

Activity Report /

Full Year 2011

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 Registration Document for the year ended December 31, 2011, 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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Insurance and Asset Management markets

LIFE & SAVINGS

France¹. The Life and Savings market decreased by -12% in 2011, mainly due to a -14% drop in Savings. General account participating contracts representing 86% of the Savings market dropped by -15%, whereas unit-linked (14% of the Savings market) fell by -9%. The 2011 decrease was both in traditional distribution and in bancassurance channels. The market growth was +1% for Protection & Health. Overall, based on 2011 market data, AXA ranked 3rd with a market share of 8.5%.

In Savings, the level of surrenders increased significantly, leading to net cash flows dropping by -78% but remained positive for the year.

United States². After a difficult sales environment for Life Insurance and Annuities in 2009 and 2010, industry sales figures in 2011 stabilized and showed improvements over 2010:

- In the Life Insurance market, total sales grew by 5% in 2011. Variable Life product sales increased by 16%, following a 4% growth in 2010. A good portion of the increase can be attributed to corporate-owned, bank-owned and private placement sales. Overall Universal Life Sales grew by 8% primarily driven by Indexed Universal Life which grew 38% from the previous year. This can be attributed to growth in products featuring long-term secondary guarantees and non-guaranteed products, as well as a notable influx of new carriers. Whole Life sales increased by 7% and remain an attractive offer during uncertainty in the financial markets. Term Insurance sales decreased by 7%, most notably due to price increases and withdrawals in product offerings.
- In the Annuity market, total sales increased by 11% in 2011. Variable Annuity industry sales increased by 17% as guaranteed living benefits continue to drive sales. During 2011 a number of insurers have withdrawn from the marketplace or have reduced benefits or increased charges. The top 3 variable annuity players continue to dominate the market, representing 44% market share, compared with 39% one year earlier. Fixed Annuity sales declined by 1% after a 27% decline in 2010 as production remained muted given the low interest rate environment and concerns on new business capital strain.

In Life, AXA ranked 7th with a 3.8% market share. In Variable Annuities, AXA ranked 8th with a 4.4% market share.

United Kingdom. The United Kingdom Life Pensions and Investment market increased by 8%³ on an Annual Premium Equivalent (APE) basis⁴ following equity market gains in the first half of 2011, whilst the Wealth Management market⁵ increased by 7% driven by Mutual Funds sales volumes. Funds under management on platforms grew by 27%⁶ helped by continuing asset inflows.

- Elevate Wrap Platform grew its distribution capability and reputation in its third year of operation, with funds under management increasing by 55% to reach 2.2% market share,
- AXA Wealth Management's IFA business had a market share of 11.3%⁷ in terms of APE.
- Sun Life Direct Protection business had a 3.4%³ market share in terms of total protection APE and 41.0%³ in terms of Direct Protection market only.

¹ Sources: FFSA as of December 2010 for the ranking and FFSA as of December 2011 for the market share.

² Please note that numbers quoted for market data (Life and Annuity) are for nine months ended September 30, 2011 vs. nine months 2010. Source: LIMRA (annualized first year premiums excluding drop-in premiums) and MARC annuity sales (first year and renewal premiums excluding replacements), Employer Sponsored sales only includes K-12 market.

³ Source: ABI/MSE ©2010 Association of British Insurers, nine months ended September 30, 2011 vs. nine months 2010 and Pridham reports to September 30, 2011.

⁴ Annual Premium Equivalent (APE) is new regular premium plus 10% of single premiums.

⁵ Includes platform mutual funds. Excludes annuities.

⁶ Platform report September 30, 2011, AXA estimates.

⁷ Source: ABI/MSE ©2010 Association of British Insurers, nine months to September 30, 2011 versus nine months to September 30, 2010.

Japan¹. The market grew by 1.7% in terms of premiums. General account Savings products drove the market growth, especially in bancassurance, while Variable Annuity shrank, reflecting stagnant Japanese stock market and uncertain global economic outlook. On the other hand, pure Protection segment continued to remain stable. Sum insured per household declined whereas Medical segment remained stable and competition intensified. AXA had a market share of 2.3% and ranked 11th based on premium income (8th in Medical segment).

