redefining / standards

Activity Report / Half Year 2008

redefining / standards

Cautionary statements concerning forward-looking statements

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

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to AXA's Annual Report on Form 20-F and AXA's Document de Référence for the year ended December 31, 2007, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Financial market conditions in the first-half year 2008

One year after the financial crisis erupted, initiated by the subprime crisis in the United States, the climate remained uncertain. Three-month inter-bank lending rates were still unusually high, and the riskier asset classes were struggling.

From a macro-economic perspective, the questions relating to the impact of the financial crisis on the real economy continued to weigh, while in parallel the doubling of the oil price in one year and higher commodity prices had brought inflation back on the scene. The uptick in inflation since last summer was attributable to commodity prices, in particular the price per barrel of oil, which rose above $140 at the end of June. Inflation had not stopped its upward movement since last summer, and reached 4% yoy in both Europe and the United States.

But the global economy continued to get support from emerging economies maintaining robust growth trends, however putting some pressure on commodity prices.

Rising inflation was among the central preoccupations of the ECB (European Central Bank). It did not take part in the general move toward relaxed rates initiated by the Fed last summer, but finally announced in June that it was getting ready to raise its repo rate. US and UK monetary policies, which had been accommodating, also seemed about ready to turn a corner, and the emerging countries had resumed their rate hikes.

STOCK MARKETS

While the threat of bank failures receded with the bailout of Northern Rock and Bear Stearns, in the United Kingdom and the United States, respectively, financial stocks were impacted by the equity market drop. Monetary policy, even though fairly accommodative in the US, offered little help for the various stock markets. In June, the equity markets fell back to March lows. The Dow Jones and the S&P 500 depreciated by 11.4% and 9.4%, respectively, while in London, the FTSE lost 12.9% in the first half of 2008. The CAC 40 decreased by 21% in the first half of 2008. In the same trend, the Euro stoxx 50 decreased by 23.8%. The Nikkei decreased by 7.8%. The MSCI World Index decreased by 12.5% and the MSCI Emerging by 11.6% in the first half of the year.

BOND MARKETS

At the beginning of the year, bonds offered investors a safe haven in the face of plunging values for risky asset classes but rising concerns over inflation impacted negatively the bond markets.

Over the first six months of 2008, the Fed, aware of the risk to growth, continued to reduce its key rates, lowering Fed Funds by a total of 225bps to 2%. At the same time, it multiplied unconventional lending measures to ensure that the financial system had adequate liquidity. In Continental Europe, while the ECB took part in the move to inject liquidities into the money market, it maintained rates unchanged at 4.0%. But on July 3, it announced an increase by 25 bps to 4.25%. In Japan, the Bank of Japan interrupted its bid to normalize key rates.

The US 10-year T-bond ended the half year at 3.98%, a decline of nearly 6bps compared to December 31, 2007, while the Bund yield rose by 25bps to 4.58%. Credit spreads widened with the iTRAXX Main (Investment Grade) moving from 50bps to 105bps in the first half of 2008 while the iTRAXX Crossover (Below Investment Grade) increased from 338bps to 533bps.

EXCHANGE RATES

In the first half of 2008, the Dollar lost 7% against the Euro (Closing exchange rate moved from $1.47 at the end of 2007 to $1.58 at the end of June 2008). The Yen gained nearly 4% against the Euro at March 2008 (Closing exchange rate moved from Yen 163.6 at the end of September 2007 used for Full Year 2007 accounts to Yen 157.4 at the end of March 2008 used for half year 2008 accounts). The Pound Sterling lost nearly 8% against the Euro (Closing exchange rate moved from £0.733 at the end of 2007 to £0.792 at the end of June 2008). The Swiss Franc gained 3% against the Euro (Closing exchange rate moved from CHF 1.66 at the end of 2007 to CHF 1.61 at the end of June 2008).

On an average rate basis, the Dollar fell by 15% against the Euro in the first half of 2008 (from $1.33 over the first half of 2007 to $1.53 over the first half of 2008), whereas, to a lesser extent, the Yen lost 4% against the Euro (from Yen 154.2 over the six months to March 31, 2007 used for half year 2007 accounts to Yen 160.8 over the six months to March 31, 2008 used for half year 2008 accounts). The Pound Sterling lost 15% against the Euro (from £0.675 over the first half of 2007 to £0.775 over the first half of 2008). The Swiss Franc gained 2% against the Euro in the first half of 2008 (from CHF 1.63 over the first half of 2007 to CHF 1.61 over the first half of 2008).

Operating highlights

Significant acquisitions and disposals

On February 6, 2008, AXA announced it had entered into an agreement to acquire OYAK's 50% share in **AXA OYAK Holding A.Ş. («AXA OYAK»)**, a company established by AXA and OYAK in 1999. Under the terms of the agreement, AXA will pay a purchase price of $525 million (approximately €355 million) in cash for OYAK's 50% share in AXA OYAK (in addition, according to the same agreement, AXA OYAK Holding will be buying, for $15 million (approximately €10 million), the 1.5% share that Mais Motors, an OYAK joint venture company, holds in AXA OYAK's non-life subsidiary). AXA OYAK enjoys a leading position (10% total market share[1]) on the fast-growing Turkish insurance market. Mainly focused on non-life, especially motor and property, the company experienced strong top-line growth in the past years and is one of the most profitable players in the market. The transaction, which is subject to local regulatory approval, is expected to close by mid-August 2008. Following closing, the parties have agreed that AXA OYAK and its subsidiaries will no longer use the OYAK name or trademark.

On February 12, 2008, AXA announced it had reached an agreement with ING for the acquisition of 100% of the share capital of its Mexican insurance subsidiary **Seguros ING**, for a consideration of $1.5 billion (approximately €1.0 billion). Seguros ING is the third largest Mexican insurer (12% total market share, 5.5 million clients), with leading positions in key markets, such as Motor (2nd largest player with a 17% market share) and Health (2nd largest player with a 19% market share). AXA intends to accelerate and complete the initiated turnaround of Seguros ING by dedicating seasoned management capabilities and leveraging the Group's global platforms and expertise, notably in IT and reinsurance. Upon completion of the transaction, Seguros ING will be integrated to AXA's Mediterranean Region unit and benefit from its know-how in underwriting, claims management, client segmentation, service and brand management. AXA will finance the transaction with internal resources. This acquisition closed on July 22, 2008.

On March 19, 2008, AXA UK completed the purchase of 100% of the share capital of **SBJ** Group. The acquisition of SBJ will complement and enhance AXA's UK advisory and broking capability, bringing a number of strengths to the Group, including increased scale, a wider national presence and access to new market areas. SBJ, with its strong management team and high quality staff, will represent significant progress towards AXA's stated strategic aim of building a leading presence in the advisory and broking markets. The businesses will continue to operate independently of AXA's insurance company interests.

On June 17, 2008, AXA completed the acquisition of 36.7% of the share capital of **RESO GARANTIA**, Russia's 2nd largest P&C insurer for a total cash consideration of around €810 million. As part of the agreement, AXA will have the option to buy out the remaining stake through calls exercisable in 2010 and 2011. Founded in 1991, RESO has built one of the leading P&C insurance franchises in Russia (7% market share), notably focused on retail Motor, and supported by a network of 18,000 agents, the 2nd largest in Russia. Under the terms of the agreement, RESO's current management team will continue to run the company and roll-out its successful strategy. With this acquisition, AXA will further reinforce its growth profile and increase its exposure to emerging insurance markets. As part of the agreement, AXA granted a 6-year $1 billion credit facility to RESO's main shareholder, fully secured by his shareholding in the company.

Other

In the United Kingdom, from January 31 2008, a temporary deferral period of up to six months was introduced for certain transactions involving the **AXA Life Property Fund** (£1.1 billion or €1.4 billion at June 30, 2008) and **AXA Pension Property Fund** (£0.8 billion or €1.0 billion at June 30, 2008), which is allowed under the terms of the customer's policy in order to help manage liquidity. In the event that sufficient liquidity to honor all outstanding withdrawal requests by the end of the deferral period cannot be generated through the sale of properties held by the funds and other sources of liquidity available to the funds, AXA UK, as sponsor of the funds, will be required to provide the funds with sufficient liquidity to honor these withdrawal requests. As at June 30, 2008, liquidity in the funds has improved relative to when the deferral period was announced. The AXA Pension Property Fund has accelerated the payment of deferrals to four months due to its strengthened liquidity position. However, current market

[1] *As of June 30, 2007 - Source: Association of the Insurance and Reinsurance Companies of Turkey.*

uncertainty and difficult selling conditions warrant a prudent approach and a deferral position is being kept in force within both funds.

Related-party transactions

During the first half of the fiscal year 2008, there was (1) no modification regarding the related-party transactions, such as described in Note 27 "Related-Party transactions" of the audited consolidated financial statements of the fiscal year ended December 31, 2007 included in the Full Year 2007 Annual Report (pages 366 and 367) filed with the Autorité des marchés financiers and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com), which significantly influenced the financial position or the results of the Company during the first six months of the fiscal year 2008, and (2) no new transaction concluded between AXA SA and related parties that significantly influenced the financial position or the results of the Company.

Risk factors

The main risks and uncertainties the Group is facing are described in Section 4.1 “Risk factors” and in Section 2.2 “Additional factors which may affect AXA’s business” of the Full Year 2007 Annual Report filed with the Autorité des marchés financiers and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com).

This description of the main risks remains valid on the date of this Report for the appreciation of the major risks and uncertainties which may affect the Group by the end of the current fiscal year and no significant risks or uncertainties other than those described in the Annual Report are anticipated.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in Euro million)

	HY 2008	HY 2007	FY 2007	HY 2008/2007
Life & Savings	**30,826**	**31,555**	**59,845**	**-2.3%**
of which Gross written premiums	*29,884*	*30,516*	*57,773*	*-2.1%*
of which Fees and revenues from investment contracts with no participating feature	*342*	*381*	*740*	*-10.3%*
Property & Casualty	**14,519**	**14,195**	**25,016**	**2.3%**
International Insurance	**1,673**	**2,489**	**3,568**	**-32.8%**
Asset Management	**2,102**	**2,407**	**4,863**	**-12.6%**
Banking (b)	**197**	**153**	**339**	**28.1%**
Holdings and other companies (c)	**2**	**3**	**2**	**-27.0%**
TOTAL	**49,319**	**50,801**	**93,633**	**-2.9%**

(a) Net of intercompany eliminations
(b) Excluding net realized capital gains and change in fair value of assets under fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €191 million and €49,316 million for the period of June 30, 2008, €163 million and €50,811 million for the period of June 30, 2007, and €320 million and €93,617 million for the period of December 31, 2007.
(c) Includes notably CDOs and real estate companies.

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

Consolidated gross revenues for first half 2008 reached €49,319 million, down -3% compared to first half 2007.

Taking into account the restatements to comparable basis, mainly the appreciation of the Euro against other currencies (€2,126 million or +4.2 points, mainly from the US Dollar and the Pound Sterling), and the impact of the acquisition of MPS (€1,702 million or -3.3 points), **gross consolidated revenues were down -0.4% on a comparable basis.**

Total Life & Savings New Business APE[2] reached €3,611 million, down -7% compared to first half 2007. On a comparable basis, new Business APE decreased by 6%, mainly due to the United States, Australia and Japan, partly offset by Switzerland and Germany.

The United States APE decreased by €150 million (-14%) to €808 million driven primarily by an anticipated decrease in Life APE for Fixed Universal Life products following price increases in 2007. Variable Annuities decreased by 6% reflecting challenging market conditions.

France APE decreased by €21 million (-3%) to €690 million, especially due to Group business (-28% or €-66 million) impacted by a change in seasonality in Retirement contracts, partly offset by individual business performance (+10% or €46 million)..

Japan APE decreased by €45 million (-15%) to €253 million mainly driven by individual business as a result of a continued focus on more profitable lines to offset the negative €-59 million volume effect following tax uncertainties on certain Term product sales. Consequently, the higher profitability margin "Long Term Term Product" benefited

[2] *Annual premium Equivalent (APE) is new regular premiums plus one tenth of single premiums, in line with EEV methodology. APE is Group share.*

from a sales push which was combined with higher sales of Yen VA with secondary guaranties. Medical product sales continued to be strong at €122 million.

United Kingdom APE decreased by €24 million (-3%) to €692 million primarily due to (i) lower investment & savings volumes (€-52 million or -18%), mainly resulting from the impact of changes in Capital Gains Tax and Inheritance Tax legislation on Onshore and Offshore Bond volumes, and (ii) a €31 million decrease (-13%) in Individual and Executive Pensions due to increased market competition. These decreases were partly offset by (iii) a €47 million increase (+23%) in Group Pension volumes, predominantly due to a large single premium of €32 million, and (iv) a €8 million increase (+21%) in Life Risk products reflecting the strengthening of the AXA Protection brand in the market, in particular with the IFA community.

Germany APE increased by €22 million (+10%) to €236 million mainly due to Riester step-up (increase in premiums due to higher 2008 fiscal incentive for policyholders to invest in Riester retirement products) of €+30 million, as well as the strong sales in Individual Investment & Savings products notably from the unit-linked "TwinStar" product range (€+18 million excluding Riester step-up effect), which were partly offset by a decrease in the health business due to the 2007 Reform (waiting period for salaried employees to enter Private Health Insurance extended from one to three years).

Switzerland APE increased by €29 million (+18%) to €193 million mainly driven by Group Life, up €23 million (+17%) to €161 million, mainly resulting from successful annual negotiations (€+52 million, including vested benefit premiums), partly offset by the non repeat of 2007 increase in coinsurance business (€-31 million). Individual Life improved by €5 million (+20%) to €32 million mainly reflecting the good development of unit-linked regular premiums, driven by AXA Comfort, and the positive impact of mutual fund sales launched late in 2007.

Belgium APE decreased by €29 million (-16%) to €154 million due to a decrease in Individual Life sales (-19% to €136 million) for both unit-linked and non unit-linked products, partly offset by higher sales in Group Life (+23% to €18 million).

Mediterranean Region APE decreased by €3 million (-2%) to €204 million notably due to (i) lower volumes from AXA MPS (down -13%), switching production from less profitable traditional products to more innovative unit-linked products (Accumulator and Double Engine) in a context of declining market, and (ii) lower sales of index-linked and lower activity with institutional clients in AXA Italy. This was partly offset by stronger sales in traditional savings products in Spain.

Australia/New-Zealand APE decreased by €55 million (-21%) to €212 million mainly due to a drop in Mutual Fund net sales and Alliance Bernstein Joint Venture sales following current negative market conditions and thenon-repeat of a favorable legislation change in 2Q07 (peak in sales last year). These negative impacts were offset by the inclusion of some significant wholesale premiums (€+11 million) from institutional clients seeking more conservative investments, and by Accumulator product sales.

Hong Kong APE decreased by €6 million (-8%) to €56 million due to a decrease in investment & savings products (€-7 million), mainly from lower single premium unit-linked products, as a result of uncertain investment market conditions.

Central & Eastern Europe APE increased by €25 million (+57%) to €76 million driven by Life & Savings business (€16 million), benefiting, despite the financial crisis, from the strong unit-linked sales (€26 million, +56%) and the positive contribution of pension funds business. Main countries contributing to the total APE were Poland (€45 million) and Czech Republic (€23 million).

South East Asia & China[3] APE increased by €11 million (+37%) to €36 million, reflecting both the growth in agency sales force numbers and improvements in productivity.

[3] *Indonesia, Singapore, Thailand, Philippines and China*

Property & Casualty gross revenues were up +2%, both on reported and comparable bases, to €14,519 million, mainly driven by the Mediterranean Region (+7% to €2,984 million) and France (+3% to €3,021 million).

Personal lines (59% of P&C gross revenues) were up +2% on a comparable basis, stemming from both Motor (+2%) and non Motor (+3%).

Motor revenues grew by 2% mainly driven by (i) the Mediterranean Region (+5%) benefiting from positive volume effect (net inflows of 230k contracts), notably in emerging countries and despite the drop of car sales,with a flat average premium in more mature markets, and (ii) France (+2%), largely as a result of higher net inflows (+74k new contracts) in a competitive market, partly offset by (iii) the United Kingdom & Ireland (-5%) due to increased competition in intermediated business, despite further growth in new business written through the internet platform Swiftcover, and competition in Ireland driving down average premiums and lowering renewals, and (iv) Germany (-3%), as a result of contract losses in the context of market price pressure.

Non Motor revenues increased by 3% mainly driven by (i) the Mediterranean Region (+7%) mainly due to Property and Health driven by the Spanish market, (ii) France (+3%) driven by positive net inflows in Household (+26k contracts) combined with an increase in the average premium, and (iii) Germany (+2%) due to growth in Property mainly due to the packaged product "Profischutz" for professionals as well as tariffs increase.

Commercial lines (39% of P&C gross revenues) recorded a +2% growth on a comparable basis driven by a +1% increase in Motor and a +2% growth in non Motor.

