2007

ADDITIONAL INFORMATION ABOUT LIFE & SAVINGS EUROPEAN EMBEDDED VALUE

Cautionary statements concerning forward-looking statements

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

Cautionary statements concerning European Embedded Value as a non-GAAP measure

This report includes non-GAAP financial measures. Embedded value is not based on IFRS, which are used to prepare and report AXA's financial statements and should not be viewed as a substitute for IFRS financial measures. In the attached report, the European Embedded Value is reconciled to IFRS shareholders' equity as reported in AXA's 2007 annual accounts. AXA believes the non-GAAP measure shown herein, together with the IFRS information, provides a meaningful measure for the investing public to evaluate AXA's business relative to the businesses of peers.

I. Introduction

Components of AXA Life & Savings European Embedded Value

The European Embedded Value (EEV) of AXA Life & Savings activities is derived from the statutory and IFRS accounts of AXA Life & Savings entities. It is presented net of minority interests.

AXA's methodology for Life & Savings EEV complies with the CFO Forum's EEV Principles. In particular, it:

- Provides for the cost of all significant options and guarantees (O&G) of Life & Savings businesses
- Includes a charge for cost of capital and non-financial risks (CoC/NFR)
- Includes costs of administrative services provided to our life companies by affiliated businesses on a "look-through" basis, although the Life & Savings value does not include the margins earned by our affiliated investment management companies reported outside the Life & Savings segment.

The EEV of the Life & Savings operations of AXA Group included in the scope consists of the following elements:

- ***Adjusted Net Asset Value (ANAV).*** This represents the tangible net assets. It is derived by aggregating the local regulatory (statutory) balance sheets of the life insurance companies restated with surplus assets at market value; these totals are reconciled to the Life & Savings IFRS shareholders' equity.
- ***Value of inforce (VIF).*** This is the present value of local regulatory (statutory) profits projected over the entire future duration of existing liabilities, with provision for the cost of financial options and guarantees, and net of the cost of holding additional capital required to support the business.

  The Life & Savings VIF is made of the following three elements:

  - the base value is a ***certainty equivalent Present Value of Future Profits (PVFP)***, which is the value of the business considered without taking credit for any future investment risk premiums (which are the expected excess returns of equities, corporate bonds, etc. over the reference interest rate). This value reflects the intrinsic value of the O&G, as well as the policyholder charges less hedging costs for guarantees on Accumulator-type products,
  - the base value is then reduced by the ***Time Value of O&G***, which is valued in a manner consistent with the approach used in financial markets to value O&G (as just noted the full O&G cost for Accumulator-type products is captured in the PVFP),
  - a charge for ***CoC/NFR*** is deducted, which is the economic cost incurred through the payment of investment expenses and taxes on investment income of assets held in excess of the policyholder reserves. The amount of such assets is the greatest of 1) the local regulatory requirement, 2) an amount consistent with maintaining capital consistent with a AA capital requirement at each operation, net of implicit items (whose definition varies with local regulation and practice, and might include unrealized gains, subordinated debt, and other items) that can be used to support capital requirements, and 3) the capital required by internal economic capital models before any Group diversification benefits.

The VIF for smaller operations of the Group (Eastern Europe, Southeast Asia and China, and parts of the Mediterranean Region) is determined following a traditional embedded value approach of discounting future cash flows at risk discount rates set to consider aggregate risks (these operations in total represent Euro 436 million or 1.1% of the 2007 Life & Savings EEV).

As additional information, AXA derives implied discount rates (IDRs) for each business unit except for those following the traditional embedded value approach. These are the discount rates which would reproduce the VIF from a deterministic projection of statutory distributable earnings (profit less movement in required capital) in an illustrative scenario. These discount rates are therefore results rather than assumptions. The economic assumptions in the illustrative scenario impact only the IDRs and not the EEV; if different illustrative assumptions were used, the IDRs would change but the EEV would remain the same. In addition to being a bridge between EEV and more traditional approaches to Embedded Value which used best estimate future investment returns, the IDRs also provide a measure of what future return might be expected for both EEV and NBV, if future investment returns were consistent with the illustrative assumptions. The IDRs as of the end of 2006, applied to the 2006 VIF plus Required Capital, is part of the Operating Return on EEV in 2007.

In summary, for Life & Savings operations included in the scope of projections, the IFRS shareholders' equity is replaced by the present value of shareholder cash-flows from existing business including the market value of assets in excess of those supporting policyholder liabilities. The availability of cash-flows to the shareholder is determined according to local regulatory rules and the target of maintaining capital locally consistent with a AA rating. The present value is risk-adjusted to reflect multiple scenarios in a manner consistent with how options are valued by the financial markets, and the presence in the cashflows of capital in excess of minimum regulatory levels provides an allowance for non-financial risks. Future business sales are not included. As in the IFRS accounts, AXA Life Japan is consolidated using their data as of the end of September rather than end of December.

The EEV of Life & Savings operations not included in the scope of projections (listed in the Scope section below) is estimated by the sum of IFRS shareholders' equity and IFRS unrealized capital gains and losses after policyholder bonus, taxes, DAC and VBI reactivity not included in the shareholders' equity (the total value of entities not in the scope of projections is Euro 122 million, or less than 0.5% of the Life & Savings EEV).

As mentioned above, AXA has chosen to exclude from Life & Savings EEV the profits of its investment management companies on the assets managed for Life & Savings operations. This choice is linked to the commercially sensitive nature of disclosing margins for companies that also manage third-party assets, and because AllianceBernstein units are publicly-traded in their own right. It is also noteworthy that the units of AllianceBernstein held by US Life entities in the Group are not valued at their 12/31/07 market value of Euro 6.3 billion (gross of tax) in the Life & Savings EEV; instead, these units are carried at their cost basis of Euro 0.8 billion. This treatment is consistent with other cross-shareholdings of entities within the AXA Group.

In addition, there were a number of internal transactions between subsidiaries, mostly related to rationalizing AXA's group structure after the acquisition of Winterthur businesses in 2006. The sale of Winterthur operations in Hong Kong to AXA Asia-Pacific Holdings resulted in the dilution of AXA's ownership percentage of that business. In some other cases internal transactions were with subsidiaries outside of Life & Savings scope which created changes in the Life & Savings value offset by changes in the other-than-life segments.

Scope

LIFE BUSINESS INCLUDED IN PROJECTIONS OF CASH-FLOWS

AXA's Life & Savings segment offers a broad range of Life insurance products including retirement products as well as Health insurance products for both individuals and groups (i.e. corporate clients). The Life & Savings segment accounted for Euro 59.9 billion or 64% of AXA's consolidated IFRS gross revenues for the year ended 12/31/07.

Cash flows projected in the VIF are from the following entities:

- **Europe :**

  France (includes Health), United Kingdom, NORCEE (comprised of Germany [includes Health], Belgium, Switzerland, and Central & Eastern Europe [comprised of Hungary, Czech Republic and Poland]) and Mediterranean Region (comprised of Italy including MPS, Spain, Portugal, Greece, Turkey)

  Health business is included in France and Germany because of its close relationship to Life insurance business while it is excluded in other countries as in those countries it is closer in nature to P&C business; this aligns also with IFRS segmental reporting.

- **North America :**

  United States

- **Asia / Pacific region :**

  Japan, Australia/New Zealand, Hong Kong, and Southeast Asia & China (comprised of China other than Hong Kong, Indonesia, Thailand, Philippines, Singapore)

As of 12/31/07, the business projected in VIF represented 98.5.% of total Life & Savings technical reserves and 99.8% of total Life & Savings revenues (some of the smallest entities included in EEV are consolidated on the equity method in IFRS and therefore do not contribute to revenues).

The net asset value of the unmodeled Life & Savings entities was Euro 122 million which represented 0.3% of the total net asset value of the Life & Savings segment.

LIFE BUSINESS EXCLUDED FROM PROJECTIONS OF CASH-FLOWS

The following operations have Life & Savings business included in the Life ANAV using IFRS shareholders equity plus unrealized capital gains and losses after policyholder bonus, taxes, DAC and VBI reactivity not included in IFRS equity but are excluded from the VIF and NBV calculations:

- **Europe and North Africa :**

  Morocco (included in Mediterranean Zone), Luxembourg, Slovakia

- **North America :**

  Canada

The following non-consolidated operations have Life & Savings included at IFRS carrying value:

India and Malaysia

The changes in scope between 2006 and 2007, in addition to external acquisitions/divestitures, were Greece, Turkey, and Southeast Asia & China which previously did not have projected cashflows.

Refinements in 2007 methodology compared to 2006

Several improvements have been introduced during 2007; their impacts on Life & Savings EEV are shown in the rollforwards later in this report. The changes include:

- Elimination of life entity cross-shareholdings within the owning country rather in a special column within the Life segment (this does not impact Life & Savings segment or Group value but lowers the value presented in the individual countries (mostly UK and Switzerland)). As part of this elimination the UK no-longer includes the value of its shareholding in AXA Asia-Pacific Holdings at market value, since it is now wholly eliminated.

- A variety of local modeling enhancements described in the each country's analysis of EEV rollforward.

- The sensitivities of movements in the reference interest rate environment have been adjusted to exclude any changes in inflation rates, whereas last year some operations including inflation impacts with the interest rate sensitivities.

The basis for presenting IDRs has been changed to try to bring easier comparisons to other companies which also present IDRs.

II. Highlights

Movement of Life & Savings European Embedded Value during 2007

Euro million - Group share	Free surplus	+	Required capital	=	ANAV	+	VIF	=	Life EEV 06/07	Life EEV 05/06
Opening Life & Savings EEV	**2 887**		**12 675**		**15 562**		**22 828**		**38 390**	**29 489**
Subsidiary ownership structure changes	-1 003		0		-1 003		0		-1 003	
Market calibration adjustments										608
Other opening adjustment	367		325		692		-578		114	437
Adjusted opening Life & Savings EEV	**2 252**		**12 999**		**15 251**		**22 250**		**37 501**	**30 534**
Operating performance from existing business:	2 759		642		3 401		-944		2 457	2 252
Expected return on VIF + Required capital (Unwind of IDR)	0		0		0		2 526		2 526	1 965
Expected profits included in VIF	3 534		0		3 534		-3 534		0	0
Expected return on surplus	90		0		90		0		90	84
Expected change in required capital	-484		484		0				0	0
Operational experience changes	*-381*		*157*		*-224*		*355*		131	831
Operational assumption changes	*0*		*0*		*0*		*-291*		-291	-626
New Business Value	-2 272		559		-1 713		3 485		1 772	1 501
Operating Return on Life & Savings EEV	**487**		**1 201**		**1 688**		**2 541**		**4 229**	**3 752**
Current year investment experience	1 169		-121		1 049		-268		781	2 311
Change in investment assumptions	0		0		0		0		0	0
Total Return on Life & Savings EEV	**1 657**		**1 080**		**2 736**		**2 273**		**5 009**	**6 063**
Capital Flows	-1 718		73		-1 645		0		-1 645	-1 162
Exchange rate movements impact	-129		-606		-734		-1 301		-2 036	-1 381
Life & Savings EEV of acquired / disinvested business	113		18		131		-470		-340	4 336
Closing Life & Savings EEV	**2 174**		**13 565**		**15 738**		**22 752**		**38 490**	**38 390**
Operating Return on Life & Savings EEV									**11%**	**12%**
Total Return on Life & Savings EEV									**13%**	**20%**
Change	**-25%**		**7%**		**1%**		**0%**		**0%**	**30%**
Change @ constant FX	**-20%**		**12%**		**6%**		**5%**		**6%**	**35%**
Change @ constant FX and scope	**-24%**		**12%**		**5%**		**7%**		**6%**	**20%**

(the movement in Free Surplus includes -113m€ of changes in unrealized capital gains/losses balances which are reflected in EEV but excluded in local statutory profits)

Total Return on Life & Savings European Embedded Value (EEV), which excludes the impacts of capital transfers, modeling changes, EEV of acquired business and foreign exchange, was 13% in 2007 compared with 20% in 2006. The primary drivers of lower return in 2007 versus 2006 were lower investment experience (-5% impact on Total Return, reflecting less favorable equity market returns, increased market volatilities, and mixed impacts from changes in the reference interest rate environment) and less favorable operational experience (-2% impact on Total Return, reflecting 2007 having less favorable experience than 2006 notably in France which had very strong gains in 2006).

Life & Savings free surplus decrease of 25% (24% at constant exchange rates and scope) was mainly driven by strong dividends and other net capital flows out of Life & Savings to Holdings and new business strain reflecting the first year loss associated with writing new business partially offset by earnings during the year.

Life & Savings required capital increase of 7% (12% at constant exchange rate and scope) was mainly driven by additional required capital requirement mainly in UK (linked to transfer of annuity business to a new company to improve shareholder returns) and Germany (linked to reimbursement of subordinated debt implicitly supporting required capital last year) and some additional required capital associated with new business in all the countries.

Life & Savings VIF growth of 0% (7% at constant exchange rates and scope) was mainly driven by strong business performance partially offset by foreign exchange rate impacts and the transfer of expected profit to ANAV.

This section includes a description of the analysis and a summary of major movements; a more complete description by country is available in the detailed results section.

Impact of subsidiary ownership structure changes reflects impacts from transfers which were made between Group companies of shares in other Group entities. These reflect payments by local UK and Hong Kong operations for ex-Winterthur businesses which transfer cash to other than life segment, and share sales of certain entities and purchase of other entities in Switzerland that increased the book values which need to be eliminated in the consolidation process (for example if they held shares in Country B with a book value of 20 that were sold for 80, but then the proceeds were reinvested in shares of Country C which therefore has a book value of 80, there is an increase in 60 (=80-20) of the necessary elimination in Life & Savings and a cash gain in an other than life segment for 60). At the total Life & Savings level the impact is to reduce EV by Euro -1 003 million although at the total Group level the impact is nil.

Other modeling changes and opening adjustments of Euro 114 million have been made mainly in France, UK, Switzerland and Belgium along with smaller adjustments in other countries. This line also includes changes in the ownership percentage of the AXA Group in some operations for a total of Euro 66 million mainly driven by Germany (Euro 51 million), Morocco (Euro 27 million), Australia/New Zealand (Euro 24 million) and some minor changes in Japan and China partially offset by the sale of Winterthur Hong Kong to AXA Asia-Pacific Holdings (AAPH) which dilutes the Group ownership percentage (Euro -55 million).

Adjusted opening Life & Savings EEV of Euro 37 501 million is the balance previously reported for 2006 Closing, adjusted by the items above. It serves as the basis for calculating Operating Return on Life EEV and Total Return on Life & Savings EEV.

Operating performance from existing business considers the movements in EEV related to the business inforce at the beginning of the year, excluding the investment impacts shown below that relate to variances from the illustrative investment assumptions used in the 2006 EEV. The total operating performance of Euro 2 457 million includes Euro 3 401 million increase in ANAV and Euro -944 decrease in VIF. This is analyzed in several components:

> **Expected return on VIF + Required Capital (unwind of IDR)** of Euro 2 526 million is the mechanical effect of rolling forward the beginning of year VIF at the prior year IDR in each entity (the unwind calculation is based on IDR multiplied by VIF + Required Capital).
>
> **Expected profits included in VIF** is based on the illustrative investment scenario used to calculate IDR for the prior year. This represents expected profits released from PVFP into ANAV, including the real-world expected income on assets supporting policy reserves and required capital.
>
> **Expected return on surplus** of Euro 90 million is the expected after-tax profit on surplus assets (using the illustrative investment scenarios used to calculate IDR for the prior year) in excess of those supporting the VIF and required capital.

Operational experience changes of Euro 131 million is the impact of actual versus expected experience for items like mortality, expenses, lapse rates, etc. ANAV movement of Euro -224 million reflects the impact on current year profit, while VIF movement of Euro 355 million reflects the impact on future profits (for example, lower lapses might decrease current year profits due to lower than expected surrender charges, but help future profits by retaining more business generating future profits). The ANAV movement is largely from US (Euro -234 million) mainly due to a regulatory reserve increase (offset by Euro 318 million higher VIF) partially compensated by tax adjustments. In addition to the US reserve impact the VIF movement is mainly driven by Germany (Euro 114 million) due to the decrease in regulatory tax rate from 40% to 32% effective in 2008, with smaller impacts in other countries netting to a negative.

The operational experience is much less favorable than 2006 (variance Euro -700 million), mainly due to France (variance Euro -574 million with losses this year from exceptional expenses and an adverse tax ruling after extremely favorable 2006 including successfully decreasing guaranteed rates on Retirement business), Japan (variance Euro -126 million due to higher expenses including Winterthur integration and extra lapses following a tax rule change), and the US (variance Euro -101 million after favorable 2006 including a tax settlement), partially offset by favorable change in Germany (variance Euro 165 million with benefits of 2007 tax reform compared to an unfavorable 2006).

Operational assumption changes of Euro -291 million is the impact on VIF of changes in future assumptions for items like mortality, expenses, lapse rates, etc. It is mainly driven by US (Euro-232 million) and Germany (Euro -62 million) with positives and negatives in other countries netting to a small positive.

The operational assumption changes are favorable compared to 2006 (variance Euro 336 million). The main impacts are in France (variance Euro 337 million with positive 2007 changes related to lower lapse assumptions on Savings products and lower average tax rate following negative 2006 related to higher unit costs), the UK (variance Euro 183 million after very negative 2006 driven by a one-off reallocation from excluded expenses into unit costs), Japan (variance Euro -78 million with improvements in 2007 less than those in a very strong 2006), and Germany (variance Euro -70 million due to updated lapse assumptions and revised expenses on Twinstar).

New Business Value of Euro 1 772 million consists of free surplus strain of Euro -2 272 million and Required Capital increase of Euro 559 million netting to ANAV decrease of Euro -1 713 million (meaning that the statutory profit loss associated with new business is Euro 1 713 million, and in addition Euro 559 million is transferred from free surplus to Required Capital associated with new business), and VIF of Euro 3 485 million.

Operating Return on Life & Savings EEV of Euro 4 229 million is the combination of the operating performance from existing business and the New Business Value as just outlined. It represents 11% of the Adjusted Opening Life & Savings EEV.

