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CONSOLIDATED FINANCIAL STATEMENTS

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4.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In Euro million)		December 31, 2014 ^(a)	December 31, 2013 Restated ^(b)	January 1, 2013 Restated ^{(b) (c)}
Notes				
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)		December 31, 2014 ^(a)	December 31, 2013 Restated ^(b)	January 1, 2013 Restated ^{(b) (c)}
Notes				
	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)		December 31,	December 31,
Notes		2014	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
	<i>of which change in fair value of assets with financial risk borne by policyholders ^(g)</i>	<i>9,520</i>	<i>22,180</i>
	Change in investments impairment ^(h)	(579)	(744)
22	Net investment result excluding financing expenses	29,810	33,953
	Technical charges relating to insurance activities ^(a)	(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

(b) 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
<i>Split between:</i>		
Net consolidated income – Group share	5,024	4,482
Net consolidated income – Minority interests	313	304
TOTAL COMPREHENSIVE INCOME (CI)	13,854	721
<i>Split between:</i>		
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				
	Number of shares (in thousands)	Nominal value (In Euros)	Share Capital	Capital in excess of nominal value	Treasury shares
<i>(In Euro million, except for number of shares and nominal value)</i>					
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					Shareholders' equity Group share	Minority interests Restated ^(b)
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		
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 CONSOLIDATED 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, 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

<i>(In Euro million)</i>	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.