Motor revenues were up +1%, with a growth in (i) France (+2%) and (ii) Switzerland (+8%) driven by sales efforts (following Vento, a change in the remuneration scheme of general agents from fixed to variable remuneration from January 1, 2008), partly offset by (iii) the Mediterranean Region (-2%).

Non Motor revenues were up 2%, with (i) the Mediterranean Region (+9%) driven by Health in the Gulf region and Property on SME's business, partly offset by Construction in Spain, and (ii) France (+4%) driven by development in Construction while growth remained positive in Property and Liability despite competitive markets, partly offset by (iii) Switzerland (-3%) mainly driven by price pressure and the loss of some important contracts in Workers' compensation, lower prices in Health and the liquidation of the Swiss aviation pool, and (iv) the United Kingdom & Ireland (-2%) with a deterioration across most business lines due to difficult market conditions, partly offset by volume growth in Health.

International Insurance gross revenues were down -33%, due to the termination in October 2007 of the fronting agreement between AXA RE and Paris Ré, or up +5% on a comparable basis to €1,673 million mainly attributable to AXA Corporate Solutions Assurance, up +6% to €1,220 million, driven by positive volume effect in Marine, Construction, Liability and Property, partly offset by tariff pressure.

Asset Management gross revenues decreased by 13% or -3% on a comparable basis to €2,102 million due to lower performance fees (-45%), partly offset by higher management fees (+1%), and higher AllianceBernstein Institutional Research Services revenues (+13%).

AllianceBernstein gross revenues decreased by €10 million (-1%), as the increase in management fees up +1% (€+15 million), driven by higher average asset under management (+1%, of which Global & International services +11%) and a favorable client and product mix, was offset by a decrease in performance fees down -71% (€-21 million) and distribution fees down -6% (€-10 million). Institutional Research Services continued to grow with fees up +13% (€20 million).

Assets under Management decreased by €89 billion from year-end 2007 to €455 billion at the end of June 2008, driven by net outflows of €-4 billion (€-5 billion for Retail, €1 billion for Institutional), market depreciation of €-51 billion and negative exchange rate impact of €-34 billion.

AXA Investement Managers revenues decreased by €55 million (-6%). Excluding fees retroceded to distributors, gross revenues decreased by 1% as growth in average AUM (+3%) was more than offset by lower performance fees, an unfavorable client and product mix (impact of the equity market turmoil and higher share of fixed income with Winterthur integration) and the decrease in retail business.

Assets Under Management decreased by €22 billion to €527 billion from year-end 2007 as €6 billion net new money (including €9 billion in Main funds, €1 billion in Institutional and €-4 billion in retail clients), and €6 billion change in scope (AXA MPS for €10 billion and the Netherlands for €-4 billion), were more than offset by €-22 billion negative market impact due to the equity market turmoil, and €-10 billion unfavorable exchange rate impact.

Banking revenues were up +28% to €197 million, or +17% on a comparable basis, with AXA Bank Europe (Belgium) up 10% to €138 million mainly due to higher net interest and fee income.

Consolidated underlying, adjusted earnings and net income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross written premiums	45,942	47,089	86,116
Fees and revenues from investment contracts with no participating feature	342	384	740
Revenues from insurance activities	***46,284***	***47,474***	***86,857***
Net revenues from banking activities	***191***	***163***	***320***
Revenues from other activities	***2,841***	***3,174***	***6,441***
TOTAL REVENUES	**49,316**	**50,811**	**93,617**
Change in unearned premium reserves net of unearned revenues and fees	***(3,121)***	***(3,829)***	***(609)***
Net investment result excluding financing expenses (a)	***(7,663)***	***17,423***	***24,572***
Technical charges relating to insurance activities (a)	(24,312)	(49,989)	(88,961)
Net result of reinsurance ceded	(576)	(609)	(1,050)
Bank operating expenses	(23)	(24)	(57)
Insurance acquisition expenses	(4,062)	(4,131)	(8,669)
Amortization of value of purchased life business in force	(149)	(202)	(357)
Administrative expenses	(4,940)	(5,001)	(10,089)
Valuation allowances on tangibles assets	(2)	3	4
Change in value of goodwill	(1)	-	(1)
Other	(97)	(225)	(419)
Other operating income and expenses	**(34,162)**	**(60,178)**	**(109,597)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**4,369**	**4,227**	**7,983**
Net income from investments in affiliates and associates	18	13	29
Financing expenses	(350)	(229)	(467)
OPERATING INCOME GROSS OF TAX EXPENSE	**4,038**	**4,011**	**7,545**
Income tax expenses	***(964)***	***(1,014)***	***(1,941)***
Minority interests in income or loss	***(307)***	***(311)***	***(642)***
UNDERLYING EARNINGS	**2,766**	**2,688**	**4,963**
Net realized capital gains or losses attributable to shareholders	524	736	1,175
ADJUSTED EARNINGS	**3,290**	**3,424**	**6,138**
Profit or loss on financial assets (under fair value option) & derivatives	(1,057)	(182)	(596)
Exceptional operations (including discontinued operations)	13	57	482
Goodwill and other related intangible impacts	(43)	(55)	(106)
Integration costs	(41)	(64)	(252)
NET INCOME	**2,162**	**3,180**	**5,666**

(a) For the periods ended June 30, 2008, June 30, 2007 and December 31, 2007, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €-14,755 million, €+8,773 million and €+7,476 million, and benefits and claims by the offsetting amounts respectively.
Line items of this income statement are on an underlying earnings basis, and not on a net income basis.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Life & Savings	1,396	1,489	2,670
Property & Casualty	1,133	963	1,863
International Insurance	172	119	218
Asset Management	285	286	590
Banking	24	11	36
Holdings and other companies (a)	(245)	(181)	(414)
UNDERLYING EARNINGS	**2,766**	**2,688**	**4,963**
Net realized capital gains or losses attributable to shareholders	524	736	1,175
ADJUSTED EARNINGS	**3,290**	**3,424**	**6,138**
Profit or loss on financial assets (under Fair Value option) & derivatives	(1,057)	(182)	(596)
Exceptional operations (including discontinued operations)	13	57	482
Goodwill and related intangibles impacts	(43)	(55)	(106)
Integration costs	(41)	(64)	(252)
NET INCOME	**2,162**	**3,180**	**5,666**

(a) Includes notably CDOs and real estate companies.

Group underlying earnings amounted to €2,766 million. On a constant exchange rate basis, underlying earnings grew by €192 million (+7%), attributable mainly to Property & Casualty.

Life & Savings underlying earnings amounted to €1,396 million. On a constant exchange rate basis, Life & Savings underlying earnings were down €-16 million (-1%) mainly driven by the United States (€-113 million), partly offset by France (€+78 million).

Excluding the contribution of MPS in half year 2008 (€12 million) and on a constant exchange rate basis, **underlying earnings** decreased by €-28 million mainly resulting from:

(i) **Lower net technical margin,** down €-215 million or -27%. Excluding the €+53 million positive impact of the reclassification of charges from technical margin to commission expenses in the context of the renewal of some Group Life contracts in France, the net technical margin decreased by €-268 million or -34%, mainly driven by €-254 million lower profits from GMDB/IB in the United States, mainly explained by underperformance of certain Separate Account funds versus hedge indices and higher equity market volatility.

(ii) **Higher expenses** (€-113 million or up 4%) with acquisition expenses up €-118 million (8%) and administrative expenses down €5 million (0%). Expenses were impacted by €-53 million reclassification of charges from technical margin to commission expenses in France, €-35 million change in accounting treatment offset in fees & revenues in the United Kingdom, and €24 million reclassification of Thinc acquisition expenses (from administration expenses to acquisition expenses). Excluding the impact of these reclassed items:

a. ***Acquisition expenses*** up €-6 million (or 0%) mainly driven by France (up €-41 million mainly due to higher amortization of deferred acquisition costs offset by €44 million higher unearned revenue reserve release in fees & revenues) and the United Kingdom (up €-34 million notably due to lower net DAC capitalization), offset by the United States (down €-75 million driven by DAC amortization down €85 million reflecting reactivity to lower GMDB/IB margins).

b. ***Administrative expenses*** up €-19 million (or 1%) mainly driven by the United Kingdom (up €-46 million resulting from an increase in strategic initiatives, including the wealth management wrap platform and Architas investment sub-advisory platform) and Germany (up €14 million resulting from higher project costs), partly offset by €+26 million change in employee benefit plans in the United States and €+15 million change in own pension scheme in Switzerland.

This was partly offset by:

(iii) **Higher Fees and Revenues** (€+149 million or up 4%) principally driven by:

a. ***Unit-linked management fees*** up €+85 million (+8%) mainly driven by the United States and the United Kingdom (€+47 million and €+36 million, respectively) owing to higher average balances (up 4% in the United States and up 3% in the United Kingdom) together with increased average fees (+3bps in the United States and +5bps in the United Kingdom) from improved business mix.

b. ***Loadings on premiums and Mutual Funds*** were up €+74 million (+4%). Excluding a €+35 million change in accounting treatment in the United Kingdom offset in expenses, loadings on premiums and Mutual Funds increased by €39 million (+2%), mainly due to France (€+46 million mainly resulting from a €44 million higher unearned revenue reserve release offsetting the deferred acquisition costs amortization) and Japan (€+31 million due to an improved business mix, especially on medical products), partly offset by Australia & New Zealand (€-15 million from lower sales in Wealth Management).

c. ***Other fees & revenues*** were down €-11 million (-3%) driven by Switzerland (€-18 million mainly due to higher policyholder bonus allocation in Group Life) and the United States (€-14 million due to Enterprise funds' transfer to an external firm in mid 2007), partly offset by the United Kingdom (€+13 million mainly due to distribution revenues reflecting 38% growth in Thinc Group).

(iv) **An improved investment margin** (€+49 million or up 4%), primarily driven by ***Investment income*** down €-75 million (-1%) mainly in Japan (€-90 million), the United Kingdom (€-81 million) and the United States (€-56 million), partly offset by France (€+175 million due to higher Private equity funds dividends coupled with a more favorable seasonality regarding Mutual Funds distribution), more than offset by €124 million lower ***Policyholders participation*** (-2%) mainly in the United Kingdom (€+111 million) and Japan (€+67 million), partly offset by France (€-88 million).

(v) **A lower level of VBI amortization** (down €56 million or 28%) mainly attributable to a €33 million decrease in Japan driven by the combination of (i) the non-recurring impact of old Medical Whole Life upgrade program, (ii) the natural decline in VBI balance and (iii) reduced investment income.

(vi) **Lower tax expenses and minority interests** (down €46 million or 8%). Excluding €46 million of lower positive tax one-offs (€12 million lower tax reserve release in the United States, €10 million lower one-offs in the United Kingdom and non-repeat of €26 million tax refund in half year 2007 in Belgium related to "Revenus Définitivement Taxés"), tax expenses and minority interests decreased by €92 million (-15%), mainly driven by lower pre-tax earnings in the United States, the United Kingdom, Germany, and the Mediterranean Region as well as the positive impact in Germany of the lower tax rate in 2008 compared to prior year (32% compared to 40%), partly offset by the increase of pre-tax earnings in France, Hong Kong, Australia, Belgium, Japan and Switzerland.

Property & Casualty underlying earnings amounted to €1,133 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €191 million (+20%) fuelled by an improved combined ratio (down 1.9 points to 96.4%) owing to limited natural events in first half 2008 (Emma storm in Germany, 0.2 point of combined ratio), whereas first half 2007 was impacted by Kyrill storm (1.9 points of combined ratio) and floods in the United Kingdom (1.0 point of combined ratio).

(i) **Higher net technical result (including expenses)** up €+263 million due to:

a. An all year loss ratio improving by 2.2 points to 68.4%. Excluding the impacts of the natural events, the all year loss ratio deteriorated by 0.4 point, notably due to an increase in Motor current year loss ratio in France and the United Kingdom, partly offset by higher prior year positive reserves development in many countries.

Partly offset by:

b. **Higher expenses** (€-257 million) resulting in a 0.3 point increase in the **expense ratio** to 28.0% driven by the United Kingdom (due in part to growth in Swiftcover, including increased marketing spend) and the Mediterranean Region (notably due to marketing investments to support new business), partly offset by one time positive impact of the change in own pension scheme in Switzerland

(ii) **Higher investment result** (€+70 million) reflecting higher asset base and asset yield, notably in Switzerland (€+23 million), France (€+14 million) and Germany (€+10 million).

(iii) **Higher tax expenses and minority interests** (€-142 million) due to higher pre-tax earnings and lower positive tax one-offs in half year 2008 (€27 million due to Germany and the United Kingdom) than in first half 2007 (€76 million due to Germany, the United Kingdom and Belgium).

International Insurance underlying earnings amounted to €172 million. On a constant exchange rate basis, International Insurance underlying earnings increased by €53 million (+44%), driven by the positive impact of bookings of deferred tax assets on prior year tax losses on foreign branches at AXA Corporate Solutions Assurance and on past net operating losses in the US in other international activities, as well as favorable settlements with two large cases in other international activities.

Asset Management underlying earnings amounted to €285 million. On a constant exchange rate basis, asset management underlying earnings increased by €26 million (+9%) driven by AXA Investment Managers (€+30 million or +22%), mainly due to a significant carried interest (€58 million pre-tax) related to the performance of a real estate fund, partly offset by AllianceBernstein (€-4 million or -3%). The underlying cost income ratio improved by 0.8 point to 66.8% mainly driven by AllianceBernstein (-1 point) due to a reduction in general expenses.

Banking underlying earnings amounted to €24 million. On a constant exchange rate basis, banking underlying earnings increased by €13 million (+118%), mainly attributable to AXA Bank Europe (Belgium), mainly due to a higher interest margin.

Holdings and other companies' underlying earnings amounted to €-245 million. On a constant exchange rate basis, holdings underlying earnings decreased by €75 million, driven by AXA SA (€-69 million) mainly due to a higher financial charge notably related to external growth financing and internal refinancing.

Net capital gains attributable to shareholders amounted to €524 million. On a constant exchange rate basis, Group net capital gains attributable to shareholders were down €-221 million due to:

(i) €-862 million higher **net impairments**, to €-786 million in half year 2008, mainly on equity securities given equity price decrease

Partly offset by:

(ii) €+164 million higher **net realized capital gains excluding impairments**, to €834 million in half year 2008, mainly driven by gains on equity securities in Belgium, France and Germany.

(iii) €+477 million increase in **intrinsic value of equity and real estate derivatives** in half year 2008, mainly driven by €+284 million in AXA SA due to equity derivatives set up in June 2008 to reduce the Group exposure to equities, €+129 million in France and €+50 million in Germany.

Adjusted earnings amounted to €3,290 million. On a constant exchange rate basis, adjusted earnings were down €-29 million (-1%) as a result of higher underlying earnings more than offset by lower net capital gains attributable to shareholders.

Net Income amounted to €2,162 million. On a constant exchange rate basis, net income decreased by €921 million (-29%) as a result of:

(i) Lower adjusted earnings (€-29 million)

(ii) Lower result on financial assets accounted for under Fair Value Option and derivatives including foreign exchange impact: €-882 million to €-1,057 million. These €-1,057 million can be analyzed as follows:

a. €+188 million corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years in France

b. €-577 million change in fair value and realized gains on Mutual Funds, mainly due to credit spread widening on fixed income assets

c. €-184 million change in fair value and realized gains on other assets including (i) the negative change in fair value of "AWF and FIIS US" Libor Plus funds (€-64 million) as well as negative impacts coming from carried interest change in fair value of real estate funds at AXA Investment Managers, and (ii) a negative change in fair value in Japan of US corporate bonds (currency risk hedged), following deterioration of credit market conditions.

d. €-152 million time value of equity and real estate derivatives, of which €-122 million related to the decrease in the time value of equity derivatives set up at Group level to reduce the Group exposure to equities)

e. €-101 million from negative change in fair value of Japan CDS due to widening of credit spread

f. €-231 million from negative change in fair value of interest rates derivatives and foreign exchange impacts (including, foreign exchange derivatives).

(iii) Lower exceptional operations result including discontinued operations: €-42 million to €13 million:

- **Half year 2008 Exceptional and discontinued operations (€+13 million)** were mainly due to €+10 million at AllianceBernstein (additional impact of the sale of Cash Management Services and dilution gain).
- **Half year 2007 Exceptional and discontinued operations (€+57 million)** were mainly due to the €74 million net income of The Netherlands (classified as discontinued operation following the June 4, 2007 announcement of the Dutch activities' sale to SNS REAAL), partly offset by €-9 million at AllianceBernstein (additional impact of the sale of Cash Management Services and dilution gain).

Partly offset by:

(iv) Lower charges on goodwill and other related intangible: €+10 million to €-43 million, mainly driven by the impact of the first time consolidation of Gulf entities (one time recognition of past earnings, €+11 million)

(v) Lower integration costs: €+22 million to €-41 million mainly driven AXA SA.