Current year investment experience of Euro 781 million includes:

> 1) the variance in experience during 2007 from that expected in the illustrative investment scenario at the end of 2006. This impacts ANAV through profits and the level of unrealized gains, and also impacts VIF through a) impacts of unrealized gains on future profits and/or bonuses, b) impacts of the level of assets under management on future fees, and c) impacts of market levels on hedges and on the value of assets which change the value of options and guarantees (such as the net amount at risk on GMDB/IB-type coverages).
>
> 2) the change in value created by reflecting yearend 2007 yield curves and investment conditions in the VIF rather than those of yearend 2006. This impacts Certainty Equivalent PVFP and CoC/NFR through changing market reference yield curves and Time Value of O&G through updating related stochastic scenarios, including updated volatilities.

The primary sources of ANAV movement of Euro 1 049 million are the US (Euro 857 million) mainly due to better than expected experience on dividends from AllianceBernstein, real estate unrealized gains, and general account alternative investments and derivatives, with smaller movements in other countries netting to a positive.

The primary sources of VIF movement of Euro -268 million are the US (Euro -633 million) where lower risk free rate along with higher volatilities along with lower unrealized capital gains due to higher credit spreads decreased future profits, partially offset by Germany (Euro 219 million) and Belgium (Euro 138 million) where higher risk-free rates increased future profits, with smaller movements in other countries that net to a positive.

Compared to last year the current year investment experience is much less favorable due to mainly the decrease in the yield curve in the US and the increase of the volatilities in all the countries.

Change in investment assumptions is zero. This line would reflect changes to investment assumptions such as correlations between asset classes, which are not directly driven by investment market data observed at yearend. For 2007 no such changes were made.

Total Return on Life & Savings EEV before currency effects, capital flows and Life EEV of acquired business of Euro 5 009 million combines the Operating Return with the Investment impacts. It represents 13% of the Adjusted Opening Life & Savings EEV.

Capital flows of Euro - 1 645 million reflect net transfers out of the Life segment in 2007 including dividends paid, received and capital injections. This is larger than prior year due to larger dividends mainly in France and Belgium and a capital repayment from Australia/New Zealand Life & Savings to the local holding company.

Exchange rate movements impact of Euro - 2 036 million is predominantly due to the strengthening of the Euro versus the Dollar and the Yen. This amount does not reflect the impact of AXA's foreign currency hedging program which is in the Holdings segment.

Life & Savings EEV of acquired/disinvested business of Euro -340 million was mainly related to the disposal of Netherlands (Euro – 1 350 million) partially offset by realized Life & Savings Segment gain with this sale (Euro +526 million in Switzerland and Belgium; the balance of the sale transaction appearing in Other-than-Life segments) and MPS acquisition (431m€) in Italy (where the value of the acquisition is in Life & Savings EEV but funding came from Other-than-Life segments).

Closing Life & Savings EEV of Euro 38 490 million is the total value at the end of the year, representing the prior year balance plus opening adjustments, plus Total Return, plus capital flows, plus EEV of acquired/disinvested business and the exchange rate impact.

Elements of Life & Savings EEV

Life & Savings VIF can be broken down between the 3 following items:

Euro million, Group share	**2006**	**2007**	**Change**	**Change @ constant FX and scope**
certainty equivalent PVFP	27 666	27 498	-1%	7%
Less: time value of O&G	-2 689	-2 554	-5%	1%
Less: CoC/NFR	-2 150	-2 192	2%	7%
Life & Savings VIF	**22 828**	**22 752**	**0%**	**8%**

Certainty Equivalent PVFP combined with *Time Value of O&G* has grown by 8% at constant FX rate and scope. They are impacted by changing interest rate environments in a number of offsetting ways: higher reference interest rate environments increase modeled future investment returns partially offset by higher discount rates, but also make the cost of options and guarantees lower which helps the overall value. The lower cost of O&G can be reflected in either element, depending on the relationship of guarantees to current risk-free yields. As an example, for options and guarantees in the money, the higher reference interest rates mean that the option are less in the money leading to a shift of the cost from intrinsic value to Time Value so the total value improves with Certainty Equivalent PVFP growing and the (negative) Time Value of O&G growing by a smaller amount.

CoC/NFR is impacted also by higher reference interest rates increasing the tax cost of holding capital. The CoC/NFR is calculated as the cost of holding (net of implicit items) at least the capital consistent with a AA capital requirement at each operation; this cost is approximately Euro 1.1 billion higher than maintaining the minimum local regulatory requirements.

2007 Life & Savings New Business Value

Euro million, except when otherwise noted Group share	2006	2007	Change	Change @ comparable basis
Annual Premium Equivalent (APE)	7 343	7 694	5%	8%
Present Value of Expected Premiums (PVEP)	68 783	70 152	2%	6%
New Business Value (NBV)	1 705	1 772	4%	8%
NBV/APE	**23,2%**	**23,0%**	**- 0,2 pts**	**0,1 pts**
NBV/PVEP	**2,5%**	**2,5%**	**0,0 pts**	**0,1 pts**

2006 new business metrics shown in this table are for AXA including Winterthur, although Winterthur NBV written in 2006 was before the acquisition was final and were not part of AXA's 2006 results.

'Comparable Basis' removes the distorting effects of foreign currency and scope movements, and also restates 2006 results for opening adjustments in order to present a more consistent view.

Life & Savings New Business APE increased by 8% at comparable basis to Euro 7 694 million, reflecting continued organic growth momentum notably in the US and Australia/New Zealand while Japan's growth was negative after some unfavorable tax changes (it is worth noting that average FX rates changed much less than yearend FX rates, and so new business measures are much less impacted by the exchange rate movements than total EEV especially in the US and in Japan).

Life & Savings New Business PVEP increased by 6% at comparable basis. It is relevant for measuring margin (taking the ratio of NBV to PVEP), but is less relevant as a volume measure, because its value reflects not only changes in sales but also changes in projection assumptions and discount rates.

Life & Savings New Business Value (NBV) increased by 8% at comparable basis to Euro 1 772 million, reflecting continued improvements in mix and margins combined with an increase of volume partially offset by higher expenses and unfavorable economic conditions especially in US.

The increase is analyzed by factor in the following table:

Rollforward of Life & Savings NBV *(Euro million, Group share)*	
2006 Life & Savings NBV	**1 705**
Modeling changes and opening adjustments	*6*
Change in scope and acquisitions	*5*
Business-driven evolution:	*147*
Volume	*58*
Mix	*162*
Expenses	*-43*
Investment market conditions	*-36*
Assumptions changes and other	*6*
Currency impact	*-90*
2007 Life & Savings NBV	**1 772**

Modeling changes and opening adjustments of Euro 6 million have been made mainly in France, Belgium and US.

Change in scope and acquisitions of Euro 5 million reflects new entries in EEV scope Turkey, Greece, South East Asia and China partially offset by Netherlands divestiture and the sale of Winterthur Hong Kong to AXA Asia-Pacific Holdings (AAPH) which dilutes the Group ownership percentage. As the acquisition of MPS Vita closed at the end of the year there is no 2007 NBV included.

Business driven evolution of Euro 147 million is made of several components:

> **Volume** of Euro 58 million reflects the APE evolution mainly driven by strong growth in US due to strong growth in Variable Annuities products as well as in Life products and Belgium driven by both non unit linked and unit linked product partially offset by lower sales in Japan as certain Term products have seen their tax treatment being reassessed by the local tax authority creating uncertainty for the future development of those products
>
> **Mix** of Euro 162 million reflects the change in business mix compared to prior year were mainly driven by Japan (Euro 111 million) reflecting the company's successful strategy to focus on more profitable medical and term products, Germany (Euro 48 million) due to Twinstar Business sales increasing and UK (Euro 31 million) due to AXA Direct protection sales increasing and lower offshore bonds cash sales than last year, with smaller impacts in other countries adding to a negative.
>
> **Expenses** of Euro -43 million reflects an increase in unit costs compared to prior year mainly in Germany (Euro -16 million) with updated Twinstar expenses, Belgium (Euro -16 million) as a result of a new allocation between Life and other than Life segment in addition to higher overriding commission and in UK (Euro -16 million) due to higher protection campaign costs, with smaller impact in other countries adding to a positive.
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> **Investment market conditions** reflects the change in value created by reflecting year-end 2007 yield curves and Investment conditions rather than those expected at point of sales (unit-linked products are a special case in NBV, with year-end condition used for future asset returns but fund performance from point-of-sale to yearend based on beginning-of-year expectations in order to avoid figures distorted by market performance relative to potential future profitability). The movement of Euro -36 million is largely driven by lower reference interest rates and higher volatilities in the US (Euro -34 million) with smaller impact in other countries adding to a negative.
>
> **Assumptions changes and other** of Euro 6 million is the impact of change in assumption like mortality, expenses, lapse rates, tax, etc. This is mainly driven by lower tax rate in France (Euro 15 million) and in Germany (Euro 11 million) partially offset by Japan (Euro -14 million) due to unfavorable lapse rates in Cancer products, with smaller impacts in other countries adding to a negative.

Currency impact of Euro -90 million is predominantly due to the strengthening of the Euro versus the Dollar and the Yen.

Closing Life & Savings NBV of Euro 1 772 is the total new business value at the end of the year, representing the prior year balance plus opening adjustments, plus business driven evolution and the exchange rate impact.

Life & Savings NBV can be broken down between the 3 following items:

Euro million, Group share	**2006**	**2007**	**Change**	**Change @ comparable basis**
Certainty equivalent PVFP less Strain	2 037	2 091	3%	7%
Less: Time Value of O&G	-213	-202	-5%	-4%
Less: CoC/NFR	-118	-117	-1%	1%
Life & Savings NBV	**1 705**	**1 772**	**4%**	**8%**

The Certainty Equivalent PVFP less Strain increased by 7% at comparable basis to Euro 2 091 million mainly due to volume growth enhanced by improved mix and increased margins in most countries.

The Time Value of O&G decreased by 4% to Euro -202 million reflecting in general a business mix with lower levels of guarantees mainly driven by the US in a lower reference interest rate environment..

CoC/NFR increased by 1% to Euro -117 million which is linked to the increased volume of new business sales but with increased share of unit-linked moderating the capital required.

As a result, **Life & Savings NBV to APE margin** decreased to 23.0% from 23.2% in 2006 and **Life & Savings NBV to PVEP margin** was 2.5% as in 2006.

Reconciliation of Life & Savings IFRS Shareholders' Equity to ANAV

The table below shows the reconciliation of Life & Savings Shareholders' Equity to Life & Savings IFRS Shareholders' ANAV.

Euro million, Group share	**2006 restated (2)**	**2007**	**Change**
Life & Savings Shareholders' equity	**35 600**	**33 488**	**-6%**
Net URCG not included in Shareholders' equity	545	683	25%
Goodwill	-7 491	-7 079	-5%
Deferred Acquisition & Origination Costs (DAC & DOC)	-6 896	-7 338	6%
Value of Business Inforce (VBI)	-3 315	-2 821	-15%
Other intangibles (1)	-373	-596	60%
UCG projected in PVFP & other Stat-GAAP adjustments	-2 508	-599	-76%
UCG projected in PVFP	-5 266	-1 933	-63%
other Stat-GAAP adjustments	2 758	1 334	-52%
Life & Savings Adjusted Net Asset Value (ANAV)	**15 562**	**15 738**	**1%**

(1) *Other intangibles are reduced by Euro 55 million in 2006 and Euro 4 million in 2007 representing Goodwill, DAC and VBI of unmodeled Life & Savings operation which is not eliminated in ANAV, so that the Goodwill, DAC, VBI tie to the Financial Supplement. The smaller balance in 2007 reflects the increased scope of the business that is modeled.*

(2) *In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items affecting the allocation of Winterthur purchase price.*

The major elements of the reconciliation are as follows:

- Addition of unrealized capital gains (or losses) net of taxes and policyholder bonus to the extent these are not reflected in IFRS equity (for example real estate and loan assets where IFRS does not allow market valuation).
- Elimination of all intangible assets, with an 'add back' to include the intangible assets of the Life & Savings businesses outside the scope of EEV modeling.
- Deduction of unrealized gains that are counted as part of the VIF
- Other adjustments between Statutory and IFRS balance sheet, predominantly reflecting different reserving bases

Life & Savings EEV plus Other Business Tangible Net Asset Value

Life & Savings is only one of the business segments of the AXA Group, which also has Property & Casualty insurance, Asset Management, Banks, International Insurance, and Holdings and Other Companies segments. To place the Life & Savings EEV better into this broader Group context, the following table presents a reconciliation of IFRS Shareholders' Equity to what could be termed a "Group Embedded Value", or the Life & Savings EEV plus Other Business Tangible Net Asset Value. There is no standard definition of "Group Embedded Value", and the value presented here is conservative because it eliminates all IFRS intangible assets for Goodwill and customer intangibles, but it does not add the present value of future profits except for the inforce in the Life & Savings segment (no value from future sales is included in any segment). In addition to opening and closing balances, an analysis of movement is included. The objective of this presentation is to provide a perspective that is more appropriate as a building block for investment valuations.

For Other than Life businesses the presentation is designed to be consistent with the ANAV of the Life & Savings EEV framework, and the major adjustments to IFRS Shareholders' Equity are:

- Addition of unrealized capital gains (or losses) net of taxes and policyholder bonus to the extent these are not reflected in IFRS equity (for example real estate and loan assets where IFRS does not allow market valuation).
- Deduction of TSS/TSDI super-subordinated debt instruments that are considered equity in IFRS
- Adjustment of all debt to current market values rather than book value
- Elimination of intangible assets

RECONCILIATION OF GROUP SHAREHOLDER'S EQUITY TO LIFE & SAVINGS EEV PLUS OTHER BUSINESS TANGIBLE NET ASSET VALUE

The tables below extend the Life & Savings reconciliation presented in the previous section to include the other business segments and the Group total, consistently with the principles outlined in the previous section.

Euro million, Group share	2006 updated		
	Life & Savings	Other than Life & Savings	Total
Shareholders' equity @ 12/31/2006	**35 600**	**11 625**	**47 226**
Net URCG not included in Shareholders' equity	545	1 338	1 882
Excluded TSS/TSDI		-7 253	-7 253
Mark to Market debt		-616	-616
Excluded Intangibles	-18 075	-7 852	-25 928
UCG projected in PVFP & other Stat-GAAP adjustments	-2 508		-2 508
Adjusted Net Asset Value (ANAV)	**15 562**	**-2 758**	**12 804**
Life & Savings VIF	**22 828**		**22 828**
AXA Life & Savings EEV + Other business tangible net asset value @ 12/31/06	**38 390**	**-2 758**	**35 633**

Euro million, Group share	2007		
	Life & Savings	Other than Life & Savings	Total
Shareholders' equity @ 12/31/2007	**33 488**	**12 153**	**45 642**
Net URCG not included in Shareholders' equity	683	1 394	2 077
Excluded TSS/TSDI		-7 781	-7 781
Mark to Market debt		-77	-77
Excluded Intangibles	-17 833	-9 339	-27 172
UCG projected in PVFP & other Stat-GAAP adjustments	-599		-599
Adjusted Net Asset Value (ANAV)	**15 738**	**-3 650**	**12 088**
Life & Savings VIF	**22 752**		**22 752**
AXA Life & Savings EEV + Other business tangible net asset value @ 12/31/07	**38 490**	**-3 650**	**34 840**

MOVEMENT ANALYSIS OF LIFE & SAVINGS EEV PLUS OTHER BUSINESS TANGIBLE NET ASSET VALUE

The analysis of movement from 2006 to 2007 is performed on a basis consistent with how the opening and closing balances are performed: the values represent Life & Savings EEV plus for Other Business the IFRS Shareholders' Equity adjusted to eliminate intangibles and mark assets and debts to market. Accordingly, the Other Business movement is essentially a movement analysis of IFRS Equity, plus a movement analysis of the adjustment made to the Equity.

Euro million - Group share	Life & Savings EEV	Other business tangible net asset value	Total
AXA Life & Savings EEV + Other business tangible net asset value @ 12/31/06	**38 390**	**-2 758**	**35 632**
Subsidiary ownership structure changes	-1 003	1 003	0
Other Modeling changes and opening adjustments	114	-187	-73
Adjusted opening Life & Savings EEV + Other business tangible net asset value	**37 501**	**-1 942**	**35 559**
Operating return	**4 229**	**2 577**	**6 806**
Current year investment experience	781	-1 205	-424
Total Return	**5 009**	**1 372**	**6 382**
Dividends paid - received	-1 708	-510	-2 218
Capital Flows	63	-629	-565
Exchange rate movements impact	-2 036	1 342	-694
Acquired / Disinvested business	-340	-1 196	-1 536
Share and Convertible buy back		-2 319	-2 319
Other issued capital		232	232
Closing Life & Savings EEV + Other business tangible net asset value@ 12/31/07	**38 490**	**-3 650**	**34 840**
Operating Return on Life & Savings EEV + Other business tangible net asset value	**11%**	**-133%**	**19%**
Total Return on Life & Savings EEV + Other business tangible net asset value	**13%**	**-71%**	**18%**
Change	**0%**	**32%**	**-2%**
Change @ constant FX	**6%**	**81%**	**0%**
Change @ constant FX and scope	**6%**	**38%**	**4%**

Subsidiary ownership structure changes for Other than Life business reflect the offsetting impacts to various internal share transactions:

Other modeling changes and opening adjustments for Other than Life business reflects a correction to the segment allocation of some crossholding adjustments and some groupshare adjustments. The amounts are presented as an opening adjustment to be coherent with the Life & Savings EEV movement analysis.

Operating return for Other than Life business is equal to the sum of the elements below net of tax:

1) Underlying Earnings of Euro 2 293million, plus
2) a normalized equity capital gain assumption of 4.5% before tax of Euro 448 million, less
3) interest on TSS/TSDI which are considered debts in this presentation of Euro 290 million, plus
4) the elimination of expense for equity-settled sharebased compensation (this last adjustment is to be coherent with an equity rollforward, since expenses for equity-settled sharebased compensation do not cause a reduction in equity) of Euro 127 million

Current year investment experience for Other than Life business is equal to the sum of the elements below net of tax:

1) after-tax Net Income less Underlying Earnings plus the 4.5% normalized equity capital gain assumption of Euro 26 million, plus
2) change in the mark-to-market adjustment for items not reflected in IFRS income (eg real estate, debts including TSS/TSDI, pension SORIE) of Euro - 300 million, plus
3) elimination of the amortization charge for intangibles that are eliminated in the opening and closing balances of Euro 34 million, less
4) elimination of the gain booked in IFRS Net Income related to the disposal of Netherlands operation (reclassified below Total Return as an acquisition/disposal effect) of Euro 480 million, less
5) elimination of the dividends paid by AllianceBernstein to the Life & Savings segment in the US, which are considered as investment return by the Life & Savings segment and therefore need to be a negative investment return in Other than Life Business (and similar internal financial transfers in Belgium, France and UK) of Euro 484 million.