Germany². The market (incl. Pension funds) decreased by 5.7%, in 2011, due to a decrease in single premiums (-18.5%), after a strong peak in 2010. German Private Health reforms led to a 4.5% growth in the Health insurance market³. In 2010, AXA ranked 7th in the Life market with a 5.0% market share and 5th in the Health market with a 6.9% market share⁴.

Switzerland⁵. The market increased by +3.3%, despite volatility in financial markets with lasting record-low interest rates and continuing economic uncertainties. The increase is mainly resulting from substantial growth in Group Life (+5.3%) related to a lasting strong demand from small and medium size enterprises for fully financed solutions. In this context, AXA achieved a growth rate of +9.3% in gross revenues compared to the previous year and confirmed its leader position in Group Life with a market share above 32.0%. The market volume in the Individual Life business decreased by -1.3% mainly as a result of declining single premiums. AXA's decrease in Individual Life gross revenues amounted to -0.8% reflecting the reduction in unit linked premium volume partly compensated by higher premiums from traditional products with guarantees.

Belgium⁶. In 2011, the market suffered from the low guaranteed interest rates offer and the fierce competition from short term banking products throughout the year. As a result, Individual product market decreased by -5%, mainly due to lower volumes of general account individual products (-7%) partly offset by increase of individual unit-linked products (+10%). Group Life market kept growing moderately, still limited by legal constraints on pension contracts. AXA maintained its third position with a market share of 13%.

Central and Eastern Europe⁷. The Life & Savings market increased by 6% in Poland, by 6% in Czech Republic and Slovakia and decreased by 1% in Hungary. AXA's market share in the region increased to 3.3%. AXA ranked 10th in Hungary, 9th in Czech Republic, 8th in Slovakia and 12th in Poland. The Pension Funds market - in term of assets under management - increased by 8% in Czech Republic, by 19% in Slovakia, by 4% in Poland and by 1% in Hungary (voluntary Pension Fund : Pillar III only). AXA's position was stable with a market share of 8% in the region. AXA ranked 2nd in Czech Republic and Slovakia, and 5th in Poland and Hungary. The mandatory Pension Fund in Hungary (Pillar II) has been nationalized by law voted on December 13th, 2010, and related existing assets under management were transferred to the State. Thus in 2011, only voluntary Pension Fund (Pillar III) remained. In Poland, 70% of the new employees' contribution has been reallocated from mandatory Pension Funds (Pillar II) to State funds (Pillar I) by law voted in July 2011.

¹ Source: Insurance Research Institute (excluding Kampo Life), and financial statements of the companies. Premiums are for the twelve months ended September 30, 2011.

² Source: <http://www.gdv.de>.

³ In line with "Verband der privaten Krankenversicherung e.V." (association of private health insurers.)

⁴ Source: Market Factbook 2010.

⁵ Source: SIA (Swiss Insurance Association) publication "Jahresmedienkonferenz 2011" as per February 3, 2012. Market share is based on gross written premiums.

⁶ Source: Assuralia (Belgium Professional Union of Insurance companies). Based on September 30, 2011 figures (measured on gross written premiums).

⁷ Source: estimate based on September 2011 data from Czech association of insurance companies, "Report of the Association of Hungarian Insurance Companies (Mabisz)", Hungarian Financial Supervisory Authority (PSZAF) website, Polish Financial Supervision Authority website and Statistics of Slovak Insurance Association.

Mediterranean and Latin American Region.