Consolidated Shareholders' Equity

As of June 30, 2008, consolidated shareholders' equity totaled €40.5 billion. The movements in shareholders' equity since December 31, 2007 are presented in the table below:

(in Euro million)

	Shareholders' Equity
At December 31, 2007	**45,642**
Share Capital	**6**
Capital in excess of nominal value	**34**
Equity-share based compensation	**45**
Treasury shares sold or bought in open market	**53**
Change in equity component of compound financial instruments	**-**
Deeply subordinated debt (including accrued interests)	**(403)**
Fair value recorded in shareholders' equity	**(4,300)**
Impact of currency fluctuations	**(455)**
Cash dividend	**(2,473)**
Other	**379**
Net income for the period	**2,162**
Actuarial gains and losses on pension benefits	**(143)**
At June 30, 2008	**40,547**

Shareholder Value

EARNINGS PER SHARE ("EPS")

(in Euro million except ordinary shares in million)

	HY 2008		HY 2007		FY 2007		Var. HY 2008 versus HY 2007	
	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)
Weighted numbers of shares	**2,032.1**	**2,042.8**	**2,061.3**	**2,082.7**	**2,042.7**	**2,060.8**		
Net income (Euro per Ordinary Share)	1.07	1.07	1.49	1.47	2.76	2.73	***-27.9%***	***-27.6%***
Adjusted earnings (Euro per Ordinary Share)	1.55	1.54	1.59	1.58	2.86	2.84	***-3.0%***	***-2.5%***
Underlying earnings (Euro per Ordinary Share)	1.29	1.28	1.24	1.22	2.29	2.27	***4.2%***	***4.7%***

(a) From HY 2008, EPS calculation takes into account interest payments and foreign exchange impacts related to perpetual debts classified in equity with retrospective application.

RETURN ON EQUITY ("ROE")

A new calculation has been implemented since the first half year 2007 closing, with the following principles:

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

(in Euro million)

	Period ended , June 30, 2008	Period ended , June 30, 2007	Change in % points
ROE	**10.2%**	**14.3%**	**-4.1%**
Net income	2,162	3,180	
Average shareholders' equity	42,329	44,565	
Adjusted ROE	**19.6%**	**21.6%**	**-2.0%**
Adjusted earnings (a)	3,142	3,285	
Average shareholders' equity (b)	32,065	30,358	
Underlying ROE	**16.3%**	**16.8%**	**-0.5%**
Underlying earnings (a)	2,618	2,549	
Average shareholders' equity (b)	32,065	30,358	

(a) Including adjustement to reflect financial charges related to perpetual debt (recorded through shareholders' equity).
(b) Excluding change in fair value on invested assets and derivatives (recorded through shareholders equity), and excluding perpetual debt (recorded through shareholders' equity).

Life & Savings Segment

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

Life & Savings Segment (a)

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross written premiums	29,907	30,540	57,807
Fees and revenues from investment contracts without participating feature	342	381	740
Revenues from insurance activities	**30,249**	**30,922**	**58,548**
Net revenues from banking activities	**-**	**-**	**-**
Revenues from other activities	***602***	***658***	***1,332***
TOTAL REVENUES	**30,850**	**31,580**	**59,879**
Change in unearned premium reserves net of unearned revenues and fees	***(1,014)***	***(1,038)***	***(275)***
Net investment result excluding financing expenses (b)	***(9,236)***	***15,926***	***21,857***
Technical charges relating to insurance activities (b)	(15,015)	(40,658)	(69,987)
Net result of reinsurance ceded	(46)	(29)	33
Bank operating expenses	-	-	-
Insurance acquisition expenses	(1,675)	(1,767)	(3,726)
Amortization of value of purchased life business in force	(149)	(202)	(357)
Administrative expenses	(1,672)	(1,648)	(3,382)
Valuation allowances on tangible assets	(0)	0	1
Change in value of goodwill	-	-	0
Other	(60)	(39)	(189)
Other operating income and expenses	**(18,618)**	**(44,344)**	**(77,607)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**1,982**	**2,123**	**3,855**
Net income from investments in affiliates and associates	16	7	22
Financing expenses	(36)	(30)	(69)
OPERATING INCOME GROSS OF TAX EXPENSE	**1,963**	**2,101**	**3,808**
Income tax expenses	(445)	(508)	(924)
Minority interests in income or loss	(121)	(103)	(213)
UNDERLYING EARNINGS	**1,396**	**1,489**	**2,670**
Net realized capital gains or losses attributable to shareholders	105	416	567
ADJUSTED EARNINGS	**1,501**	**1,905**	**3,238**
Profit or loss on financial assets (under fair value option) & derivatives	(469)	(61)	(237)
Exceptional operations (including discontinued operations)	1	46	(1)
Goodwill and other related intangible impacts	(12)	(29)	(39)
Integration costs	(13)	(13)	(63)
NET INCOME	**1,007**	**1,849**	**2,899**

(a) before intercompany transactions
(b) For the periods ended June 30, 2008, June 30, 2007, and December 31, 2007, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €-14,755 million, €+8,773 million and €+7,468 million, and benefits and claims by the offsetting amounts respectively.

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	7,447	7,798	15,052
United States	6,733	8,206	16,244
United Kingdom	1,900	2,388	4,628
Japan	2,354	2,663	5,116
Germany	2,955	2,986	6,201
Switzerland	3,281	3,240	4,133
Belgium	1,602	1,629	3,075
Mediterranean Region (a)	2,794	937	1,924
Other countries	1,785	1,733	3,507
TOTAL	**30,850**	**31,580**	**59,879**
Intercompany transactions	(24)	(24)	(35)
Contribution to consolidated gross revenues	**30,826**	**31,555**	**59,845**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	431	353	531
United States	326	488	883
United Kingdom	92	136	255
Japan	132	133	254
Germany	67	73	182
Switzerland	93	82	165
Belgium	84	72	90
Mediterranean Region (a)	43	40	73
Other countries	128	112	237
UNDERLYING EARNINGS	**1,396**	**1,489**	**2,670**
Net realized capital gains or losses attributable to shareholders	105	416	567
ADJUSTED EARNINGS	**1,501**	**1,905**	**3,238**
Profit or loss on financial assets (under Fair Value option) & derivatives	(469)	(61)	(237)
Exceptional operations (including discontinued operations)	1	46	(1)
Goodwill and related intangible impacts	(12)	(29)	(39)
Integration costs	(13)	(13)	(63)
NET INCOME	**1,007**	**1,849**	**2,899**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Gulf Region.

Life & Savings operations – France

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**7,447**	**7,798**	**15,052**
APE (group share)	*690*	*642*	*1,360*
Investment margin	603	516	937
Fees & revenues	749	717	1,463
Net technical margin	219	150	265
Expenses	(1,025)	(921)	(1,911)
Amortization of VBI	(15)	(21)	(43)
Underlying operating earnings before tax	**532**	**442**	**711**
Income tax expenses / benefits	(99)	(87)	(178)
Minority interests	(2)	(1)	(2)
Underlying earnings group share	**431**	**353**	**531**
Net capital gains or losses attributable to shareholders net of income tax	279	125	269
Adjusted earnings group share	**710**	**478**	**800**
Profit or loss on financial assets (under FV option) & derivatives	(114)	(38)	(91)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	-	-	-
Net income group share	**596**	**440**	**709**

Gross revenues decreased by €350 million (-4%) to €7,447 million. On a comparable basis (excluding Neuflize Vie which is consolidated in equity method starting 01/01/08 versus proportionate before), gross revenues decreased by €157 million (-2%). This decrease was mainly driven by a change in seasonality of Retirement contracts (18% decrease in Group business), partly offset by a 9% increase in Individual Savings.

APE increased by €48 million (+8%) to €690 million. On a comparable basis, APE decreased by €21 million (-3%), especially due to Group business (-28% or €-66 million) impacted by a change in seasonality in Retirement contracts, partly offset by individual business performance (+10% or €46 million).

Investment margin increased by €86 million (+17%) to €603 million mainly due to higher asset yield stemming from Private equity funds dividends coupled with a more favorable seasonality regarding mutual funds distribution.

Fees & revenues increased by €32 million (+4%) to €749 million mainly resulting from a €44 million higher URR (unearned revenue reserve) release offsetting the deferred acquisition costs amortization, partly offset by €18 million lower unit-linked management fees mainly due to Neuflize which is consolidated by equity method starting 2008.

Net technical margin rose by €69 million (+46%) to €219 million due to (i) €53 million charge reclassified from technical margin to commission expenses in the context of the renewal of some Group Life contracts and (ii) a €16 million higher technical result in Group and Individual Life contracts.

Expenses increased by €104 million (+11%) to €-1,025 million driven by (i) a €-53 million increase in commissions due to the reclassification of charge from technical items to commissions in the context of the renewal of some Group Life contracts, (ii) a €24 million increase of general expenses due to new IT projects and marketing and advertising costs, and (iii) higher amortization net of capitalization of deferred acquisition costs (€-27 million).

Amortization of VBI improved by €7 million to €-15 million.

Underlying cost income ratio improved by 1.9 points to 66.2%.

Income tax expenses increased by €12 million (+14%) to €-99 million mainly due to the increase in taxable result (€-31 million), partly offset by the increase of non taxable dividends which benefit from the "parent – subsidiary" regime.

As a consequence, **underlying earnings** increased by €78 million (+22%) to €431 million.

Adjusted earnings increased by €231 million (+48%) to €710 million resulting from the evolution of underlying earnings (€+78 million), €40 million higher net realized capital gains attributable to shareholders coupled with a €104 million positive impact of hedging derivatives portfolio and a €10 million lower charge of impairments.

Net income increased by 156 million (+35%) to €596 million reflecting the improvement of the adjusted earnings by €231 million partly offset by (i) a €27 million negative impact of derivatives, and (ii) a €197 million unfavorable change in fair value of mutual funds mainly exposed to credit. These negative impacts were compensated by a €147 million gain corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years.

Life & Savings operations - United States

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**6,733**	**8,206**	**16,244**
APE (group share)	*808*	*1,107*	*2,099*
Investment margin	265	368	704
Fees & revenues	794	887	1,792
Net technical margin	44	292	466
Expenses	(628)	(835)	(1,647)
Amortization of VBI	(13)	(26)	(69)
Underlying operating earnings before tax	**462**	**686**	**1,247**
Income tax expenses / benefits	(135)	(198)	(363)
Minority interests	-	(0)	(0)
Underlying earnings group share	**326**	**488**	**883**
Net capital gains or losses attributable to shareholders net of income tax	(20)	(0)	(32)
Adjusted earnings group share	**306**	**488**	**851**
Profit or loss on financial assets (under FV option) & derivatives	(8)	7	40
Exceptional operations (including discontinued operations)	1	(7)	(7)
Goodwill and other related intangibles impacts	(2)	(20)	(21)
Integration costs	-	-	-
Net income group share	**297**	**468**	**863**
Average exchange rate : 1.00 € = $	*1.5309*	*1.3298*	*1.3699*

Gross revenues decreased by €1,474 million (-18%) to €6,733 million. On a comparable basis, gross revenues decreased by €435 million (-5%):

- *Variable Annuity* premiums (72% of gross revenues) decreased by 6% reflecting a slowdown of sales primarily related to challenging equity market conditions.
- *Life* premiums (18% of gross revenues) decreased by 7% primarily driven by a decrease in First Year premiums from anticipated declines in Fixed Universal Life product sales following price increases in 2007.
- *Mutual Funds gross revenues* (6% of gross revenues) increased by 3%.

APE decreased by €300 million (-27%) to €808 million. On a comparable basis, APE decreased by €150 million (-14%) driven primarily by an anticipated decrease in Life APE for Fixed Universal Life products following price increases in 2007. Variable Annuities decreased by 6% reflecting challenging market conditions.

Investment margin decreased by €103 million (-28%) to €265 million. On a constant exchange rate basis, investment margin decreased by €63 million (-17%) mainly as a result of lower investment income reflecting lower asset levels and interest rates along with lower returns on private equity investments.

Fees & revenues decreased by €93 million (-10%) to €794 million. On a constant exchange rate basis, fees & revenues increased by €27 million (+3%), primarily due to fees earned on higher separate account asset levels resulting from positive net cash flows.

Net technical margin fell by €248 million (-85%) to €44 million. On a constant exchange rate basis, net technical margin decreased by €241 million (-83%) mainly attributable to €254 million lower profits from GMDB/IB mainly explained by underperformance of certain Separate Account funds versus hedge indices and higher equity market volatility.

Expenses decreased by €207 million (-25%) to €-628 million. On a constant exchange rate basis, expenses decreased by €112 million (-13%) due to:

- *Expenses, net of DAC capitalization* (including commissions) decreased by €26 million with a 6% decrease in general expenses primarily due to expense management initiatives and changes to employee benefit plans.
- *DAC amortization* decreased by €85 million, reflecting reactivity to lower GMDB/IB margins.

Amortization of VBI decreased by €13 million (-51%) to €-13 million. On a constant exchange rate basis, amortization of VBI decreased by €11 million (-43%) primarily due to higher life mortality in 2008.

The **underlying cost income ratio** increased by 2.5 points to 58.1%.

Income tax expenses decreased by €63 million (-32%) to €-135 million. On a constant exchange rate basis, income tax expenses decreased by €42 million (-21%), principally due to lower pre-tax underlying earnings, partly offset by a €12 million lower tax reserve release.

Underlying earnings decreased by €162 million (-33%) to €326 million. On a constant exchange rate basis, underlying earnings decreased by €113 million (-23%) mainly resulting from lower investment margin and technical margin partially offset by lower DAC and VBI amortization.

Adjusted earnings decreased by €181 million (-37%) to €306 million. On a constant exchange rate basis, adjusted earnings decreased by €135 million (-28%), primarily due to lower underlying earnings and higher impairments on fixed income assets.

Net income decreased by €171 million (-36%) to €297 million. On a constant exchange rate basis, net income decreased by €126 million (-27%), primarily due to the decrease in adjusted earnings and the non recurrence of 2007 exceptional items.

Life & Savings operations - United Kingdom

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,900**	**2,388**	**4,628**
APE (group share)	*692*	*819*	*1,588*
Investment margin	131	121	258
Fees & revenues	403	372	889
Net technical margin	13	64	90
Expenses	(458)	(411)	(967)
Amortization of VBI	(22)	(23)	(46)
Underlying operating earnings before tax	**67**	**123**	**224**
Income tax expenses / benefits	26	13	31
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**92**	**136**	**255**
Net capital gains or losses attributable to shareholders net of income tax	(16)	(23)	(26)
Adjusted earnings group share	**76**	**112**	**229**
Profit or loss on financial assets (under FV option) & derivatives	44	(11)	21
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(6)	(6)	(11)
Integration costs	(2)	(5)	(23)
Net income group share	**113**	**90**	**216**
Average exchange rate : 1.00 € = £	*0.7753*	*0.6748*	*0.6845*

Gross revenues decreased by €488 million (-20%) to €1,900 million. On a comparable basis, gross revenues decreased by €205 million (-9%):

- *Investment & Savings (81% of gross revenues):*
  - Insurance Premiums (67% of gross revenues) decreased by 4% primarily due to lower volumes of Onshore Bond business.
  - Fees on Investment products (14% of gross revenues) decreased by 5%, primarily due to lower Offshore Bond premiums following large volumes of cash sales in 2007, partially offset by higher Group Pension new business volumes.
- *Life Insurance Premiums (17% of gross revenues)* decreased by 27% due to lower volumes of Creditor Insurance single premiums partially offset by higher AXA Protection Account volumes.
- *Other revenues (2% of gross revenues)* increased by 38% as a result of growth in distribution revenues.

APE decreased by €127 million (-16%) to €692 million. On a comparable basis, APE decreased by €24 million (-3%). This was primarily due to:

- Decrease in savings and investment volumes of €52 million (-18%) due to the impact of changes in Capital Gains Tax and Inheritance Tax legislation on Onshore and Offshore Bond volumes.
- Decrease in Individual and Executive Pensions of €31 million (-13%) due to increased market competition.
- Increase in Group Pension volumes of €47 million (+23%) predominantly due to a large single premium of €32 million.
- Increase in Life Risk products volumes of €8 million (+21%) reflecting the strengthening of the AXA Protection brand in the market, in particular with the IFA community.

Investment margin increased by €11 million (+9%) to €131 million. On a constant exchange rate basis, investment margin increased by €30 million (+25%). This was notably due to higher investment income benefiting from higher yield as well as increase in Shareholders' participation in higher With Profit bonuses rates (annual and Terminal bonuses).

Fees & revenues increased by €30 million (+8%) to €403 million. On a constant exchange rate basis, fees & revenues increased by €90 million (+24%) benefiting from a €35 million positive impact of change in accounting treatment offset in the expense margin.
Excluding this impact, fees and revenues increased by €55 million mainly as a result of higher Fees on account balances of €18 million largely due to positive net new money into unit linked funds and increased establishment charges on regular premium Pensions business, an increase in distribution revenues of €13 million reflecting 38% growth in Thinc Group and the non recurrence of a 2007 €10 million negative adjustment in unit-linked balance.