Total Return for Other than Life business is then equal to the operating return plus the current year investment experience, which can also be stated as the sum of the elements below net of tax:

1) after-tax Net Income of Euro 2 767 million, plus
2) change in the mark-to-market adjustment for items not reflected in IFRS income (eg real estate, debts including TSS/TSDI, pension SORIE) of Euro -300 million, plus
3) elimination of the amortization charge for intangibles that are eliminated in the opening and closing balances of Euro 34 million, less
4) interest on TSS/TSDI which are considered debts in this presentation of Euro 290 million, plus
5) the elimination of expense for equity-settled sharebased compensation (this last adjustment is to be coherent with an equity rollforward, since expenses for equity-settled sharebased compensation do not cause a reduction in equity) of Euro 127 million, less
6) elimination of the gain booked in IFRS Net Income related to the disposal of Netherlands operation (reclassified below Total Return as an acquisition/disposal effect) of Euro 480 million, less
7) elimination of the dividends paid by AllianceBernstein to the Life & Savings segment in the US, which are considered as investment return rather than capital flow by the Life & Savings segment (and similar internal financial transfers in Belgium, France and UK) of Euro 484 million.

Dividends for Other than Life business is the net of the dividends paid (including from the parent company to its shareholders) and the dividends received from the Life & Savings segment, with an adjustment to exclude the dividend from AllianceBernstein to the US Life & Savings segment which is instead recorded as investment experience, the other dividends paid to France and UK Life & Savings segment and booked in investment experience, and the dividends related to transfer of ownership of Winterthur HK from Switzerland to AAPH (these adjustments have no impact on the Total column).

Other Capital Flows for Other than Life business includes impacts from a variety of other transactions and internal transfers, including the acquisition of additional AllianceBernstein shares (following the exercise of put options by management) that created IFRS Goodwill in the Asset Management segment that is eliminated in this presentation.

Exchange rates movement impacts for Other than Life business includes the impact of foreign currency hedges that cover the total of all businesses.

Acquired/Disinvested business impact on Other than Life business reflects the transaction impacts for acquisition and disposal transactions, most notably the Netherlands operations, MPS Vita joint venture, Swiftcover and various brokerages in the UK, and Alpha Insurance in Greece.

Share and Convertible buy back reflects the impacts of the dilution-control programs in 2007.

Other Issued Capital is the impact of other capital raising such as for sharebased compensation purposes net of the eliminated profit charges.

III. Detailed results

Rollforward of Life & Savings EEV – by country

Euro million - Group share	United States	France	United Kingdom	NORCEE	Asia-Pacific	Med Region	Unmodeled countries	Consolidation adjustment	**TOTAL Life EEV**
Opening Life & Savings EEV @ 12/31/06	**9 759**	**8 099**	**5 749**	**9 037**	**6 245**	**978**	**230**	**-1 707**	**38 390**
Subsidiary ownership structure changes	0	-38	-1 354	-1 217	-101	0	0	1 707	-1 003
Other Modeling and opening adjustments	-10	-326	139	339	33	56	-117	0	114
Adjusted opening Life & Savings EEV	**9 749**	**7 735**	**4 534**	**8 159**	**6 177**	**1 034**	**113**	**0**	**37 501**
Operating performance from existing business:	624	544	328	482	478	36	-36	0	2 457
Expected return on VIF + Required capital (Unwind of IDR)	738	476	326	533	387	65	0	0	2 526
Expected profits included in VIF	0	0	0	0	0	0	0	0	0
Expected return on surplus	33	54	-23	-18	37	7	0	0	90
Operational experience changes	84	-100	123	148	-55	-34	-36	0	131
Operational assumption changes	-232	114	-98	-182	110	-3	0	0	-291
2007 New Business Value	397	230	140	376	587	43	0	0	1 772
Operating Return on Life & Savings EEV	**1 021**	**774**	**468**	**858**	**1 065**	**79**	**-36**	**0**	**4 229**
Current year investment experience	224	52	-21	568	-35	-8	0	0	781
Change in investment assumptions	0	0	0	0	0	0	0	0	0
Total Return on Life & Savings EEV	**1 245**	**826**	**447**	**1 426**	**1 030**	**71**	**-36**	**0**	**5 009**
Capital Flows	-380	-520	26	-654	-133	-30	45	0	-1 645
Exchange rate movements impact	-1 088	0	-412	-29	-507	0	0	0	-2 036
Life & Savings EEV of other acquired or disinvested business	-5	0	0	-817	0	482	0	0	-340
Closing Life & Savings EEV @ 12/31/07	**9 522**	**8 041**	**4 596**	**8 085**	**6 568**	**1 558**	**122**	**0**	**38 490**
Of which Life ANAV	*3 106*	*4 064*	*1 852*	*2 902*	*2 763*	*930*	*122*		*15 738*
Of which Life VIF inclus. CoC/NFR, O&G)	*6 416*	*3 977*	*2 744*	*5 183*	*3 805*	*627*	*0*	*0*	*22 752*
Operating Return on Life & Savings EEV	**10%**	**10%**	**10%**	**11%**	**17%**	**8%**	**-32%**		**11%**
Total Return on Life & Savings EEV	**13%**	**11%**	**10%**	**17%**	**17%**	**7%**	**-32%**		**13%**

Subsidiary ownership structure changes reflects impacts from:

- United Kingdom (Euro -670 million) and Hong Kong (Euro -101 million) locally purchasing ex-Winterthur businesses which last year were owned by other entities (creating a cash transfer out of the local Life & Savings segment). These negatives in Life & Savings are offset by increases in the other than life segment.
- Switzerland (Euro -285 million) selling shares in certain Group entities and buying shares in other Group entities. Cross-shareholdings are reflected at historical cost value, and the transactions created a stepped up historical cost value which needs to be eliminated (for example if they held shares in Country B with a book value of 20 that were sold for 80, but then the proceeds were reinvested in shares of Country C which therefore has a book value of 80, there is an increase in 60 (=80-20) of the necessary elimination in Life & Savings and a cash gain in an other than life segment for 60). The negative in Life & Savings will be offset by a positive in the other than life segment.
- Elimination of cross-shareholdings between Life & Savings entities in different countries being eliminated within the owning country rather in a special column within the Life segment. This does not impact Life & Savings segment or Group value but lowers the value presented in the owning country (mostly UK (Euro -683 million) and Switzerland (Euro -932 million)).

At the total Life & Savings level the impact is to change EV by Euro -1 003 million while at the total Group level the impact is nil.

The comments below describe the key elements of the movement by country, with items outside of Total Return in *italics*. New Business Value is further analyzed in a later section of the report.

United States:

Life & Savings EEV Operating Return was 10% and Total Return 13%.

- New business value of Euro 397 million was up 7% on prior year at comparable basis.
- Operational experience of Euro 84 million reflected favorable tax adjustments.
- Operational assumption changes of Euro -232 million were mainly driven by updated annuity lapses.
- Investment experience of Euro 224 million mainly reflected Euro 308 million from AllianceBerstein dividends and favorable real estate unrealized gains compared to expected, partially offset by lower reference interest rates and higher volatility.

France:

Life & Savings EEV Operating Return was 10% and Total Return was 11%.

- *Other modeling changes of Euro -326 million mainly reflected a refinement in modeling flexible premiums from regular to single to take the same approach as the rest of the French market.*
- New business value of Euro 230 million was up 6% on prior year at comparable basis.
- Operational experience changes of Euro -100 million is due to higher expenses experienced in 2007 that were excluded from 2006 VIF and exceptional effect on tax rate linked to a tax review, partially offset by lower lapses than expected on savings products leading to higher VIF from the larger than expected inforce.
- Operational assumption changes of Euro 114 million mainly driven by lower lapses on savings products and a decrease in the tax rate used in their projection (mix effect within their crossholdings shares) partially offset by an increase in the administrative unit costs.

United Kingdom:

Life & Savings EEV Operating Return was 10% and Total Return 10%.

- *Subsidiary ownership structural changes included the pushdown of AAPH elimination (Euro -683 million) and the purchase of ex-Winterthur UK (Euro -670 million). As noted above these impacts are offset in the other than life segment.*
- *Other modeling changes and opening adjustments of Euro 139 million reflected mainly the recognition of the tax exemption available on capital gains on substantial shareholdings.*
- New business value of Euro 140 million was up 15% on prior year at comparable basis.
- The Expected Return on surplus is a net negative item in the UK because its free surplus was negative at the start of the year due to the elimination of AAPH shares against free surplus.
- Operational experience changes of Euro 123 million were mainly driven by decrease in tax rates partially offset by expenses experienced in 2007 that were excluded from 2006 VIF and an increase in reserves for annuitant longevity (floors added to mortality improvement rates in the medium cohort to reflect a more conservative view).
- In 2007, the UK created a new company for annuity business, placing existing business as well as new sales in it. This structure improves shareholder returns and provides a better platform for managing longevity risks.
- Operational assumption changes of Euro -98 million were mainly driven by an increase of Bond and Pension lapse assumptions.

NORCEE :

Euro million - Group share	Switzerland	Belgium	NL	Germany	CEE	NORCEE
Opening Life & Savings EEV @ 12/31/06	**2 423**	**2 860**	**1 350**	**2 108**	**295**	**9 037**
Subsidiary ownership structure changes	-1 217	0	0	0	0	-1 217
Other Modeling and opening adjustments	120	148	0	87	-14	339
Adjusted opening Life & Savings EEV	**1 326**	**3 008**	**1 350**	**2 195**	**281**	**8 159**
Operating performance from existing business:	80	216	0	192	-7	482
Expected return on VIF + Required capital (Unwind of IDR)	155	225	0	136	18	533
Expected profits included in VIF	0	0	0	0	0	0
Expected return on surplus	-41	16	0	4	2	-18
Operational experience changes	-33	67	0	114	0	148
Operational assumption changes	0	-93	0	-62	-27	-182
2007 New Business Value	46	144	0	166	19	376
Operating Return on Life & Savings EEV	**127**	**361**	**0**	**357**	**13**	**858**
Current year investment experience	247	99	0	226	-4	568
Change in investment assumptions	0	0	0	0	0	0
Total Return on Life & Savings EEV	**373**	**460**	**0**	**583**	**9**	**1 426**
Capital Flows	-144	-501	0	-17	8	-654
Exchange rate movements impact	-43	0	0	0	13	-29
Life & Savings EEV of other acquired or disinvested business	314	219	-1 350	0	0	-817
Closing Life & Savings EEV @ 12/31/07	**1 826**	**3 186**	**0**	**2 762**	**311**	**8 085**
Of which Life ANAV	*756*	*1 457*		*633*	*57*	*2 902*
Of which Life VIF inclus. CoC/NFR, O&G)	*1 070*	*1 729*		*2 129*	*254*	*5 183*
Operating Return on Life & Savings EEV	**10%**	**12%**	**0%**	**16%**	**5%**	**11%**
Total Return on Life & Savings EEV	**28%**	**15%**	**0%**	**27%**	**3%**	**17%**

Switzerland:

Life & Savings EEV Operating Return was 10% and Total Return 28%.

- *Subsidiary ownership structural changes included the pushdown of cross-shareholdings within the Life & Savings Segment (Euro -932 million) and the impacts of selling shares in some Group companies and buying others with a resultant step-up in book value that needs to be eliminated (Euro -285 million). As noted above the impact of the sales are offset in the other than life segment, while the pushdown is neutral within the Life & Savings segment.*
- *Other modeling changes of Euro 120 million driven by the inclusion of AXA Lausanne and the release of negative reserve for Taiwan held in the Purchase GAAP balance sheet.*
- New business value of Euro 46 million was down -15% on prior year at comparable basis.
- The Expected Return on surplus is a net negative item in the Switzerland because its free surplus was negative at the start of the year mainly due to the elimination of cross shareholdings against free surplus.
- Operational experience changes of Euro -33 million reflected an overall decrease in portfolio due to higher lapses.
- Current year investment experience has an impact of Euro 247 million mainly reflects the increase in the slope of the CHF swaps curve with a big impact especially on Individual Life, their EUR bonds position which outperformed their CHF liabilities as well as a new long term asset mix (increase in hedge funds and private equity).
- *The external sales of Netherlands and Winplan (Euro 314 million) created local gains shown outside of Total Return.*

Belgium:

Life & Savings EEV Operating Return was 12% and Total Return 15%.

- *Other modeling changes of Euro 148 million reflected mainly a change in Tax Modeling in order to more accurately reflect the income tax exemption on equity gains and the single entity tax position where profits from either life or non-life business can allow the realization of the tax-free equity gains.*
- New business value of Euro 144 million was up 1% on prior year at comparable basis.
- Operational experience changes of Euro 67 million were driven by the difference between the expected tax in 2007 and the actual partially offset by higher expenses experienced in 2007 with mainly Winterthur integration costs.
- Operational assumption changes of Euro -93 million were mainly driven by higher unit -costs (new allocation between life and other than life segment) and lower renewals premiums for CREST products.
- Investment experience of Euro 99 million was mainly driven by the increase of the risk neutral value due to higher reference interest rates and equity return higher than expected partially offset by lower fixed income return.
- *The external sale of Netherlands business (Euro 219 million) created local gains shown outside of Total Return.*

Germany:

Life & Savings EEV Operating Return was 16% and Total Return was 27%.

- *Other modeling changes of Euro 87 million were mainly driven by several model improvements and a change of modeling tool for ex-Winterthur businesses.*
- New business value of Euro 166 million was up 37% on prior year at comparable basis.
- Operational experience changes of Euro 114 million were mainly driven by favorable tax reform.
- Operational assumption changes of Euro -62 million reflected mainly new lapses assumptions and higher expenses mainly for AXA Life Europe on Twinstar products.
- Current year investment experience of Euro 226 million driven by the increase of the risk neutral value due to higher reference interest rates.

The VIF for German Health business includes a 10% (Euro 81 million) general provision as an estimate of the possible impacts on future profits of pending legislative reform. New insurance contract laws for Life have been included in the model, and expected new supervisory laws for Life are not expected to significantly change MCEV.

Central Eastern Europe:

Life & Savings EEV Operating Return was 5% and Total Return was 3%. An average discount rate of 8.2% was used across the region in the Traditional EV-type calculation.

- *Other modeling and opening adjustments reflect corrections to the level of required capital for pension funds as well as refinements to the profit-sharing rule for the Czech pension fund and the future margins in Hungary.*
- New business value of Euro 19 million was up 14% on prior year at comparable basis.
- Operational assumptions changes of Euro -27 million were mainly driven by higher lapse assumptions in Poland and Hungary for the pension funds business; if these adjustments had been made in prior years the 2007 Operating Return would have been about 16%.
- *Positive capital flows reflected a capital injection from Winterthur Switzerland to Hungary.*

Asia-Pacific:

Euro million - Group share	Japan	Australia	Hong-Kong	South East Asia + China	Asia-Pacific
Opening Life & Savings EEV @ 12/31/06	**3 939**	**1 065**	**1 241**	**0**	**6 245**
Subsidiary ownership structure changes	0	0	-101	0	-101
Other Modeling and opening adjustments	-32	33	-47	79	33
Adjusted opening Life & Savings EEV	**3 907**	**1 098**	**1 093**	**79**	**6 177**
Operating performance from existing business:	249	95	133	2	478
Expected return on VIF + Required capital (Unwind of IDR)	226	73	82	6	387
Expected profits included in VIF	0	0	0	0	0
Expected return on surplus	21	11	2	3	37
Operational experience changes	-100	18	32	-5	-55
Operational assumption changes	102	-7	17	-2	110
2007 New Business Value	440	51	77	19	587
Operating Return on Life & Savings EEV	**689**	**146**	**210**	**20**	**1 065**
Current year investment experience	-84	19	21	9	-35
Change in investment assumptions	0	0	0	0	0
Total Return on Life & Savings EEV	**605**	**165**	**231**	**29**	**1 030**
Capital Flows	82	-174	-43	1	-133
Exchange rate movements impact	-362	-3	-137	-5	-507
Life & Savings EEV of other acquired or disinvested business	0	0	0	0	0
Closing Life & Savings EEV @ 12/31/07	**4 232**	**1 087**	**1 144**	**104**	**6 568**
Of which Life ANAV	*1 978*	*429*	*301*	*56*	*2 763*
Of which Life VIF inclus. CoC/NFR, O&G)	*2 254*	*657*	*844*	*49*	*3 805*
Operating Return on Life & Savings EEV	**18%**	**13%**	**19%**	**26%**	**17%**
Total Return on Life & Savings EEV	**15%**	**15%**	**21%**	**36%**	**17%**

Japan:

Life & Savings EEV Operating Return was 18% and Total return 15%.

- *Other modeling changes of Euro -32 million reflected mainly increase in reserves and adjustments to ex-Winterthur business.*
- New business value of Euro 440 million was up 3% on prior year at comparable basis.
- Operational experience changes of Euro -100 million were mainly due to higher expenses experienced in 2007 that were excluded from 2006 VIF (Winterthur integration cost and overrun maintenance expenses) and higher lapses mainly for increasing Term products in response to potential tax rule change.
- Operational assumption changes of Euro 102 million were mainly driven by a new policyholder bonus strategy, better retention for medical product and lower unit cost of investment expenses partially offset by future worsening of the increasing Term and Cancer lapses.
- Investment experience of Euro -84 million was mainly driven by lower unrealized gains on general account bonds linked to higher Japanese interest rates, lower unrealized gains on funds in foreign securities and on policy reserve matched bonds partially offset by investment results slightly higher than expected.
- *The capital injection of Euro 82 million corresponds to capital injections from AXA and Winterthur holding companies following the increase in reserves at Winterthur and the creation of AXA Life Europe Japanese branch.*

Australia/New Zealand:

Life & Savings EEV Operating Return was 13% and Total Return 15%.

- *Other modeling changes and opening adjustments of Euro 33 million were mainly due to an increase in AXA's ownership percentage of AAPH.*
- New business value of Euro 51 million was up 29% on prior year at comparable basis.