- In **Spain**¹, the market grew significantly by +18.5% due to a higher customer appetite for insurance products in a context of less competition from banks.
- In **Italy**², the market decreased by -18.7% notably due to the positive impact of a fiscal amnesty in 2010.
- In **Portugal**³, the market experienced a significant decrease (-39.8%) driven by the negative performance of capitalization products.
- In **Greece**⁴, the market remained affected by the economic crisis and experienced a decrease of -13.8% due to the drop in household revenues and the decrease of equity market.
- In **Turkey**⁵, market experienced a significant growth of +30.1% mainly explained by the shift from bank Savings products to insurance products.
- In **Morocco**⁶, driven by the financial crisis the market experienced a limited growth of 2%.
- In **Mexico**⁷, the market grew by +11.1% driven by Individual lines (+13.7%).

	Ranking	Market share (%)
Spain	12	2.2
Italy	8	5.1
Portugal	8	2.6
Greece	8	3.5
Turkey	12	2.0
Morocco	4	9.0
Mexico	6	4.7

Hong Kong⁸. The market recorded a growth of 18.2% for in-force business. The Life insurance market remained concentrated with the top 10 players, accounting for 81% market share. AXA ranked 5th with a market share of 8.5%.

South-East Asia, India and China.

- **Indonesia**⁹. The market was up 20% in terms of APE, of which over 60% came from unit-linked products. Such increase was mainly driven by the continuing expansion of the middle class and the increasing awareness to own a life insurance policy. AXA ranked 2nd in new business with an increasing market share at 15.3%.
- **Thailand**¹⁰. The market recorded a growth of 12% in terms of APE. While short-term traditional Savings products with guarantees continued to be the most popular, demand for Creditor and Protection products has been increasing. AXA ranked 6th with a market share of 8.4%.
- **Singapore**¹¹. The Life Industry performed strongly with a 29% increase in terms of APE. The market is concentrated with the top four players, accounting for about 70% of market share. AXA ranked 13th with a market share of 2%.
- **India**¹². The market has seen a dip of 16% in terms of APE following a change in regulation pushing insurance players to move away from unit-linked Pension Plans. AXA ranked 18th amongst the private players with a market share of 0.9%.
- **China**¹³. The market saw a negative growth of 7.4% in total premium income, due to multiple external challenges including regulatory controls on bank distribution, high bank deposit rates providing competition for Savings. AXA ranked 10th among foreign players and 31st in the overall market.

¹ Source: Spanish Association of Insurance Companies. ICEA as of September, 30, 2011.

² Source: Italian GAAP as of September 2011. Ranking as of December 2010, source: Associazione Nazionale Imprese Assicuratrici (ANIA).

³ Source: Portuguese Insurance Association as of September 30, 2011.

⁴ Source: Hellenic Association of Insurance Companies as of June 30, 2011.

⁵ Source: Turkish Association of Insurance Companies as of September 30, 2011.

⁶ Source: Moroccan Association of Insurance Companies as of December 31, 2010.

⁷ Source: AMIS: Asociacion Mexicana de instituciones de Seguros as of September 30, 2011.

⁸ Source: Office of Commissioner statistics as of September 30, 2011 (measured on individual life in-force business).

⁹ Source: AAJI statistics as of September 30, 2011 (measured on APE).

¹⁰ Source: TLAA statistics report as of October 30, 2011 (measured on APE).

¹¹ Source: LIA statistics as of September 30, 2011 (measured on APE).

¹² Source: IRDA statistics as of November 30, 2011 (measured on APE).

¹³ Source: CIRC statistics as of September 30, 2011 (new business measured on APE).

PROPERTY & CASUALTY

France¹. The market grew by 4% in 2011. Commercial and Personal Motor business increased by 3%, driven by tariff increases. Household market increased by 6.3%, driven by the rise of the construction index and tariff increases. In Commercial lines (other than Motor), Property increased by 3% whereas Construction was up by +1% and Liability was flat. AXA ranked 2nd with a market share of 14.5%

United Kingdom & Ireland. AXA ranked 4th in the United Kingdom with a market share of 5.3%² overall.

