3) the "Policy on business relationships involving sanctioned countries and countries identified as having high levels of corruption or political risk". The latter policy formalises the Group policies and procedures with respect to business in or with countries that are subject to international sanctions or embargoes or otherwise identified as high corruption, high political risk and/or tax haven jurisdictions.

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, labour and social information presented in the management report

For the year ended at the 31st of December, 2014

This is a free translation into English of the Statutory Auditors' 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,

In our capacity as Statutory Auditor of the company AXA, appointed as an independent third party and certified by COFRAC under number 3-1060 [(1)], we hereby present to you our report on the [consolidated] environmental, labour and social information for the year ended…, presented in the management report (hereinafter the "CSR Information"), in accordance with Article L.225-102-1 of the French Commercial Code (Code de commerce).

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for preparing the Company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the Social Data Report referential, the Environmental Reporting Protocol and the Community Investment Survey Guide used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request at the Company headquarters.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

RESPONSIBILITY OF THE STATUTORY AUDITOR

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of 7 people between end of November 2014 and end of February 2015 and took around 15 weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed our work in accordance with the French professional auditing standards related to labour and environmental information falling within the scope of procedures directly related to the statutory audit engagement (NEP 9090), with the Decree of May 13, 2013 determining the conditions in which the independent third party performs its engagement and with ISAE 3000 [(2)] concerning our reasoned opinion on the fairness of the CSR Information.

1. Statement of completeness of CSR Information

We conducted interviews with the individuals in charge of the relevant departments, we reviewed the Company's sustainable development strategy with respect to the labour and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code.

(1) Whose scope is available at www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological information described at the bottom of the data tables "Social data 2014 – AXA Group" and "AXA Group environmental indicators", as well as the footnote of the paragraph "Volunteering" of the Appendix VII of the management report.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CSR Information in the management report.

2. Reasoned opinion on the fairness of the CSR Information

NATURE AND SCOPE OF OUR WORK

We conducted around twelve interviews with around fifteen people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking into account best practices where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and reviewed the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the Company, the labour and environmental challenges of its activities, its sustainable development policy and best practices.

With regard to the CSR Information that we considered to be the most important:

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in concordance with the other information in the management report;
- at the level of a representative sample of entities, composed of AXA Germany, AXA Dubaï, AXA Seguros Spain, AXA US, AXA Assistance France, AXA Banque France, AXA Corporate Solutions France, AXA Direct Assurance France, AXA France, AXA Investment Managers France, AXA Seguros Mexico, AXA Philippines, AXA Czech Republic et AXA Switzerland, selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 33% of headcount, between 16% and 35% of quantitative environmental data and between 22% and 27% of quantitative social data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the Company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Neuilly-sur-seine, the 25th of March, 2015

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Michel Laforce
Partner

Sylvain Lambert
Partner of the Sustainable Development Department

Appendix: List of the information that we consider as the most important

LABOUR INFORMATION:

- Total workforce, including indicators headcount of salaried workforce as at the end of the year and average FTE of salaried workforce.
- Distribution of employees by sex, by age and by geographic zone, including indicators headcount of salaried non-sales and sales force men and women by professional category, average age and average seniority of salaried non-sales force.
- Recruitments and departures, including indicators external recruitments, resignations, dismissals and voluntary turnover of salaried non-sales force.
- Compensations and evolutions, including total gross payroll of salaried non-sales force and gross fixed payroll of salaried sales force.
- Absenteeism, including indicator absenteeism rate and proportions by type of absence of salaried non-sales and sales force.
- Organization of labour relations.
- Work accidents, in particular frequency and gravity as well as work disease.
- Training policy.
- Total number of training hours, including indicators average number of days and training costs.
- Measures taken in favour of the equality between men and women.
- Measures taken in favour of the employment and the insertion of handicapped people.
- Respect of the freedom of association and of the right of collective bargaining.
- Elimination of segregation in terms of employment and professions.

ENVIRONMENTAL INFORMATION:

- Company organization to take into account environmental issues.
- Measures to prevent, recycle and eliminate waste, including indicators unsorted waste, sorted paper for recycling and percentage of cartridges and/or toners for recycling.
- Water consumption and supply according to local constraints, including indicator water consumption per person.
- Raw materials consumption and measures taken to improve the efficiency of their use, including indicators office paper, marketing and distribution consumption and percentage of paper recycled and/or guaranteeing sustainable management.
- Energy consumption and measures taken to improve energetic efficiency and the use of renewable energy, including indicators electricity, gas, fuel, steam and chilled water consumption per person.
- Greenhouse effect gas emissions, including indicator CO_2 emission resulting from onsite power consumption, paper and business travel per person.
- Usable occupied area and usable vacant area, including indicator net internal area.

SOCIAL INFORMATION:

- In terms of employment and regional development.
- Partnership and patronage actions, including indicators number of volunteers and volunteering hours during paid hours.
- Inclusion of social and environment issues in the purchase policy.
- Actions carried out to prevent corruption.
- Other actions carried out to promote human rights.

APPENDIX VIII BOARD OF DIRECTORS' REPORT – CORRESPONDENCE TABLE

This registration document includes all the compulsory matters required to be covered in the Board of Directors' report of AXA established Pursuant to Articles L.225-100 and L.225-100-2 of the French Commercial Code.

You will find below the references to the extracts of the registration document corresponding to the parts of the Board of Directors' report as approved by the Board of Directors of the Company.

APPENDIX IX COMMISSION REGULATION OF APRIL 29, 2004 – CORRESPONDENCE TABLE

Annual Report (Registration Document) filed with the AMF on March 26, 2015

ANNEX 1 OF THE COMMISSION REGULATION N° 809/2004

* *Pursuant to Article 28 of Commission Regulation (EC) n° 809/2004 of April 29, 2004, the following items are incorporated by reference:*

- *AXA's Consolidated Financial Statements for the year ended December 31, 2013 and the Statutory Auditors' report on them, respectively presented on pages 188-329 and on pages 330-331 of the Annual Report (Registration Document), the French version of which was filed with the AMF (Autorité des marchés financiers) on March 21, 2014 under reference n° D.14-0184;*
- *AXA's Consolidated Financial Statements for the year ended December 31, 2012 and the Statutory Auditors' report on them, respectively presented on pages 176-320 and on pages 321-322 of the Annual Report (Registration Document), the French version of which was filed with the AMF (Autorité des marchés financiers) on March 21, 2013 under reference n° D.13-0199.*

OTHER PERIODICAL INFORMATION REQUIRED BY THE AMF GENERAL REGULATIONS

APPENDIX X ANNUAL FINANCIAL REPORT – CORRESPONDENCE TABLE

This Registration Document includes all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the AMF General Regulations.

You will find below the references to the extracts of the Registration Document corresponding to the various parts of the Annual Financial Report.

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