- Operational experience changes of Euro 18 million were mainly driven by positive underwriting business, particularly for the Group business risk, partially offset by unfavorable lapse experience for the individual life business, retail unit trusts and products sold through non-proprietary platforms.
- *Capital flows of Euro -174 million related to a dividend paid and a capital repayment from the Life and Savings segment to the Holding company combined with a payment of performance bonuses in respect of Ipac and Tynan Mackenzie and a reduction in the local foreign currency translation reserve reflecting the movement in the Australian Dollar/New Zealand Dollar exchange rate.*

Hong Kong:

Life & Savings EEV Operating Return was 19% and Total Return was 21%.

- *Subsidiary ownership structure changes of Euro -101 million reflects payment for ex-Winterthur HK business; this negative is offset in the other than life segment.*
- *Other modeling changes and opening adjustments of Euro -47 million reflected a diluted AXA ownership percentage due to the sale of Winterthur HK to AAPH (Euro -55 million) partially offset by several refinements: mainly an update of margins for dividends left on deposit for Smart Series business and a refinement in modeling UL additional premiums.*
- New business value of Euro 77 million was down 4% on prior year at comparable basis.
- Operational experience changes of Euro 32 million were mainly driven by favorable persistency from traditional life business and write-off of option & guarantee cost for policies which have lapsed within the year.

South East Asia & China:

These operations are newly included in the scope of projected business, and use a Traditional EV methodology with an average discount rate of 14% across the region. Life & Savings EEV Operating Return was 26% and Total Return was 36%.

- *The 2006 EEV balance of Euro 79 million is shown as an opening adjustment (with a partial offset deducting the IFRS carrying value from 'Unmodeled Business'), since these operations were not in the scope of projected business last year.*
- New business value of Euro 19 million was up 72% on prior year at comparable basis.
- *Positive capital flows reflected a capital injection in China and Ipac partially offset by dividends paid-out in Philippines and Indonesia.*

Mediterranean Region:

Life & Savings EEV Operating Return was 8% and Total Return was 7%.

- New business value of Euro 43 million was up 37% on prior year at comparable basis.
- Operational experience changes of Euro -34 million were mainly driven by higher expenses experienced in 2007 that were excluded from 2006 VIF including Winterthur integration cost as well as lower technical margin in Spain from the annuity business.
- *Acquisitions in 2007 represent MPS Vita (Euro 431 million) in Italy and Alpha Insurance in Greece (Euro 51 million).*

Split of Life EEV between elements of ANAV and of VIF– by country

Life & Savings ANAV is made of two components: (1) required capital (at the greatest of local regulatory requirement, the amount consistent with a AA rating, and the internal economic capital at each operation), net of implicit items that can support capital requirements and (2) free surplus above this required capital.

The 2006 required capital was calculated as the sum of AXA and Winterthur's required capital on a standalone basis. When local entities will be merged the capital requirement could be different taking into account for example some diversification effect, which will change also the free surplus.

Euro million, Group share ***Full year 2006***	United States	France	United Kingdom	NORCEE	Asia-Pacific	Med Region	Unmodeled countries	Consolidation adjustment	**TOTAL Life EEV**
Required Capital	1 969	2 734	2 635	3 620	1 165	551	0	0	12 675
Free Surplus	340	1 478	296	553	1 697	0	230	-1 707	2 888
Life & Savings Adjusted Net Asset Value (ANAV)	**2 309**	**4 212**	**2 932**	**4 174**	**2 863**	**551**	**230**	**-1 707**	**15 562**
Certainty Equivalent PVFP	8 252	4 972	3 322	6 662	3 860	598			27 666
Time Value of O&G	-394	-693	-110	-1 153	-237	-101			-2 689
CoC/NFR	-408	-392	-394	-646	-240	-70			-2 150
Life & SavingsVIF	**7 450**	**3 887**	**2 818**	**4 863**	**3 383**	**427**	**0**	**0**	**22 828**
Closing Life & Savings EEV @ 12/31/06	**9 759**	**8 099**	**5 749**	**9 037**	**6 245**	**978**	**230**	**-1 707**	**38 390**

Notes : Life & Savings ANAV reflects the US Life's holding in AllianceBernstein at cost (Euro 729 million or Euro 5.95 per unit) rather than at market value (Euro 7 479 million or Euro 61.02 per unit as of 12/31/06).

Euro million, Group share ***Full year 2007***	United States	France	United Kingdom	NORCEE	Asia-Pacific	Med Region	Unmodeled countries	Consolidation adjustment	**TOTAL Life EEV**
Required Capital	2 019	2 857	2 777	3 653	1 204	1 054	0		13 565
Free Surplus	1 087	1 208	-926	-751	1 559	-124	122		2 174
Life & Savings Adjusted Net Asset Value (ANAV)	**3 106**	**4 064**	**1 852**	**2 902**	**2 763**	**930**	**122**		**15 738**
Certainty Equivalent PVFP	7 250	5 042	3 151	6 940	4 276	838			27 498
Time Value of O&G	-429	-670	-69	-1 021	-255	-111			-2 554
CoC/NFR	-405	-395	-339	-736	-217	-100			-2 192
Life & SavingsVIF	**6 416**	**3 977**	**2 744**	**5 183**	**3 805**	**627**	**0**		**22 752**
Closing Life & Savings EEV @ 12/31/07	**9 522**	**8 041**	**4 596**	**8 085**	**6 568**	**1 558**	**122**		**38 490**

Notes : Life & Savings ANAV reflects the US Life's holding in AllianceBernstein at cost (Euro 768 million or Euro 6.26 per unit) rather than at market value (Euro 6 267 million or Euro 51.09 per unit as of 12/31/07).

Please note the pushdown of the elimination adjustment for cross-shareholdings within the Life & Savings Segment leads to large changes in the presented free surplus position for UK and Switzerland, and this presentation is not consistent with what a standalone view would be.

In general AXA does not maintain large surplus balances locally, and the total free surplus of Euro 2 316 million was mainly driven by countries with large implicit capital items. These include unrealized capital gains in France, allowance for reserves in excess of cash surrender value in Japan, and present value of future profits in Belgium. Although the UK holding of AAPH shares is within the Inherited Estate and therefore is part of Required Capital, all eliminations of cross-shareholdings are charged against free surplus which leads to a negative free surplus in the UK. Similarly, Switzerland has a number of significant cross-holdings and their elimination leads to a negative free surplus.

The growth in US free surplus is largely driven by a reclassification of unrealized gains on real estate from VIF to ANAV (Euro 432 million).

NORCEE:

Euro million, Group share *Full year 2006*	Switzerland	Belgium	NL	Germany	CEE	NORCEE
Required Capital	1 732	1 013	330	436	108	3 620
Free Surplus	-265	337	383	135	-36	553
Life & Savings Adjusted Net Asset Value (ANAV)	**1 467**	**1 350**	**713**	**571**	**72**	**4 174**
Certainty Equivalent PVFP	1 502	2 308	758	1 863	231	6 662
Time Value of O&G	-283	-647	-87	-136	0	-1 153
CoC/NFR	-262	-151	-35	-191	-7	-646
Life & SavingsVIF	**957**	**1 510**	**636**	**1 537**	**223**	**4 863**
Closing Life & Savings EEV @ 12/31/06	**2 423**	**2 860**	**1 350**	**2 108**	**295**	**9 037**

Euro million, Group share *Full year 2007*	Switzerland	Belgium	NL	Germany	CEE	NORCEE
Required Capital	1 509	1 078		942	124	3 653
Free Surplus	-753	379		-310	-67	-751
Life & Savings Adjusted Net Asset Value (ANAV)	**756**	**1 457**		**633**	**57**	**2 902**
Certainty Equivalent PVFP	1 650	2 560		2 452	278	6 940
Time Value of O&G	-326	-594		-98	-2	-1 021
CoC/NFR	-253	-236		-225	-22	-736
Life & SavingsVIF	**1 070**	**1 729**		**2 129**	**254**	**5 183**
Closing Life & Savings EEV @ 12/31/07	**1 826**	**3 186**		**2 762**	**311**	**8 085**

Asia-Pacific:

Euro million, Group share *Full year 2006*	Japan	Australia	Hong-Kong	South East Asia + China	Asia-Pacific
Required Capital	670	266	229		1 165
Free Surplus	1 460	200	37		1 697
Life & Savings Adjusted Net Asset Value (ANAV)	**2 131**	**465**	**266**		**2 863**
Certainty Equivalent PVFP	2 020	652	1 188		3 860
Time Value of O&G	-64	-9	-164		-237
CoC/NFR	-148	-43	-49		-240
Life & SavingsVIF	**1 808**	**600**	**975**		**3 383**
Closing Life & Savings EEV @ 12/31/06	**3 939**	**1 065**	**1 241**		**6 245**

Euro million, Group share *Full year 2007*	Japan	Australia	Hong-Kong	South East Asia + China	Asia-Pacific
Required Capital	730	251	214	9	1 204
Free Surplus	1 248	178	87	46	1 559
Life & Savings Adjusted Net Asset Value (ANAV)	**1 978**	**429**	**301**	**56**	**2 763**
Certainty Equivalent PVFP	2 453	701	1 068	53	4 276
Time Value of O&G	-65	-11	-179	0	-255
CoC/NFR	-134	-33	-45	-5	-217
Life & SavingsVIF	**2 254**	**657**	**844**	**49**	**3 805**
Closing Life & Savings EEV @ 12/31/07	**4 232**	**1 087**	**1 144**	**104**	**6 568**

Implied Risk Discount Rate for Life & Savings VIF – by country

In %	Reference Interest Rate		Total IDR based on distributable earnings	
	2006	2007	2006	2007
United States	5,34%	5,00%	8,15%	8,26%
France	4,29%	4,81%	7,20%	7,35%
United Kingdom	4,89%	4,84%	6,34%	6,92%
Switzerland	2,99%	3,95%	5,46%	5,82%
Japan	2,22%	2,25%	9,59%	7,87%
Belgium	4,26%	4,86%	8,93%	8,69%
Australia	6,40%	7,12%	7,87%	7,97%
Hong-Kong	5,28%	4,92%	7,62%	7,71%
Germany	4,26%	4,86%	6,73%	7,08%
Med Region	4,21%	4,74%	6,61%	6,53%
TOTAL Life & Savings	**4,27%**	**4,83%**	**7,57%**	**7,61%**

As noted in the Introduction, Implied Discount Rates (IDRs) are the discount rates which would reproduce the VIF from a deterministic projection of statutory distributable earnings (profit less movement in required capital) in an illustrative scenario. These discount rates are therefore results rather than assumptions. The economic assumptions in the illustrative scenario impact only the IDRs and not the EEV; if different illustrative assumptions were used, the IDRs would change but the EEV would remain the same. This section presents the total IDR by country along with a description of the change between 2006 and 2007. Appendix 1 provides the illustrative investment scenarios that underpin the IDR calculations, as well as additional component analysis. Included in the appendix are IDRs calculated based on statutory earnings rather than distributable earnings, which may be more comparable to the IDRs disclosed by some other companies doing MCEV, and may also be more comparable to the discount rates used by some companies doing a top-down approach to assessing risks in EEV reporting.

Where there are items of interest regarding the evolution in specific countries, they are described below.

United States

- IDR increased despite a decrease in the reference interest rate because
  1) illustrative assumptions increased which increases the margin for financial risk in the IDR,
  2) the lower rate environment increases the cost of options and guarantees.

France

- IDR increased much less than the reference interest rate because:
  1) the higher rate environment lowered the cost of options and guarantees, and
  2) an additional year of new business included in inforce lowered the risk profile with a higher percentage of unit-linked business.

United Kingdom

- IDR increased due to higher credit spreads included in illustrative investment assumptions.

Switzerland

- The low IDR resulted from relatively low local interest rates, and because a large part of VIF is technical spreads on the Group Life portfolio, which is characterized by flexibility in adjusting future charges on a substantial part of the business.
- IDR increased much less than the reference interest rate because:
  1) illustrative investment assumptions did not increase, and the smaller gap between reference interest rates and illustrative assumptions lowered the margin for financial risk in the IDR, and
  2) the higher rate environment lowered the cost of options and guarantees

Japan

- The high IDR in a low interest rate environment is a result of relatively high guarantees on a part of the portfolio and the gap between the current rate environment and the illustrative investment conditions.
- IDR decreased sharply mostly because an additional year of new business included in inforce lowered the risk profile.

Belgium

- High IDR relative to the rest of Eurozone is driven by the large equity exposure in the context of a tax regime where capital gains on equities are tax-free.
- IDR decreased despite a rise in the reference interest rate because:
  1) the higher rate environment sharply lowered the cost of options and guarantees, and
  2) an additional year of new business included in inforce lowered the risk profile with less guaranteed business.

Australia/New Zealand

- The IDR has remained stable in line with the underlying exposure of the business to financial markets. The IDR increased much less than the reference rate because illustrative investment assumptions increased much less than the reference rate.

Hong Kong

- The IDR increased slightly despite the decrease in the reference interest rate because of the lower interest rate environment increasing the cost of options and guarantees on the inforce portfolio.

Germany

- IDR increased less than the reference interest rate because:
  1) illustrative assumptions did not increase as much as the reference interest rate, with the smaller difference lowering the margin for financial risk,
  2) the higher rate environment lowered the cost of options and guarantees, and
  3) an additional year of new business included in inforce lowered the risk profile.

Mediterranean Region

- IDR decreased despite the increase of reference interest rate because:
  1) the higher rate environment lowered the cost of options and guarantees, and
  2) an additional year of new business included in inforce lowered the risk profile
  3) AXA MPS has a different risk profile with an IDR of 5.68% lower than the regional one.

Life & Savings New business metrics by country

Euro million - Group share	United States	France	United Kingdom	NORCEE	Asia-Pacific	Med Zone	**TOTAL Life**
Full Year 2006 - EEV based							
Regular premiums	*522*	*454*	*503*	*804*	*818*	*65*	*3 165*
Single premiums	*13 991*	*7 767*	*9 998*	*3 449*	*5 219*	*1 348*	*41 773*
Annual Premium Equivalent (APE)	1 922	1 231	1 502	1 148	1 340	200	7 343
Capitalization factor	*9,3*	*8,7*	*6,1*	*11,7*	*6,9*	*1,5*	*8,5*
Present Value of Expected Premiums (PVEP)	18 844	11 730	*13 050*	*12 871*	*10 840*	*1 448*	*68 783*
New Business Value (NBV)	424	202	*122*	*325*	*607*	*25*	*1 705*
NBV/APE	*22,1%*	*16,4%*	*8,1%*	*28,3%*	*45,3%*	*12,5%*	*23,2%*
NBV/PVEP	*2,3%*	*1,7%*	*0,9%*	*2,5%*	*5,6%*	*1,7%*	*2,5%*
New Business IRR	17,4%	12,9%	9,8%	*12,6%*	*24,0%*	9,5%	15,1%
Full Year 2007 - EEV based							
Regular premiums	*623*	*481*	*547*	*813*	*666*	*83*	*3 213*
Single premiums	*14 766*	*8 792*	*10 412*	*3 136*	*6 482*	*1 226*	*44 814*
Annualized Premium Equivalent (APE)	*2 099*	*1 360*	*1 588*	1 126	1 314	*206*	*7 694*
Capitalization factor	*8,2*	*6,8*	*5,5*	*10,8*	*7,4*	*2,6*	*7,9*
Present Value of Expected Premiums (PVEP)	*19 861*	*12 045*	*13 424*	*11 939*	*11 440*	*1 443*	*70 152*
New Business Value (NBV)	*397*	*230*	*140*	*376*	*587*	*43*	*1 772*
NBV/APE	*18,9%*	*16,9%*	*8,8%*	*33,4%*	*44,6%*	*20,7%*	*23,0%*
NBV/PVEP	*2,0%*	*1,9%*	*1,0%*	*3,1%*	*5,1%*	*3,0%*	*2,5%*
New Business IRR	*15,2%*	*12,9%*	*10,3%*	*13,1%*	*20,9%*	*11,2%*	14,2%
APE change	9%	11%	6%	-2%	-2%	3%	5%
APE change @ comparable basis	19%	3%	6%	7%	1%	-5%	8%
PVEP change	5%	3%	3%	-7%	6%	0%	2%
PVEP change @ comparable basis	15%	3%	3%	2%	5%	-9%	6%
NBV change	-6%	14%	15%	16%	-3%	72%	4%
NBV change @ comparable basis	7%	6%	15%	12%	5%	37%	8%

2006 new business metrics shown in this table are for AXA including Winterthur to be comparable with 2007, although Winterthur NBV written in 2006 was before the acquisition was final and were not part of AXA's 2006 results.

The 'capitalization factor' is the multiple of regular premium such that single premium plus capitalization factor times regular premium equals PVEP; it is a rough measure of the duration of regular premium business.

'Comparable basis' for NBV comparisons removes the effects of foreign currency, changes in scope or acquisitions/divestitures, and modeling changes and opening adjustments.

Rollforward of Life & Savings NBV *(Euro million, Group share)*	United States	France	United Kingdom	NORCEE	Asia-Pacific	Med Region	**Total Life**
2006 Life & Savings NBV	**424**	**202**	**122**	**325**	**607**	**25**	**1 705**
Modeling changes and opening adjustments	-18	14	0	17	-10	2	6
Change in scope and acquisitions	0	0	0	-6	6	5	5
Business-driven evolution:	26	14	18	42	36	11	147
Volume	71	6	7	23	-51	1	58
Mix	-26	4	31	43	104	7	162
Expenses	10	-6	-16	-35	4	-0	-43
Investment market conditions	-34	-5	-0	4	-4	3	-36
Assumptions changes and other	4	15	-3	7	-17	1	6
Currency impact	-35	0	-1	-2	-52	0	-90
2007 Life & Savings NBV	**397**	**230**	**140**	**376**	**587**	**43**	**1 772**

United States:

Life & Savings NBV decreased from Euro 424 million to 397 million (-6%, or +7% at comparable basis) due to:

- APE growth of 19% at constant currency, due to strong growth in sales of Variable Annuities as well as Life products.
- Unit cost improvement more than offset by unfavorable business mix reflecting the increase of Universal Life sales to older ages as well as unfavorable market conditions with lower reference interest rates and higher volatility.

Modeling changes were a variety of technical refinements.

France:

Life & Savings NBV increased from Euro 202 million to 230 million (+14%, or +6% at comparable basis) due to:

- APE growth of 3% on a comparable basis driven by both Individual lines and Group business despite a contracting insurance market.
- Favorable business mix with higher sales of unit linked and health products and favorable decrease in the tax rate used in their projection (mix effect within their cross shareholdings), partially offset by unfavorable investment market conditions and increased unit costs.

