# Half Year 2006 Earnings

## August 3, 2006

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# Cautionary statements concerning forward-looking statements

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives (including statements herein with respect to (a) AXA's Ambition 2012 project and the objectives, financial and other, associated with that project, and (b) Winterthur's proposed acquisition by AXA announced on June 14, 2006).

Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by numerous factors that could cause actual results and AXA’s plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). These risks and uncertainties include, without limitation, the risk that the AXA and Winterthur businesses will not be integrated successfully; the costs related to the transaction; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals and consents, the risk of future catastrophic events (including possible future pandemic and/or weather-related catastrophic events and/or terrorist related incidents), economic and market developments, legislative developments, regulatory actions or investigations, as well as litigations and /or other proceedings.

Please refer to AXA's Annual Report on Form 20-F and Document de Référence for the year ended December 31, 2005, 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.

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# Note

All first half 2006 information coming from AXA's consolidated financial statements has given rise to a limited review by AXA's independent auditors.

AXA's 1H06 results have been prepared in accordance with IFRS, including IAS 34 related to Interim Financial Reporting, and IFRIC interpretations applicable and endorsed by the European Commission as of June 30, 2006.

Adjusted and underlying earnings are non-GAAP measures and as such are not audited, may not be comparable to similarly titled measures reported by other companies and should be read together with our GAAP measures. Management uses these non-GAAP measures as key indicators of performance in assessing AXA's various businesses and believes that the presentation of these measures provides useful and important information to shareholders and investors as measures of AXA's financial performance. Adjusted and underlying earnings are reconciled to net income in slide 28 of this presentation.

Adjusted Earnings are:

Net income before the impact of exceptional operations, goodwill and related intangibles amortization/impairments, and profit or loss on financial assets under the fair value option and derivatives. For more details see glossary in the Management Report.

Underlying Earnings are:

Adjusted earnings excluding net realized capital gains attributable to shareholders.

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# 1H06 constitutes another successful milestone reaching Ambition 2012

- Strong and profitable organic top line growth across the board

- Further profitability improvement in all business lines resulting in very strong earnings growth

- Acquisitions & disposal improving risk profile and profit outlook

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# 1H06 performance: acceleration of top line growth

| Growth on a comparable basis | Δ FY05 / FY04 | Δ 1H06 / 1H05 | Long-term growth targets |
|---|---|---|---|
| Life & Savings APE(1) | +11% | **+17%** | +5% / +10% |
| Property & Casualty revenues | +3% | **+4%** | +3% / +5% |
| Asset Management revenues | +14% | **+31%** | >+10% |

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(1) Annual Premium Equivalent (APE) = 100% of new business regular premiums + 10% of new business single premiums. APE is group share.

# All Group's business segments improve their profitability

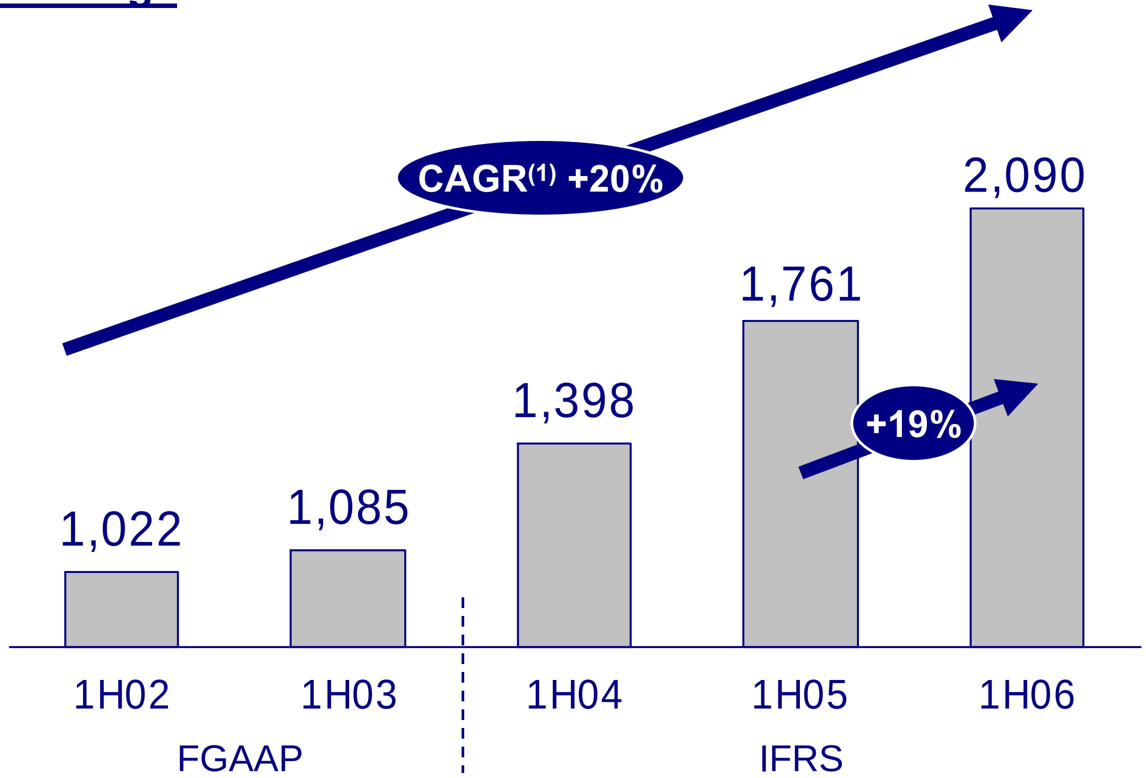
| | 1H06 | Δ 1H06 / 1H05 (1) |
|---|---|---|
| **Life & Savings** | | |
| New Business Value (NBV) | € 670 m | +30% |
| NBV/APE margin | 21.9% | +2.2 pts |
| **Property & Casualty** | | |
| Combined Ratio | 96.9% | -0.6 pt |
| Underlying earnings | €780m | +11% |
| **Asset Management** | | |
| Cost Income Ratio: | | |
| AllianceBernstein | 70.0% | -1.9 pts |
| AXA IM | 70.5% | -5.2 pts |

(1) On a comparable basis for Life & Savings NBV and NBV to APE margin.

## Strong underlying earnings' growth

**Underlying Earnings**

Euro million

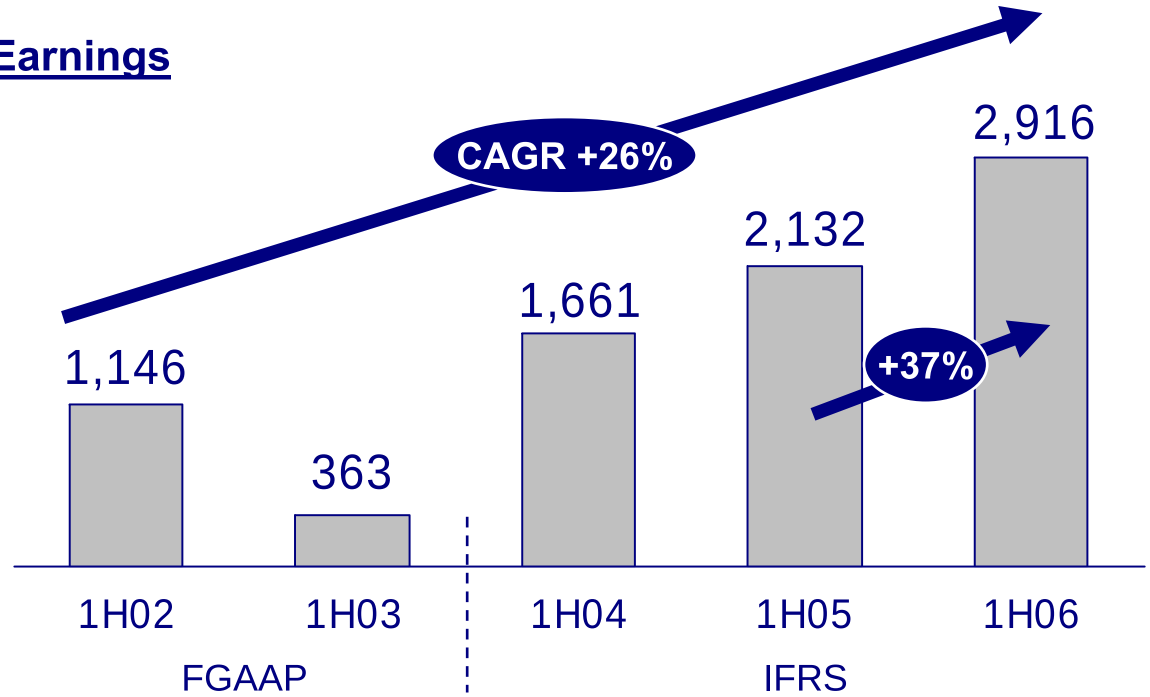



(1) Compounded Annual Growth Rate.

# Adjusted earnings growth was fuelled by a high level of realized gains in the first 4 months of 2006

**Adjusted Earnings**

Euro million




| Net realized capital gains/losses attrib. to shareholders: | 1H02 | 1H03 | 1H04 | 1H05 | 1H06 |
|---|---|---|---|---|---|
| | +213 | -722 | +263 | +370 | +826 |

➔ **Bodes well for dividend distribution capacity**

# In 1H06, we have taken a number of strategic initiatives to enhance growth and reduce results volatility

**Closing of acquisitions**

- Closing of Citadel acquisition in Canada (Euro 221m) in March 2006 (P&C)
- Closing of MLC Hong Kong and Indonesia acquisition (Euro 357m) in May 2006 (L&S)

**AXA IM joint ventures**

- JV agreement in China with Shanghai Pudong Development Bank (8th largest bank) & Shanghai Dragon (leading private equity firm) to set up a fund mgt company (June '06)
- Advanced discussions for a similar JV with one of India's largest and fastest growing companies

**Minority buyout in Germany**

- The shareholders meetings of AXA Konzern AG and KVAG have approved in July the squeeze-outs of the respective 3.2% and 0.4% minority shareholders of AXA Konzern and KVAG (Euro 144m)

**Divestiture of Reinsurance activity**

- Signing of a definitive binding agreement to cede AXA RE's business to Paris Re Holdings in June 2006 with closing expected in January 2007: capital gain of approx. Euro 120m pre-tax

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# The proposed acquisition of Winterthur is a step further in AXA's growth story

**Reinforcing AXA in core European and Asian markets**

- Bolt-on acquisitions in 5 key European markets for AXA
- Leading position in Switzerland
- Growing foothold in high growth markets in CEE and Asia

**Increasing the benefits of being global**

- Efficiency of global platform
- Scale and diversification
- Distribution

**Value-enhancing transaction**

- Attractive price and low integration risk
- Expected annual cost savings of Euro 280m pre-tax(1) fully phased from end 2008
- Accretive to adjusted EPS(2) from 2007 and by +7% in 2009

**Timing**

- Integration planning teams are already at work
- Expected closing around year-end 2006

(1) Net of policyholder benefits and minority interests.
(2) On a fully diluted basis.