Net technical margin fell by €51 million (-80%) to €13 million. On a constant exchange rate basis, net technical margin decreased by €49 million (-77%) due to €18 million non-recurrence of favorable provision movements in 2007 as well as an additional €21 million provisions for potential policyholder compensation payments in Traditional Life business.

Expenses increased by €47 million (+11%) to €-458 million. On a constant exchange rate basis, expenses increased by €115 million (+28%) notably due to the change in accounting treatment (€35 million offset in Fees & Revenues). Excluding this impact, the expenses increased by €80 million mainly due to an increase in management expenses of €55 million, resulting from an increase in strategic initiatives including the wealth management wrap platform and Architas investment sub-advisory platform. In addition, expenses increased €11 million due to expansion of the Life distribution business (Thinc Group).

Amortization of VBI decreased by €1 million (-5%) to €-22 million. On a constant exchange rate basis, amortization of VBI increased by €2 million (+10%) mainly due to changes made in respect of increased surrender rates on With Profits business.

The Underlying cost income ratio increased by 9.9 points to 87.8% as increased expenses (in particular due to the phasing of project spend) were only partially offset by growth in gross margin.

Income tax benefits increased by €13 million (+102%) to €26 million. On a constant exchange rate basis, income tax benefits increased by €17 million, mainly due to lower taxable income.

As the result of the above, **underlying earnings** decreased by €44 million (-32%) to €92 million. On a constant exchange rate basis, underlying earnings decreased by €30 million (-22%).

Adjusted earnings decreased by €36 million (-32%) to €76 million. On a constant exchange rate basis, adjusted earnings decreased by €25 million (-22%), largely driven by the underlying earnings evolution as a €12 million impairment of equity holdings in 2008 was offset by the non-recurrence of €13 million realised losses in 2007.

Net income increased by €23 million (+25%) to €113 million. On a constant exchange rate basis, net income increased by €40 million (+44%). In addition to the changes in adjusted earnings, net income included a €47 million increase in undiscounted tax adjustment on unrealised gains attributable to policyholders in unit-linked life funds[4].

[4] *The deferred policyholder tax on unrealized gains is undiscounted when provided on Life unit linked assets and discounted when provided on unit linked liabilities. The IFRS restatement between discounted deferred tax provision and undiscounted amount flows through net income.*

Life & Savings operations – Japan

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,354**	**2,663**	**5,116**
APE (group share)	*253*	*308*	*567*
Investment margin	1	24	3
Fees & revenues	514	502	992
Net technical margin	43	80	135
Expenses	(299)	(317)	(641)
Amortization of VBI	(40)	(74)	(76)
Underlying operating earnings before tax	**219**	**215**	**413**
Income tax expenses / benefits	(85)	(79)	(154)
Minority interests	(2)	(3)	(5)
Underlying earnings group share	**132**	**133**	**254**
Net capital gains or losses attributable to shareholders net of income tax	24	80	65
Adjusted earnings group share	**157**	**212**	**319**
Profit or loss on financial assets (under FV option) & derivatives	(183)	(23)	(96)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(2)	(0)	(4)
Net income group share	**(28)**	**188**	**219**
Average exchange rate : 1.00 € = Yen	*160.772*	*154.164*	*158.255*

Gross Revenues decreased by €309 million (-12%) to €2,354 million. On a comparable basis, and excluding group pension transfers (€12 million versus €27 million last year), revenues decreased by €193 million (-7%) to €2,343 million, driven by:

- *Life* (43% of gross revenues): revenues decreased by 7% (€-77 million) to €1,010 million mainly due to €-45 million lower revenues from lower margin products not actively promoted (Endowment, Whole Life and Group) and €-23 million lower Term products revenues due to a regulator review of certain Term products' tax deductibility;
- *Investment & Savings* (31% of gross revenues): revenues decreased by -11% (€-89 million) to €693 million driven by lower variable annuity sales due to heavier administrative constraints and turbulent market conditions, despite the contribution of Yen VA with secondary guarantees launched in 2Q07;
- *Health* (26% of gross revenues): revenues decreased by 4% (€-27 million) to €639 million. Excluding 1Q07 old Medical Whole Life conversion impact, revenues were up €+57 million on Medical Whole Life & Medical Rider.

APE decreased by €54 million (-18%) to €253 million. On a comparable basis, APE decreased by €45 million (-15%), mainly driven by individual business as a result of a continued focus on more profitable lines to offset the negative €-59 million volume effect following tax uncertainties on certain Term product sales. Consequently, the higher profitability margin "Long Term Term Product" benefited from a sales push, which was combined with higher sales of Yen VA with secondary guarantees. Medical products sales continued to be strong at €122 million.

Investment Margin decreased by €23 million (-95%) to €1 million with lower investment income.

Fees & revenues increased by €12 million (+2%) to €514 million. On a constant exchange rate basis, fees & revenues increased by €34 million (+7%), due to an improved business mix, especially on medical products.

Net technical margin fell by €36 million (-46%) to €43 million. On a constant exchange rate basis, net technical margin decreased by €35 million (-43%):

- Surrender margin decreased by €12 million to €3 million mainly driven by the lower surrender margin on individual annuity, medical products and term products partly offset by the non recurrence of 2007 old Medical Whole Life upgrade program.
- Mortality margin decreased by €20 million (-31%) to €42 million mainly due to less favorable experience.

Expenses decreased by €18 million (-6%) to €-299 million. On a constant exchange rate basis, expenses decreased by €5 million (-2%) driven by;

- €+17 million lower commission following lower new business sales; and
- €-2 million higher non-commission expenses following increases in payroll and IT costs;
- €-10 million lower net DAC capitalisation.

Amortization of VBI decreased by €33 million (-44%) on a constant exchange rate basis to €-40 million, driven by the combination of (i) the non recurring impact of old Medical Whole Life upgrade program, (ii) the natural decline in VBI balance and (iii) reduced investment income.

The Underlying cost income ratio improved by 3.8 points to 60.7% as lower expenses and VBI amortization more than offset the impact of lower technical and investment margins.

Income tax expenses increased by €9 million (+11%) on a constant exchange rate basis to €-85 million in line with higher taxable results.

Underlying earnings were stable at €132 million. On a constant exchange rate basis, underlying earnings increased by €5 million (+4%).

Adjusted earnings decreased by €56 million (-26%) to €157 million. On a constant exchange rate basis, adjusted earnings decreased by €49 million (-23%) mainly due to (i) lower net capital gains attributable to shareholders as a result of higher interest credited to policyholders (€-84 million) partially offset by (ii) related tax and DAC/VBI reactivity (€+29 million) and (iii) improved underlying earnings.

Net income decreased by €217 million to €-28 million. On a constant exchange rate basis, net income decreased by €218 million reflecting €-51 million lower adjusted earnings combined with negative change in fair value of (i) freestanding derivatives (mainly CDS) due to widening of credit spread (€-153 million), (ii) US corporate bonds (currency risk hedged) following deterioration of credit market conditions (€-61 million) and (iii) Hedge funds portfolio (€-50 million), partly offset by the related tax and DAC/VBI reactivity (€+109 million).

Life & Savings operations – Germany

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,955**	**2,986**	**6,201**
APE (group share)	*236*	*207*	*457*
Investment margin	53	67	139
Fees & revenues	101	119	229
Net technical margin	49	43	112
Expenses	(69)	(46)	(136)
Amortization of VBI	(6)	(9)	(23)
Underlying operating earnings before tax	**129**	**174**	**321**
Income tax expenses / benefits	(61)	(99)	(134)
Minority interests	(1)	(3)	(4)
Underlying earnings group share	**67**	**73**	**182**
Net capital gains or losses attributable to shareholders net of income tax	(14)	2	(1)
Adjusted earnings group share	**53**	**75**	**182**
Profit or loss on financial assets (under FV option) & derivatives	(9)	4	3
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(1)	(0)	(6)
Net income group share	**43**	**78**	**179**

Gross revenues decreased by €31 million (-1%) to €2,955 million mainly due to lower traditional endowment business in line with market trend (shift from traditional Life products to Investment & Savings products), partly offset by Investment & Savings unit-linked business especially from "TwinStar" (Variable Annuities with secondary guarantee) product range.

APE increased by €29 million (+14%) to €236 million. On a comparable basis, APE increased by €22 million (+10%), mainly due to Riester step-up effect (increase in premiums due to higher fiscal incentive for policyholders in 2008 in Riester retirement products) of €+30 million, as well as the strong sales in individual Investment & Savings products notably from the unit-linked "TwinStar" product range (€+18 million excluding Riester step-up effect), which were partly offset by a decrease in the health business due to the 2007 Reform (waiting period for salaried employees to enter Private Health Insurance extended to three years).

Investment margin decreased by €15 million (-22%) to €53 million as higher income from fixed maturities was offset by lower dividends from equities as well as higher policyholder participation.

Fees & revenues decreased by €18 million (-15%) to €101 million mainly due to the higher policyholder participation partly compensated by higher fees and revenues from TwinStar business.

Net technical margin increased by €7 million (+16%) to €49 million. The non-recurrence of 2007 very strong disability Life result and higher Health claims paid in 2008 were offset by lower policyholder participation.

Expenses increased by €22 million (+48%) to €-69 million mainly due to higher DAC amortization and higher administrative expenses resulting from higher project costs.

VBI amortization decreased by €3 million (-34%) to €-6 million.

Underlying cost income ratio increased by 12.4 points to 36.6%.

Income tax expenses decreased by €37 million (-38%) to €-61 million driven by lower pre-tax income and the positive impact of the lower tax rate in 2008 compared to prior year (32% compared to 40%).

Underlying earnings decreased by €6 million (-8%) to €67 million mainly due to the lower operating earnings partly offset by the lower taxes.

Adjusted earnings decreased by €22 million (-29%) to €53 million due to higher impairments and realized losses on equities and fixed maturities.

Net income decreased by €35 million (-45%) to €43 million mainly driven by adjusted earnings evolution and €-10 million lower change in fair value of financial assets.

Life & Savings operations – Switzerland

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**3,281**	**3,240**	**4,133**
APE (group share)	*193*	*147*	*222*
Investment margin	45	23	61
Fees & revenues	91	117	212
Net technical margin	66	71	137
Expenses	(71)	(84)	(167)
Amortization of VBI	(10)	(17)	(29)
Underlying operating earnings before tax	**121**	**110**	**214**
Income tax expenses / benefits	(28)	(28)	(49)
Minority interests	-	-	-
Underlying earnings group share	**93**	**82**	**165**
Net capital gains or losses attributable to shareholders net of income tax	(63)	(1)	(15)
Adjusted earnings group share	**30**	**81**	**149**
Profit or loss on financial assets (under FV option) & derivatives	(49)	18	(10)
Exceptional operations (including discontinued operations)	-	-	7
Goodwill and other related intangibles impacts	(2)	(2)	(5)
Integration costs	(2)	(1)	(7)
Net income group share	**(24)**	**96**	**135**
Average exchange rate : 1.00 € = Swiss Franc	*1.6059*	*1.6313*	*1.6420*

Gross revenues increased by €41 million (+1%) to €3,281 million. On a comparable basis, gross revenues increased by €124 million (+4%) to €3,274 million:

- *Group Life* (90% of gross revenues) increased by €145 million or +5% to €2,951 million mainly due to strong increase in single premiums (+8%). Regular premiums kept on growing (+3%) driven by strong new business in the context of a still very competitive market.
- *Individual Life* (10% of gross revenues) decreased by €22 million or -6% to €330 million mainly driven by the peak of maturities of non unit-linked products (€-12 million or -4% to €279 million) as a consequence of the stamp duty introduced in 1998 and the drop in unit-linked single premiums (€-14 million) in a difficult financial market environment despite the launch of Twinstar Invest in 1Q08. Regular premiums on unit-linked products increased by €3 million mainly due to increased sales of AXA Comfort.

APE increased by €45 million (+31%) to €193 million. On a comparable basis[5], APE increased by €29 million (+18%):

- *Group Life* increased by €23 million (+17%) to €161 million resulting from successful annual negotiations (€+52 million, including vested benefit premiums) and voluntary additional pension scheme premiums (€+3 million) partly offset by the non repeat of 2007 increase in coinsurance business (€-31 million).

- *Individual Life* improved by €5 million (+20%) to €32 million mainly reflecting the good development of unit-linked regular premiums (€+3 million) driven by AXA Comfort and the positive impact of mutual fund sales (€+1 million) launched late in 2007.

[5] *Change in recognition in APE of voluntary additional pension scheme premiums.*

Investment margin increased by €23 million (+98%) to €45 million. On a constant exchange rate basis, investment margin increased by €22 million (+95%) mainly due to lower policyholder bonus allocation and slightly higher investment income.

Fees & revenues decreased by €27 million (-23%) to €91 million. On a constant exchange rate basis, fees & revenues decreased by €28 million (-24%) mainly due to Group Life (€-24 million) driven by higher policyholder bonus allocation and lower loadings on premiums due to tariff reduction.

Net technical margin deteriorated by €5 million (-7%) to €66 million. On a constant exchange rate basis, net technical margin deteriorated by €6 million (-8%) mainly due to Individual Life (€-15 million or 35%), driven by the impact of strengthening on old age reserve (€-20 million), partly offset by Group Life higher technical margin (€+9 million or +29%) as consequence of good development in disability margin.

Expenses decreased by €12 million (-14%) to €-71 million. On a constant exchange rate basis, expenses were down €-13 million (-16%) mainly driven by the one-time impact of the change in own pension scheme (€15 million) partly offset by higher commissions resulting from a change to an independent sales organization for tied agents from January 1, 2008 and slightly increased commission rates for Group Life business.

Amortization of VBI decreased by €8 million (-44%) to €-10 million. On a constant exchange rate basis, amortization of VBI decreased by €8 million (-45%) mainly attributable to Individual Life thanks to a positive unlocking effect of €5 million.

The Underlying cost income ratio improved by 7.7 points to 40.1%.

Income tax expenses remained stable at €-28 million.

Underlying earnings increased by €11 million (+14%) to €93 million. On a constant exchange rate basis, underlying earnings increased by €10 million (+12%).

Adjusted earnings decreased by €51 million (-63%) to €30 million. On a constant exchange rate basis, adjusted earnings decreased by €51 million (-64%), resulting from higher capital losses and impairments (€-61 million) mainly on equities partly offset by the increase in underlying earnings (€+10 million).

Net income decreased by €120 million to €-24 million. On a constant exchange rate basis, net income decreased by €119 million, due to lower adjusted earnings (€-51 million), lower change in fair value of assets under fair value option (€-24 million) due to convertible bonds (€-10 million) and equities (€-14 million), and lower foreign currency impact and related derivatives (€-43 million).

Life & Savings operations – Belgium

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,602**	**1,629**	**3,075**
APE (group share)	*154*	*183*	*340*
Investment margin	100	84	143
Fees & revenues	76	77	162
Net technical margin	37	33	57
Expenses	(122)	(124)	(252)
Amortization of VBI	(2)	(1)	(3)
Underlying operating earnings before tax	**89**	**69**	**107**
Income tax expenses / benefits	(5)	3	(17)
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**84**	**72**	**90**
Net capital gains or losses attributable to shareholders net of income tax	(32)	188	206
Adjusted earnings group share	**52**	**260**	**297**
Profit or loss on financial assets (under FV option) & derivatives	(133)	(20)	(93)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	-	-
Integration costs	(4)	(2)	(13)
Net income group share	**(85)**	**237**	**191**

Gross revenues decreased by €27 million (-2%) to €1,602 million. On a comparable basis, gross revenues decreased by €26 million (-2%) to €1,600 million with a 6% fall in Individual life offset by a 19% increase in Group Life:

– *Individual Life and Savings revenues (79% of gross revenues)* decreased by 6% to €1,264 million driven by unit-linked products (-36% to €136 million) due to the lower performance of the structured products. The non unit-linked products'revenues remained stable at €995 million. Traditional life products revenues fell by 2% to €132 million.
– *Group Life and Savings revenues (21% of gross revenues)* increased by 19% to €338 million due to a non recurring premium of €50 million.

APE decreased by €29 million (-16%) to €154 million due to a decrease in Individual life sales (-19% to €136 million) for both unit-linked and non unit-linked products partly offset by higher sales in Group Life (+23% to €18 million).

Investment margin increased by €16 million (+19%) to €100 million due to the rise in underlying investment income driven by fixed maturities, and to a 10 bps decrease of the average credited rate, including policyholder bonus.

Fees & revenues decreased by €1 million (-1%) to €76 million.

Net technical margin rose by €4 million (+11%) to €37 million mainly due to a lower mortality policyholder bonus and the underlying result of the hedging program on Twinstar.