Modeling changes reflected a refinement in modeling flexible premiums from regular to single to take the same approach as the rest of the French market.

United Kingdom:

Life & Savings NBV increased from Euro 122 million to 140 million (+15%) due to:

- APE growth of 6% at constant currency mainly driven by strong sales of offshore Estate Planning Bond and Individual pensions.
- More profitable mix of business with AXA Direct protection sales increasing combined with lower Offshore bonds cash sales than last year partially offset by higher protection campaign costs.

NORCEE:

Euro million - Group share	Switzerland	Belgium	Netherlands	Germany	CEE	NORCEE
Full Year 2006 - EEV based						
Regular premiums	*117*	*171*	*71*	*394*	*51*	*804*
Single premiums	*758*	*1 429*	*582*	*528*	*153*	*3 449*
Annual Premium Equivalent (APE)	193	314	129	447	66	1 148
Capitalization factor	*16,2*	*13,1*	*6,3*	*10,9*	*11,0*	*11,7*
Present Value of Expected Premiums (PVEP)	*2 655*	*3 666*	*1 031*	*4 805*	*714*	*12 871*
New Business Value (NBV)	*54*	*123*	*11*	*120*	*18*	*325*
NBV/APE	*27,8%*	*39,0%*	*8,6%*	*26,9%*	*27,2%*	*28,3%*
NBV/PVEP	*2,0%*	*3,3%*	*1,1%*	*2,5%*	*2,5%*	*2,5%*
New Business IRR	9,9%	11,2%	13,9%	16,1%	15,1%	*12,6%*
Full Year 2007 - EEV based						
Regular premiums	*133*	*184*		*412*	*83*	*813*
Single premiums	*887*	*1 558*		*448*	*243*	*3 136*
Annualized Premium Equivalent (APE)	*222*	*340*		*457*	*107*	1 126
Capitalization factor	*13,8*	*11,5*		*10,0*	*8,6*	*10,8*
Present Value of Expected Premiums (PVEP)	*2 720*	*3 678*		*4 587*	*954*	*11 939*
New Business Value (NBV)	*46*	*144*		*166*	*19*	*376*
NBV/APE	*20,8%*	*42,4%*		*36,2%*	*18,2%*	*33,4%*
NBV/PVEP	*1,7%*	*3,9%*		*3,6%*	*2,0%*	*3,1%*
New Business IRR	*10,4%*	*12,8%*		*14,7%*	*12,2%*	*13,1%*

	Switzerland	Belgium	Netherlands	Germany	CEE	NORCEE
APE change	15%	8%		2%	62%	-2%
APE change @ comparable basis	2%	8%		0%	59%	7%
PVEP change	2%	0%		-5%	34%	-7%
PVEP change @ comparable basis	7%	0%		-5%	30%	2%
NBV change	-14%	18%		38%	8%	16%
NBV change @ comparable basis	-15%	1%		37%	14%	12%

Rollforward of Life & Savings NBV *(Euro million, Group share)*	Switzerland	Belgium	Netherlands	Germany	CEE	NORCEE
2006 Life & Savings NBV	**54**	**123**	**11**	**120**	**18**	**325**
Modeling changes and opening adjustments	0	20	0	-2	-1	17
Change in scope and acquisitions	3	0	-11	2	0	-6
Business-driven evolution:	-8	2	0	45	3	42
Volume	1	14	0	3	5	23
Mix	-10	8	0	48	-3	43
Expenses	-3	-16	0	-16	-1	-35
Investment market conditions	5	-1	0	0	0	4
Assumptions changes and other	-0	-4	0	11	1	7
Currency impact	-2	0	0	0	0	-2
2007 Life & Savings NBV	**46**	**144**	**0**	**166**	**19**	**376**

Switzerland:

Life & Savings NBV decreased from Euro 54 million to 46 million (-14%, or-15% at comparable basis) due to:

- APE growth of 2% at comparable basis mainly driven by an increase in Individual Life & Savings (+16%) reflecting the continuous sales of new Unit Linked products partially offset by a decrease in Group Life non-quota share business (-3%).
- Unfavorable mix of business due to a the larger share of Individual sales and to a large co-insurance agreement in Group Life with lower margins than average (Group Life NBV margin = 26.1% in 2007 compared to 33.5% in 2006).

Belgium:

Life & Savings NBV increased from Euro 123 million to 144 million (+18%, or +1% at comparable basis):

- APE growth of 8% mainly driven by Group Life products and Investment non UL products.
- Favorable business mix more than offset by higher unit costs and from the rise of overriding commission in Individual Life.

Modeling changes were mainly driven by a change in Tax Modeling in order to better reflect the income tax exemption on equity gains.

Germany:

Life & Savings NBV increased from Euro 120 million to 166 million (+38%, or +37% at comparable basis) due to:

- APE was flat due to strong growth in Investment & Savings with notably Twinstar offset by non recurrence in 2007 of large cases in Life Group business and the negative impact of traditional Riester products which had benefited in 2006 from strong inflows as a result of a fiscal incentive.
- Favorable business mix driven by the increasing of Twinstar business and a favorable tax reform partially offset by higher unit costs.

Central Eastern Europe:

Life & Savings NBV increased from Euro 18 million to Euro 19 million (8%, or +14% at comparable basis) due to:

- APE growth 59% on a comparable basis mainly driven by Life & Savings business, benefiting from strong unit linked sales and gains in market share in the Pension business.
- Higher volumes partially offset by lower average margin as a result of negative change in business mix in Hungary and Czech Insurance.

Asia-Pacific

Euro million - Group share	Japan	Australia	Hong-Kong	South East Asia + China	Asia-Pacific
Full Year 2006 - EEV based					
Regular premiums	*668*	*27*	*123*		*818*
Single premiums	*934*	*3 929*	*355*		*5 219*
Annual Premium Equivalent (APE)	762	420	158		1 340
Capitalization factor	*7,0*	*6,8*	*6,2*		*6,9*
Present Value of Expected Premiums (PVEP)	*5 614*	*4 109*	*1 117*		*10 840*
New Business Value (NBV)	*480*	*38*	*89*		*607*
NBV/APE	*63,0%*	*9,1%*	*55,9%*		*45,3%*
NBV/PVEP	*8,6%*	*0,9%*	*7,9%*		*5,6%*
New Business IRR	23,3%	23,8%	29,7%		*24,0%*
Full Year 2007 - EEV based					
Regular premiums	*471*	*26*	*118*	*51*	*666*
Single premiums	*962*	*5 194*	*205*	*121*	*6 482*
Annualized Premium Equivalent (APE)	*567*	*545*	*139*	*63*	1 314
Capitalization factor	*7,9*	*7,5*	*7,0*	*4,3*	*7,4*
Present Value of Expected Premiums (PVEP)	*4 683*	*5 390*	*1 029*	*338*	*11 440*
New Business Value (NBV)	*440*	*51*	*77*	*19*	*587*
NBV/APE	*77,6%*	*9,4%*	*55,3%*	*29,6%*	*44,6%*
NBV/PVEP	*9,4%*	*0,9%*	*7,5%*	*5,5%*	*5,1%*
New Business IRR	*17,0%*	*30,6%*	*34,0%*	*13,3%*	*20,9%*
APE change	-26%	30%	-12%		-2%
APE change @ comparable basis	-18%	25%	12%	75%	1%
PVEP change	-17%	31%	-8%		6%
PVEP change @ comparable basis	-8%	26%	-10%		5%
NBV change	-8%	35%	-13%		-3%
NBV change @ comparable basis	3%	29%	-4%	72%	5%

Rollforward of Life & Savings NBV *(Euro million, Group share)*	Japan	Australia	Hong-Kong	South East Asia + China	Asia-Pacific
2006 Life & Savings NBV	**480**	**38**	**89**	**0**	**607**
Modeling changes and opening adjustments	-7	-0	-2	0	-10
Change in scope and acquisitions	1	3	-8	10	6
Business-driven evolution:	13	9	6	8	36
Volume	-76	10	9	6	-51
Mix	111	-5	-5	3	104
Expenses	-3	7	-0	0	4
Investment market conditions	-5	-1	1	1	-4
Assumptions changes and other	-14	-2	0	-2	-17
Currency impact	-46	1	-7	0	-52
2007 Life & Savings NBV	**440**	**51**	**77**	**19**	**587**

Japan:

Life & Savings NBV decreased from Euro 480 million to 440 million (-8%, or +3% at comparable basis) due to:

- APE decrease by -18% at comparable basis as certain Term products' tax treatment are under review by the Tax Agency creating uncertainty in the market.
- Favorable business mix reflecting the company's successful strategy to focus on more profitable Medical products.
- Negative impact from assumption changes was mainly from higher Cancer product lapse rates.

Modeling changes includes several model enhancements.

Australia/New Zealand:

Life & Savings NBV increased from Euro 38 million to Euro 51 million (+35%, or 29% at comparable basis) due to

- APE growth of 25% at comparable basis mainly driven by continued strong inflows in Global Equity Value fund and Ipac wholesale products, in addition to strong personal superannuation flows into Summit & Generations platforms.
- Lower unit costs driven by this strong inflows and growing funds under management, partially offset by negative mix due to the strongest growth being in lower margin products.

Hong Kong:

Life & Savings NBV decreased from Euro 89 million to 77 million (-13% or -4% at comparable basis excluding MLC contribution of Euro 10 million) largely due to:

- Excluding MLC, APE growth of 12% at comparable basis was driven by strong sales in individual unit linked regular premiums and group retirement and encouraging results from the new Citibank bancassurance agreement (signed in July 2007)
- Unfavorable business mix mainly due to sales mix shifting toward wealth management products with lower, although still attractive, margins.

South East Asia & China:

Life & Savings NBV of Euro 19 million was up 72% at comparable basis due to:

- APE growth of 75% at comparable basis driven by strong growth across all entities. In particular, large increase were seen in single premium unit-linked sales.
- Favorable business mix for most entities, particularly in China and Philippines.

Mediterranean Region:

Life & Savings NBV increased from Euro 25 million to Euro 43 million (72%, or +37% at comparable basis) due to:

- APE decrease on comparable basis by -5% as a result of a drop in Group business due to non recurrence of 2006 outsourcing of pension fund contract in Spain partially offset by the increase in Individual business notably driven by the contribution of Accumulator product.
- Favorable business mix due to the sales of Accumulator in Italy and Spain, the increase of margins on top of Accumulator, mainly in Italy, and the increase in production for individual term life business in Turkey.

Elements of Life & Savings NBV – by country

Euro million, Group share	Certainty Equivalent Value less Strain		Time Value of O&G		CoC/NFR		NBV	
	2006	2007	2006	2007	2006	2007	2006	2007
United States	499	452	-54	-38	-21	-17	424	397
France	284	323	-54	-60	-28	-33	202	230
United Kingdom	126	141	0	0	-3	-1	122	140
Switzerland	89	83	-21	-24	-14	-13	54	46
Japan	492	449	-3	-3	-9	-6	480	440
Belgium	187	221	-50	-58	-15	-18	123	144
Netherlands	23		-9		-3		11	
Australia	39	54	0	0	-1	-3	38	51
Hong-Kong	100	87	-8	-8	-3	-3	89	77
Germany	136	183	-4	-5	-11	-12	120	166
Med Region	44	55	-11	-6	-8	-7	25	43
CEE	19	23	0	0	-1	-3	18	19
South East Asia & China		20		0		-1		19
TOTAL Life & Savings	2 037	2 091	-213	-202	-118	-117	1 705	1 772

Implied Risk Discount Rate for Life & Savings NBV – by country

In %	**Reference Interest Rate**		**Total NB IDR based on distributable earnings**	
	2006	**2007**	**2006**	**2007**
United States	5,33%	4,95%	8,02%	7,57%
France	4,30%	4,81%	6,73%	7,07%
United Kingdom	4,35%	4,86%	5,95%	6,53%
Switzerland	2,87%	3,67%	5,11%	5,57%
Japan	2,09%	2,37%	4,47%	3,39%
Belgium	4,28%	4,74%	6,71%	7,64%
Australia	6,40%	7,12%	7,23%	7,81%
Hong-Kong	5,28%	4,92%	7,20%	6,87%
Germany	4,28%	4,84%	5,61%	5,66%
Med Region	4,23%	4,80%	5,68%	5,47%
TOTAL Life & Savings	**4,29%**	**4,80%**	**6,24%**	**6,05%**

This section presents the total IDR by country along with a description of the change between 2006 and 2007. Appendix 1 provides the illustrative investment scenarios that underpin the IDR calculations, as well as additional component analysis.

United States:

- IDR for NB decreased despite an increase in ultimate illustrative assumptions due to the impact of increased universal life sales to older ages. Low profitability of these Sales contributes to lower the IDR.

France:

- IDRs are a little lower for new business than inforce, reflecting a lower level of guarantees.

- The IDR increased less than the reference interest rate from 2006 to 2007 because the higher rate environment decreases the cost of options and guarantees.

United Kingdom:

- IDR increased in line with the movement of reference interest rate.

Switzerland

- IDR increased much less than the reference interest rate because the smaller gap between reference interest rates and illustrative assumptions lowered the margin for financial risk in the IDR.

Japan:

- Low new business IDR is linked to the low local rate environment, and the absence of options and guarantees on new business which is focused on selling products with technical rather than investment margins.
- The IDR decreased despite the increase in risk-free rate because of stable illustrative assumptions as discussed in the section on inforce IDRs. The increase in risk-free rate on new business was linked to a longer duration rather than shifts in the market environment.

Belgium:

- The increase in the IDR is linked to higher reference interest rates and higher margin for financial risk related to higher sales with a high equity-backing ratio in this market where gains on equities are tax-free. On new business there are lower guarantees so there is not the same impact as observed on inforce where lower option and guarantee costs lowered the IDR.

Australia/New Zealand:

- The IDR increased predominantly due to a relative increase in sales in mutual funds business with a relatively high ratio of equity assets.
- The new business IDR is lower than the inforce as a result of a lower margin for financial risk due to lower proportion of annuity business than in the in-force book.

Hong Kong:

- The IDR decreased predominantly due to the decrease in the reference interest rate.

Germany:

- IDR increased less than the reference interest rate because
  1) illustrative assumptions did not increase as much as the reference interest rate, with the smaller difference lowering the margin for financial risk,
  2) decrease in the Time Value of O&G is due to better market conditions (higher interest rates) and the launch of the new product TwinStar with zero Time Value of O&G (dynamic hedging strategy implemented to hedge the guarantees with the hedging costs reflected in Margin for Financial Risk).

Mediterranean Region:

- IDR decreased despite the increase in reference interest rate due to:
  1) decrease in margin for financial risk due to illustrative assumptions did not increase as much as the reference interest rate, with the smaller difference lowering the margin for financial risk and an increase of the weight of UL product

2) decrease in the Time Value of O&G due to better market conditions (higher interest rates) and the launch of the new Accumulator type product with zero Time Value of O&G (dynamic hedging strategy implemented to hedge the guarantees with the hedging costs reflected in Margin for Financial Risk).

IV. Life & Savings Sensitivities

Definition of sensitivities

Sensitivities are applied one at a time, rather than in combination. Combined effects are likely to be different than implied by adding the effects from two separate sensitivities.

For purposes of the NBV sensitivity, shocks to financial market conditions (such as change in reference interest rates or equity market levels) are assumed to occur just before the point of sale, rather than after the point of sale. Therefore, the NBV sensitivity gives an indication of what future NBV might be if sales occurred of the same volume and mix as those in 2007, but in a new market environment and assuming no re-pricing action is taken. It does not indicate how the NBV of business written in 2007 would have been affected by an economic shock prior to yearend.

Sensitivities do not include CEE and China/Southeast Asia, where the full MCEV methodology is not applied.

Upward parallel shift of 100 basis points in reference interest rates 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. Policyholder and management behavior is adjusted following normal behavioral modeling, and may not be wholly consistent with these extreme conditions. This impacts ANAV, VIF, and NBV.

Downward parallel shift of 100 basis points in reference interest rates 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 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 behavior is adjusted to be consistent with these conditions. This impacts ANAV, VIF, and NBV (the latter only in cases where new business shares in total portfolio capital gains or losses).

10% lower value of equity markets at the start of the projection same as above but a decrease.

10% higher value of real estate at the start of the projection simulates a shock to the initial conditions just for real estate. This means changes to current market values of real estate, with related possible changes to projected capital gains/losses and/or fee revenues. Policyholder and management behavior is adjusted to be consistent with these conditions. This impacts ANAV, VIF, and NBV (the latter only in cases where new business shares in total portfolio capital gains or losses)

10% lower value of real estate at the start of the projection same as above but a decrease.

Overall 10% decrease in the lapse rates means that base lapse rates are multiplied by 0.9. Increased lapses can have a positive or negative effect on embedded value depending on policy design and at which duration the lapse occurs. This impacts VIF and NBV.

Overall and permanent decrease of 10% in expenses applies only to non-commission and non-commission-related expenses. This impacts VIF and the VIF part of NBV. As the expense reflected in ANAV movement and the New Business Strain included in the NBV is the actual historical figure the strain is not adjusted for this sensitivity.

5% lower mortality rate for annuity business reflects the decreased profit on annuity business from assuming 5% lower mortality rate. This impacts VIF and NBV. The base assumption in VIF for annuity business already reflects expected mortality improvement (note that mortality improvement hurts annuity profits during the payout phase, but can improve overall profitability when also including the accumulation phase of deferred annuities).

5% lower mortality rate for life business reflects the increased profit on life insurance business from assuming 5% lower mortality rate. This impacts VIF and NBV.

Upward shift of 25% of the volatility on equity markets simulates a shock to the initial conditions, representing the base volatility times 1.25 (the shift is parallel as the 1.25 multiple is applied to the relevant key term in each market, usually around 10 years, and then the resulting movement is added to each term). This impacts VIF and NBV, only through impacts on the Time Value of O&G.

Upward shift of 25% of the volatility on bonds simulates a shock to the initial conditions, representing the base volatility times 1.25 (the shift is made parallel by the same technique described for equity volatility). This impacts VIF and NBV, only through impacts on the Time Value of O&G.

There are several other sensitivities recommended by the CFO Forum which AXA does not provide, because of the market consistent valuation basis that has been chosen. These include sensitivity to **different risk discount rates** (because in AXA's process the risk discount rate is an output rather than an input) and sensitivity to **different equity risk premiums** in future investment earnings (since in the market consistent approach assumed investment returns in excess of the reference interest rate are removed; this sensitivity would only change the IDR result but not the base value).