- The UK Personal lines market³ grew by 8%⁴. The Motor market continued to harden in 2011 and experienced high claims predominantly due to an increase in personal injury claims fuelled by increasing numbers of lawyers offering claims compensation services. Overall AXA ranked 4th in Personal lines with a 6% market share. AXA ranked 5th in Personal Motor with a strong Direct component and 5th in Personal Household.
- Commercial lines market increased by 2%⁵, the first year of growth since 2004. However, the UK market is still impacted by soft pricing and a lack of economic growth. AXA ranked 6th with a market share of 5%.
- In the UK Healthcare market AXA remained 2nd with a market share of 25.2%⁶.

In Ireland, AXA maintained its position as the number 1⁷ motor insurer and grew its premium and policy volumes despite a market contraction.

Germany⁸. In 2011, premiums increased by 2.5%, with Motor segment contributing strongly with 3.5% growth. Commercial lines continue to face strong competition in the market. AXA ranked 4th in the Property & Casualty market with a market share of 5.8%⁹.

Switzerland¹⁰. The Property & Casualty market grew by 1.4%. The Swiss market is still saturated and very competitive with a continuing pressure on prices, especially in Commercial lines. AXA maintained its position as market leader in Property & Casualty with a market share of 13%.

Belgium. The market increased by +3.2% in line with inflation¹¹. The Motor segment continued its upward trend and grew by 3.8% mainly as a result new car sales and tariff increases by main players. The Household & Property market segment reversed the downwards trend of 2010 and grew by 4.6% mainly due to the Belgian construction indexation (ABEX) while Workers Compensation market decreased by 1%. AXA remained the market leader with approximately 21% market share.

¹ Source: FFSA (including French mutual insurance company).

² Source: Based on 2010 FSA Returns.

³ Excluding Accident and Health.

⁴ Source: Datamonitor, Standard and Poors, ABI.

⁵ In 2010

⁶ Source: Laing & Buisson Health Care & Cover Report 2010.

⁷ Source: Irish Insurance Federation & Northern Ireland Driver & Vehicle Agency, June 30, 2011. No official overall ranking published since 2009 where AXA ranked 3rd in Ireland.

⁸ Source: <http://www.gdv.de>.

⁹ Source: Market Factbook 2010.

¹⁰ Source: SIA (Swiss Insurance Association) publication "Jahresmedienkonferenz 2011" as per January 28, 2011.

¹¹ Based on September 30, 2011 figures.

Mediterranean and Latin American Region.

- In **Spain**¹, the persistent economic conditions caused the market to remain flat during the period: Motor (-2%) and Health (+3%).
- In **Italy**², the market grew by 3% driven by Motor (+3%).
- In **Portugal**³, the market remained stable with different performances by Line of Business: Motor (+1%), Health (+3%) and Household (+4%) increased while Workers Compensation (-3%) decreased.
- In **Greece**⁴, as a result of the downturn in the economy and the contraction in household income, the market decreased by 6% with a significant decrease in Motor and in Marine.
- In **Turkey**⁵, the market experienced a significant increase of 21% supported by a strong increase in car sales.
- In the **Gulf Region**⁶, the market grew by 12% in Saudi Arabia driven by mandatory Health insurance, representing 50% of the whole market, growing by 52%, while the insurance market grew by 32% in United Arab Emirates.
- In **Morocco**⁷, the market increased by 7% driven by Motor (+7%).
- In **Mexico**⁸, the market grew by 9% driven by Motor (+12%) and Health (+10%), excluding one large outsourcing insurance contract.

	Ranking	Market share (%)
Spain	3	7.3
Italy	7	4.3
Portugal	3	8.0
Greece	12	3.3
Turkey	1	13.5
Morocco	3	15.7
Mexico	1	13.2
Gulf	7	7.9

Direct⁹. AXA Direct business ranked 1st in France, Portugal, Belgium and South Korea, 2nd in Spain and Poland, 6th in the United Kingdom and 7th in Japan among Direct players.

Asia.

- **Singapore**¹⁰ insurance market grew by 15%¹¹ in 2011. AXA ranked 3rd in Motor, 2nd in Marine and 1st in Health. AXA's market share stood at 9%.
- **Malaysia**¹² insurance market grew by 7% driven by Medical. AXA ranked 1st in Financial Guarantees, 3rd in Marine Cargo and overall ranked 7th with a 5% market share.
- **Hong Kong**¹³ insurance market grew by 9%. AXA ranked 9th with a 3% market share.