Expenses decreased by €1 million (-1%) to €-122 million due to the drop of overhead costs (€+3 million) partly offset by the rise of the override commissions.

Amortization of VBI increased by €1 million (+47%) to €-2 million.

The **Underlying cost income ratio** improved by 5.9 points to 58.4% due to the rise of the underlying investment and technical margins.

Income tax expenses increased by €8 million (-269%) to €-5 million.

Underlying earnings increased by €11 million (+16%) to €84 million as a result of higher underlying investment margin (€+16 million) and technical margin (€+4 million) partly offset by higher taxes (€-8 million).

Adjusted earnings decreased by €208 million (-80%) to €52 million mainly driven by a a strong increase of impairments on equities related to segregated funds as a consequence of the poor performance of stock market, partly offset by the rise in underlying earnings.

Net income decreased by €323 million (-136%) to €-85 million mainly due to the decrease of the adjusted earnings (€-208 million), and to unfavorable change in fair value on fixed income mutual funds under fair value option due to credit spread increase (€-99 million). Winterthur integration costs increased by €2 million to €-4 million.

Life & Savings operations – Mediterranean Region

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,794**	**937**	**1,924**
APE (group share)	*204*	*84*	*206*
Investment margin	92	47	91
Fees & revenues	120	82	172
Net technical margin	25	32	52
Expenses	(145)	(97)	(205)
Amortization of VBI	(12)	(5)	(9)
Underlying operating earnings before tax	**80**	**59**	**100**
Income tax expenses / benefits	(22)	(16)	(21)
Minority interests	(16)	(3)	(6)
Underlying earnings group share	**43**	**40**	**73**
Net capital gains or losses attributable to shareholders net of income tax	10	8	19
Adjusted earnings group share	**53**	**49**	**92**
Profit or loss on financial assets (under FV option) & derivatives	(11)	0	(0)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(0)	(0)	(0)
Integration costs	(2)	(4)	(8)
Net income group share	**39**	**45**	**84**

The scope of the following analysis includes Italy (AXA MPS with a P&L fully consolidated as of 01/01/2008 and an opening balance sheet as of 31/12/2007), Spain, Portugal, Greece, Turkey and Morocco. For volume indicators, the comparable basis reflects this scope, for both 2007 and 2008.
Seguros ING is out of the scope for HY closing as it will be consolidated in the second half of 2008.

Gross revenues increased by €1,856 million (+198%) to €2,794 million. On a comparable basis, gross revenues increased by €194 million (+7%) driven by individual lines (€+184 million) mainly investment & savings following the increase in unit-linked sales (€+272 million) driven by new products (including Accumulator €+132 million) launched in Italy and Greece. This was partly offset by lower performance of non unit-linked, down €-92 million (-4%), notably with (i) AXA MPS lower sales, as a result of the strategy to focus on higher margin unit-linked products, (ii) lower sales of index-linked and lower activity with institutional clients in AXA Italy, and despite the good performance of traditional savings products in Spain.

APE increased by €120 million (+143%) to €204 million. On a comparable basis, APE decreased by €3 million (-2%) notably due to (i) lower volumes from AXA MPS (down -13%), switching production from less profitable traditional products to more innovative unit-linked products (Accumulator and Double Engine) in a context of declining market, and (ii) lower sales of index-linked and lower activity with institutional clients in AXA Italy. This was partly offset by stronger sales in traditional savings products in Spain.

Investment margin increased by €45 million (+97%) to €92 million of which €51 million from AXA MPS. Excluding AXA MPS, investment margin decreased by €-6 million (-12%) given slightly higher policyholder bonus rate driven by market competition.

Fees & revenues increased by €37 million (+45%) to €120 million mostly due to AXA MPS scope entry (€34 million).

Net technical margin fell by €7 million (-21%) to €25 million of which €3 million from AXA MPS. Excluding AXA MPS, net technical margin decreased by €-10 million, mainly driven by a less favorable mortality experience (€-8 million) notably on the Group life segment.

Expenses increased by €-48 million (+49%) to €-145 million of which €-48 million from AXA MPS. Excluding AXA MPS, expenses were flat.

Amortization of VBI increased by €7 million (+143%) to €-12 million, of which €-8 million from AXA MPS.

The Underlying cost income ratio increased by 2.8 points to 66.2%. Excluding AXA MPS, the underlying cost income ratio increased by 4.1 points (to 67.6%). The cost income ratio in AXA MPS amounted to 63.8%.

Income tax expenses increased by €5 million (+34%) to €-22 million of which €-8 million from AXA MPS. Excluding AXA MPS, income tax expenses decreased by €2 million (down to €-14 million), due to a lower pre-tax earnings and lower tax rates in Spain, Italy and Morocco.

Minority Interests increased by €13 million (+38%) to €-16 million of which €12 million from AXA MPS.

Underlying earnings increased by €3 million (+7%) to €43 million of which €12 million from AXA MPS.

Adjusted earnings increased by €4 million (+9%) to €53 million of which €9 million from AXA MPS. Excluding AXA MPS, adjusted earnings decreased by €4 million (-9%) to €44 million driven by lower underlying earnings (€-9 million) partly offset by higher net capital gains (€+5 million).

Net income decreased by €6 million (-13%) to €39 million of which €8 million from AXA MPS. Excluding AXA MPS, net income decreased by €-14 million (-31%) driven by lower adjusted earnings and the change in fair value on assets under fair value option.

Life & Savings Operations - Other Countries

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

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
Australia / New Zealand	801	678	1,384
Hong Kong	533	616	1,257
Central and Eastern Europe	230	202	423
Other countries	221	237	443
Canada	55	59	122
Luxembourg	32	30	64
South East Asia (a)	134	148	257
TOTAL	**1,785**	**1,733**	**3,507**
Intercompany transactions	(1)	(0)	-
Contribution to consolidated gross revenues	**1,784**	**1,733**	**3,507**

(a) Includes Indonesia and Singapore.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Australia / New Zealand	48	47	99
Hong Kong	64	59	126
Central and Eastern Europe	6	2	(0)
Other countries	11	5	12
Canada	4	2	2
Luxembourg	2	2	4
South East Asia and China (a)	4	0	5
UNDERLYING EARNINGS	**128**	**112**	**237**
Net realized capital gains or losses attributable to shareholders	(65)	38	83
ADJUSTED EARNINGS	**63**	**150**	**319**
Profit or loss on financial assets (under Fair Value option) & derivatives	(6)	3	(10)
Exceptional operations (including discontinued operations)	-	54	(0)
Goodwill and related intangibles impacts	(1)	(1)	(2)
Integration costs	-	(1)	(3)
NET INCOME	**56**	**205**	**304**

(a) South East Asia includes Indonesia, Thailand, Philippines and Singapore.

AUSTRALIA AND NEW ZEALAND [6]

Gross revenues increased by €123 million (+18%) to €801 million. On a comparable basis, gross revenues increased by €128 million (+19%):

- *Gross written premiums and fees* (79% of gross revenues) increased by €126 million (+26% on a comparable basis) to €629 million, mainly driven by significant wholesale single premiums in wealth management guaranteed savings products (within the life company) reflecting the recent investors' trend to seek more conservative investments given market volatility;
- *Revenues from mutual fund and advice business* (21% of gross revenues) decreased by €3 million (-1%) to €165million due to a decline in funds under management levels resulting from market volatility.

APE decreased by €53 million (-20%) to €212 million. On a comparable basis, APE decreased by €55 million (-21%) mainly due to a drop in Mutual Fund net sales and Alliance Bernstein Joint Venture sales following current negative market conditions and the favorable legislation change in 2Q07 (peak in sales last year). These negative impacts were offset by the inclusion of some significant wholesale premiums (€+11 million) in 1H08 from institutional clients seeking more conservative investments, and by Accumulator product sales.

Underlying earnings increased by 1% to €48 million. On a constant exchange rate basis, underlying earnings increased by €1 million (+2%). On a 100% ownership basis, the evolution of underlying earnings was as follows:

- **Investment margin** decreased by €8 million (-59%) to €6 million. On a constant exchange rate basis, investment margin decreased by €8 million (-59%) due to lower returns on shareholders assets.
- **Fees & revenues** were in line with last year at €354 million. On a constant exchange rate basis, fees & revenues increased by €2 million (+1%) due to higher revenues in financial protection, partially offset by lower fees from lower average funds under management and lower sales in Wealth Management, following changes in Superannuation legislation in 2007 and due to 2008 investment market volatility.
- **Net technical margin** rose by €35 million from €-7 million to €28 million. On a constant exchange rate basis, net technical margin increased by €35 million driven by one-off actuarial refinements mainly in individual income protection liabilities, partially offset by less favorable claims experience.
- **Expenses** increased by €4 million (+1%) to €-264 million. On a constant exchange rate basis, expenses increased by €5 million (+2%) mainly due to higher commissions on individual and Group life products, partially offset by higher deferred acquisition costs in income protection.
- **Amortization of VBI** increased by €4 million (+93%) to €-9 million. On a constant exchange rate basis, amortization of VBI increased by €4 million (+94%) due to lower assets under management.

Adjusted earnings decreased by €76 million (-114%) to €-9 million. On a constant exchange rate basis, adjusted earnings decreased by €76 million (-114%) due to higher realized losses and impairments driven by the recent market losses.

Net income decreased by €82 million (-118%) to €-12 million. On a constant exchange rate basis, net income decreased by €82 million (-118%) driven by adjusted earnings and by assets under fair value option.

[6] *AXA interest in AXA Asia Pacific Group is 53.91% broken down into 53.15% direct interest holding and an additional 0.77% owned by the AAPH Executive plan trust*

HONG-KONG[7]

Gross revenues decreased by €84 million (-14%) to €533 million. On a comparable basis, gross revenues decreased by €6 million (-1%) mainly due to an increase in Life product sales (€21 million) and in Group Insurance products (€6 million), partly offset by a decrease in total investment & savings products (€-36 million) given market conditions.

APE decreased by €13 million (-19%) to €56 million. On a comparable basis, APE decreased by €6 million (-8%), due to a decrease in investment & savings products (€-7 million), mainly from lower single premium unit-linked products, as a result of uncertain investment market conditions.

Underlying earnings increased by €5 million (+8%) to €64 million. On a constant exchange rate basis, underlying earnings increased by €14 million (+23%). On a 100% ownership basis, the increase was mainly explained by (i) an increase of the investment margin (€8 million) as a result of higher remuneration of the shareholder's assets, (ii) an increase of the net technical margin (€7 million), notably with the impact of the conversion of high guaranteed National Life products into other low guaranteed products and of a better claims experience, and (iii) a decrease in expenses (€+5 million) due to lower DAC net of commissions.

Adjusted earnings decreased by €12 million (-17%) to €61 million. On a constant exchange rate basis, adjusted earnings decreased by €3 million (-5%) driven by higher impairments as a result of the adverse investment market.

Net income decreased by €12 million (-16%) to €60 million. On a constant exchange rate basis, net income decreased by €3 million (-4%), in line with adjusted earnings.

CENTRAL AND EASTERN EUROPE

Gross revenues increased by €28 million (+14%) to €230 million. On a comparable basis, gross revenues increased by €10 million (+5%) mainly driven by Poland and Czech Republic.

Including sales from investment contracts and off balance sheet businesses, total revenues increased by €298 million (+42%) to €847 million mainly driven (i) by Poland (€ 450 million; +90%), benefiting from a new appetite on short term tax wrapper product (€165 million) and (ii) by Czech Republic (€183 million, +24%) benefiting from Mutual funds sales (€32 million, +1,042%) launched in the second quarter of 2007.

APE increased by €32 million (+72%) to €76 million. On a comparable basis, APE increased by €25 million (+57%) driven by Life & Savings business (€16 million), benefiting, despite the financial crisis, from the strong unit-linked sales (€26 million, +56%) and the positive contribution of pension funds business (€34 million, +12%). Main countries contributing to the growth were Poland (€45 million, +127%) and Czech Republic (€23 million, +33%).

Underlying earnings increased by €4 million to €6 million, mainly due to an increase in fees and revenues (€+10 million), partly offset by higher administrative expenses (€-5 million) to develop distribution networks.

Overall, **the underlying cost income** improved by 10.2 points to 83.1%.

Adjusted earnings decreased by €1 million to €3 million, as higher underlying earnings and higher capital gains (€3 million) were more than offset by impairment on equities (€-8 million) mainly in Czech Republic.

Net income was stable at €2 million as lower adjusted earnings were offset by lower Winterthur integration costs.

[7] *AXA interest in AXA Asia Pacific Group is 53.91% broken down into 53.15% direct interest holding and an additional 0.77% owned by the AAPH Executive plan trust*

CANADA

Gross revenues decreased by €4 million (-6%) to €55 million. On a comparable basis, gross revenues decreased by €2 million (-4%) mainly due to lower revenues on mutual funds (€-4 million), following the sale of AXA Services Financiers in 2007, partly offset by growth in Group health (€+2 million).

Underlying earnings increased by €2 million on a constant exchange rate basis to €4 million mainly due to higher investment margin and lower expenses.

Adjusted earnings and net income remained stable on a constant exchange rate basis at €4 million, including €1 million impairments.

SOUTH EAST ASIA AND CHINA

APE of *South East Asia* [8] entities increased by €11 million (+37%) on a comparable basis[9] to €36 million, reflecting the growth in agency sales force numbers and improvements in productivity.

Underlying earnings and adjusted earnings increased by €5 million on a constant exchange rate basis to €4 million. Excluding China, they increased by €7 million as a consequence of higher volume, product repricing, better claim experience and a reduction in expenses.

Net income increased by €1 million (+66%) on a constant exchange rate basis to €2 million. Excluding China, net income increased by €3 million in line with underlying and adjusted earnings evolution.

[8] *The scope of the following analysis includes: Indonesia, Singapore, Thailand, Philippines and China. Thailand, Philippines, China and AXA Mandiri in Indonesia are consolidated with the equity method. China was not consolidated in HY 2007 but starting end of 2007.*

[9] *All SEA entities reported APE for the first time end of 2007.*

Property & Casualty Segment

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

Property and Casualty Segment (a)

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross written premiums	14,589	14,328	25,101
Fees and revenues from investment contracts without participating feature	-	-	-
Revenues from insurance activities	**14,589**	**14,328**	**25,101**
Net revenues from banking activities	**-**	**-**	**-**
Revenues from other activities	***52***	***36***	***79***
TOTAL REVENUES	**14,641**	**14,363**	**25,180**
Change in unearned premium reserves net of unearned revenues and fees	***(2,132)***	***(2,260)***	***(362)***
Net investment result excluding financing expenses	***1,161***	***1,113***	***2,057***
Technical charges relating to insurance activities	(8,192)	(8,266)	(16,702)
Net result of reinsurance ceded	(360)	(263)	(599)
Bank operating expenses	-	-	-
Insurance acquisition expenses	(2,239)	(2,202)	(4,634)
Amortization of value of purchased life business in force	-	-	-
Administrative expenses	(1,266)	(1,172)	(2,274)
Valuation allowances on tangible assets	(1)	3	4
Change in value of goodwill	-	-	-
Other	0	(10)	(24)
Other operating income and expenses	**(12,058)**	**(11,910)**	**(24,229)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**1,613**	**1,307**	**2,647**
Net income from investments in affiliates and associates	3	6	5
Financing expenses	(5)	(5)	(13)
OPERATING INCOME GROSS OF TAX EXPENSE	**1,610**	**1,308**	**2,639**
Income tax expense	(452)	(324)	(726)
Minority interests in income or loss	(25)	(21)	(50)
UNDERLYING EARNINGS	**1,133**	**963**	**1,863**
Net realized capital gains or losses attributable to shareholders	136	296	562
ADJUSTED EARNINGS	**1,269**	**1,259**	**2,425**
Profit or loss on financial assets (under fair value option) & derivatives	(192)	(27)	4
Exceptional operations (including discontinued operations)	2	17	(2)
Goodwill and other related intangible impacts	(27)	(26)	(67)
Integration costs	(24)	(25)	(142)
NET INCOME	**1,028**	**1,198**	**2,218**

(a) Before intercompany transactions

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	3,054	2,945	5,377
United Kingdom & Ireland	2,415	2,758	5,111
Germany	2,218	2,227	3,531
Belgium	1,165	1,174	2,130
Mediterranean Region (a)	3,004	2,719	5,298
Switzerland	1,811	1,800	1,981
Other countries	974	740	1,752
TOTAL	**14,641**	**14,363**	**25,180**
Intercompany transactions	(122)	(169)	(164)
Contribution to consolidated gross revenues	**14,519**	**14,195**	**25,016**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Gulf Region.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	254	237	426
United Kingdom & Ireland	174	129	262
Germany	173	158	325
Belgium	107	108	216
Mediterranean Region (a)	243	191	362
Switzerland	131	73	125
Other countries	52	67	147
UNDERLYING EARNINGS	**1,133**	**963**	**1,863**
Net realized capital gains or losses attributable to shareholders	136	296	562
ADJUSTED EARNINGS	**1,269**	**1,259**	**2,425**
Profit or loss on financial assets (under Fair Value option) & derivatives	(192)	(27)	4
Exceptional operations (including discontinued operations)	2	18	(2)
Goodwill and related intangibles impacts	(27)	(26)	(67)
Integration costs	(24)	(25)	(142)
NET INCOME	**1,028**	**1,198**	**2,218**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Gulf Region.