2007 Life & Savings EEV and NBV sensitivities (AXA including Winterthur) – by country

Life & Savings EEV sensitivities *(Euro million, Group share)*	United States	France	United Kingdom	NORCEE	Asia-Pacific	Med Zone	**TOTAL Life EEV**	**Total %**
Original amounts	9 522	8 041	4 596	8 085	6 568	1 558	38 490	
Upward parallel shift of 100 basis points in reference interest rates	257	112	-123	277	-47	-157	318	1%
Downward parallel shift of 100 basis points in reference interest rates	-508	-365	138	-595	-204	117	-1 416	-4%
10% higher value of equity markets at start of projection	356	357	191	521	147	22	1 594	4%
10% lower value of equity markets at start of projection	-400	-304	-195	-559	-146	-34	-1 639	-4%
10% higher value of real estate at start of projection	91	159	11	212	14	4	491	1%
10% lower value of real estate at start of projection	-91	-164	-14	-203	-14	-6	-493	-1%
Overall 10% decrease in the lapse rates	343	219	84	154	354	24	1 179	3%
Overall and permanent decrease of 10% in expenses	227	431	155	180	150	21	1 164	3%
5% lower mortality rate for annuity business	-26	-13	-40	-31	-25	-23	-158	0%
5% lower mortality rate for life business	283	21	44	46	147	10	550	1%
Upward shift of 25% of the volatility on equity markets	-206	-252	-29	-205	-50	-4	-746	-2%
Upward shift of 25% of the volatility on bonds	-100	-79	0	-108	-67	-17	-372	-1%

Life & Savings NBV sensitivities *(Euro million, Group share)*	United States	France	United Kingdom	NORCEE	Asia-Pacific	Med Zone	**TOTAL Life NBV**	**Total %**
Original amounts	397	230	140	376	587	43	1 772	
Upward parallel shift of 100 basis points in reference interest rates	192	7	-3	5	35	-7	230	13%
Downward parallel shift of 100 basis points in reference interest rates	-285	-10	0	-49	-61	6	-400	-23%
10% higher value of equity markets at start of projection	0	17	0	23	3	2	45	3%
10% lower value of equity markets at start of projection	0	-17	0	-30	-3	-3	-53	-3%
10% higher value of real estate at start of projection	0	7	0	3	0	0	10	1%
10% lower value of real estate at start of projection	0	-7	0	-4	0	0	-11	-1%
Overall 10% decrease in the lapse rates	28	28	17	24	52	3	151	9%
Overall and permanent decrease of 10% in expenses	19	29	12	19	23	2	103	6%
5% lower mortality rate for annuity business	1	0	-2	-1	0	0	-2	0%
5% lower mortality rate for life business	34	2	7	6	9	1	60	3%
Upward shift of 25% of the volatility on equity markets	-71	-10	0	-18	-8	0	-107	-6%
Upward shift of 25% of the volatility on bonds	-21	-7	0	-7	-6	-1	-42	-2%

Notes on Sensitivities in general

Upward and downward 100bp parallel shift of reference interest rates

As noted in the definitions, these calculations reflect discount rates adjusted automatically through the market-consistent valuation mechanism, but no changes in value for asset classes such as equities or real estate are assumed to accompany the reference interest rate movements (although future returns are impacted as these equal the risk-free rate on average across scenarios). 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 rates would produce different results than a sudden shock. In most markets, there is an asymmetry of upward and downward movements due to the presence of guarantees which bite into margins when rates are lower. However, in some markets, the impact of discounting at a higher rate and of lower initial bond values makes an increase in rates decrease value. Individual countries can even have the seemingly odd position of negative results in both directions, depending on the mix of business locally and the interplay of duration and convexity on different portfolios.

New business often has a very different sensitivity than inforce due to the significantly different portfolios and because, as mentioned in the definitions, NBV sensitivities are considered before the point of sale (and so do not reflect hedge programs which are set up after sale). In addition to the 'before sale' methodology, new business will have a longer expected life than the average of inforce for the same product type, does not include impacts on free surplus, and has small reserves built up, so sensitivities for NBV tend to be a larger percentage of value than for EEV. The reader should remember that no re-pricing action on New Business is included in the sensitivities.

10% increase in equity or real estate markets

These have impact in some countries because of general account exposure to these asset classes, and increases improving ANAV (or in some cases VIF through future profit sharing mechanisms). In other countries the impact is through Separate Account balance increases driving future fee income.

Overall 10% decrease in lapse rates

Decreases in lapse rates generally improve value, but the relative impact can vary with a variety of factors. Some contracts have large surrender charges, and low lapses concentrated in the years when these charges are expected to be collected could hurt value. In general, many contracts have different impacts from lapses at early contract durations compared to later. In these sensitivity tests, no interaction between lapse rates and mortality is assumed, while in reality some antiselection might occur and increase mortality if lapse rates increased and conversely lower lapse rates might improve experienced mortality.

5% decrease in mortality on annuities and on life

The relatively low sensitivities on these elements reflect a good balance between longevity and mortality exposures, where even for annuity business possible losses from increased longevity are partially balanced by higher profits linked to lower deaths during the deferral period.

Upward shift of 25% of the volatility on equity or bond markets

These sensitivities increase the volatility of investment returns across scenarios, which interact with management and customer behavior rules to change the TV O&G. No management or customer actions specifically in response to the increased volatilities is considered, only the 'normal' actions modeled across investment environments (responding to items like the remaining duration of liabilities, portfolio earnings vs. general market returns, crediting rates offered vs. competitors, etc.). As in all the scenarios, NBV is modeled before point of sale and with no re-pricing actions forecast.

Comments on Country results

United States:

The sensitivities to interest rate moves for EEV exhibit the classical pattern of decreases hurting value (because of contractual guarantees eroding target margins) while increases improve value; the relatively small impacts demonstrate that the inforce assets and liabilities are well matched, and the change in sensitivity results compared to 2006 reflects the lower interest rate environment as well as evolution in the business mix. The impact of the minus 100bps shift in interest rates has a larger impact on EEV due to the minimum interest rate guarantee for interest sensitive liabilities.

For NBV, the impact of a parallel upward/downward shift in interest rates of 100bps is very material due mostly to the sensitivity of the cost of the equity options (GMDB/GMIB) to the reference interest rate, and because as noted in the descriptions above NBV sensitivities reflect shocks before the point of sale rather than after when hedges are put in place. These sensitivities assume no pricing action to adjust policyholder charges on GMDB/IB in response to the new rate environment, nor any changes to policyholder regulatory guaranteed rates on general account business which automatically move down annually if market conditions warrant and in the longer term might also be adjusted up although they are at their current regulatory maximum.

The NBV sensitivities to equity and bond volatility are similarly explained by GMDB/IB sensitivity.

France:

The sensitivities to interest rate moves for EEV exhibit the classical pattern of decreases hurting value (because of contractual guarantees eroding target margins) while increases improve value, while the relatively small impacts demonstrate that the inforce assets and liabilities are well matched. The improvement when rates increase is limited because of 1) dropping bond values in free surplus and required capital, 2) the increase of discount rates, and 3) for some products the extra investment return must be given to policyholders. Since NBV does not have the same effect from free surplus and existing required capital balances and provides lower guarantees, the upside is more symmetrical.

United Kingdom:

An increase in the reference interest rate has a negative impact on EEV, because of 1) the drop in value of bond holdings in the Inherited Estate, free surplus and unit-linked funds, 2) investment profits do not change greatly, because although interest rates are higher, the interest is being earned on a smaller starting value, and 3) future profits are more heavily discounted.

NORCEE:

Life & Savings EEV sensitivities *(Euro million, Group share)*	Switzerland	Belgium	Germany	NORCEE
Original amounts	1 826	3 186	2 762	8 085
Upward parallel shift of 100 basis points in reference interest rates	12	132	132	277
Downward parallel shift of 100 basis points in reference interest rates	-64	-296	-236	-595
10% higher value of equity markets at start of projection	198	260	63	521
10% lower value of equity markets at start of projection	-190	-302	-67	-559
10% higher value of real estate at start of projection	118	77	17	212
10% lower value of real estate at start of projection	-109	-78	-15	-203
Overall 10% decrease in the lapse rates	62	73	19	154
Overall and permanent decrease of 10% in expenses	29	84	67	180
5% lower mortality rate for annuity business	-16	-11	-4	-31
5% lower mortality rate for life business	5	36	5	46
Upward shift of 25% of the volatility on equity markets	-44	-114	-47	-205
Upward shift of 25% of the volatility on bonds	-14	-24	-71	-108

Life & Savings NBV sensitivities *(Euro million, Group share)*	Switzerland	Belgium	Germany	NORCEE
Original amounts	46	144	166	376
Upward parallel shift of 100 basis points in reference interest rates	-1	5	2	5
Downward parallel shift of 100 basis points in reference interest rates	-8	-20	-21	-49
10% higher value of equity markets at start of projection	3	19	0	23
10% lower value of equity markets at start of projection	-4	-23	-3	-30
10% higher value of real estate at start of projection	0	2	1	3
10% lower value of real estate at start of projection	-2	-2	-1	-4
Overall 10% decrease in the lapse rates	4	10	9	24
Overall and permanent decrease of 10% in expenses	1	6	12	19
5% lower mortality rate for annuity business	-1	0	0	-1
5% lower mortality rate for life business	1	5	1	6
Upward shift of 25% of the volatility on equity markets	-3	-13	-2	-18
Upward shift of 25% of the volatility on bonds	-1	-3	-3	-7

Switzerland:

EEV exhibits a very low interest rate sensitivity considering the size of its balance sheet and the traditional participating nature of most of its business. This is the result of continued interest rate risk management per line of business that is achieved through both duration management of fixed income securities and, additionally, tailored hedging programs.

NBV exhibits high sensitivity to interest rates. Decreases in rates have a strong negative impact due to guarantees and the already low interest rate environment. Increases in rates also have a (smaller) negative impact, as the benefits are shared with policyholders in terms of investment margins, while technical margins are discounted at a higher rate.

The equity and real estate sensitivities reflect the sizeable exposures to equities (and to a lesser extent real estate) that were held at the valuation date.

Belgium:

The sensitivities to interest rates reflect the classic pattern of non unit-linked business with guarantees where decreases increase the cost of guarantees and erode shareholder margins, while increases permit increased shareholder margins. The sensitivities are smaller than last year, reflecting the impact of a higher interest rate environment as well as the reduced duration gap that has been achieved.

The relatively high sensitivity to equity values reflects the importance of this investment class in a market where gains on equities are tax-free.

Germany:

The sensitivities to interest rate moves for EEV exhibit the classical pattern of decreases hurting value while increases improve value, but with a few unique aspects to the German business. Health business has higher sensitivities than Life due to its long duration. In Life business, the upside is shared with policyholders while on the downsides there are more shareholder impacts. NBV similarly shows the mixture of effects of the Life and Health businesses, including Twinstar.

The low sensitivity to a decrease in lapses is driven by the Health business. In this portfolio, any gains on lapses (because no cash values are paid out) are required to be shared with other policyholders through lower premium rates. In this sensitivity lapses are lower than expected so these gains do not occur, and in the short-term this must be funded by shareholders (in the long run premiums would be adjusted appropriately). So losses linked to lower lapses on the Health business largely offset gains in the Life business.

Asia-Pacific:

Life & Savings EEV sensitivities *(Euro million, Group share)*	Japan	Australia	Hong-Kong	Asia-Pacific
Original amounts	4 232	1 087	1 144	6 568
Upward parallel shift of 100 basis points in reference interest rates	16	-19	-45	-47
Downward parallel shift of 100 basis points in reference interest rates	-234	22	9	-204
10% higher value of equity markets at start of projection	81	42	24	147
10% lower value of equity markets at start of projection	-80	-43	-23	-146
10% higher value of real estate at start of projection	8	6	0	14
10% lower value of real estate at start of projection	-8	-6	0	-14
Overall 10% decrease in the lapse rates	225	68	60	354
Overall and permanent decrease of 10% in expenses	103	36	11	150
5% lower mortality rate for annuity business	-21	-4	0	-25
5% lower mortality rate for life business	97	33	18	147
Upward shift of 25% of the volatility on equity markets	-15	-2	-33	-50
Upward shift of 25% of the volatility on bonds	-13	-1	-54	-67

Life & Savings NBV sensitivities *(Euro million, Group share)*	Japan	Australia	Hong-Kong	Asia-Pacific
Original amounts	440	51	77	587
Upward parallel shift of 100 basis points in reference interest rates	43	-1	-7	35
Downward parallel shift of 100 basis points in reference interest rates	-71	2	8	-61
10% higher value of equity markets at start of projection	3	0	0	3
10% lower value of equity markets at start of projection	-3	0	0	-3
10% higher value of real estate at start of projection	0	0	0	0
10% lower value of real estate at start of projection	0	0	0	0
Overall 10% decrease in the lapse rates	36	9	7	52
Overall and permanent decrease of 10% in expenses	12	7	3	23
5% lower mortality rate for annuity business	0	0	0	0
5% lower mortality rate for life business	5	3	1	9
Upward shift of 25% of the volatility on equity markets	-7	0	-1	-8
Upward shift of 25% of the volatility on bonds	-4	0	-2	-6

Japan:

The sensitivities to interest rate moves for EEV exhibit the classical pattern of decreases hurting value (because of contractual guarantees eroding target margins) while increases improve value, while the relatively small impacts demonstrate that the inforce assets and liabilities are well matched. The improvement when rates increase is limited because of 1) dropping bond values in free surplus and required capital, 2) the increase of discount rates, and 3) for some products the extra investment return must be given to policyholders. Since NBV does not have the same effect from free surplus and existing required capital balances, the upside is more symmetrical; with Accumulator as a bigger portion of NBV than inforce it also shows the higher impacts that are typical of Accumulator products considering movements before the time of sale.

Australia/New Zealand:

An increase in reference interest rates reduces value due to two main impacts. Firstly the ANAV reduces as regulatory capital has a large allocation to fixed interest investments. Secondly for our traditional risk products value falls as the impact of higher discounting of future profits is greater than the increase in future investment earnings.

The lapse rate sensitivity is heavily weighted towards the wealth management business particularly for new business. Lower lapses result not only in higher future profits but also higher funds under management which in turn results in expense efficiencies due to scale benefits.

Hong Kong:

The negative impact on EEV of increasing reference interest rates is due to the decreased market value of bonds (which reduces ANAV) outweighing a large reduction in the cost of O&Gs. The NBV impact is negative because the Active Dividend Management (ADM) mechanism captures all the investment upside for par business' policyholders rather than shareholders, and because non-par business also exhibits a negative correlation between NBV and reference interest rates due to the discount rate effect.

A downward parallel shift of 100bps in reference interest rates has a small positive impact on EEV as the increased bond values and benefits of lower discount rates outweigh the higher O&G costs due to reduced investment spread above guarantees for National Life series. NBV increases due to profits being more valuable because reference interest rate decreases reduce discount rates but the value of options and guarantees is not heavily impacted because of low guarantees for Smart Series that are still well out of the money.

The relatively large sensitivity to decrease in lapse is related to the high profitability of persisting policies, and the relatively large size of VIF (sensitive to lapse) compared to ANAV (not sensitive to lapse).

Mediterranean Region:

Results reflect a blend of effects from different business lines in the four largest operations (Spain, AXA Italy, AXA MPS Italy, and Portugal); smaller operations are not included in the sensitivities.

V. Methodology and assumptions

AXA Life & Savings EEV consists of the following elements:

- Life & Savings Adjusted Net Assets Value (ANAV): This represents the tangible net assets. It is derived by aggregating the local regulatory (statutory) balance sheets of the life companies and reconciling with the Life & Savings IFRS shareholders' equity.
- Life & Savings Value of Inforce (VIF): This represents the discounted value of the local regulatory (statutory) profits projected over the entire future duration of existing liabilities.

Life & Savings New Business Value (NBV) is the value of the new business sold during the calendar year. The new business value includes both the initial cost (or strain) to sell new business and the future earnings and return of capital to the shareholder.

ANAV methodology

The Life & Savings ANAV can be reconciled to the IFRS shareholders' equity based on the following main adjustments:

- Addition of unrealized capital gains/losses on asset classes for which the IFRS balance sheet does not reflect current market values
- Elimination of the value of intangibles (*Goodwill, VBI, DAC, DOC, others…*), conceptually to be replaced by VIF for business inforce, thereby excluding any value for future business;
- Adjustment for differences between local regulatory and IFRS values of assets and liabilities
- Subtraction of unrealized capital gains included in the projection of future cash-flows (VIF).

AXA's IFRS Shareholders' Equity already includes the full impact of any actuarial gains or losses on employee benefit plans, so no adjustment is needed in EEV for employee benefits.

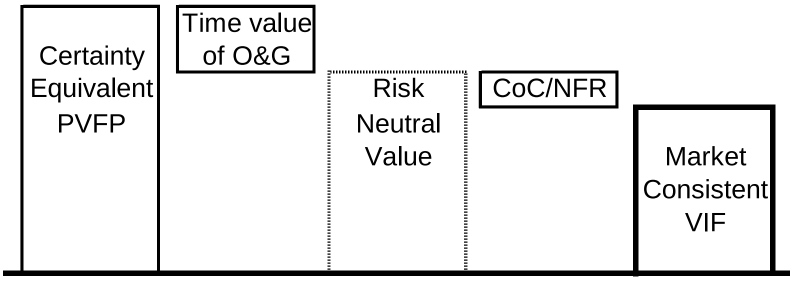
The ANAV for each operation includes the book value of any shares it holds in other AXA Group entities that are outside the Life & Savings segment, although any crossholdings within the Life & Savings segment are eliminated locally (this is a change from 2006 when the book value of crossholdings across countries within the Life & Savings segment were eliminated in a "consolidation adjustment" column of the Life & Savings EEV). The book value of crossholdings outside the Life & Savings segment is eliminated in the Holdings segment.

VIF methodology

The Life & Savings VIF is valued in the following three step process:

- the base value is a *certainty equivalent PVFP*, which is the value of the business considered without taking credit for any future investment risk premiums (which are the expected excess returns of equities, corporate bonds, etc. over the reference interest rate). This value reflects the intrinsic value of the O&G but not their time value nor non-financial risks, except for Accumulator-type products where the full policyholder charges less hedging costs for guarantees are reflected here rather than a portion in Time Value of O&G,
- the base value is then reduced by an *allowance for the Time Value of O&G*, which is valued in a manner consistent with the approach used in financial markets to value O&G: the net value is therefore a *risk neutral value*, it is the value of the business adjusted for all financial risks,
- a final reduction is made for the *CoC/NFR*, which is the lock-in cost of capital and provision for other operational and insurance risks (i.e. non financial risks).