¹ Source: Spanish Association of Insurance Companies. ICEA as of September, 30, 2011.

² Source: Italian GAAP as of September 2011. Ranking as of December 2010, source: Associazione Nazionale Imprese Assicuratrici (ANIA).

³ Source: Portuguese Insurance Association as of September 30, 2011.

⁴ Source: Hellenic Association of Insurance Companies as of June 30, 2011.

⁵ Source: Turkish Association of Insurance Companies as of September 30, 2011.

⁶ Sources: KSA Tadawul website, Dubai stock exchange (Abudhabi stock exchange), as of December 31, 2009.

⁷ Source: Moroccan Association of Insurance Companies as of December 31, 2010.

⁸ Source: AMIS: Asociacion Mexicana de instituciones de Seguros as of September 30, 2011.

⁹ Source: AXA estimates

¹⁰ Source: Monetary Authority of Singapore.

¹¹ Based on September 30, 2011 figures.

¹² Source: ISM – Insurance Services Malaysia Berhad as of December 30, 2011.

¹³ Source: Hong Kong Insurance Authority website.

INTERNATIONAL INSURANCE

Players in the global risks market are acting at a worldwide level with multinational clients placing their risks far beyond their countries of origin via international programs or in key global market places. In this market, AXA Corporate Solutions Assurance, AXA's subsidiary dedicated to worldwide Property & Casualty insurance of large national and multinational corporations, and to Aviation, Marine and Space insurance, is amongst the top five players in Europe. After several years of soft underwriting conditions, corporate risks insurance pricing conditions continued to tighten in 2011.

ASSET MANAGEMENT

After a promising first half of 2011, with positive inflows into equities which were a sign of confidence in the recovery of financial markets, the Industry suffered from the development of the Euro crisis in the summer. Investors moved during the second half of 2011 from a "risk-on" to a "risk-off" mode with liquidity and capital protection remaining at the top of their agenda. As a consequence, strong outflows from money market funds in the first half of 2011 reverted in positive during the last quarter while strong outflows from Emerging markets equities occurred despite structural attractiveness of Emerging markets.

Significant geographic moves have been observed in the second half of 2011 with investors outside the Eurozone reducing their Eurozone allocation in favor of the rest of the world and Eurozone investors reallocating part of their Euro bonds portfolio to domestic government bonds.

In the asset management market, AXA Investment Managers ranked 15th¹ and AllianceBernstein 21st¹ based on assets under management. On a combined basis, AXA ranked 10th.

¹ Ranking based on company reports as of September 30, 2011.

Financial market conditions in 2011

After an economic rebound in the first quarter of the year, the economic growth was hit by the earthquake in Japan and persistent sovereign worries in the Euro area. World GDP growth decreased from 4.9% in 2010 to 3.8%. In the industrialised countries, growth is expected at 1.6% while in the Emerging countries, growth is expected to reach 6.3% supported by China (9.2%) and India (7.3%) despite a slowdown in the last quarter. Industrialised countries growth is mainly supported by the United States (1.6%) while GDP growth in the Euro zone is expected to reach 1.5%.

During the second half of the year, business climate indicators continued their downward spiral, although there was a notable improvement right at the end of the year in the United States. The United States registered an improvement in the jobs market with a rise of 200,000 non-agricultural jobs created in December 2011, and higher growth than expected in the manufacturing sector. To support its economy, the Fed confirmed its decision to maintain its key short-term rates close to zero until at least mid-2013.

Except in Germany, business activity indicators declined in the Euro area during the year with the intensification of the sovereign debt crisis and the tightening of credit conditions. Interest rates rose significantly in an increasing number of countries, with Germany being one of the few countries in the zone to be almost spared by this trend. In that context, most governments of the Euro zone began negotiations for the preparation of a new stricter budgetary pact. The ECB continued its Security Market Programs, in August and November, notably to buy Spanish and Italian debt on the secondary market. To ease bank liquidity, the ECB lowered its key rate to 1%, in December 2011 and extended its three-year refinancing operations.