Property & Casualty Operations – France

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**3,054**	**2,945**	**5,377**
Current accident year loss ratio (net)	76.8%	76.1%	74.3%
All accident year loss ratio (net)	71.9%	73.0%	72.7%
Net technical result	**756**	**705**	**1,467**
Expense ratio	25.0%	24.2%	24.2%
Net investment result	307	293	495
Underlying operating earnings before tax	**390**	**367**	**657**
Income tax expenses / benefits	(136)	(129)	(230)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**254**	**237**	**426**
Net capital gains or losses attributable to shareholders net of income tax	24	32	93
Adjusted earnings group share	**278**	**269**	**519**
Profit or loss on financial assets (under FV option) & derivatives	(91)	(14)	34
Exceptional operations (including discontinued operations)	(4)	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	-	-	-
Net income group share	**184**	**255**	**553**

Gross revenues increased by €109 million (+4%) to €3,054 million. On a comparable basis, gross revenues increased by €86 million or +3%:

- *Personal lines* (59% of gross revenues) increased by 3% to €1,788 million mainly reflecting higher net inflows in Motor (+74 k new contracts) in a competitive market and positive net inflows in Household (+26 k) combined with an increase in the average premium.
- *Commercial lines* (41% of gross revenues) increased by 3% to €1,233 million driven by development in Construction (+13%). In competitive markets, the increase in Property and Liability reached respectively +2% and +3%.

Net Technical Result increased by €51 million (+7%) to €756 million:

- *Current accident year loss ratio* increased by 0.7 point to 76.8% reflecting (i) the shift towards longer tail business (Construction and Liability) leading to higher claims handling costs and (ii) an increase in Personal Motor current accident year loss ratio due to pressures on tariffs while average claim costs slightly increased.
- *Prior accident year net technical result* improved by €51 million to €132 million reflecting a higher prior year positive reserves development (Motor, Property, Construction) despite the strengthening of the reserves.

As a consequence, *the all accident year loss ratio* improved by 1.1 points to 71.9%.

Expense ratio rose by 0.8 point to 25.0% due to (i) change in business mix towards products with higher commission rate, (ii) reclassification of charges from technical result to commission expenses on Financial Guarantees contracts and (iii) Nationale Suisse Assurance integration costs.

As a result, the **combined ratio** improved by 0.3 point to 96.9%.

Net investment result increased by €14 million (+5%) to €307 million mainly driven by higher asset yield resulting

from increased Private Equity fund dividends and higher bonds revenues.

Income tax expenses were up €+6 million (+5%) to €-136 million in line with increased taxable operating income.

Underlying earnings increased by €17 million (+7%) to €254 million as the result of an improved combined ratio and the rise in the net investment result.

Adjusted earnings improved by €9 million (+4%) to €278 million reflecting the underlying earning increase and lower net realized gains.

Net income decreased by €71 million (-28%) to €184 million despite the positive impact of adjusted earnings, driven mostly by a €-103 million unfavorable change in fair value, mainly on mutual funds exposed to credit, partly offset by a €35 million gain corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years.

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,415**	**2,758**	**5,111**
Current accident year loss ratio (net)	68.0%	72.7%	71.8%
All accident year loss ratio (net)	62.5%	68.3%	66.4%
Net technical result	**856**	**780**	**1,663**
Expense ratio	35.7%	34.0%	35.0%
Net investment result	174	185	380
Underlying operating earnings before tax	**216**	**127**	**311**
Income tax expenses / benefits	(42)	1	(49)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(1)
Underlying earnings group share	**174**	**129**	**262**
Net capital gains or losses attributable to shareholders net of income tax	(55)	26	71
Adjusted earnings group share	**118**	**154**	**333**
Profit or loss on financial assets (under FV option) & derivatives	(4)	0	(5)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(10)	(4)	(17)
Integration costs	-	-	(4)
Net income group share	**105**	**150**	**307**
Average exchange rate : 1.00 € = £	*0.7753*	*0.6748*	*0.6845*

Gross revenues decreased by €344 million (-12%) to €2,415 million. On a comparable basis, gross revenues were down €-11 million (0%):

- *Personal lines* (50% of gross revenues) were down -1% to €1,217 million. Motor was down -5% due to increased competition in intermediated business despite further growth in new business written through the internet platform Swiftcover and competition in Ireland driving down average premiums and lowering renewals. Non Motor was up +1% driven by +4% volume-related growth in Property and +3% in Health attributable to higher average premiums following rating increases in Private Medical Insurance, partly offset by a 9% reduction in Travel.
- *Commercial lines* (47% of gross revenues) were down -2% to €1,144 million. Motor was broadly stable. Non Motor was down -2% reflecting a deterioration across most business lines due to difficult market conditions partly offset by volume growth in Health.
- *Other lines* (2% of gross revenues) increased by €21 million to €54 million mainly reflecting growth in distribution business.

Net Technical Result increased by €75 million (+10%) to €856 million. On a constant exchange rate basis, net technical result increased by €195 million (+25%):

- *Current accident year loss ratio* decreased by 4.9 points to 68.0%, as a result of the non recurring 2007 adverse weather events, including the January storms (-2.1 points) and June floods (-4.7 points), notably offset by deterioration in Motor reflecting increased injury claims and inflation in third party damage claims in the UK, and the impact of lower average premiums in Ireland.
- *All accident year loss ratio* decreased by 6.0 points to 62.5% reflecting the improvement in current accident year loss ratio combined with €33 million (1.1 point) favorable development in prior years reserves.

Expense ratio rose by 1.8 point to 35.7% due to (i) growth in Swiftcover (+0.7 point) including increased marketing spend, (ii) legal fees relating to regulatory reviews (+0.6 point) and (iii) the impact of inflationary increases and higher IT spend (+0.5 point).

As a result, the **combined ratio** improved by 4.2 points to 98.2%.

Net investment result decreased by €11 million (-6%) to €174 million. On a constant exchange rate basis, net investment result increased by €8 million (+4%) as a result of increased average returns (higher bond yields) partially offset by lower asset base following reduction in operational cash-flow due to the funding of claims from 2007 floods.

Income tax expenses increased by €43 million to €-42 million. On a constant exchange rate basis, income tax expenses increased by €48 million reflecting the improvement in pre-tax earnings and a €20 million decrease in positive tax one off, offset by the reduction in the UK corporation tax rate.

Underlying earnings increased by €45 million (+35%) to €174 million. On a constant exchange rate basis, underlying earnings increased by €65 million (+51%) primarily due to non recurrence of the adverse weather events experienced in half year 2007.

Adjusted earnings decreased by €36 million (-23%) to €118 million. On a constant exchange rate basis, adjusted earnings decreased by €24 million (-15%) with the increase in underlying earnings being offset by a €6 million reduction in realized capital gains and an €83 million increase in impairment on equities and to a lower extent on real estate.

Net income decreased by €46 million (30%) to €105 million. On a constant exchange rate basis, net income decreased by €35 million (-23%) reflecting adjusted earnings evolution and a €7 million higher customer intangible amortization related to brokers' acquisition.

Property & Casualty Operations – Germany

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,218**	**2,227**	**3,531**
Current accident year loss ratio (net)	76.7%	78.9%	78.7%
All accident year loss ratio (net)	66.7%	71.2%	69.0%
Net technical result	**583**	**503**	**1,094**
Expense ratio	31.3%	29.7%	29.3%
Net investment result	201	191	339
Underlying operating earnings before tax	**235**	**174**	**401**
Income tax expenses / benefits	(64)	(13)	(74)
Net income from investments in affiliates and associates	3	3	5
Minority interests	(1)	(6)	(7)
Underlying earnings group share	**173**	**158**	**325**
Net capital gains or losses attributable to shareholders net of income tax	72	76	92
Adjusted earnings group share	**244**	**234**	**416**
Profit or loss on financial assets (under FV option) & derivatives	(45)	2	29
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(6)	(1)	(36)
Net income group share	**194**	**235**	**410**

Gross revenues decreased by €9 million (0%) to €2,218 million. On a comparable basis, gross revenues decreased by €2 million (0%):

- *Personal lines* (63% of gross revenues) decreased by 1% as a result of contract losses in Motor in the context of market price pressure partly offset by growth in Property mainly due to the packaged product 'Profischutz' for professionals as well as tariffs increase.
- *Commercial lines* (31% of gross revenues) decreased by 1% mainly due to price competition in Property.
- *Other lines* (5% of gross revenues) increased by 14% due to growth in Assumed business and in AXA ART following the commercial success of the product Art Plus.

Net Technical Result increased by €80 million (+16%) to €583 million:

- *Current accident year loss ratio* decreased by 2.2 points to 76.7% driven by a lower impact of natural events as 1H08 impact of Emma storm amounted to 1.4 points while 1H07 Kyrill storm impact amounted to 3.8 points.
- *All accident year loss ratio* decreased by 4.5 points to 66.7% due to the improved current accident year loss ratio and a positive prior year reserve development.

Expense ratio rose by 1.6 points to 31.3% mainly as a result of higher acquisition costs (staff costs and marketing expenses) in order to sustain premium level in a shrinking market, and an insurance tax provision following a tax audit (€7 million).

As a result, the **combined ratio** improved by 2.9 points to 98.0%.

Net investment result rose by €10 million (+5%) to €201 million mainly explained by higher income from fixed maturities partly offset by lower dividends from equities.

Income tax expenses increased by €51 million to €-64 million due to improved combined ratio and investment income, and the non repeat of the €42 million release of tax provision in 2007 after the positive outcome of a tax audit, partly offset by the lower tax rate in 2008 compared to prior year (32% compared to 40%).
Underlying earnings increased by €15 million (+10%) to €173 million mainly driven by the positive development of combined ratio and investment income, partially offset by higher tax expenses.

Adjusted earnings increased by €11 million (+5%) to €244 million due to higher underlying earnings partly offset by lower net capital gains and losses.

Net income decreased by €41 million (-18%) to €194 million due to unfavorable change in fair value of financial assets under fair value option, mainly due to increased interest rates and corporate spread widening, and negative impact of foreign exchange exposure, as well as higher Winterthur integration costs.

Property & Casualty Operations – Belgium

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,165**	**1,174**	**2,130**
Current accident year loss ratio (net)	79.5%	79.6%	77.6%
All accident year loss ratio (net)	69.5%	68.9%	67.5%
Net technical result	**324**	**330**	**693**
Expense ratio	28.5%	29.5%	29.8%
Net investment result	131	132	235
Underlying operating earnings before tax	**151**	**148**	**290**
Income tax expenses / benefits	(43)	(39)	(73)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**107**	**108**	**216**
Net capital gains or losses attributable to shareholders net of income tax	86	79	119
Adjusted earnings group share	**194**	**187**	**335**
Profit or loss on financial assets (under FV option) & derivatives	(22)	(4)	(29)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(0)	-	-
Integration costs	(9)	(6)	(34)
Net income group share	**161**	**177**	**272**

Gross revenues decreased by €8 million (-1%) to €1,165 million. On a comparable basis, gross revenues increased by €6 million (+1%) to €1,155 million:

- *Personal lines* revenues (61% of gross revenues) were up +1% driven by +1% increase in non Motor mainly resulting from price increase and lower volume in Property.
- *Commercial lines* revenues (39% of gross revenues) were stable at €446 million for both Motor and non Motor.

Net Technical Result decreased by €6 million (-2%) to €324 million:

- *Current accident year loss ratio* improved by 0.1 point to 79.5% mainly due to the non-recurrence of 2007 Kyrill storm partly offset by a deterioration in Motor.
- *All accident year loss ratio* deteriorated by 0.7 point to 69.5% as a result of a lower prior years result (€-8 million) partly offset by the improvement of the current accident year loss ratio.

Expense ratio improved by 1.1 point to 28.5% with an acquisition ratio down -0.8 point driven by lower non commission expenses, partly offset by higher override commissions, and an administrative expense ratio down -0.3 point.

As a result, the **combined ratio** improved by 0.4 point to 98.0%.

Net investment result decreased by €1 million (-1%) to €131 million driven by lower asset yield resulting from the change in assets mix.

Income tax expenses increased by €4 million (+10%) to €-43 million.

Underlying earnings decreased by €1 million (-1%) to €107 million.

Adjusted earnings increased by €6 million (+3%) to €194 million as higher realized capital gains were offset by higher impairments.

Net income decreased by €15 million (-9%) to €161 million mainly as a result of an unfavorable change in fair value on fixed income mutual funds under fair value option due to credit spread increase (€-22 million).

Property & Casualty Operations – Mediterranean Region

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**3,004**	**2,719**	**5,298**
Current accident year loss ratio (net)	74.0%	75.0%	76.5%
All accident year loss ratio (net)	69.0%	71.8%	72.1%
Net technical result	**868**	**713**	**1,453**
Expense ratio	24.7%	24.0%	23.3%
Net investment result	195	194	351
Underlying operating earnings before tax	**369**	**300**	**591**
Income tax expenses / benefits	(105)	(94)	(195)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(22)	(14)	(34)
Underlying earnings group share	**243**	**191**	**362**
Net capital gains or losses attributable to shareholders net of income tax	38	63	172
Adjusted earnings group share	**281**	**254**	**534**
Profit or loss on financial assets (under FV option) & derivatives	(12)	(6)	(16)
Exceptional operations (including discontinued operations)	6	-	(2)
Goodwill and other related intangibles impacts	(3)	(14)	(28)
Integration costs	(5)	(17)	(60)
Net income group share	**266**	**217**	**428**

The scope of the following analysis includes Italy (AXA MPS with a P&L fully consolidated as of 01/01/2008 and an opening balance sheet as of 31/12/2007), Spain, Portugal, Greece, Turkey, Gulf region (consolidated as of 01/01/2008) and Morocco. For volume indicators the comparable basis reflects this scope, for both 2007 and 2008. Seguros ING is out of the scope for HY closing as it will be consolidated in the second half of 2008.

Gross revenues increased by €285 million (+10%) to €3,004 million. On a comparable basis, gross revenues increased by €185 million (+7%) driven by the fast developing countries (Gulf Region and Turkey):

- *Personal lines* (69% of gross revenues) increased by 6% to €2,087 million. Motor business (+5%) benefited from positive volume effect (net inflows amounted to 230k contracts) despite the drop of car sales in the main markets with a flat average premium impacted by the strong competition in Spain, Italy and Portugal. Non Motor lines were up +7%, mainly due to Property and Health driven by the Spanish market.
- *Commercial lines* (31% of gross revenues) increased by 7% to €898 million driven by non motor lines (+9%), especially Health, up +43% (significant corporate contracts in the Gulf region) and Property, up +5% (SME's business), partly offset by Construction (-29%) impacted by the economic slowdown in Spain.

Net technical result increased by €155 million (+22%) to €868 million. On a constant exchange rate basis, net technical result increased by €163 million (+23%) driven by volume effect and the improvement of the loss ratio:

- *Current accident year loss ratio* decreased by 1.0 point to 74.0% driven by a better performance in (i) Commercial lines (notably lower large claims in Motor and Property) and (ii) Personal Motor mainly driven by repricing in Turkey and the actions to reduce claims cost in Italy.
- *Aall accident year loss ratio* decreased by 2.7 points to 69.0% thanks to the improvement of the current year loss ratio and to the favorable development of claims reserves from previous years (mainly Personal Motor lines)

Expense ratio rose by 0.7 point to 24.7% driven by (i) the acquisition ratio, up +0.2 point, due to the increase in marketing investments to support new business in a competitive environment partially offset by the commission ratio

and (ii) an administrative expense ratio, up +0.5 point, mainly driven by the increase in IT costs and the preparation of the launch of a direct channel in Italy.

As a result, the **combined ratio** improved by 2.0 points to 93.8%.

Net investment result remained stable at €195 million as the higher bonds income (volume effect and interest rates increase) was offset by the financing of the purchase of the minority interests of our Turkish entities (effective in the second half of 2008) and lower equity dividends.

Income tax expenses increased by €10 million (+11%) to €-105 million. On a constant exchange rate basis, income tax expenses increased by €11 million, as the increase in pre-tax earnings amounting to €73 million (increasing income tax expenses by €22 million) was partly offset by the tax rate decrease in Spain, Italy and Morocco (decreasing income tax expense by €11 million).

Underlying earnings increased by €51 million (+27%) to €243 million. On a constant exchange rate basis, underlying earnings increased by €53 million.

Adjusted earnings increased by €26 million (+10%) to €281 million. On a constant exchange rate basis adjusted earnings increased by €29 million as the increase in underlying earnings was partly offset by higher impairment on equities.