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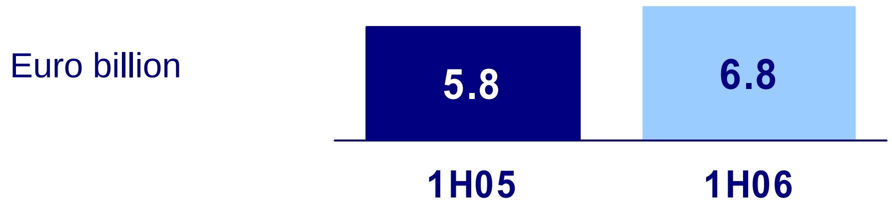
# Sustained business growth in Life & Savings and Asset Management

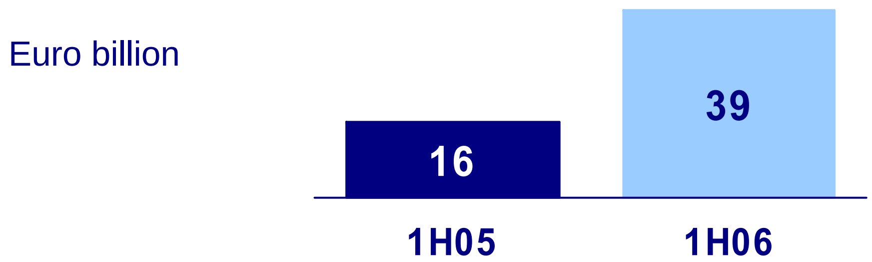
**Life & Savings**

- APE up 17%, with unit-linked products up 28% to represent 49% of APE
- NBV up 30%, mainly driven by volume and unit cost improvement, resulting in an NBV to APE margin up 2.2 pts to 21.9%
- Increasing technical operating cash flows[1]:




**Asset Management**

- Revenues up 31%, driven by average AUM, up 19% from 1H05, and by an improved business mix from the increased portion of 3rd party AUM
- Strong net inflows[2] at both AXA IM (Euro 15bn) and AllianceBernstein (Euro 23bn):



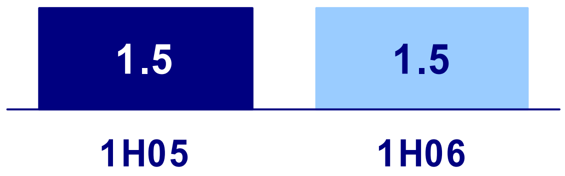

Note: all growth rates are on a comparable basis (constant exchange rates and scope).
(1) Technical operating cash flows = Premiums & deposits net of surrenders & other benefits. Excluding With Profits and mutual fund businesses.
(2) Sales net of redemptions. 1H05 excludes the impact of the sale of Alliance Cash Management Services.

# Good performance of P&C in a competitive pricing environment

**P&C**

- Revenues up 4%, performing well in a competitive pricing environment, with strong contract inflows:
  - Individual lines up 4%
    - ➔ individual motor inflows of +556,000 contracts
    - ➔ Individual household inflows of +143,000 contracts
  - Commercial lines up 3%
- Net operating cash flows[(1)]:

Euro billion




Note: all growth rates are on a comparable basis (constant exchange rates and scope).
(1) Net operating cash flows including expenses, taxes, investment income and changes in net working capital.

# Strong 1H06 underlying earnings performance with double-digit growth

| Euro million | 1H05 | 1H06 | Change | Change at cst. FX |
|---|---|---|---|---|
| Life & Savings | 972 | 1,224 | +26% | +24% |
| Property & Casualty | 695 | 780 | +12% | +11% |
| International Insurance(1) | 103 | 64 | -38% | -39% |
| Asset Management | 154 | 233 | +51% | +47% |
| OFS & Holdings | -163 | -212 | -- | -- |
| **Underlying earnings** | **1,761** | **2,090** | **+19%** | **+17%** |

(1) 1H05 underlying earnings for International Insurance included Euro 55m of AXA RE as a going concern entity. Excluding these Euro 55m from 1H05 earnings, International Insurance underlying earnings were up 34% (or 32% at constant FX) and total underlying earnings were up 22% (or 20% at constant FX).

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# Life & Savings: strong underlying earnings growth (+24%)

| **Underlying earnings** *(Euro million)* | **1H05** | **1H06** | **Change at cst FX** |
|---|---|---|---|
| US | 388 | 488 | +20% |
| France | 249 | 308 | +24% |
| Japan | 118 | 130 | +12% |
| AXA APH(1) | 66 | 88 | +31% |
| UK | 43 | 80 | +86% |
| Benelux | 64 | 68 | +6% |
| Germany | 15 | 28 | +82% |
| Southern Europe | 25 | 25 | +1% |
| Other countries | 5 | 10 | +96% |
| **Total Life & Savings** | **972** | **1,224** | **+24%** |

- Excluding Japan's 1H05 positive non-recurring items (Euro 47m), Life & Savings 1H06 underlying earnings are up 30%(2) compared to 1H05

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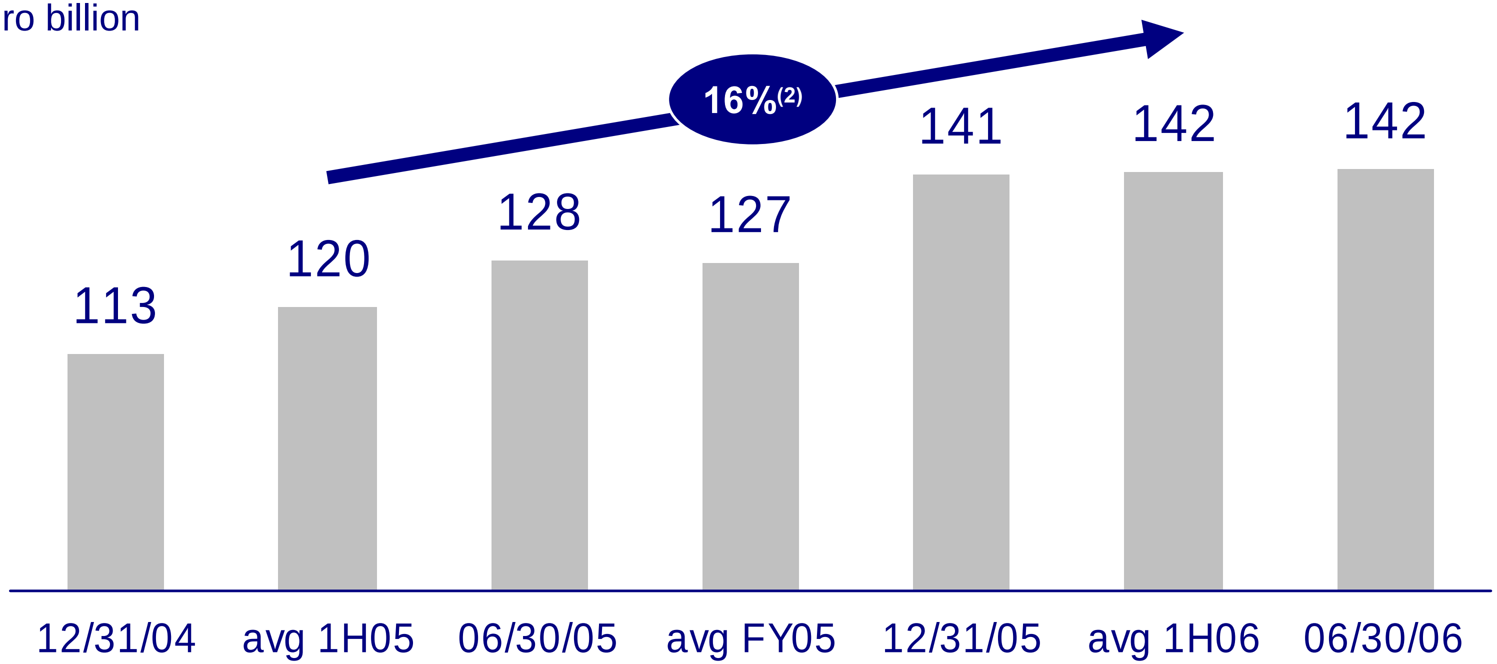
(1) Australia/New-Zealand + Hong Kong + Singapore.
(2) At constant exchange rates.

# Life & Savings separate account evolution reflecting strong unit-linked new business flows

**Life & Savings separate account balances[1]**

Euro billion




Separate account balances as a % of Life & Savings gross reserves:

| 12/31/04 | | 06/30/05 | | 12/31/05 | | 06/30/06 |
|---|---|---|---|---|---|---|
| 33% | | 35% | | 37% | | 37% |

(1) Contracts with financial risk borne by policyholders.
(2) Growth rate is at constant exchange rates.

# Life & Savings 1H06 New Business Value up 30%

| Group share in Euro million, except change and margin in % | 1H06 NBV | Change from 1H05 | 1H05 NBV/APE margin | 1H06 NBV/APE margin |
|---|---|---|---|---|
| US | 211 | +56% | 15.6% | 21.2% |
| Japan | 182 | +14% | 63.2% | 53.9% |
| France | 98 | +41% | 12.9% | 15.5% |
| Benelux | 57 | +12% | 29.4% | 30.0% |
| UK | 42 | +25% | 8.8% | 8.8% |
| Hong Kong | 29 | +15% | 76.2% | 67.4% |
| Germany | 23 | +50% | 10.8% | 18.4% |
| Australia/NZ | 18 | +34% | 7.8% | 8.9% |
| Southern Europe | 11 | -17% | 17.9% | 16.6% |
| **Life & Savings** | **670** | **+30%** | **19.7%** | **21.9%** |

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Note: All changes are at constant exchange rates.