In Japan, after a marked decline in business activity during the first half-year due to the consequences of March earthquake, the economy posted a strong recovery during the third quarter. The beginning of the reconstruction work sustained activity, in particular driving a turnaround in housing investments.

Due to decrease in exports, particularly to the European Union, major emerging market central banks started offering support to their economies by cutting official rates in the second half of 2011, following the trend observed in the developed markets. At the beginning of December, the People's Bank of China eased its monetary policy by reducing its reserve requirement ratio in order to sustain growth.

STOCK MARKETS

2011 was a challenging year for equity markets, notably as a result of uncertainties in the Euro zone as well as in Japan. The last quarter of 2011 was more favorable to equity markets arising from an improved business climate in the United States. The global performance figure, -8% for the MSCI World Index over the year, hides substantial variations among countries. The United States outperformed Europe reflecting stronger fundamentals.

Overall, the Dow Jones in New York increased by 6% in 2011 and the S&P 500 ended almost exactly flat compared to December, 31, 2010. The FTSE in London fell 6% in 2011 while the CAC 40 in Paris decreased by 16.9% and the Nikkei in Tokyo depreciated by 17.4%.

The MSCI G7 decreased by 6% and the MSCI emerging index depreciated by 15%. The S&P 500 implied volatility index increased from 17.8% to 23.4% between December 31, 2010 and December 31, 2011.

BOND MARKETS

In this context, US and German treasury bonds continued to act as safe heavens whilst spreads in other Euro zone countries widened. The US 10-year T-bond ended the 2011 year at 1.88%, a decrease of 144 bps compared to December 31, 2010 whereas the 10-year German Bund yield decreased by 106 bps to 1.83%. The France 10-year government bond yield decreased by 21 bps to 3.15%. The 10-year Japanese government bond ended year at 0.99%, a decrease of 14 bps. The 10-year Belgium government bond ended the year at 4.09% (a 120 bps increase compared to December 31, 2010). The 10-year Swiss government bond ended the year at 0.67% (a decrease of 105 bps compared to December 31, 2010).

Regarding the evolution of 10-year government bonds on European peripheral countries: Italy ended the year at 7.02% (an increase of 221 bps compared to December 31, 2010), Spain ended the year at 5.09% (a decrease of 37 bps compared to December 31, 2010), Greece ended the year at 34.96% (an increase of 2,248 bps compared to December

31, 2010), Ireland ended the year at 8.2% (a decrease of 84 bps compared to December 31, 2010), Portugal ended the year at 13.36% (an increase of 675 bps compared to December 31, 2010).

In Europe, the iTRAXX Main spreads increased by 68 bps and ended at 173 bps. The iTRAXX Crossover increased by 318 bps to 755 bps. In the United States, the CDX Main spread index increased by 35 bps to 120 bps.

EXCHANGE RATES

Against market turbulences in Europe, the Euro decreased against main currencies during the year.

Compared to December 31, 2010, the US Dollar gained 3% against the Euro (closing exchange rate moved from \$1.34 at the end of 2010 to \$1.30 at the end of 2011). The Yen gained 8% against the Euro (closing exchange rate moved from Yen 108.8 at the end of 2010 to Yen 99.88 at the end of 2011). The Pound Sterling gained 2% against the Euro (closing exchange rate moved from £0.857 at the end of 2010 to £0.835 at the end of 2011). The Swiss Franc gained 3% against the Euro (closing exchange rate moved from CHF 1.25 at the end of 2010 to CHF 1.21 at the end of 2011).