Net income increased by €48 million (+22%) to €266 million. On a constant exchange rate basis, net income increased by €53 million mainly driven by (i) the increase in adjusted earnings (€+29 million), (ii) the impact of the first time consolidation of Gulf entities (one time recognition of past earnings, €+11 million) and (iii) the lower Winterthur integration costs (€+11 million).

Property & Casualty Operations – Switzerland

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,811**	**1,800**	**1,981**
Current accident year loss ratio (net)	77.6%	79.0%	77.6%
All accident year loss ratio (net)	74.5%	74.4%	75.2%
Net technical result	**258**	**259**	**490**
Expense ratio	18.3%	23.3%	24.0%
Net investment result	95	71	142
Underlying operating earnings before tax	**168**	**92**	**159**
Income tax expenses / benefits	(36)	(19)	(33)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(1)
Underlying earnings group share	**131**	**73**	**125**
Net capital gains or losses attributable to shareholders net of income tax	(32)	1	(6)
Adjusted earnings group share	**99**	**74**	**119**
Profit or loss on financial assets (under FV option) & derivatives	(17)	(6)	(10)
Exceptional operations (including discontinued operations)	-	(3)	(0)
Goodwill and other related intangibles impacts	(10)	(6)	(17)
Integration costs	(4)	(1)	(7)
Net income group share	**67**	**58**	**84**
Average exchange rate : 1.00 € = Swiss Franc	*1.6059*	*1.6313*	*1.6420*

Gross revenues increased by €11 million (+1%) to €1,811 million. On a comparable basis, gross revenues decreased by €17 million (-1%):

- *Personal lines* (50% of gross revenues) remained stable at €914 million reflecting the strong positive net new contracts partly offset by premium reduction in the context of a softening market.
- *Commercial lines* (50% of gross revenues) decreased by 2% to €909 million mainly driven by price pressure in Workers' compensation and Health, the loss of some important contracts in Workers' compensation and the liquidation of the Swiss aviation pool.

Net technical result slightly decreased to €258 million. On a constant exchange rate basis, net technical result decreased by €4 million (-2%):

- *Current accident year loss ratio* improved by 1.4 points to 77.6% mainly driven by non recurrence of large losses due to flood and hail events in June 2007.
- *All accident year net loss ratio* increased by 0.1 point to 74.5% reflecting a lower current year loss ratio offset by a decrease in prior years' results (€-16 million).

Expense ratio improved by 5.0 points to 18.3%, mainly due the one time impact of the change in own pension scheme (€35 million) and higher DAC capitalization resulting from the change to an independent sales organization for tied agents from January 1, 2008.

As a consequence, the **combined ratio** improved by 4.9 points to 92.8%.

Net investment result improved by €24 million (+34%) to €95 million. On a constant exchange rate basis, net investment result increased by €23 million driven by higher volume and investment return, mainly on bonds.

Income tax expenses were up €+17 million (+87%) to €-36 million. On a constant exchange rate basis, income tax expenses increased by €16 million driven by higher income.

Underlying earnings increased by €58 million (+80%) to €131 million. On a constant exchange rate basis, underlying earnings increased by €56 million.

Adjusted earnings improved by €25 million (+34%) to €99 million. On a constant exchange rate basis, adjusted earnings increased by €23 million reflecting higher underlying earnings partly offset by higher impairments (€-30 million) mainly on equities.

Net income increased by €9 million (+16%) to €67 million. On a constant exchange rate basis, net income increased by €8 million including change in fair value on invested assets designated at fair value option (€-7 million) due to equities, foreign currency impact and related derivatives (€-5 million) and higher amortization of customer intangible (€-4 million).

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
Canada	531	520	1,085
Others	443	220	667
South Korea	171	-	203
Japan	95	87	167
Asia (excluding Japan) (a)	112	82	205
Luxembourg	55	46	80
Central and Eastern Europe	10	5	12
TOTAL	**974**	**740**	**1,752**
Intercompany transactions	(7)	(9)	(9)
Contribution to consolidated gross revenues	**966**	**731**	**1,743**

(a) Includes Hong Kong, Singapore and Malaysia (Malaysia has been fully consolidated for the first time in 2007).

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Canada	49	58	125
Others	3	9	22
South Korea	(2)	-	3
Japan	(1)	(2)	0
Asia (excluding Japan) (a)	6	9	18
Luxembourg	6	6	12
Central and Eastern Europe	(6)	(4)	(10)
UNDERLYING EARNINGS	**52**	**67**	**147**
Net realized capital gains or losses attributable to shareholders	3	19	22
ADJUSTED EARNINGS	**55**	**86**	**169**
Profit or loss on financial assets (under Fair Value option) & derivatives	0	1	1
Exceptional operations (including discontinued operations)	-	20	-
Goodwill and related intangibles impacts	(4)	(1)	(5)
Integration costs	-	(0)	(1)
NET INCOME	**51**	**107**	**164**

(a) Includes Malaysia, Hong Kong and Singapore.

CANADA

Gross revenues were up €+11 million (+2%) to €531 million. On a comparable basis, gross revenues increased by €24 million (+5%) as a result of (i) €34 million growth in premiums mainly reflecting increased volume in personal motor and property lines partly offset by (ii) €-10 million resulting from the 24 month policies success in 2007 leading to less renewals in 2008.

Underlying earnings decreased by €9 million (-16%) to €49 million. On a constant exchange rate basis, underlying earnings decreased by €8 million (-14%) mainly resulting from a deterioration of the combined ratio by 4.0 points to 93.5% driven by adverse weather conditions.

Adjusted earnings decreased by €21 million (-30%) to €49 million. On a constant exchange rate basis, adjusted earnings decreased by €20 million (-29%) mainly reflecting lower underlying earnings (€-8 million), and €-12 million impairment on equities resulting from 2008 unfavorable financial market conditions.

Net income decreased by €26 million (-36%) to €46 million. On a constant exchange rate basis, net income decreased by €25 million mainly as a result of lower adjusted earnings (€-20 million) and increased foreign exchange losses (€-4 million) in 2008.

SOUTH KOREA

Gross revenues amounted to €171 million. On a comparable basis (Kyobo AXA contributed to last 6 months of 2007), gross revenues increased by €33 million (+19%), mainly driven by the Motor business, following the strong growth of the portfolio and tariff increases.

The **combined ratio** was 104.5%, with (i) an all accident year loss ratio at 80.6% including 4.1 points from unfavorable reserves development on prior years, and (ii) an expense ratio at 23.9%, benefiting from the tight monitoring of staff and administrative costs.

Underlying earnings and **adjusted earnings** were €-2 million.

Net income was €-4 million, including the amortization of the acquired portfolio.

JAPAN

Gross revenues increased by €8 million (+9%) to €95 million. On a comparable basis, gross revenues increased by €9 million (+10%), mainly driven by motor business growth (+12%).

The **combined ratio** improved by 1.2 point to 102.2%, following a 4.1 points decrease in the all accident year loss ratio due to favorable reserve developments on previous year, partly offset by a 2.9 points increase in the expense ratio mainly driven by higher administrative and marketing costs.

Underlying earnings and **adjusted earnings** increased by €1 million to €-1 million, in line with the improvement of the combined ratio.

Net income increased by €2 million to €0 million, mainly due to higher underlying earnings, combined with gains on mutual funds under fair value option.

ASIA (EXCLUDING JAPAN)

SINGAPORE

Gross revenues increased by €5 million (+9%) to €54 million. On a comparable basis, gross revenues increased by €7 million (+15%), mainly due to Private Motor. Other lines also benefited from some regulatory changes.

Current accident year loss ratio improved by 3.5 points to 66.8%, mainly driven by a better claims experience in Property, partly offset by higher Motor claims. **All accident year loss ratio** increased by 5.1 points to 64.8%, due to less favorable reserves development in Motor business.

As a result, the **combined ratio** deteriorated by 3.3 points to 94.4%.

Underlying earnings decreased by €1 million (-29%) to €3 million. On a constant exchange rate basis, underlying earnings decreased by €1 million (-26%) due to lower underwriting results and a reduction in the investment income.

Adjusted earnings decreased by €2 million (-28%) to €5 million. On a constant exchange rate basis, adjusted earnings decreased by €2 million (-25%) due to lower underlying earnings and lower capital gains.

Net income decreased by €2 million (-28%) to €5 million. On a constant exchange rate basis, net income decreased by €2 million (-25%) in line with adjusted earnings.

HONG KONG

Gross revenues decreased by €6 million (-19%) to €26 million. On a comparable basis, gross revenues decreased by €2 million (-8%), mainly due to the Motor business following strong market competition.

The **combined ratio** improved by 1.9 points to 101.9%, mainly due to a lower expense ratio in the Motor business and an improvement in underwriting results from the non recurrence of 2007 large claims partly offset by the 2008 'Black Rain' claims.

Underlying earnings were stable at €2 million.

Adjusted earnings decreased by €2 million (-31%) to €4 million. On a constant exchange rate basis, adjusted earnings decreased by €1 million (-21%), mainly due to €1 million reduction in realized gains from equities.

Net income decreased by €2 million (-33%) to €4 million. On a constant exchange rate basis, net income decreased by €1 million (-23%), in line with adjusted earnings.

MALAYSIA

Gross revenues amounted to €32 million. On a comparable basis, gross revenues increased by €4 million (+15%) mainly attributable to growth in Personal lines by €2 million and Commercial lines by €2 million.

Combined ratio reached 93.6% with some negative prior year developments (mainly in Motor).

Underlying earnings decreased by €2 million to €1 million, due to higher combined ratio.

Adjusted earnings decreased by €1 million to €2 million following lower underlying earnings.

Net income decreased by €1 million to €2 million, in line with adjusted earnings.

CENTRAL AND EASTERN EUROPE (POLAND)

Gross revenues increased by €4 million (+81%) to €10 million reflecting the positive development of the motor business.

Underlying Earnings and Adjusted Earnings decreased by €3 million to €-6 million mainly due to an increase in general expenses resulting from the recent launch of the activity.

Net income decreased by €1 million to €-5 million reflecting the underlying earnings evolution offset by a €1 million realized gain on foreign exchanges.

International Insurance Segment

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

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
AXA Corporate Solutions Assurance	1,234	1,214	1,823
AXA Cessions	61	60	69
AXA Assistance	407	392	809
Other (a)	40	887	1,002
TOTAL	**1,742**	**2,553**	**3,703**
Intercompany transactions	(69)	(64)	(135)
Contribution to consolidated gross revenues	**1,673**	**2,489**	**3,568**

(a) Including €-7 million in the first half 2008 (€826 million in the first half 2007 and €896 million in 2007) of business fronted by AXA RE and fully reinsured by Paris RE (fronting arrangement set in place from January 1, 2006 to September 30, 2007 in the context of the sale of AXA RE's business to Paris RE).

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
AXA Corporate Solutions Assurance	46	58	97
AXA Cessions	6	1	13
AXA Assistance	10	10	19
Other (a)	109	50	89
UNDERLYING EARNINGS	**172**	**119**	**218**
Net realized capital gains or losses attributable to shareholders	7	20	23
ADJUSTED EARNINGS	**179**	**139**	**241**
Profit or loss on financial assets (under Fair Value option) & derivatives	(24)	(13)	(1)
Exceptional operations (including discontinued operations)	-	1	3
Goodwill and related intangibles impacts	-	-	-
Integration costs	-	-	-
NET INCOME	**155**	**127**	**243**

(a) Including AXA RE and other non life run-off businesses managed by AXA Liabilities Managers and AXA RE Life.

AXA Corporate Solutions Assurance

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,234**	**1,214**	**1,823**
Current accident year loss ratio (net) (a)	101.2%	91.2%	94.1%
All accident year loss ratio (net)	88.8%	88.1%	87.8%
Net technical result	**112**	**112**	**220**
Expense ratio	13.1%	12.4%	12.3%
Net investment result	83	97	163
Underlying operating earnings before tax	**64**	**92**	**161**
Income tax expenses / benefits	(17)	(34)	(63)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(1)
Underlying earnings group share	**46**	**58**	**97**
Net capital gains or losses attributable to shareholders net of income tax	2	20	27
Adjusted earnings group share	**48**	**78**	**124**
Profit or loss on financial assets (under FV option) & derivatives	(23)	(9)	1
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	-	-	-
Net income group share	**25**	**70**	**125**

(a) Current accident year claim charges (including claims handling expenses) / Current accident year earned revenues (excluding premium adjustments on previous years).

Gross revenues increased by €19 million (+2%) to €1,234 million. On a comparable basis, gross revenues increased by €66 million (+6%) driven by positive volume effect in Marine, Construction, Liability and Property, partly offset by tariff pressure.

Net technical result remained stable at €112 million.

- *Current accident year net technical result* decreased by €89 million to €-12 million reflecting several large losses in property (including natural events in China). Current year loss ratio reached 101.2% (+10 points).
- *The prior accident year net technical result* increased by €89 million to €123 million due to positive reserve developments in all lines of business.

As a consequence, the **all accident year loss ratio** increased by 0.8 point to 88.8%.

Expense ratio increased by 0.7 point to 13.1% resulting from commission increase mainly due to a change in business mix towards products with higher commission rate.

As a result, the **combined ratio** increased by 1.5 points to 101.9%.

Net investment result decreased by €14 million (-14%) to €83 million mostly due to a lower asset yield.

Income tax expenses decreased by €17 million (-50%) to €-17 million mainly reflecting the booking of deferred tax assets on prior year tax losses on foreign branches, together with a decrease in taxable result.

As a consequence, **underlying earnings** decreased by €12 million (-20%) to €46 million.

Adjusted earnings decreased by €30 million (-39%) to €48 million reflecting the underlying earnings decrease and €13 million lower net realized gains coupled with €6 million higher impairments in a context of volatile financial markets.

Net income decreased by €45 million (-64%) to €25 million reflecting the adjusted earnings negative impact combined with a €-22 million change in fair value on mutual funds exposed to credit, partly offset by a €6 million gain corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years.

AXA Cessions

Underlying earnings increased by €5 million to €6 million driven by the €5 million improvement on the technical margin (2007 Kyrill storm impact was €-3 million).

Adjusted earnings increased by €5 million to €6 million in line with underlying earnings evolution.

Net income increased by €4 million to €5 million.

AXA Assistance

Gross Revenues increased by €15 million (+4%) to €407 million. On a comparable basis, gross revenues increased by €24 million (+7%).

Underlying Earnings and **Adjusted Earnings** were stable at €10 million while **Net Income** decreased by €3 million to €8 million.

Other international activities

Gross Revenues amounted to €40 million. On a comparable basis, gross revenues decreased by €6 million (-10%) mainly driven by the Life run-off activity (-6% to €35 million) and the Non-Life run-off activity (-24% to €2 million) managed by AXA Liabilities Managers.

Underlying Earnings increased by €59 million to €109 million. On a constant exchange rate basis, underlying earnings increased by €63 million mainly driven by (i) a €51 million pre-tax profit on settlements with two large cases, (ii) a lower asbestos reserves strengthening (€+32 million pre tax), and (iii) a positive tax impact (up €+16 million to €4 million) notably due to the booking of a deferred tax asset on past net operating losses in the US, partly offset by (i) lower positive non asbestos reserves development (down €-42 million to €58 million pre-tax) and (ii) losses on the life run-off portfolio (from €+20 million to €-4 million) driven by the stock market and unfavorable interest rate conditions on the Asset Based Reinsurance portfolio.

Adjusted Earnings increased by €66 million to €115 million. On a constant exchange rate basis, adjusted earnings increased by €70 million reflecting the underlying earnings increase together with a €+6 million net realized gains.

Net Income increased by €71 million to €116 million. On a constant exchange rate basis, net income increased by €75 million reflecting the adjusted earnings increase together with a €+6 million positive impact on foreign exchange.

Asset Management Segment

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

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
AllianceBernstein	1,402	1,625	3,277
AXA Investment Managers	891	987	2,006
TOTAL	**2,293**	**2,613**	**5,283**
Intercompany transactions	(191)	(206)	(420)
Contribution to consolidated gross revenues	**2,102**	**2,407**	**4,863**

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
AllianceBernstein	128	151	314
AXA Investment Managers	158	136	276
UNDERLYING EARNINGS	**285**	**286**	**590**
Net realized capital gains or losses attributable to shareholders	-	1	1
ADJUSTED EARNINGS	**285**	**287**	**591**
Profit or loss on financial assets (under Fair Value option) & derivatives	(93)	14	3
Exceptional operations (including discontinued operations)	10	(7)	(2)
Goodwill and related intangibles impacts	(4)	-	-
Integration costs	(1)	(2)	(5)
NET INCOME	**198**	**292**	**588**

AllianceBernstein

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,402**	**1,625**	**3,277**
Net investment result	(26)	22	2
General expenses	(977)	(1,185)	(2,306)
Underlying operating earnings before tax	**400**	**463**	**973**
Income tax expenses / benefits	(132)	(143)	(313)
Minority interests	(140)	(169)	(346)
Underlying earnings group share	**128**	**151**	**314**
Net capital gains or losses attributable to shareholders net of income tax	-	1	1
Adjusted earnings group share	**128**	**152**	**315**
Profit or loss on financial assets (under FV option) & derivatives	(12)	-	-
Exceptional operations (including discontinued operations)	10	(7)	(2)
Goodwill and other related intangibles impacts	(4)	-	-
Integration costs	-	-	-
Net income group share	**122**	**145**	**313**
Average exchange rate : 1.00 € = $	*1.5309*	*1.3298*	*1.3699*

Assets under Management ("AUM") decreased by €89 billion from year end 2007 to €455 billion at the end of June 2008, driven by net outflows of €-4 billion (€-5 billion for Retail, €1 billion for Institutional), market depreciation of €-51 billion and negative exchange rate impact of €-34 billion.