# P&C underlying earnings up 12% to Euro 780m, boosted by continued combined ratio and investment income improvement

| *Ratios in %* *Results in Euro m* | Combined ratios(1) 1H06 | Combined ratios(1) Improv't from 1H05 | | Net technical result(2) 1H06 | Net technical result(2) Improv't from 1H05 |
|---|---|---|---|---|---|
| France | 97.7 | -0.8 | | 59 | +24 |
| Germany | 96.4 | -0.3 | | 51 | +4 |
| UK & Ireland | 96.7 | -0.6 | | 74 | +16 |
| Belgium | 95.5 | -1.0 | | 31 | +7 |
| Southern Europe | 98.8 | -0.3 | | 19 | +6 |
| Other countries | 94.4 | -0.4 | | 73 | +24 |
| **Total P&C** | **96.9** | **-0.6** | | **308** | **+82** |
| Loss ratio | 68.5 | -1.7 | + Investment income(3) | 874 | +55 |
| Expense ratio | 28.4 | +1.1 | -Tax & Minority interests(4) | -402 | -52 |
| | | | **P&C underlying earnings** | **780** | **+85** |

(1) Combined ratio = (gross claims charge + net result of reinsurance ceded + expenses) / gross earned revenues.
(2) Net technical result, including expenses.
(3) Including financing charges.
(4) Including Net income from investments in affiliates and associated.

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# International Insurance: divestiture of AXA RE reduces future earnings volatility

| Underlying earnings (Euro million) | 1H05 | 1H06 | Change at cst. FX |
|---|---|---|---|
| AXA CS Assurance | 38 | 44 | +13% |
| Others, incl. AXA RE run off (2006) | 9 | 20 | +110% |
| **International Insurance,** *excl. AXA RE in 2005* | **48** | **64** | **+32%** |
| AXA RE | 55 | NA | NM |
| **International Insurance** | **103** | **64** | **-39%** |

**AXA RE**

- Earnings on 2006 claims experience accruing to Paris Re
- AXA guaranteeing reserves pertaining to losses incurred on or before Dec. 31, 2005, with corresponding run-off result accruing to AXA (Euro 4m in 1H06)

**AXA CSA**

- Revenues up 4% on the back of Property portfolio development
- Flat combined ratio at 100.5%
- Investment income growth notably driven by higher asset base

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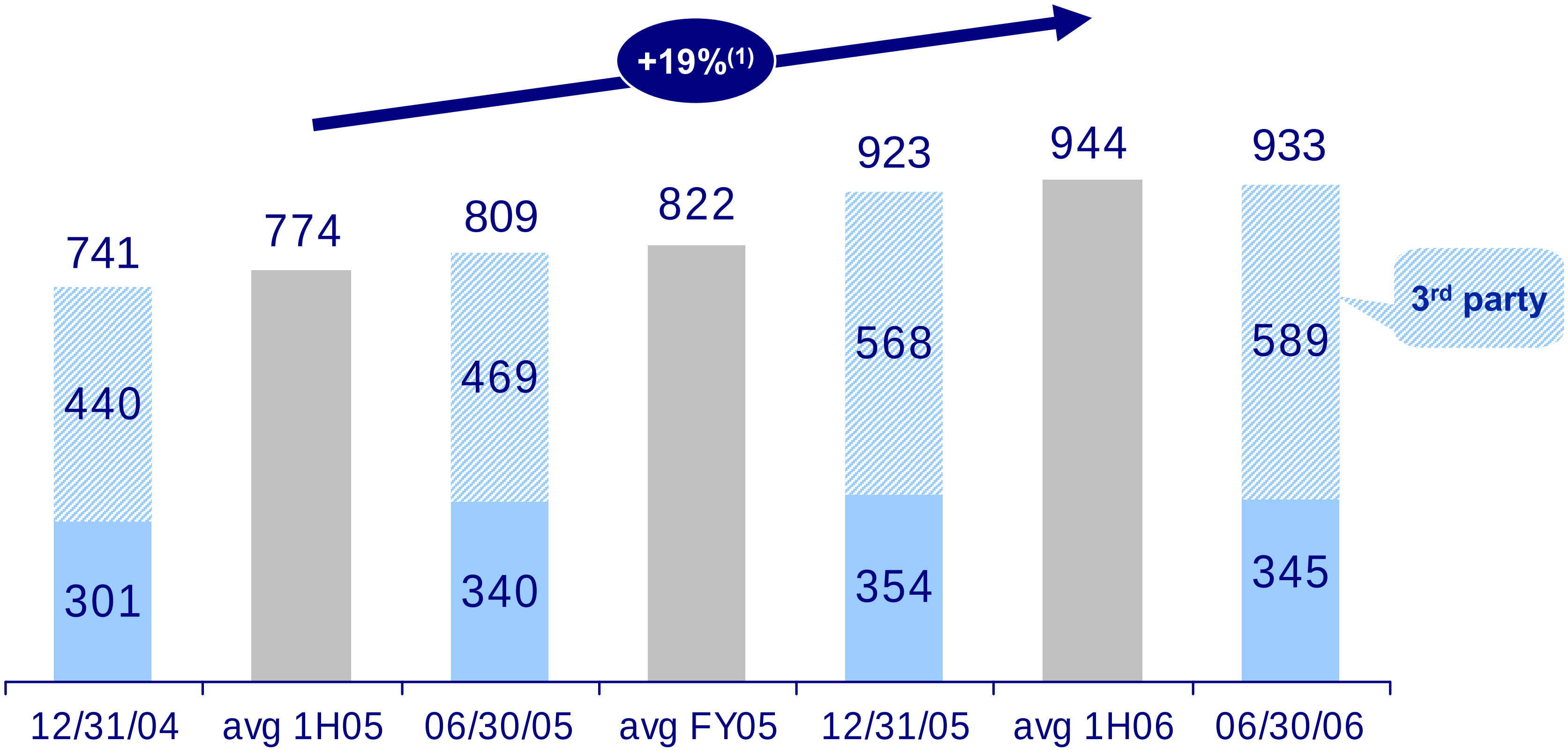
# Asset Management: good AUM resilience owing to strong net inflows, despite flat equity markets and negative bond markets in 1H06

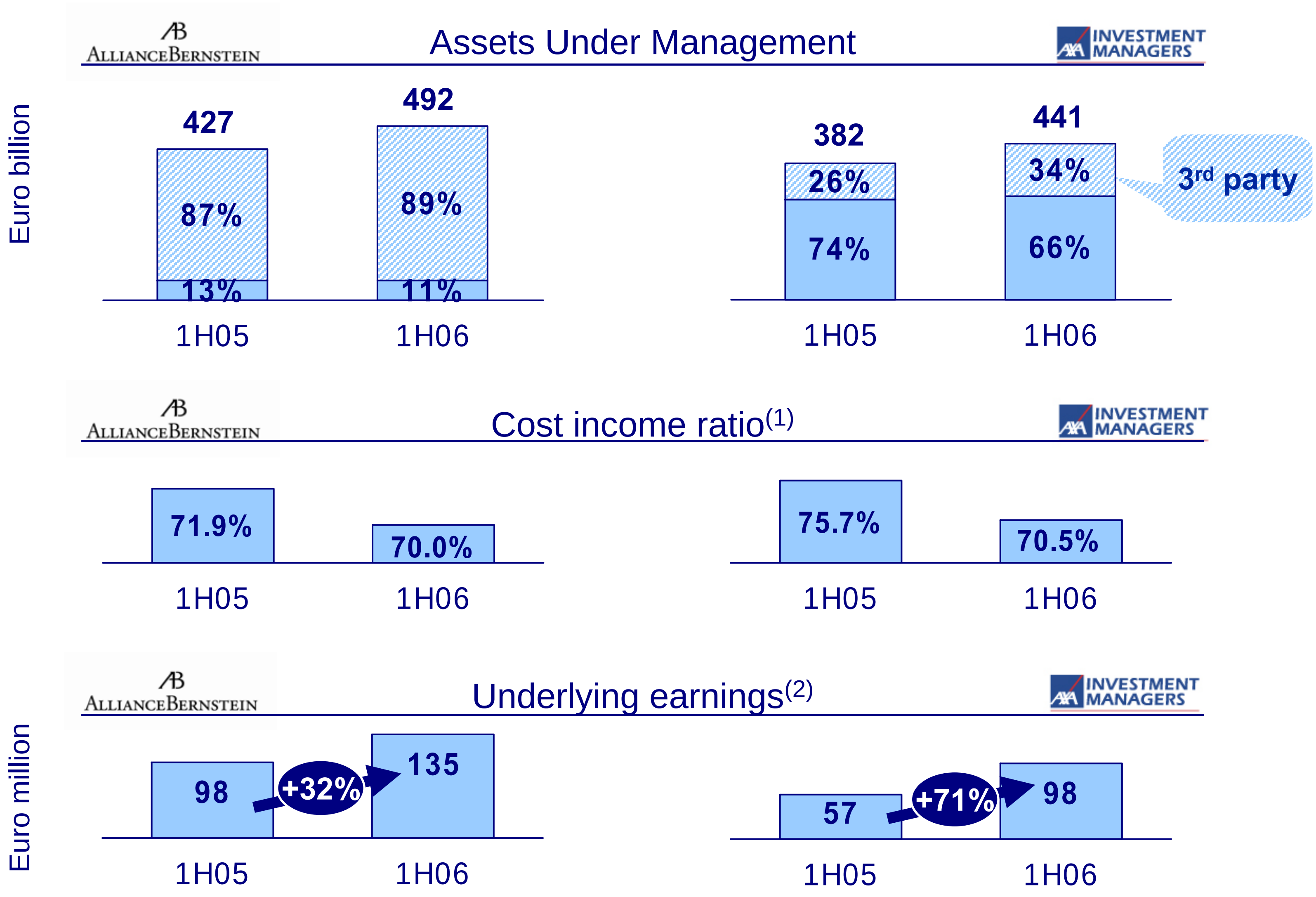
**Assets Under Management**

AllianceBernstein & AXA Investment Managers
Euro billion




(1) Growth rate is at constant exchange rates.