In practical terms, the VIF is derived for most business from at least 30 year projection, and includes a provision for the remaining shareholder profits beyond that term.



- Time value of options and guarantees (O&G)

The O&G valued in the EEV cover all material O&G embedded in AXA's Life and Savings business - consistent with the requirements of the European Embedded Value Principles. The key O&G considered are:

- the interest rate guarantees on traditional products (such as guaranteed cash values, guaranteed annuity options (GAOs), etc.)
- the profit sharing rules (bonus rates, credited interest rates, policyholder dividends, etc), which combined with guarantees can create asymmetric returns for shareholders.
- the guaranteed benefits (GMDB, GMIB and similar) on unit-linked annuity products and no lapse guarantees[1] in life insurance contracts (although note that as mentioned above the hedging costs for guarantees on Accumulator-type business are reflected in the Certainty Equivalent PVFP rather than in the Time Value of O&G),
- the dynamic policyholder behavior, that is, the options (such as full or partial surrender, premium discontinuance, annuitization, etc.) that policyholders can elect at a time that disadvantages the company

The risk neutral value includes (i.e., is net of) the required allowance for all such financial O&G. The calculation of the base certainty equivalent value of the businesses enables us to separate the Time Value of O&G from the intrinsic value:

Time Value of O&G = Risk neutral value less Certainty Equivalent PVFP

The exceptions to this general treatment are Eastern Europe and Southeast Asia & China where the traditional EV approach makes an aggregate allowance for risks.

- Methodology for calculating the risk neutral value

The risk neutral value is evaluated using a set of specific stochastic models (entirely designed for the purpose of valuation under a risk neutral framework), based on a set of economic and financial conditions, which are run over 1,000 economic risk neutral scenarios based on the assumptions described below. The value allows for the behavior of clients (lapses, etc.) and for some management actions (dynamic investment strategy, varying credited rate, etc.).

The economic scenarios are constructed using a proprietary economic scenario generator developed by Barrie & Hibbert. A number of asset classes and economic assumptions

[1] 'No lapse guarantees' are guarantees on insurance contracts that the contract will remain in force so long as the contractholder pays a predetermined level of premiums, even if the investment performance is lower than expected and insufficient funds are present to keep the contract in force in the absence of the guarantee

are modeled stochastically. This includes equity, bond yields, credit spreads, credit defaults, property, foreign exchange, inflation, and GDP.

The construction of market consistent risk neutral economic scenarios requires a careful calibration to underlying market parameters to ensure that the valuation replicates the prices of market assets. Three key areas of calibration are the initial yield curves, the implied market consistent volatilities, and the correlations between asset classes and economies. The model calibration is described further under Economic Assumptions. The interest rate model considers both parallel shifts and twists to the yield curve.

- Methodology for calculating the CoC/NFR

This item is based on the cost of holding capital corresponding to the highest of 1) the capital required by internal economic capital models before any Group diversification benefits, 2) the local regulatory requirement, and 3) the capital consistent with a AA capital requirement in each operation, net of implicit items that can be used to support capital requirements. This can be considered to provide a provision for two elements: 1) a cost of locked-in capital, and 2) an additional provision for other non-financial risks.

The cost of capital is the economic cost incurred through the payment of investment expenses and taxes on investment income of assets held in excess of the policyholder reserves. Mechanically, this can be viewed as the difference between investment earnings which are the risk-free rate after-tax and after investment expenses compared to a discount rate which is the risk-free rate before tax and expenses. The amount of such assets is equal to the higher of regulatory capital and the capital requirements resulting from the internal economic capital model, and is considered to be locked-in.

The non-financial risks represent the economic cost incurred through the exposure of the company to insurance and operational risks. In theory, insurance and operational risk can be fully diversified. However since these calculations are based on a company level, AXA assumes an allowance for non financial risk. As of today, there is no established market practice for the estimation of the non financial risks. Hence AXA has calculated the allowance for non financial risk by assuming a higher locked-in capital base.

Hong Kong is the exception to this treatment: because tax is paid on premium rather than income there would be no non financial risk provision under this methodology. A provision has been made applying the Group average tax rate to an estimated capital level for Hong Kong.

The UK is also worthy of special mention regarding cost of capital. Under the terms of the scheme of arrangement, the UK Inherited Estate assets are 'locked in' to the long term funds until they are no longer required to provide with-profits policyholders the level of security implied by the scheme. Under EEV, allowance for financial and non-financial risks is made explicitly through the use of stochastic models and market consistent pricing techniques. In particular the methodology allows explicitly for risks to the Inherited Estate in that:

- The Inherited Estate asset is valued as a future distribution rather than an asset that is distributable
- Allowance is made for shareholder taxes for the period of 'lock-in' and on distribution, and
- Explicit modeling of the potential for the asset to be permanently transferred to the with-profits fund

NBV methodology

The value of new business sold during the calendar year is consistent with the methodology outlined for the VIF. The new business value will include both the initial costs (or "strain") to sell the business and the future earnings and return of capital to the shareholder.

It should also be noted that the value of the in force includes all business as at the yearend date. This includes the future earnings and return of capital for business written during the year.

No value is placed on future new business sales, although certain future flexible premium receipts are included in the VIF as described below.

The assumptions for valuing New Business VIF are consistent with overall inforce VIF; that is, they are set to reflect year-end conditions.

Flexible Premium Modeling

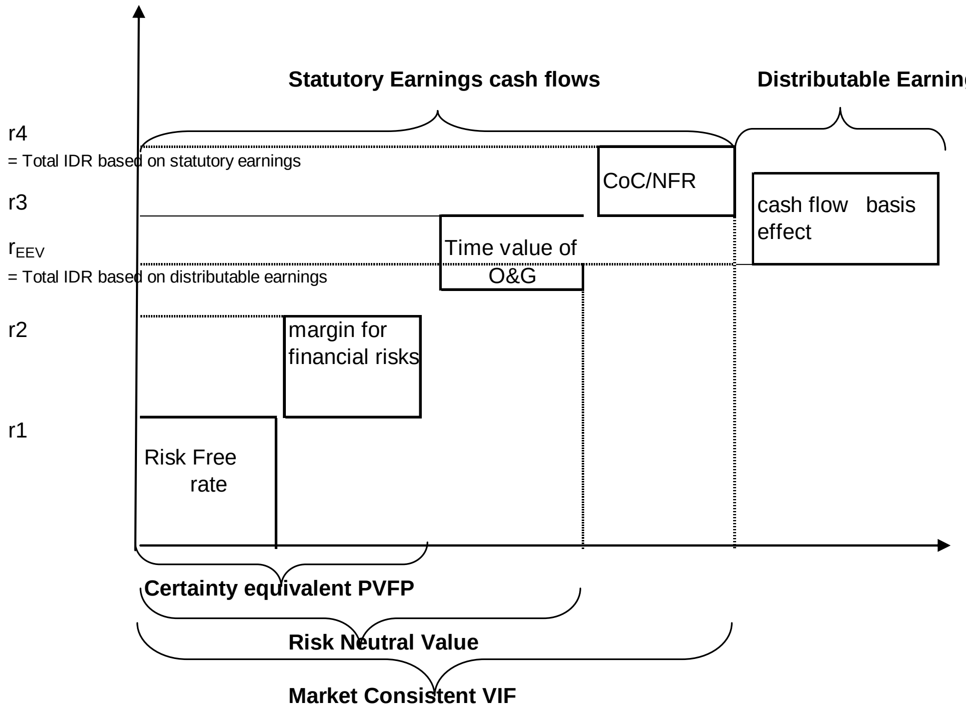
New business includes new contracts written in the current year. If future flexible premiums are reasonably predictable, for example they are included in pricing the contract and/or there is stable historical experience, then they and the benefits associated with them are included in the projection of future cash flows. That is, they are included in the calculation of VIF, and to the extent they are related to contracts sold in the current year they are part of NBV. If policy additions are the result of significant new marketing activity, and were not anticipated at the time of original contract sale, then such additions are reflected as new business. This treatment of future flexible premiums is required by the EEV Principles and Guidance, but some areas of judgment remain. To better align our treatment with peer companies, in 2007 the treatment in France was adjusted to include flexible premiums as single premiums when they are received, rather than to anticipate the future flexible premiums as part of regular premium cash flows.

Implied Risk Discount Rate

In a market consistent EEV, the value of the projected earnings, allowing for financial risks, Time Value of the O&G, and non financial risks is the result of a stochastic valuation technique. As a result, the equivalent implied risk discount rate (IDR) is derived from a bottom up assessment of the risk. It is the discount rate that would reproduce the VIF from a deterministic projection of statutory distributable earnings (profit less movement in required capital) in an illustrative scenario. Specifically it is not an assumption used to determine the value. The IDR will vary depending on the economic assumptions used to deduce it, however it in no way affects the market consistent value. It is a useful measure of the risk reflected in the overall value estimate given a set of assumptions about future asset returns. In particular it allows comparison across countries of the components of EEV. The illustrative assumptions and the split of IDR by components are described in the Appendix.

The total implied risk discount rate therefore reflects:

- the reference interest rate of the local economy,
- a margin for financial risks (to reproduce the base certainty equivalent value from a projection of statutory earnings with assumed future investment margins),
- an allowance for the Time Value of the O&G (to reproduce the risk neutral value from the same projection of statutory earnings with assumed future investment margins),
- an allowance for the cost of capital and non financial risks (to reproduce the VIF based on the projection of statutory earnings with assumed future investment margins)
- a cash flow basis effect (to reproduce the VIF based on the projection of distributable earnings (statutory earnings less required capital movements) with assumed future investment margins)



The implied risk discount rate will differ for each country, and between in force and new business. The illustrative investment assumptions used in calculating Implied Discount Rates can be found in Appendix 1.

Investment Market Conditions

The model of projected cash flows includes investment scenarios designed to reflect market conditions. Any such model necessarily has a limited number of inputs, and will not perfectly reproduce all of the current conditions. Described below are the target conditions for the modeling; the fit of the model to these defined targets is tested by assuring that €1 of initial asset value is reproduced when projected and discounted and by tests that confirm the model stays close to the targets (the models and the present values they produce are therefore called ‘market consistent’). The process of refining the model so that it reproduces market conditions is referred to as ‘calibration’.

The following table shows the ***swaps yield curves as at 28 December 2007***. Also shown for comparison are the swaps yields curve as at December 2006. The economic scenarios have been calibrated using these market conditions as targets, in order to be market consistent

	EUR		USA		UK		Japan AXA @ Sept (1)		Switzerland		Australia	
	2006	**C 2007**	**2006**	**C 2007**	**2006**	**C 2007**	**2006**	**C 2007**	**2006**	**C 2007**	**2006**	**C 2007**
maturity	30/12/06	28/12/07	30/12/06	28/12/07	30/12/06	28/12/07	30/09/06	30/09/07	30/12/06	28/12/07	30/12/06	28/12/07
1	4,08%	4,72%	5,42%	4,17%	5,63%	5,66%	0,60%	1,08%	2,44%	2,95%	6,76%	7,76%
2	4,13%	4,55%	5,23%	3,90%	5,58%	5,30%	0,77%	1,13%	2,62%	2,96%	6,74%	7,83%
3	4,13%	4,52%	5,17%	4,02%	5,56%	5,22%	0,96%	1,22%	2,67%	2,98%	6,72%	7,89%
5	4,13%	4,56%	5,17%	4,32%	5,44%	5,17%	1,28%	1,41%	2,70%	3,09%	6,59%	7,67%
7	4,15%	4,62%	5,20%	4,59%	5,32%	5,13%	1,56%	1,60%	2,74%	3,21%	6,52%	7,47%
10	4,21%	4,75%	5,27%	4,87%	5,12%	5,09%	1,88%	1,87%	2,80%	3,38%	6,47%	7,25%
15	4,30%	4,91%	5,39%	5,15%	4,87%	4,99%	2,27%	2,21%	2,88%	3,64%	6,36%	7,04%
20	4,35%	4,99%	5,44%	5,28%	4,66%	4,81%	2,51%	2,44%	2,90%	3,75%	6,16%	6,82%
25	4,33%	4,96%	5,45%	5,30%	4,44%	4,74%	2,65%	2,59%	2,90%	3,77%	6,02%	6,63%
30	4,29%	4,92%	5,43%	5,30%	4,31%	4,54%	2,74%	2,68%	2,89%	3,78%	5,86%	6,38%

(1) AXA Japan uses September rates.

Hong Kong results are based on US asset classes, as Hong Kong policies are mainly denominated in US$.

The approach to setting ***market consistent volatility*** targets in a risk neutral calculation focuses on the implied volatility of market prices for different asset classes. These implied volatilities can be derived from pricing formulas and the observed market prices of various derivative instruments. For example, targets have been set for 20 year swaptions implied volatilities for bond yields, and equity options implied volatility, at year 5, 10 and 20, for each of the major areas outlined in the table below.

Target volatilities	Equities			20 yr Swaptions		
	year 5	year 10	year 20	year 5	year 10	year 20
USA	19,5%	22,4%	25,4%	15,1%	12,7%	11,8%
EuroZone	22,3%	24,6%	26,5%	11,2%	10,6%	9,9%
Japan (AXA)	19,4%	21,1%	22,8%	15,7%	13,6%	12,4%
Japan (Winterthur)	20,1%	21,7%	23,4%	15,8%	14,2%	13,1%
UK	19,9%	22,4%	26,3%	10,9%	10,9%	10,8%
Switzerland	19,4%	21,7%	22,5%	12,5%	12,0%	11,1%

AXA's approach to setting volatility targets attempts to align with the long-term nature of the options and guarantees embedded in the liability portfolio, and reflects the depth of markets used to derive the implied volatilities, as well trading anomalies which can result in narrow markets from time-to-time. For equity volatilities the implied volatilities are the average daily at-the-money forward volatility observed over 2007, while for swaptions the average daily at-the-money forward volatility for the last two weeks of the year is used. The longer time period for equity observations is due to the narrower market for these options.

Correlations measure the extent to which various asset classes and economies move together over time. The correlation of equity returns, inflation, bond yields, and economies, has been set with reference to historical market data. It is not possible to estimate an "implied correlation," as there are almost no financial instruments available with sufficient liquidity from whose price one can, in an objective manner, derive market consistent implied correlations. AXA's modeling ensures that correlations between equities and 10 year bond interest rates are between 5% and 15%.

Asset mix assumptions

The assumptions described above are used in local models in conjunction with the asset mix to derive the assumed projected fund volatilities, a key driver of the risk neutral values. ***Asset mixes*** used are shown in the table below at the country level, although generally calculations are done using the applicable asset mix at a line of business level. The asset mixes describe the intended investment strategy of each operating company rather than the position at the start of the projection.

Asset Mix (FI/Equity/ other)	2006	2007
United States	76/3/21	76/2/22
France	82/11/7	80/12/8
United Kingdom	42/49/9	43/49/8
Switzerland	74/10/16	69/9/22
Japan	85/5/10	78/4/18
Belgium	68/17/15	72/21/7
Australia	70/24/6	70/27/3
Hong-Kong	71/27/2	73/27/0
Germany	88/9/3	89/6/5
Mediterranean Region	79/17/4	91/8/1

Actuarial assumptions

All cash flows (premiums, expenses, commissions, death and surrender claims, taxes) are included on a best estimate basis up until the termination of AXA's obligations towards the policyholder and beneficiaries. AXA's embedded value uses an active basis where the assumptions are adjusted to reflect historical experience. The assumptions are reviewed at least on an annual basis.

The historical trend of past mortality improvements for life insurance business has been assumed to continue for part of the future projection at a more conservative level than historical experience. However, annuity business in all markets reflects the expected continuation of past mortality improvement trends into the future; this combination of partially reflecting improvement trends for life insurance business while fully reflecting it for annuities is on balance prudent.

Exchange rates

ANAV and VIF are calculated using end of year exchange rates, except for Japan which uses September rates consistent with AXA's Japan timing of their financials.

New business metrics are calculated using average exchange rates from during the year.

Exchange rates vs Euro	**2006**		**2007**	
	EoY	Avg	EoY	Avg
United States	1,318	1,256	1,473	1,370
United Kingdom	0,672	0,682	0,733	0,684
Switzerland	1,608	1,572	1,656	1,642
Japan sept	149,343	142,939	163,551	158,255
Australia	1,669	1,667	1,675	1,637
Hong-Kong	10,204	9,750	11,494	10,638
Czech Republic	27,778	28,571	26,316	27,778
Hungary	251,889	263,852	253,807	251,256
Poland	3,831	3,891	3,597	3,788
Singapore	2,020	1,992	2,114	2,062
Philippines	64,516	64,516	60,606	62,893
Thailand	46,729	47,619	43,860	44,248
Indonesia	11 905	11 494	13 889	12 500
China	10,309	10,000	10,753	10,417
Turkey	1,864	1,807	1,717	1,787

Tax assumptions

The following table shows the nominal tax rates applied. In most jurisdictions different tax rates apply to different types of income and expense, so effective tax rates will vary. Generally, stochastic projections also reflect the impact of economic scenarios on the sources of taxable income and the recoverability of tax loss carry forwards.

Tax Rate	**2006**	**2007**
United States	35%	35%
France	34%	34%
United Kingdom	30%	28%
Switzerland	22%	22%
Japan	36%	36%
Belgium	32%	34%
Australia	30%	30%
Hong-Kong	0,875% of premiums	0,875% of premiums
Germany	40%	32%
Mediterranean Region	32%	26%

Expenses

The EEV methodology makes full provision for all expenses. Consistent with IFRS disclosures, operating entities are recharged most holding companies' expenses, which therefore are included in local unit costs. The VIF includes the present value of future projected expenses related to Life & Savings business. No productivity gains are built into the projected future expenses, and a provision is made for future inflation. Base general price inflation rates are shown below; these are modified as appropriate for specialized areas (such as healthcare costs or salaries) and for the stochastic scenarios.