Gross revenues decreased by €223 million (-14%) to €1,402 million. On a comparable basis, gross revenues decreased by €10 million (-1%), as the increase in management fees up +1% (€+15 million) driven by higher average asset under management (+0.5%, of which Global & International services +11%) and a favorable client and product mix, was offset by a decrease in performance fees down -71% (€-21 million) and distribution fees down -6% (€-10 million). Institutional Research Services continued to grow with fees up +13% (€20 million).

Net Investment result decreased by €48 million to €-26 million. On a constant exchange rate basis, net investment result decreased by €52 million, notably as a result of a decrease of €41 million in deferred compensation investment market value which is offset by general expenses.

General expenses decreased by €208 million (-18%) to €-977 million. On a constant exchange rate basis, general expenses decreased by €60 million (-5%) due to (i) compensation expenses (-6% or €-41 million) from deferred compensation market effect (which is offset by net investment result), and (ii) promotion and servicing (-6% or €-14 million) from lower sales.

The **Underlying cost income ratio** decreased by 1.0 point to 67.6%.

Income tax expenses decreased by €11 million (-8%) to €-132 million. On a constant exchange rate basis, income tax expenses increased by €9 million (+6%) due to a higher effective tax rate resulting from growth in earnings from foreign subsidiaries.

Underlying earnings decreased by €23 million (-15%) to €128 million. On a constant exchange rate basis, underlying earnings decreased by €4 million (-3%).

Adjusted earnings decreased by €24 million (-16%) to €128 million. On a constant exchange rate basis, adjusted earnings decreased by €5 million (-3%).
Net income decreased by €23 million (-16%) to €122 million. On a constant exchange rate basis, net income decreased by €4 million (-3%).

AXA Investment Managers ("AXA IM")

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**891**	**987**	**2,006**
Net investment result	66	24	38
General expenses	(713)	(767)	(1,577)
Underlying operating earnings before tax	**244**	**244**	**466**
Income tax expenses / benefits	(62)	(84)	(141)
Minority interests	(25)	(24)	(49)
Underlying earnings group share	**158**	**136**	**276**
Net capital gains or losses attributable to shareholders net of income tax	-	-	-
Adjusted earnings group share	**158**	**136**	**276**
Profit or loss on financial assets (under FV option) & derivatives	(81)	14	3
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(1)	(2)	(5)
Net income group share	**76**	**148**	**274**

Assets Under Management ("AUM") decreased by €22 billion to €527 billion from year-end 2007 as €6 billion net new money (including €9 billion in Main funds, €1 billion in Institutional and €-4 billion in retail clients), and €6 billion change in scope (AXA MPS for €10 billion and the Netherlands for €-4 billion), were more than offset by €-22 billion negative market impact due to the equity market turmoil, and €-10 billion unfavorable exchange rate impact.

Gross revenues decreased by €96 million (-10%) to €891 million, or by €55 million (-6%) on a comparable basis. Excluding fees retroceded to distributors, gross revenues decreased by 1% as growth in average AUM (2.6% including Winterthur Integration) was more than offset by lower performance fees, an unfavorable client and product mix (impact of the equity market turmoil and higher share of fixed income with Winterthur integration) and the decrease in retail business.

Net investment result increased by €42 million (+177%) to €66 million mainly due to a significant carried interest (€58 million) related to the performance of a real estate fund.

General expenses decreased by €54 million (-7%) to €-713 million, mainly explained by lower commissions paid to third party distributors, in line with the gross revenues decrease, and lower staff incentive.

Underlying cost income ratio improved by 0.3 point to 65.3%.

Income tax decreased by €22 million (-26%) to €-62 million mainly driven by a non recurring tax impact from real estate funds.

Underlying and **adjusted earnings** increased by €22 million (+16%) to €158 million. On a constant exchange rate basis, underlying earnings increased by €30 million (+22%).

Net income decreased by €71 million (-48%) to €76 million. On a constant exchange rate basis, net income decreased by €63 million (-43%) as the increase in adjusted earnings was more than offset by negative change in fair value of "AWF and FIIS US" Libor plus funds (€-64 million) as well as negative impacts coming from carried interest change in fair value of real estate funds and foreign exchange.

Banking

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

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
Axa Bank Europe (Belgium)	138	127	246
AXA Banque (France)	35	26	85
Others (a)	34	14	43
TOTAL	**206**	**168**	**374**
Intercompany transactions	(10)	(14)	(35)
Contribution to consolidated gross revenues	**197**	**153**	**339**

(a) Includes notably German banks.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Axa Bank Europe (Belgium)	35	13	40
Axa Banque (France)	(8)	0	0
Others (a)	(3)	(2)	(4)
UNDERLYING EARNINGS	**24**	**11**	**36**
Net realized capital gains or losses attributable to shareholders	(5)	3	(5)
ADJUSTED EARNINGS	**19**	**14**	**31**
Profit or loss on financial assets (under Fair Value option) & derivatives	(4)	(8)	(0)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and related intangibles impacts	(0)	-	(0)
Integration costs	(3)	(1)	(25)
NET INCOME	**11**	**5**	**6**

(a) Includes notably German banks.

AXA Bank Europe (Belgium)

Net banking revenues increased by €11 million (+8%) to €138 million. On a comparable basis, net banking revenues increased by €11 million (+10%) mainly due to higher net interest and fee income, partly offset by lower realized capital gains, mainly on equities, and lower unrealized capital gains driven by mutual funds and derivatives.

Underlying earnings increased by €22 million (+167%) to €35 million mainly due to a higher interest margin (€+32 million) partly offset by an increase in expenses (€-6 million) following the expansion of the banking activity to other countries and lower reversal of provision on credit losses (€-5 million) further to the implementation of Basel II in 2007.

Adjusted earnings increased by €14 million (+88%) to €30 million notably driven by the increase in underlying earnings (€+22 million) partly offset by a decrease in realized capital gains on equities (€-4 million) and higher impairments on equities (€-4 million).

Net income increased by €4 million (+20%) to €23 million driven by the increase in adjusted earnings partly offset by mutual funds (€-8 million) and higher Winterthur integration costs (€-2 million).

AXA Banque (France)

Net banking revenues increased by €7 million (+24%) to €35 million. On a comparable basis, net banking revenues increased by €13 million (+55%).

Underlying Earnings and **adjusted Earnings** decreased by €8 million to €-8 million, mainly driven by a €6 million expenses increase due to advertising campaigns, staff and moving costs .

Net Income increased by €1 million to €-11 million, reflecting the underlying earnings evolution more than offset by the lower negative impact of the change in fair value of macro-hedge derivatives instruments (from €-12 million to €-3 million) due to a lower interest rate increase.

Other

AXA BANK (GERMANY)

Net banking revenues decreased by €1 million (-12%) to €10 million. On a comparable basis, net banking revenues decreased by 4% due to a reduced commission margin mainly from lower fees on custody business.

Underlying earnings, **adjusted earnings** and **net income** decreased by €1 million to €-1 million in line with lower net banking revenues.

Holdings and other companies

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
AXA	(114)	(45)	(224)
Other French holdings companies	(5)	(21)	(9)
Foreign holdings companies	(134)	(117)	(202)
Others (a)	8	2	20
UNDERLYING EARNINGS	**(245)**	**(181)**	**(414)**
Net realized capital gains or losses attributable to shareholders	282	1	27
ADJUSTED EARNINGS	**37**	**(180)**	**(388)**
Profit or loss on financial assets (under Fair Value option) & derivatives	(275)	(89)	(365)
Exceptional operations (including discontinued operations)	0	(1)	483
Goodwill and related intangibles impacts	0	0	0
Integration costs	0	(22)	(17)
NET INCOME	**(238)**	**(292)**	**(287)**

(a) Includes notably CDOs and Real Estate entities.

AXA[10]

Underlying earnings decreased by €69 million to €-114 million mainly due to:

- €-51 million due to a higher financial charge notably related to external growth financing and internal refinancing,
- €-12 million due to the increase of the share based compensation costs to €-46 million, mainly due to the AXA Miles Program.

Adjusted earnings increased by €191 million to €146 million driven by €+284 million increase in the intrinsic value of equity derivatives set up to reduce the Group exposure to equities partly offset by underlying earnings evolution.

Net income increased by €63 million to €-91 million, mainly driven by:

- €+191 million related to adjusted earnings evolution,
- €+22 million stemming from the non-recurrence of half year 2007 Winterthur integration costs,

partly offset by

- €-27 million change in the mark to market of interest rate and foreign exchange derivatives instruments which are not eligible to hedge accounting (total of the change in mark to market amounted to €-115 million of which €-74 million on interest rate derivatives and €-41 million on foreign exchange instruments notably covering debt instruments accounted for in shareholders' equity), and
- €-122 million related to the decrease in the time value of equity derivatives set up to reduce the Group exposure to equities

[10] *All the figures are after tax*

In order to reduce the exposure of AXA's shareholders equity to equity investments and to limit the Solvency I coverage ratio volatility, AXA decided to hedge its direct equity exposure on Property & Casualty businesses and non participating Life businesses.

Hedges were set up in June with options through a put spread strategy financed by the sale of call options. At maturity, this will neutralize (i) the potential losses of the equity portfolio if the equity markets decrease below the strike prices of the put options bought (included in a [98.5%; 106.5%] range versus closing price as at June 30, 2008) but do not decrease below the strike price of the put options sold (included in a [80.1% ; 85.2%] range versus closing price as at June 30, 2008), and (ii) the potential upside above the strike prices of the call options sold (included in a [113.2%;124.8%] range versus closing price as at June 30, 2008).

At June closing, €12 billion of hedges were implemented, mainly on the Euro stoxx 50 for €10,8 billion, and the mark-to-market of this strategy was €299 million including an intrinsic value of €434 million (€284 million after tax).

The hedging program has been fully completed early July with a €2 billion additional amount. Maturity dates are from June 2009 to March 2010.

Other French holding companies

AXA France Assurance.

Underlying Earnings, Adjusted Earnings and **Net Income** increased by €12 million to €-13 million, mainly due to lower tax expenses (€+10 million) resulting from lower dividends (eliminated in consolidation) received from operational entities.

Other French holdings.

Underlying earnings increased by €4 million to €8 million due to higher investment income.
Adjusted earnings increased by €36 million to €40 million resulting from net realized capital gains (€32 million).
Net income increased by €37 million to €31 million mainly driven by adjusted earnings.

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings increased by €12 million (+20%) to €-48 million. On a constant exchange rate basis, underlying earnings increased by €5 million (+8%) mainly due to a €5 million decrease in stock-based compensation expenses to €-9 million.

Adjusted earnings increased by €12 million (+20%) to €-48 million. On a constant exchange rate basis, adjusted earnings increased by €5 million (+8%) in line with underlying earnings evolution.

Net income increased by €10 million (+16%) to €-49 million. On a constant exchange rate basis, net income increased by €2 million (+4%) reflecting the higher adjusted earnings partially offset by a negative impact from the mark to market on interest rate swaps.

AXA Asia Pacific Holdings [11]

Underlying earnings increased by €3 million (+28%) to €-8 million. On a constant exchange rate basis, underlying earnings increased by €3 million (+27%) to €-8 million mainly due to tax benefits recorded on Asian regional office costs.

Adjusted earnings increased by €5 million (+38%) to €-8 million. On a constant exchange rate basis, adjusted earnings increased by €5 million (+38%) due to the non recurrence of a passive income tax incurred in 2007 in relation to investment portfolios in Hong Kong.

Net income decreased by €2 million (-25%) to €-9 million. On a constant exchange rate basis, net income decreased by €2 million (-25%) due to unfavorable fair value movements on derivatives.

AXA UK Holdings

Underlying earnings decreased by €3 million (-9%) to €-30 million. On a constant exchange rate basis, underlying earnings decreased by €7 million (-25%) primarily resulting from increased financing costs, partially offset by favorable tax variances.
Adjusted earnings decreased by €3 million (-10%) to €-30 million. On a constant exchange rate basis, adjusted earnings decreased by €7 million (-26%) in line with underlying earnings.
Net income decreased by €31 million (-123%) to €-56 million. On a constant exchange rate basis, net income decreased by €39 million (-156%) reflecting adjusted earnings evolution together with a €33 million exchange rate loss primarily arising from the revaluation of Euro-denominated inter-company loans.

German Holding companies

Underlying earnings decreased by €20 million to €-24 million mainly driven by €17 million higher income taxes due to the use of the remaining tax loss carried forward in 2007.

Adjusted earnings decreased by €33 million to €-35 million driven by lower underlying earnings and higher impairments on equities.

Net income decreased by €32 million to €-35 million driven by adjusted earnings.

Belgium Holding companies

Underlying earnings decreased by €2 million (-28%) to €-11 million.
Adjusted earnings decreased by €2 million (-29%) to €-11 million.
Net income decreased by €2 million (-21%) to €-11 million.

Other

CFP

Underlying earnings, **Adjusted earnings** and **Net income** increased by €7 million to €9 million due to a higher contribution of the run-off portfolios in 2008.

[11] *AXA interest in AXA Asia Pacific Group is 53.91% broken down into 53.15% direct interest holding and an additional 0.77% owned by the AAPH Executive plan trust.*

Outlook

Provided that market conditions do not deteriorate materially, AXA's FY08 underlying earnings should be in line with 2007 record performance.

It is management's current intention to propose a stable dividend for 2008[12] at €1.20 per share.

[12] *To be paid in 2009.*

Glossary

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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

ADJUSTED EARNINGS

Adjusted earnings represent the net income (group share) before:

(i) The impact of exceptional operations (primarily change in scope, including integration costs related to a newly acquired company).

(ii) Goodwill and other related intangible impacts, and

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

Derivatives related to invested assets:

- include all foreign exchange derivatives, except the ones related to currency options in earnings hedging strategies, which are included in underlying earnings,
- exclude derivatives related to insurance contracts evaluated according to the “selective unlocking” accounting policy,
- and also exclude derivatives involved in the economic hedging of realized gains and impairments of equity securities and real estate backing general account and shareholders’ funds, for which cost at inception, intrinsic value and pay-off flow though adjusted earnings, and only time value flows through net income.

UNDERLYING EARNINGS

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

Net realized gains or losses attributable to shareholders include:

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

EARNINGS PER SHARE

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

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

LIFE & SAVINGS MARGIN ANALYSIS

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

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

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

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

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

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

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

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

- For investment contracts without DPF:

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

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

Underlying Investment margin includes the following items:

(i) Net investment income

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

Underlying Fees & Revenues include:

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

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

(iii) Loading on (or contractual charges included in) premiums / deposits received on all non unit-linked product lines,

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

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

Underlying Net Technical result includes the following components:

(i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefits and claims. It is equal to the difference between income for assuming risk and the

actual cost of benefits, including changes in valuation assumptions and additional reserves for mortality risk. This margin does not include the claims handling costs and change in claims handling cost reserves,

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

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

(iv) Other changes in insurance reserves and economic hedging strategy impacts related to insurance contracts valuated according to the "selective unlocking" accounting policy allowing Liability adjustment so as to better reflect the current interest rates for these contracts,

(v) Ceded reinsurance result.

Underlying Expenses are:

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

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

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

(iv) Administrative expenses,

(v) Claims handling costs,

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

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

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

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

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

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

(i) Earned premiums, gross of reinsurance,

(ii) Claims charges, gross of reinsurance,

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

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

Underlying expense ratio is the ratio of:

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

(ii) Earned revenues, gross of reinsurance.

Underlying expenses include two components: expenses (including commissions) related to acquisition of contracts (with the related **acquisition ratio**) and all other expenses (with the related **administrative expense ratio**).

Underlying expenses excludes customer intangible amortization and integration costs related to newly acquired company.

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

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

(ii) Earned revenues, gross of reinsurance.

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

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

(ii) Earned revenues, gross of reinsurance.

The **underlying combined ratio** is the sum of (i) the underlying expense ratio and (ii) the loss ratio (all accident years).

ASSET MANAGEMENT

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

Underlying Cost Income Ratio: general expenses including distribution revenues / gross revenues excluding distribution fees.