# Asset Management: strong net inflows and continued improvement in cost income ratio drove earnings growth




(1) Operating expenses divided by gross revenues (net of distribution revenues).
(2) Growth rates are at constant exchange rates.

# From underlying earnings to net income

| *Euro million, Except per share data* | 1H05 | 1H06 | Change | Change at cst. FX | 1H06 EPS[2] | EPS Change |
|---|---|---|---|---|---|---|
| **Underlying earnings** | **1,761** | **2,090** | **+19%** | **+17%** | **1.12** | **+21%** |
| Net capital gains[1] | 370 | 826 | | | | |
| **Adjusted earnings** | **2,132** | **2,916** | **+37%** | **+35%** | **1.56** | **+39%** |
| Profit/loss on financial assets under FV option & derivatives | 119 | -275 | | | | |
| Exceptional operations | 27 | 92 | | | | |
| Goodwill & related intangibles | -4 | -4 | | | | |
| **Net income** | **2,274** | **2,729** | **+20%** | **+18%** | **1.46** | **+23%** |

- **Net capital gains** increased by Euro 456m compared to 1H05 due to:
  - Euro 138m increase in foreign exchange rates' impact to Euro 62m in 1H06
  - Euro 318m increase in net realized capital gains to Euro 764m in 1H06, benefiting from favorable equity markets in early 2006

- **Profit/loss on financial assets under FV option and derivatives** decreased by Euro 394m due to the negative impact of higher interest rates in 2006 on the fair value of interest rate derivatives and fixed maturity investment funds

(1) See glossary in the Management Report.
(2) Fully diluted. Weighted average number of diluted shares was 1,958m in 1H05 versus 1,911m in 1H06.

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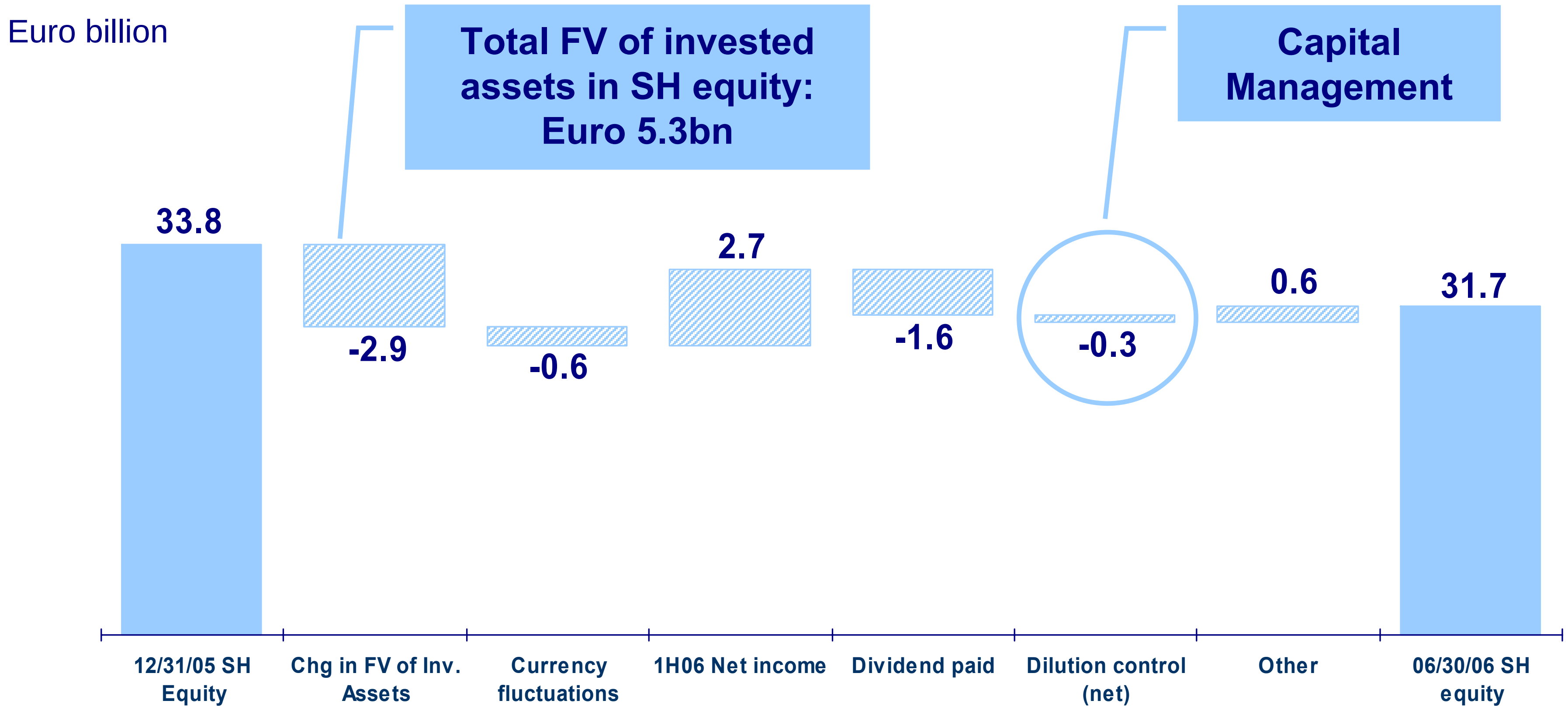
# Net income, included in shareholder's equity, is offset by the change in market value of assets, due to higher interest rates

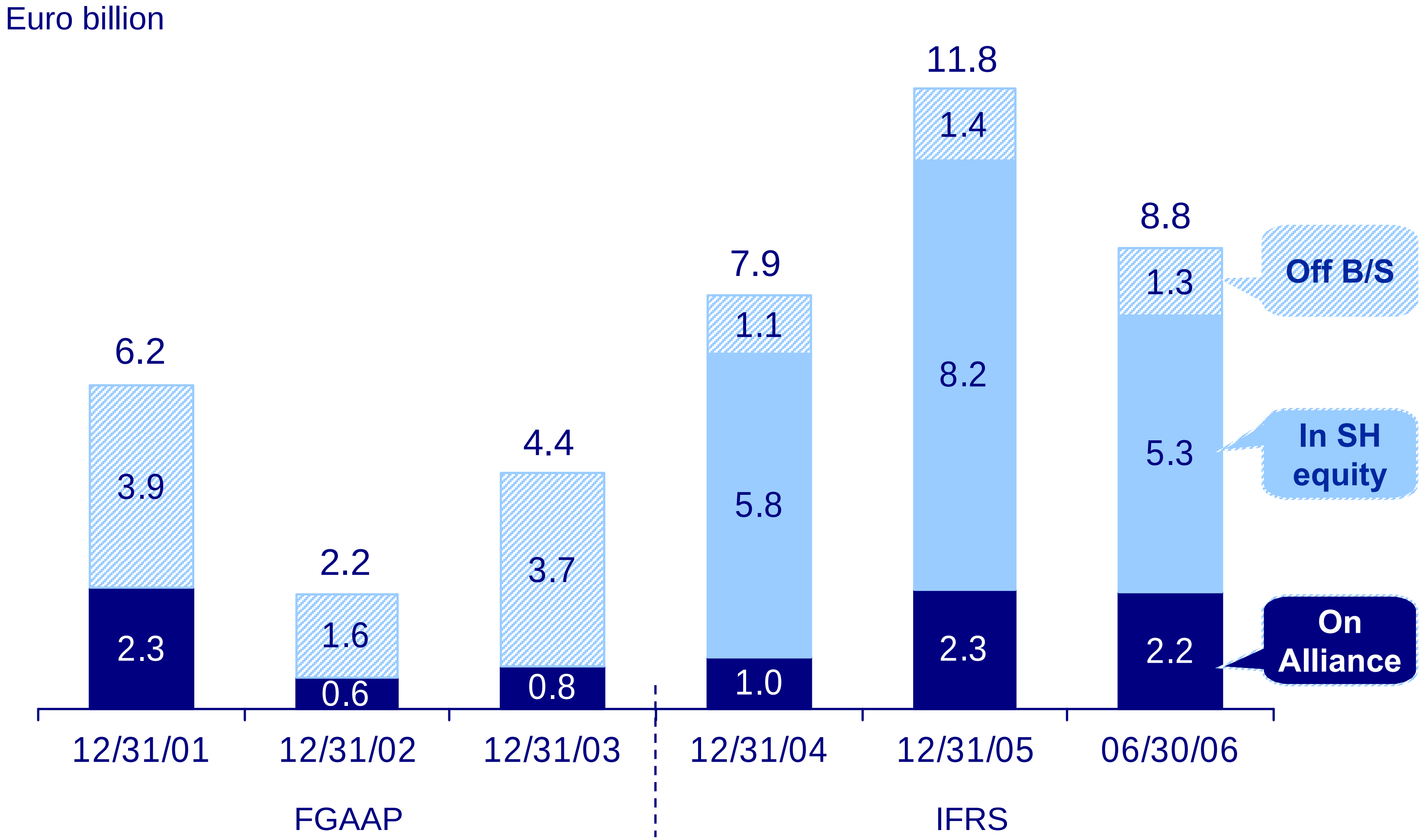



➔ **The underlying ROE(1) reached 16.7% in 1H06**

(1) Annualized ROE. Based on average shareholder's equity excluding change in fair value on invested assets and derivatives recorded in OCI