Inflation Rate	**2006**	**2007**
United States	2,75%	2,60%
France	2,00%	2,00%
United Kingdom	2,50%	3,00%
Switzerland	2,00%	1,50%
Japan	0,50%	1,00%
Belgium	2,00%	2,30%
Australia	2,50%	2,50%
Hong-Kong	2,50%	2,50%
Germany	2,00%	2,00%
Mediterranean Region	2,00%	2,00%

The expense basis used to estimate projected unit costs does not include productivity-oriented and one-off expenses, although they are naturally considered in the current year's result impacting the movement in ANAV. Productivity oriented expenses are those incurred investing in and developing projects that will give rise to future benefits. As those benefits are excluded from projections, the related expense is also excluded. One-off expenses might not lead to future benefits, but are not expected to be repeated in future years, hence also are excluded from the expense basis for VIF.

Euro million, Group share, pre-tax	**2006**	**2007**	**of which Winterthur Integration cost**	**2007 excluded Winterthur**
United Kingdom	100	136	16	120
United States	64	42	0	42
Switzerland	37	4	0	4
Benelux	9	26	21	5
France	7	33		33
Germany	4	62	53	9
CEE	0	7	0	7
Other countries	4	19	16	4
Total excluded expenses	**224**	**328**	**106**	**222**

In 2007 the largest amount of excluded expenses is in the UK, and represents a variety of initiatives to increase sales and productivity in the future and some expenses associated with Winterthur. US excluded expenses include mainly expenses associated with a real estate restructuring and for the Annuity 2012 project. France excluded expenses are related to premises and not capitalized IT investments. The Other countries total is a variety of items spread with no single country having more than Euro 5 million excluded.

Modeling of participating and adjustable credited rates business

Participating business is generally characterized by the following key features:

- a minimum interest rate or level of bonus is guaranteed on the contract. At least the guaranteed rate or bonus is credited under all circumstances. Hence, whenever fund return does not achieve the minimum performance, the shareholder will bear the cost of maintaining the guaranteed level,

- generally bonuses and crediting rates will exceed minimum guaranteed levels. The amount credited will be based on profit sharing rules as well as the performance of the investment markets and will involve a degree of management discretion.

Given the above, it is essential in a stochastic framework, when future expected performance varies, that the value reflects how bonuses and crediting rates are determined. This will impact the value in the following manner:

- the guaranteed interest rate and any further policyholder participation in profits which is not linked to the actual investment results above the reference interest rate will impact the certainty equivalent value.
- the profit sharing rule will impact the Time Value of O&G depending on the market performance. In cases where the market performs well the policyholder will participate in the investment profits while in case of negative market performance the shareholder will bear a higher portion if not all of the loss. The level of the Time Value of O&G will reflect the likelihood of these additional payments being made, net of the amount reflected as intrinsic value in the certainty equivalent value.

The participating features of businesses are usually a combination of contractual / legal, and management discretion based on competitor pressures' or market practice (where management actually chooses the level of credited rate, over and above the guaranteed rate).

In all operations where this is relevant, the participating business has been modeled to reflect contractual and regulatory constraints, in addition to how AXA manages the business.

Where there are participating funds that can be apportioned between shareholders and policyholders, the limited residual funds at the end of the projection period are apportioned between shareholders and policyholders.

Appendix 1: Asset Return Assumptions for and Components of Implied Discount Rates

As explained in the main report, the risk-neutral valuation method applied in AXA's EEV means that assumptions about future return spreads for different asset classes do not affect the reported EEV. The methodology is equivalent mechanically to assuming that the expected return on all asset classes is the risk-free rate. However, to facilitate comparisons to other companies (especially those not following a market-consistent basis), and to Traditional EV, we have made calculations with illustrative future investment returns, and derived implied risk discount rates. The illustrative assumptions for 2006 and 2007 are shown in the tables below. It is important to always view IDRs in the context of their illustrative investment assumptions, because a change in assumptions will change IDR

2006	FI Return	Equity Return	Cash Return	Real Estate Return	"Other" Return
United States	7,15%	8,50%	4,30%	7,00%	6,47%
France	4,50%	7,50%	3,75%	6,00%	4,50%
United Kingdom	4,96%	7,50%	n/a	6,00%	n/a
Switzerland	3,50%	6,50%	2,80%	4,40%	n/a
Japan	3,82%	6,50%	2,02%	5,00%	5,00%
Belgium	4,68%	7,50%	3,91%	6,00%	n/a
Australia	5,86%	9,00%	6,00%	7,50%	n/a
Hong-Kong	5,31%	9,33%	n/a	7,33%	n/a
Germany	5,49%	7,50%	2,00%	6,00%	n/a
Mediterranean Region	4,74%	7,50%	3,49%	5,70%	n/a
TOTAL Life & Savings	5,25%	7,69%	3,59%	6,13%	5,47%

2007	FI Return	Equity Return	Cash Return	Real Estate Return	"Other" Return
United States	7,40%	9,00%	5,00%	7,50%	6,71%
France	5,00%	8,00%	4,00%	6,50%	4,82%
United Kingdom	5,49%	8,03%	n/a	6,50%	n/a
Switzerland	3,47%	6,50%	2,50%	4,38%	n/a
Japan	3,75%	6,50%	2,28%	n/a	5,00%
Belgium	5,22%	8,00%	4,16%	6,50%	n/a
Australia	6,50%	9,00%	6,50%	7,75%	n/a
Hong-Kong	6,08%	8,18%	n/a	n/a	n/a
Germany	5,39%	8,00%	n/a	6,50%	n/a
Mediterranean Region	5,18%	8,00%	4,00%	6,50%	n/a
TOTAL Life & Savings	5,58%	8,05%	4,09%	7,34%	5,68%

Fixed income returns vary even within one economy due to different durations and average quality of fixed income holdings.

The tables below show detailed component analysis of 2006 and 2007 IDRs for AXA including ex-Winterthur business. The drivers of the evolution of the Total IDR for each country are described in the Detailed Results section of this report. IDRs are disclosed both on the basis of discounted statutory earnings (which has been used by some companies doing MCEV, and may be comparable to the discount rate used by some companies doing 'top-down' approaches to EEV), and on the basis of discounted distributable earnings including the impacts of required capital (which has also been used by some companies doing MCEV, and which is roughly comparable to the discount rates used in Traditional EV).

In %	Reference Interest Rate		Margin for Financial Risk		Time Value of O&G		Cost of Capital		PVFP Risk Discount Rate based on statutory earnings		Cash Flow Basis Effect		Total IDR based on distributable earnings	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
United States	5,34%	5,00%	2,58%	3,02%	0,64%	0,77%	0,74%	0,81%	9,30%	9,60%	-1,15%	-1,34%	8,15%	8,26%
France	4,29%	4,81%	2,17%	1,91%	1,97%	1,80%	1,39%	1,32%	9,82%	9,84%	-2,62%	-2,49%	7,20%	7,35%
United Kingdom	4,89%	4,84%	1,70%	3,21%	0,43%	0,30%	1,83%	1,72%	8,85%	10,07%	-2,51%	-3,15%	6,34%	6,92%
Switzerland	2,99%	3,95%	2,57%	1,85%	1,62%	1,69%	2,27%	1,98%	9,45%	9,47%	-3,99%	-3,65%	5,46%	5,82%
Japan	2,22%	2,25%	11,35%	7,54%	0,67%	0,47%	1,74%	1,03%	15,98%	11,29%	-6,39%	-3,42%	9,59%	7,87%
Belgium	4,26%	4,86%	3,30%	2,87%	4,61%	3,29%	1,63%	1,86%	13,80%	12,88%	-4,87%	-4,19%	8,93%	8,69%
Australia	6,40%	7,12%	1,40%	1,02%	0,19%	0,23%	1,07%	0,75%	9,06%	9,12%	-1,19%	-1,15%	7,87%	7,97%
Hong-Kong	5,28%	4,92%	0,53%	0,74%	1,43%	1,82%	0,55%	0,58%	7,79%	8,06%	-0,17%	-0,35%	7,62%	7,71%
Germany	4,26%	4,86%	1,95%	2,31%	0,67%	0,36%	1,28%	0,98%	8,16%	8,51%	-1,43%	-1,43%	6,73%	7,08%
Med Region	4,21%	4,74%	1,90%	1,18%	3,21%	2,75%	3,06%	3,35%	12,38%	12,02%	-5,77%	-5,49%	6,61%	6,53%
TOTAL Life & Savings	**4,27%**	**4,83%**	**3,33%**	**2,80%**	**1,33%**	**1,20%**	**1,40%**	**1,27%**	**10,34%**	**10,10%**	**-2,77%**	**-2,48%**	**7,57%**	**7,61%**

In %	Reference Interest Rate		Margin for Financial Risk		Time Value of O&G		Cost of Capital		NBV Risk Discount Rate based on statutory earnings		Cash Flow Basis Effect		Total NB IDR based on distributable earnings	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
United States	5,33%	4,95%	2,09%	2,34%	0,72%	0,45%	0,30%	0,21%	8,44%	7,95%	-0,42%	-0,38%	8,02%	7,57%
France	4,30%	4,81%	1,63%	1,47%	1,47%	1,54%	0,90%	0,98%	8,30%	8,80%	-1,57%	-1,73%	6,73%	7,07%
United Kingdom	4,35%	4,86%	1,46%	1,67%	0,00%	0,00%	0,14%	0,00%	5,95%	6,53%	0,00%	0,00%	5,95%	6,53%
Switzerland	2,87%	3,67%	1,91%	1,45%	1,70%	2,48%	1,64%	2,19%	8,12%	9,79%	-3,01%	-4,22%	5,11%	5,57%
Japan	2,09%	2,37%	2,42%	0,94%	0,02%	0,04%	0,17%	0,08%	4,70%	3,43%	-0,23%	-0,04%	4,47%	3,39%
Belgium	4,28%	4,74%	2,21%	2,32%	2,25%	2,31%	0,88%	0,95%	9,62%	10,32%	-2,91%	-2,68%	6,71%	7,64%
Australia	6,40%	7,12%	1,06%	0,73%	0,00%	0,00%	0,38%	0,62%	7,84%	8,47%	-0,61%	-0,66%	7,23%	7,81%
Hong-Kong	5,28%	4,92%	0,72%	0,84%	0,95%	0,96%	0,31%	0,34%	7,26%	7,06%	-0,06%	-0,19%	7,20%	6,87%
Germany	4,28%	4,84%	1,31%	1,04%	0,19%	0,15%	0,64%	0,42%	6,42%	6,45%	-0,81%	-0,79%	5,61%	5,66%
Med Region	4,23%	4,80%	0,80%	0,16%	1,86%	1,06%	2,00%	1,34%	8,89%	7,36%	-3,21%	-1,89%	5,68%	5,47%
TOTAL Life & Savings	**4,29%**	**4,80%**	**1,61%**	**0,96%**	**0,68%**	**0,66%**	**0,46%**	**0,44%**	**7,03%**	**6,86%**	**-0,79%**	**-0,81%**	**6,24%**	**6,05%**

The **Reference interest Rates** in these tables reflect the current yields as at yearend 2006 and 20067 based on the average liability duration for inforce or new business, respectively.

The **Margin for Financial Risk** component of IDR reflects the shareholder portion of future investment margins in the illustrative scenario and the cost of any guarantees that are in the money in the certainty equivalent PVFP (i.e. comparing guarantees to current risk-free rates). As an example of the impact of guarantees, if the guaranteed rate for a product is 4.5%, the targeted investment spread is 1.5%, and the current reference interest rate is 5%, then the margin for financial risk will reflect the impact of only 0.5% spread being achievable (reference interest rate– guarantee). Hedging costs for Accumulator-type products are also included in the Margin for Financial Risk, as they are reflected in the Certainty Equivalent PVFP rather than the Time Value of O&G.

The **Time Value of O&G** component of IDR reflects the impact of a stochastic market consistent valuation of financial O&G beyond the intrinsic value. This includes policyholder dynamic behavior (decisions to lapse or exercise other options) in response to changing economic conditions across scenarios. Some dynamic management actions that compensate for the costs of O&G are modeled, although the full range of available management actions is not included in projections (this leads to a somewhat conservative view of Time Value of O&G).

The **CoC/NFR** component of IDR reflects the level of required capital (at the greatest of local regulatory requirement, the amount consistent with a AA rating, and the internal economic capital at each operation), net of implicit items, and the runoff patterns of the capital requirement and the implicit items.

The **Risk Discount Rate based on statutory earnings** is the basis on which some companies doing MCEV have disclosed IDR in the past, and may be comparable to the discount rates used by some companies in the 'top-down' approach to setting risk margins under the European Embedded Value Principles.

The **Cash Flow Basis Effect** reflects the impact moving from statutory cash flows to distributable cash flows.

The **Total IDR based on distributable earnings** is the basis on which some companies doing MCEV have disclosed IDR in the past, and is roughly comparable to the discount rates used in Traditional EV.

Appendix 2: Glossary

ANAV: *Adjusted Net Asset Value*. The tangible net assets on a marked-to-market-value basis derived equivalently either from consolidating the local regulatory (statutory) balance sheets or adjusting the consolidated IFRS balance sheet.

APE: *Annual Premium Equivalent*. A measure of new business volume, equal to 100% of regular premiums on newly issued recurring premium contracts plus 10% of single premiums received. APE links closely to the current period cash inflow of business, but is adjusted from the raw premium number because typically single premium policies will generate less profit than recurring premium policies.

Certainty Equivalent PVFP: The present value of future statutory after-tax profits, projected over the remaining duration of liabilities; in a scenario where all investments are assumed to earn the risk-free rate.

CoC/NFR: *Cost of Capital/Non-Financial Risks*. This is the cost of holding capital in excess of the policy reserves. The level of capital held is at least the estimated amount necessary to maintain capital consistent with a AA capital requirement (or higher if local regulatory basis or internal Economic Capital models have a higher requirement) at each operation, net of implicit items.

IDR: *Implied Discount Rate*. This is the discount rate which would reproduce the market consistent VIF from a deterministic projection of statutory distributable earnings in an illustrative scenario. This is presented in components, building up from a reference interest rate (reflecting average liability duration), a margin for financial risks (reflecting the shareholder portion of future investment margins in the illustrative scenario and cost of any guarantees that are in the money in the certainty-equivalent PVFP), Time Value of O&G (reflecting the impact of a market consistent stochastic valuation of financial O&G beyond the intrinsic value), and CoC/NFR.

NBV: *New Business Value*. The value of new business issued during the current year consists of the VIF of new business at the end of the year plus the statutory profit result of the business during the year. Usually the first year statutory profit is negative due to the costs of acquiring business; this negative profit at the point of sale is commonly referred to as "new business strain." AXA calculates this value net of tax.

NBV/APE Margin: Equals NBV divided by APE.

NBV/PVEP Margin: Equals NBV divided by PVEP.

Operating Return on EEV: This is the movement in the Embedded Value from the beginning to the end of the year, <u>excluding</u> the following elements: 1) modeling changes or other opening adjustments, 2) exchange rate impacts, 3) the impact of acquisitions, 4) capital flows into or out of the Life & Savings segment, 5) the difference between actual investment performance and that expected as reflected in the IDR at the beginning the year, and 6) any changes in investment assumptions for the future, other than those directly tied to observing current market prices. It therefore <u>includes</u> 1) unwind of discount at the beginning of year IDR on VIF + Required Capital, 2) expected return on free surplus assets (ie those not supporting policy liabilities and required capital), 3) new business impacts, 4) differences in operational experience from that expected, and 5) any changes in operational assumptions.

PVEP: *Present Value of Expected Premiums*. A measure of new business volume, equal to the present value at time of issue of the total premiums expected to be received over the policy term. The present value is discounting at the reference interest rate. While the measure is not as closely linked to cash received in the current period as APE, the ratio of NBV/PVEP is a more economical indicator of profit margin than is the ratio of NBV/APE. The amount of PVEP was derived in 2005 original disclosures using new business IDR leading to lower PVEP but higher NBV/PVEP margin, but numbers have been restated in this disclosure to be consistent with the 2006 methodology.

Reference interest Rate: Refers to the swap rate used as the basis for the market-consistent valuation.

Time Value of O&G: *Time Value of Options & Guarantees*. This is the difference between the value of business determined across a range of scenarios and the value determined in a single scenario. The single scenario contains some intrinsic value of O&G that are "in the money" in that scenario, and the stochastic projection allows the total value of the O&G to be determined. The difference represents the Time Value.

Total Return on EEV: The Operating Return on EEV, plus the impact of investment experience during the year differing from that assumed for the beginning of year IDR, and the impact of any investment assumption changes (for those assumptions not directly observed in current market prices).

VIF: *Value of inforce*. The discounted value of local regulatory (statutory) profits projected over the future duration of existing liabilities. This is equal to the Certainty Equivalent PVFP - Time Value of O&G - CoC/NFR.

Appendix 3: Tillinghast Opinion

Tillinghast, the insurance consulting business of Towers Perrin, has assisted AXA in developing the methodology and has reviewed the assumptions used in the Life & Savings European Embedded Value (EEV) at December 31, 2007, and the 2007 Life & Savings New Business Value (NBV) for the principal life operations of the AXA Group. Our review included the analysis of movement in embedded value from December 31, 2006, and the sensitivities shown in Section IV of the Report.

Tillinghast has concluded that the methodology and assumptions comply with the EEV Principles. In particular:

- The methodology makes allowance for the aggregate risks in the covered business through the market consistent methodology described in Section V of the Report, which includes a stochastic allowance for the cost of financial options and guarantees;
- The operating assumptions have been set with appropriate regard to past, current and expected future experience;
- The economic assumptions used are internally consistent and consistent with observable market data; and
- For participating business, the assumed bonus rates, and the allocation of profit between policyholders and shareholders, are consistent with the projection assumptions, established company practice and local market practice.

The methodology and assumptions used also comply with the EEV Guidance (noting the disclosed exception concerning the treatment of affiliated investment management companies, where the value of their profits for managing assets for the Life & Savings segment are not included in the Life & Savings EEV).

Tillinghast has also performed limited high-level checks on the results of the calculations and has confirmed that any issues discovered do not have a material impact on the disclosed embedded values, new business values, analysis of movement, and sensitivities. Tillinghast has not, however, performed detailed checks on the models and processes involved.

In arriving at these conclusions, Tillinghast relied on data and information provided by AXA. This opinion is made solely to AXA in accordance with the terms of Tillinghast's engagement letter. To the fullest extent permitted by applicable law, Tillinghast does not accept or assume any responsibility, duty of care or liability to anyone other than AXA for or in connection with its review work, the opinions it has formed, or for any statement set forth in this opinion.