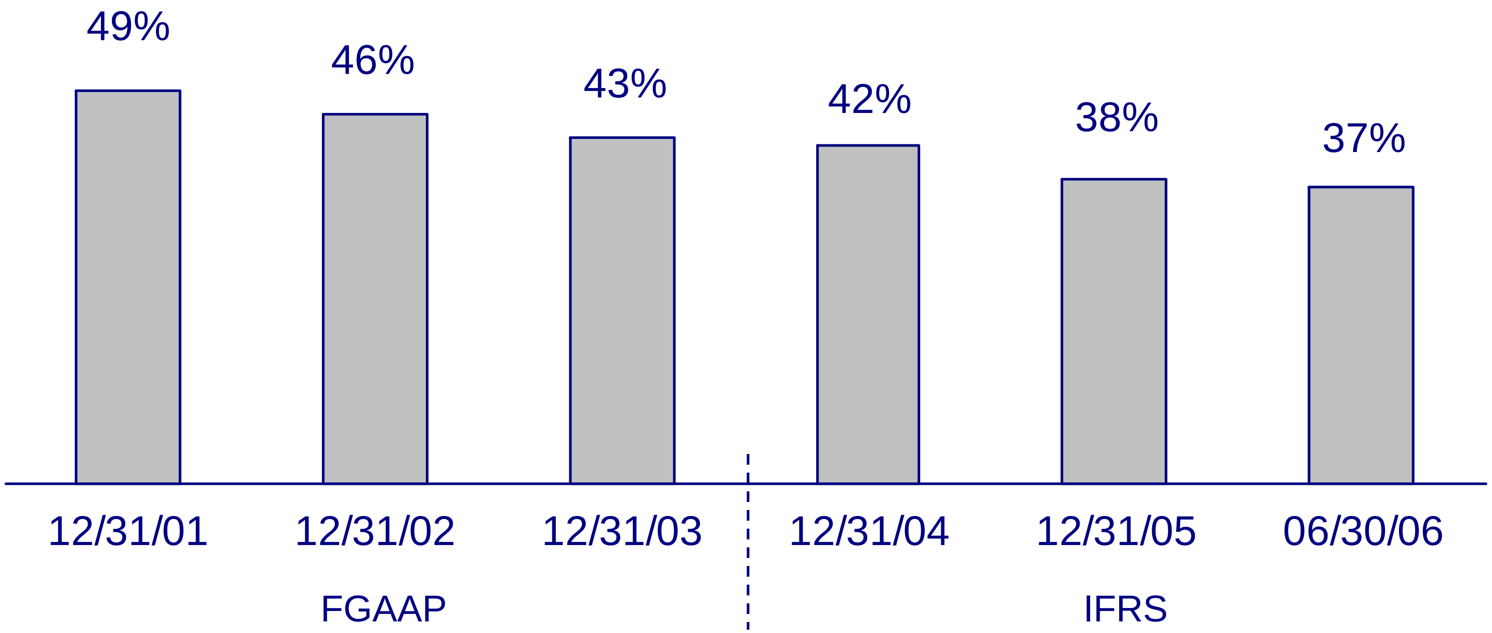
# Unrealized capital gains attributable to shareholders: still strong despite increased interest rates and flat equity markets

## Unrealized capital gains attributable to shareholders (after tax)



# Continued deleveraging of the balance sheet

**Gearing ratio**




- Estimated impact of Winterthur acquisition on gearing ratio would be to increase it by 2 to 3 points

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# Update on Winterthur acquisition's financing: successfully and promptly secured

**Total consideration**

- Acquisition price: **CHF 12.3bn (Euro 7.9bn)**
- Refinancing of **CHF 1.6bn (Euro 1.0bn)**(1) of Winterthur's outstanding debt

**Equity financing**

- Capital increase: **Euro 4.1bn**
- 208 million new shares issued on July 13, 2006

**TSS financing**

- Triple-tranche € and £ perpetual deeply subordinated debt (TSS): **Euro 2.2bn**
- Issued on July 6, 2006
- Rated Baa1/BBB/A by Moody's, Standard & Poors and Fitch, respectively

(1) Including CHF 1.1bn (Euro 0.7bn) of internal loans from Credit Suisse Group to Winterthur and CHF 0.5bn (Euro 0.3bn) for financing of buyout of DBV foundation stake in Germany.
(2) Over Euribor for € tranche and over Libor for £ tranches.

## Update on Winterthur integration planning: teams are already at work

- Integration planning set up at the end of June

- Project structure covers:
  - Local integration planning, including asset management and head office
  - Transversal integration planning, to take early advantage of Group leverage
  - Preparation of closing

- All material regulatory filings, including filings with EC, Swiss and US competition authorities, are made on a timetable consistent with target closing around year-end 2006

- Integration planning process carefully structured and monitored to respect all pre-closing competition rules with in-depth analyses performed exclusively through “clean teams”

# Strong first half 2006 for AXA

The first half 2006 is another successful milestone towards “Ambition 2012”, our corporate project of becoming the preferred company in the industry

- Very positive net cash-flows, reflecting ability of AXA sales team to attract new clients thanks to the quality of service and product innovation
- Strong operational performance which is the fruit of the operational excellence corporate culture introduced throughout the Group in 2001
- Strong balance sheet allowing the Group to combine internal and external growth in its core business, Financial Protection

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# We are confident in our performance during 2006 second half

We are entering the 2nd half of 2006 with a good momentum in terms of:

- Revenues
- Combined ratio: barring any major catastrophic events, FY06 combined ratio should remain in line with 1H06 level
- New business value

- Adjusted earnings benefited from strong realized capital gains in the first half 2006, strengthening the dividend capacity for 2006
- First half realized capital gains exceed guidance for 2006
- AXA's continued strong organic growth focus, augmented by the earnings-accretive pending acquisition of Winterthur, will enhance AXA's long-term capacity to successfully deliver an EPS growth in line with Ambition 2012

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# Half Year 2006 Earnings

## Q&A

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# Half Year 2006 Earnings

## Appendices

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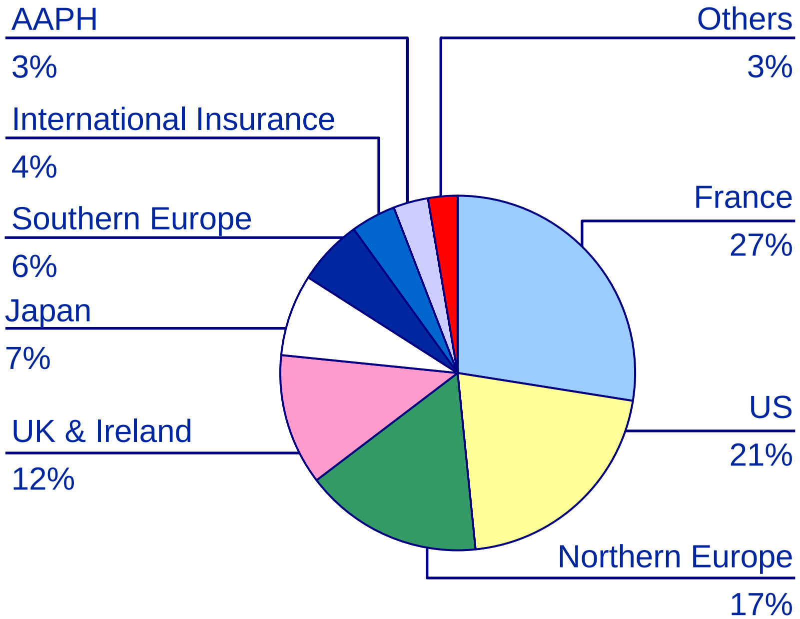
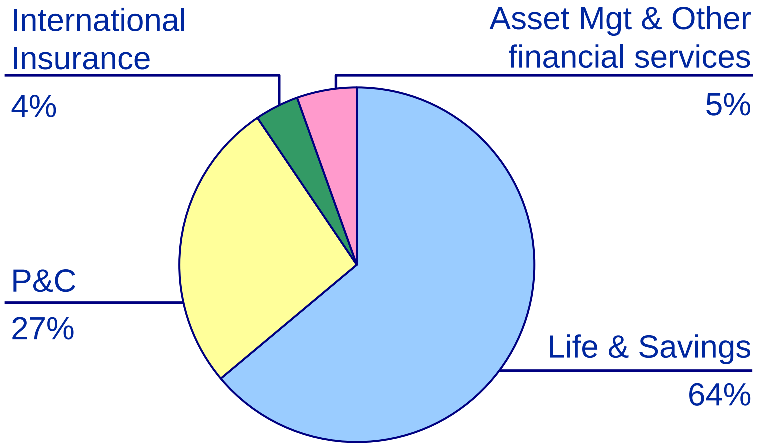
# Revenue diversification unmatched

## 1H06 IFRS insurance revenues by geography(1)

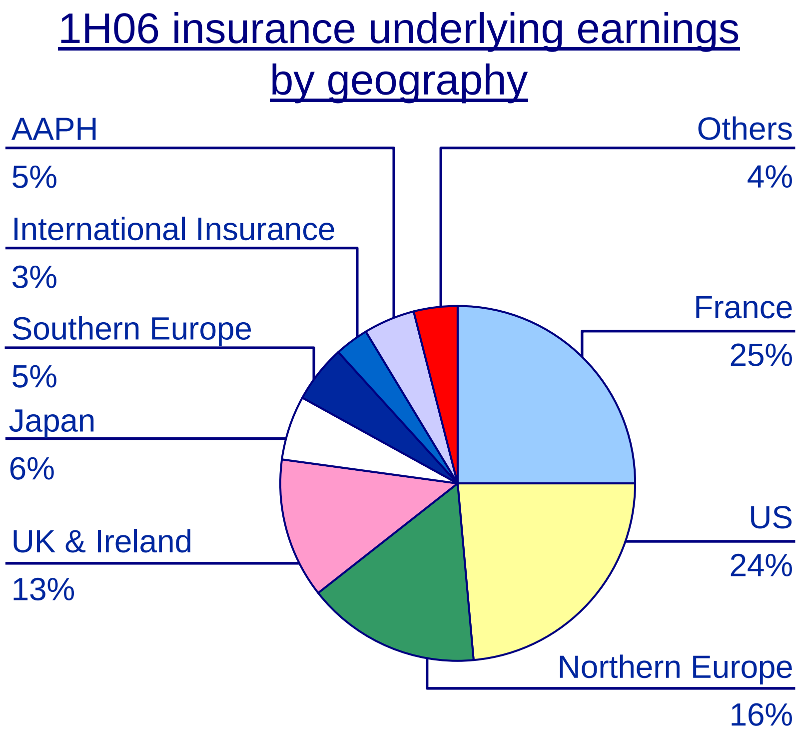


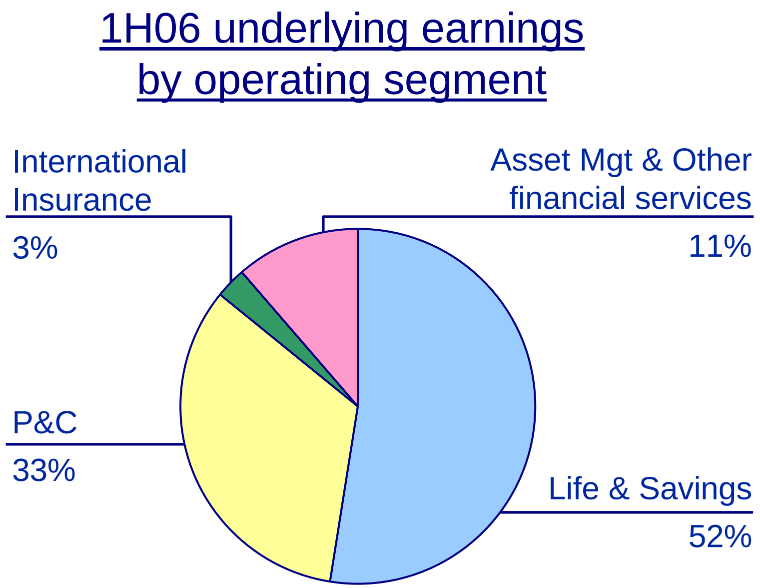

## 1H06 IFRS revenues by operating segment(1)




(1) Excluding AXA RE.

# This diversification is also unique from an underlying earnings perspective




Note: Excluding holdings.

# Life & Savings: APE growth benefited from unit-linked products, up 28% on an APE basis to represent 49% of APE

| APE (Euro million) | 1H05 | 1H06 | Change on comp. basis |
|---|---|---|---|
| US | 829 | 993 | +14% |
| France | 536 | 630 | +18% |
| UK | 381 | 477 | +25% |
| Japan | 258 | 337 | +34% |
| Australia/NZ | 171 | 204 | +18% |
| Benelux | 173 | 190 | +10% |
| Germany | 144 | 127 | -12% |
| Southern Europe | 71 | 63 | -11% |
| Hong Kong | 32 | 43 | +30% |
| **Total Life & Savings** | **2,595** | **3,065** | **+17%** |

| | % UL in APE(1) | | UL Change on comp. basis |
|---|---|---|---|
| | 1H05 | 1H06 | |
| US | 70% | 75% | +23% |
| France | 20% | 24% | +42% |
| UK | 87% | 89% | +29% |
| Japan | 3% | 9% | +242% |
| Australia/NZ | 42% | 44% | +2% |
| Benelux | 24% | 27% | +26% |
| Germany | 31% | 35% | -1% |
| Southern Europe | 12% | 12% | -12% |
| Hong Kong | 40% | 37% | +12% |
| **Total Life & Savings** | **45%** | **49%** | **+28%** |

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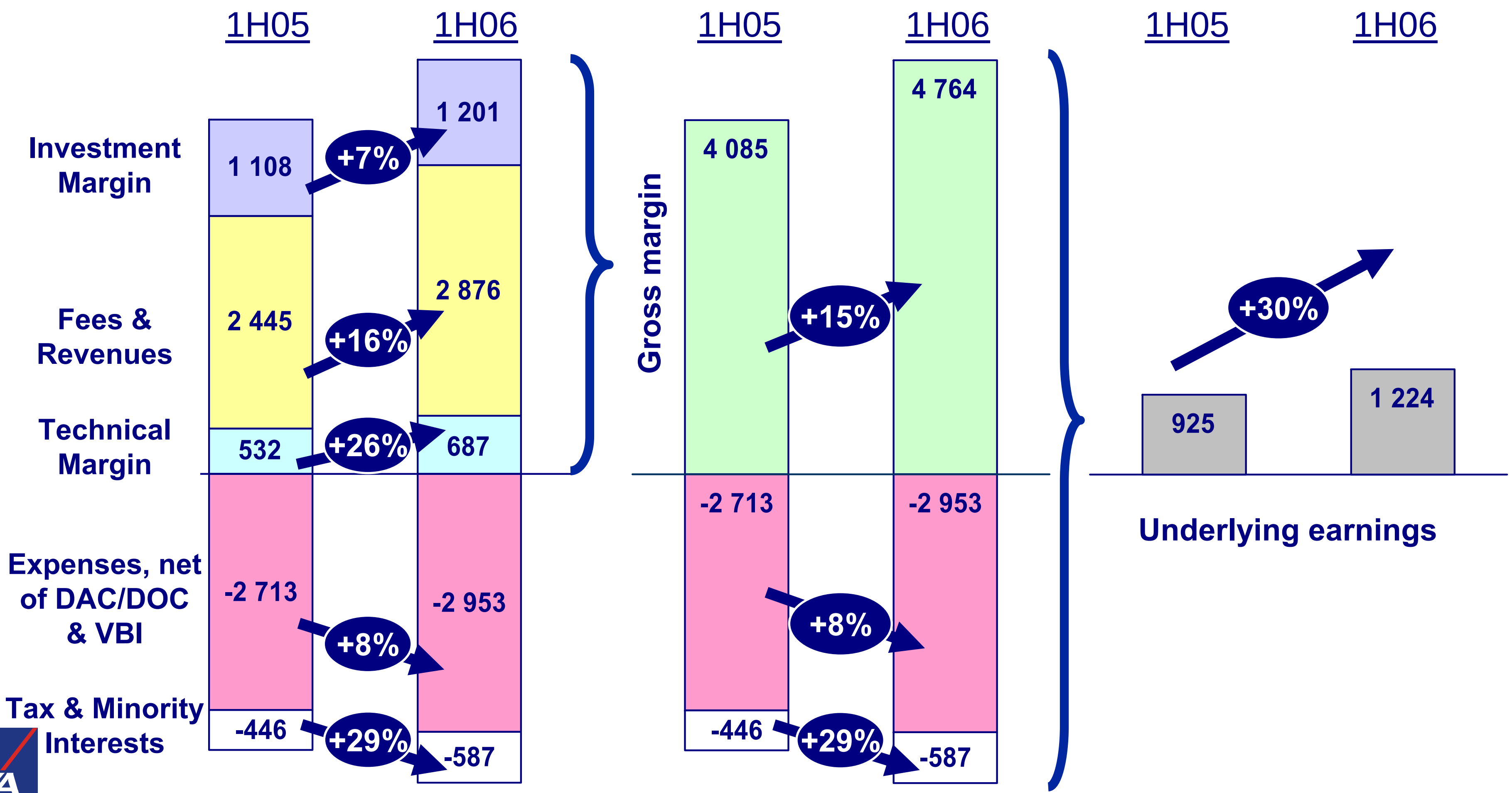
(1) Excluding mutual funds.

# Life & Savings underlying earnings growth was driven by all margins

Euro million

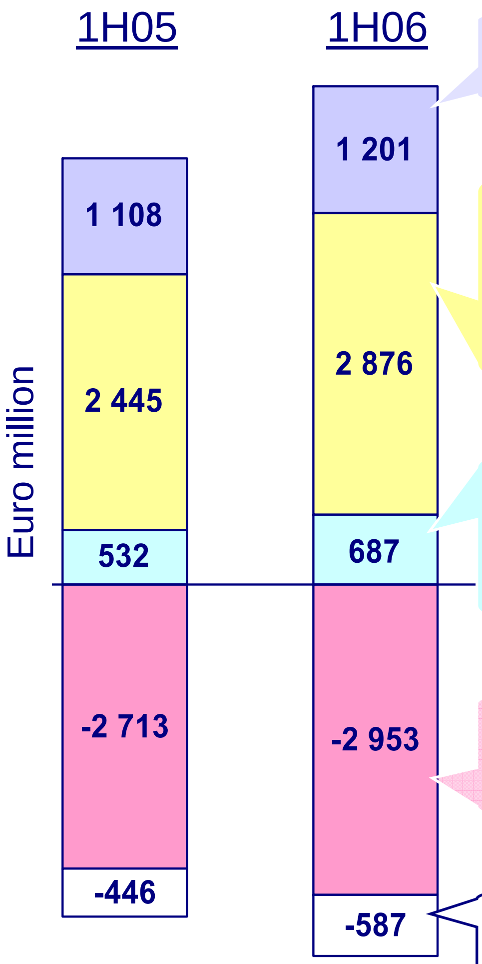
**Margin Analysis of Underlying Earnings(1)**
**(excluding Japan 1H05 non-recurring items)**




(1) All growth rates are at constant exchange rates.

# Life & Savings: margin improvement across the board

excluding Japan 1H05 non-recurring items




**Underlying Investment Margin up 7%:**
- Increase in equity dividend levels, combined with higher G/A balance

**Fees & Revenues up 16%:**
- Insurance fees & loadings up 13% driven by unit-linked business in the US and France, new Onshore Bond in the UK and new Term products in Japan
- Health revenues up 18% due to both Germany and Japan
- Mutual fund revenues up 24%, mainly due to Australia

**Technical Margin up 26%:**
- Mortality/morbidity margin up 22%, notably due to higher GMDB/IB spread in the US and more favorable health claims termination experience in Australia
- Favorable adjustment to unit-linked reserves in the UK (tax matters' resolution)

**Expenses, net of DAC/DOC and VBI up 8%:**
- Mainly driven by commissions
- Tight control of non-commission expenses(1), up only 2%

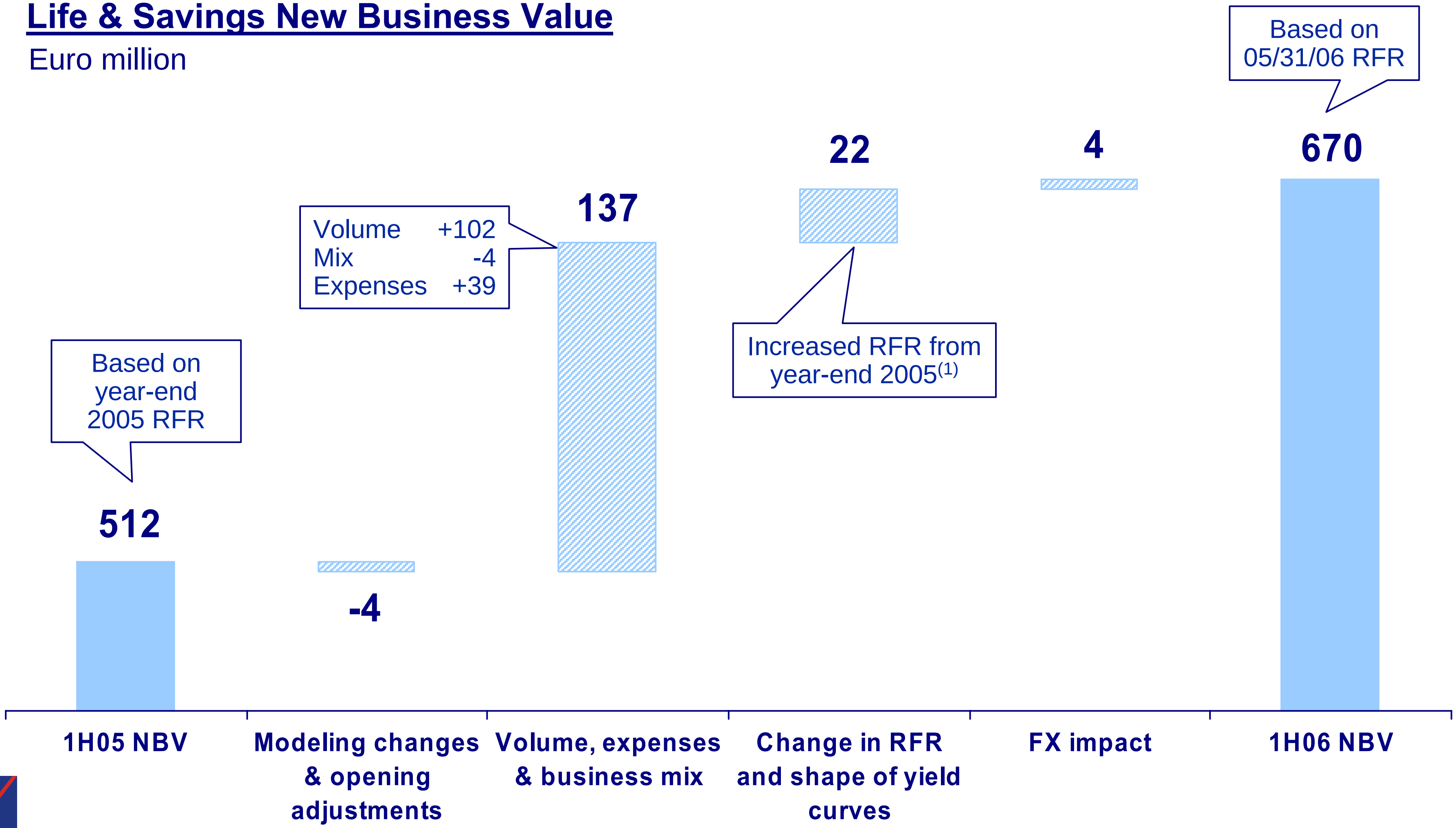
**Income tax expense and minority interests (MI) up 29%:**
- In line with 30% growth of pre-tax and pre-MI underlying earnings

Note: All growth rates are at constant exchange rates.
(1) Gross of DAC/DOC.

# Volume growth and unit cost improvement were key drivers of NBV growth

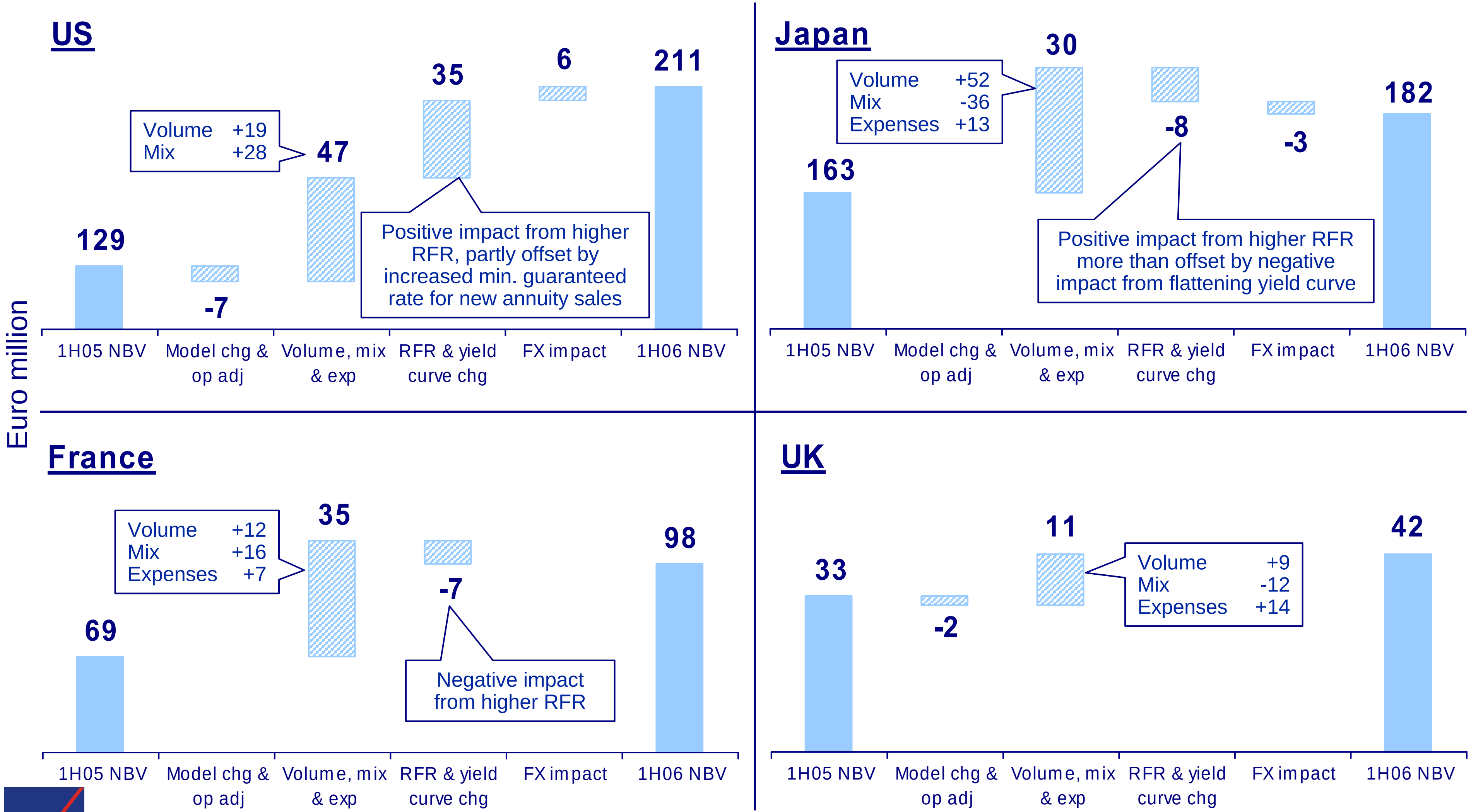
**Life & Savings New Business Value**

Euro million




(1) Includes the negative impact of the increase in the minimum interest rate guarantee for new annuity sales from 2.25% to 3% in the US.

# US, France, Japan and UK NBV benefited from volume and expenses, but business mix and change in risk free rates had varying impacts

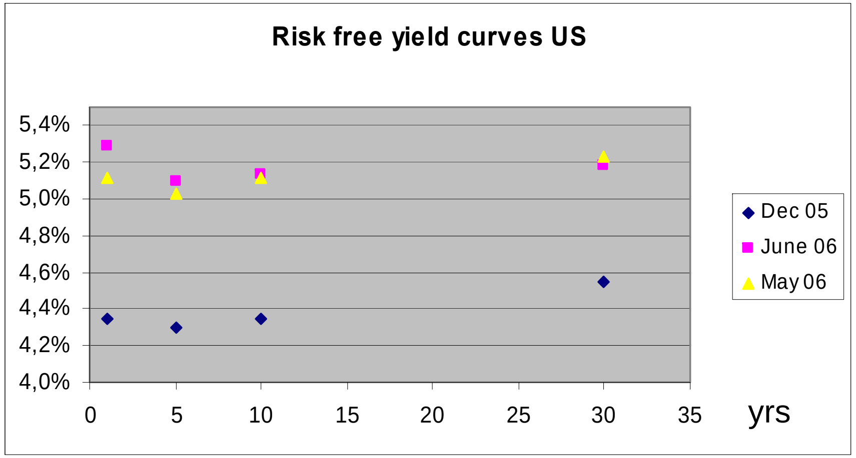


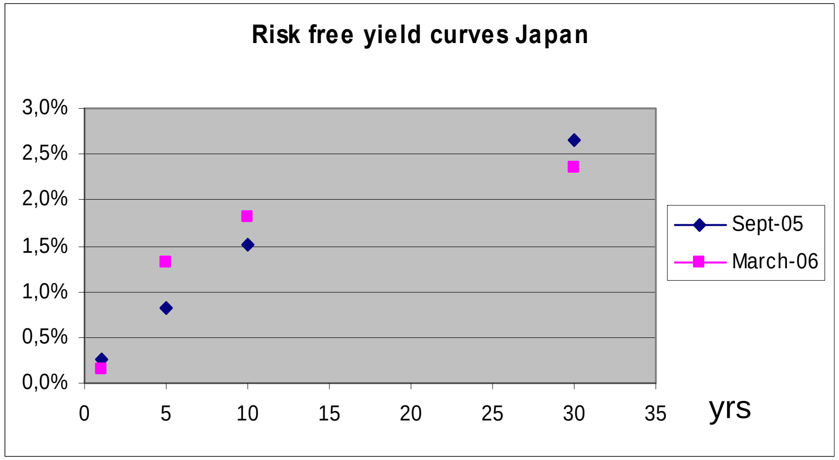
# Description of NBV calculation at 1H06

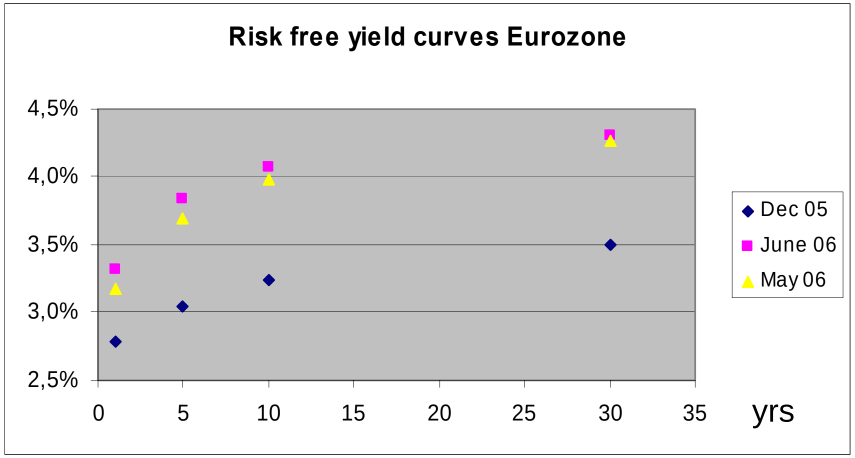
- Using profitability factors by product from year-end 2005 with some period-appropriate adjustments:
  - Reflects actual business volumes and product mix for sales through June 30 *(March 31 for Japan, consistent with accounting half year)*
  - NBV profitability factors updated to reflect risk-free yield curves (government bond yields) as of May 31 2006 *(March 31 for Japan)*. Rates generally moved up slightly during June (see following slide for more details)
  - Other economic parameters (volatilities & correlations) not updated from year-end 2005
  - Unit acquisition costs have generally been updated to reflect impact of increased volumes relative to fixed costs (except US and Belgium)
  - In most countries, demographic assumptions have not been updated since year-end 2005 reporting
  - All significant product pricing adjustments made since year-end 2005 have been reflected in updated factors
  - Modeling has been updated for various model enhancements resulting in a small negative impact
- Tillinghast reviewed the 1H05 and 1H06 NBV
- As a reminder, 1H05 has been stated on a proforma basis using actual business volumes and mix for 1H05, but profitability factors as at year-end 2005 on an European Embedded Value basis

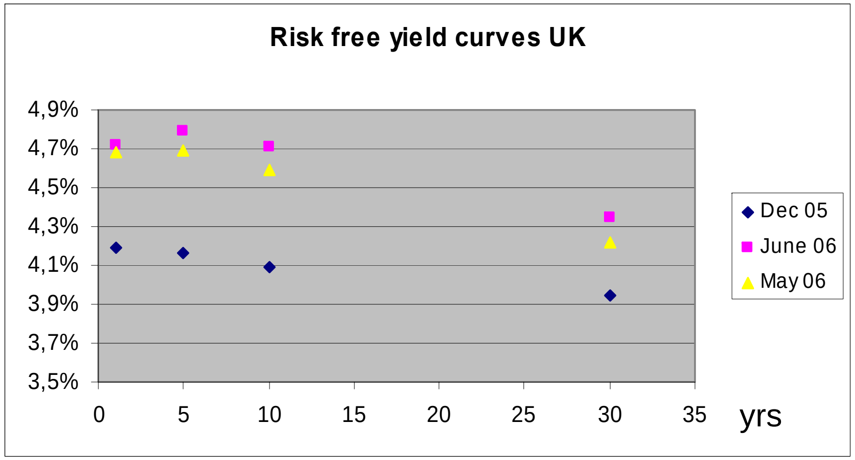
FINANCIAL PROTECTION

# Evolution of risk-free yield curves in US, Eurozone, Japan and UK




Note that Japan fiscal 1H06 corresponds to the period starting October 1, 2005 and ending March 31, 2006.

# Tillinghast opinion

- Tillinghast has reviewed the methodology and assumptions used to determine the value added by new business for the first six months of 2006, and the comparable period in 2005, for the principal life operations of the AXA Group(1).
- The methodology and assumptions used are consistent with those used in AXA's 2005 embedded value, as described in the presentation dated February 28, 2006, with some adjustments and simplification, as noted in this presentation.
- Tillinghast has concluded that the methodology used is reasonable and consistent with the relevant EEV Principles and that the economic assumptions used are internally consistent and consistent with observable market data.
- The values are based on profitability factors developed for 2005 embedded value reporting by product, updated for movements in yield curves and certain other period-appropriate adjustments described in this presentation. These factors are applied to the actual mix of new business sold in the first half of 2006. The profitability factors provide for the cost of all significant options and guarantees and include a charge for cost of capital and non-financial risks.
- Tillinghast has also performed limited high-level checks on the results of the calculations and has confirmed that any issues discovered do not have a material impact on the disclosed new business values. Tillinghast has not, however, performed detailed checks on the models and processes involved.
- In arriving at these conclusions, Tillinghast relied on data and information provided by AXA.

(1) For Japan, the value added by new business written during the first six months of its fiscal year: October 1, 2005 to March 31, 2006 for 2006, and the comparable period for 2005.

# Reminder of impact of Japan 1H05 non-recurring items on underlying margins

| *Euro million* | Gross impact | Net impact[1] |
|---|---|---|
| Impact of change in future investment assumptions on: | | |
| - Underlying investment margin | -8 | -5 |
| - DAC amortization | -22 | -14 |
| - VBI amortization | -197 | -123 |
| Release of valuation allowance on DTA | +193 | +188 |
| **Total Impact on underlying earnings** | | **+47** |

(1) Net of tax and minority interests.

# P&C: better combined ratio due to further loss ratio improvement

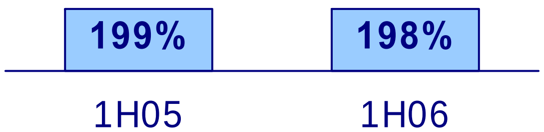
| *Ratios in %* | 1H06 | Improv't from 1H05 |
|---|---|---|
| Loss, excl. CHC[1] | 63.9 | -1.6 |
| Claims handling | 4.6 | -0.2 |
| **Loss Ratio** | **68.5** | **-1.7** |
| Acquisition exp. | 18.2 | +1.0 |
| Administrative exp. | 10.1 | +0.1 |
| **Expense Ratio** | **28.4** | **+1.1** |
| **Combined Ratio** | **96.9** | **-0.6** |

- Better claims experience in the UK and Belgium
- Positive prior years' development in France and Germany

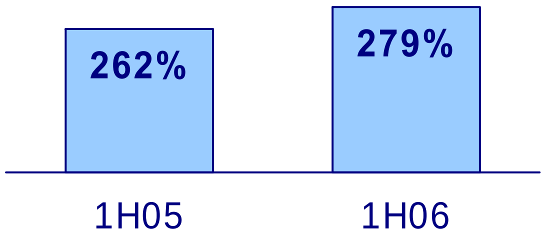
- German marketing campaigns in personal motor lines: resulted in +138,000 contracts
- Shift towards higher commission business

- Premiums and claims ratios[2] remained at high levels:

Net technical reserves to net earned premiums




Net claims reserves to net claims paid




(1) Claims Handling Costs.
(2) Annualized ratios.

# Analysis of Other Financial Services & Holdings 1H06 underlying earnings

| *Euro million* | 1H05 | 1H06 | Change at cst. FX |
|---|---|---|---|
| Other Financial Services | 42 | 33 | -9 |
| Holdings | -205 | -244 | -37 |
| **Underlying earnings OFS& Holdings** | **-163** | **-212** | **-46** |

- **Other Financial Services** were impacted by the non recurrence of the release in 1H05 of a provision for risks related to loan activities in France at AXA Bank Belgium.
- **Holdings** reflected mainly a Euro 39m decrease at AXA SA, notably due to:
  - Higher financial charges related to the financing of the buy-back of the FINAXA exchangeable bonds
  - Increasing investments to develop the AXA brand

AXA FINANCIAL PROTECTION

# Analysis of 1H06 loss from financial assets under FV option and derivatives

| *Euro million* | 1H05 | 1H06 | Change |
|---|---|---|---|
| Operating entities<br>(L&S + P&C + Int'l Ins. + Asset Mgt + OFS) | 93 | -183 | -276 |
| Holdings | 26 | -92 | -118 |
| **Profit or loss on financial assets under FV option and derivatives** | **119** | **-275** | **-394** |

- **Operating entities** reflected mainly a Euro 190m decrease in the fair value of interest rate derivatives and fixed maturity investment funds in France as a result of higher interest rates in 2006
- **Holdings** reflected mainly a Euro 94m decrease at AXA SA due to:
  - Euro 161m decrease in the mark-to-market of interest rate derivatives due to higher interest rates in 2006, partly offset by
  - Euro 67m increase in the mark-to-market of options hedging underlying earnings denominated in foreign currencies

FINANCIAL PROTECTION

# Detail of AXA's invested asset mix by business

| *% in carrying value* | L&S[1] | P&C | Int'l | Total Group 06/30/06 | Total Group 12/31/05 |
|---|---|---|---|---|---|
| Fixed maturities | 72% | 67% | 68% | 71% | 71% |
| Equity securities | 11% | 17% | 6% | 11% | 11% |
| Non-consolidated mutual funds | 2% | 2% | 7% | 2% | 2% |
| Mortgages and other loans | 7% | 2% | 0% | 6% | 6% |
| Real estate | 3% | 3% | 0% | 3% | 3% |
| Other investments | 1% | 0% | 0% | 0% | 1% |
| Cash & cash equivalents | 5% | 8% | 17% | 6% | 7% |
| **Total Invested Assets (Euro bn)** | **241.2** | **44.1** | **10.6** | **307.8** | **312.8** |

(1) Excluding separate account assets (Euro 141.5bn as of 06/30/06 and Euro 141.4bn as of 12/31/05) and assets backing with-profits liabilities (Euro 31.2bn as of 06/30/06 and Euro 32.4bn as of 12/31/05)

# A monitored credit exposure

Estimated figures

Based on economic data

| **Fixed Maturities** (1)<br>*% in market value* | **Total Group 06/30/06** | **Total Group 12/31/05** |
|---|---|---|
| Government bonds & related | 58% | 57% |
| Corporate bonds | 36% | 38% |
| *o/w ≥ A ratings* | *27%* | *27%* |
| *o/w BBB ratings* | *8%* | *9%* |
| *o/w ≤ BB ratings* | *1%* | *1%* |
| *o/w non rated* | *1%* | *1%* |
| ABS, MBS & other corporate structured bonds | 6% | 5% |
| *o/w AAA securities* | *4%* | *4%* |
| **Total Fixed Maturities (Euro bn)** | **217.3** | **221.5** |

(1) Excluding Holdings and Asset Management. For Life & Savings, excluding Fixed Maturities backing with-profits liabilities (Euro 17.4bn as of 06/30/06 and Euro 18.3bn as of 12/31/05).

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