On an average rate basis, the US Dollar lost 4% against the Euro (from \$1.34 over 2010 to \$1.39 over 2011). The Yen gained 8% against the Euro (from Yen 121.6 for the twelve months ending September 2010 to Yen 112.9 for the twelve months ending September 2011). The Pound Sterling decreased by 1% (from £0.861 over 2010 to £0.866 over 2011) and the Swiss Franc gained 11% against the Euro (from CHF 1.39 over 2010 to CHF 1.24 over 2011).

Operating highlights

Significant acquisitions in 2011

AXA APH Asian operations minority interest buy-out

On November 15, 2010, AXA announced a joint proposal with AMP to AXA APH whereby AXA dispose of its 54% stake in AXA APH to AMP and acquire AXA APH Asian operations.

On April 1, 2011, after receiving the various shareholders' approval, court approvals and regulatory approvals in Australia and New Zealand as well as regulatory approvals in Asia, AXA announced that it has successfully completed the AXA APH transaction. This resulted in AMP acquiring AXA APH's outstanding shares for AU\$ 13.3 billion, of which AXA's shares in AXA APH have been paid for AU\$ 7.2 billion in cash, while AXA acquired from AMP 100% of AXA APH's Asian operations for AU\$ 9.8 billion in cash. AXA APH's Australia & New Zealand businesses price was AU\$ 3.5 billion.

This transaction had an impact on AXA Group of €0.6¹ billion realized capital gains recorded for in net income regarding the sale of its Australia and New Zealand operation, €2.5 billion reduction in shareholders' equity mainly relative to the buy-out of minority interests in AXA APH Asian operations, leading to an increase of +4 points on debt gearing and a decrease of -1 point of Solvency I ratio.

Indian operations

On June 10, 2011, AXA, Bharti, Reliance Industries Limited ("RIL") and its associate Reliance Industrial Infrastructure Limited ("RIIL") (together, the Parties) announced entering into negotiations over a potential change in Bharti AXA Life Insurance and Bharti AXA General Insurance shareholding structure.

On November 25, 2011, the Parties announced that they have mutually agreed to terminate their negotiations on the proposed transaction.

Bharti AXA Life Insurance and Bharti AXA General Insurance will continue to develop their operations in India tapping the significant growth potential offered by the Indian market.

Significant disposals in 2011

Taikang Life

On March 11, 2011, AXA announced the sale of 15.6% stake in Taikang Life. China Insurance Regulatory Commission («CIRC») has issued its approval in connection with the proposed transfer by AXA of its entire 15.6% interest in Taikang Life, China's 4th largest life insurer, to a consortium of new and existing shareholders. The consideration for this transaction amounted to USD 1.2 billion (or ca. €0.9 billion). This corresponds to implied 2009 multiples of 21x net earnings and 6x book value².

This transaction generated a positive realized capital gain impact of €0.8 billion in net income and reduced debt gearing by 1 point in 2011.

Canadian operations

On May 31, 2011, AXA announced that it has agreed to sell its Canadian operations in Property & Casualty and Life & Savings insurance to Intact Financial Corporation for a total cash consideration of CAD 2.6 billion (or ca. €1.9 billion). This corresponds to implied 2010 multiples of 13x underlying earnings and 1.9x book value. On September 26, 2011, AXA announced the successful completion of the sale. The transaction generated an exceptional realized capital gain of €0.9 billion which was accounted for in net income. In addition, AXA is entitled to receive up to CAD 100 million (or ca. €72 million) in contingent considerations based on profitability metrics over a period of five years.

AXA's Canadian operations affected by this proposed transaction was treated as discontinued operations in AXA's full year 2011 consolidated financial statements. As a consequence, their earnings were accounted for in net income.

Impacts on AXA as of December 31, 2011:

- Ca. +5 points on Solvency I ratio, which was 188% at December 31, 2011,
- Ca. +6 points on Economic Capital ratio, which was 148% at December 31, 2011,
- Ca. -3 points on debt gearing, which was 26% at December 31, 2011.

¹ Due to a change in tax regulation in September 2011 in France, the positive impact of the transaction is €0.6 billion as of December 31, 2011 compared to the €0.7 billion announced in June 30, 2011.

² Source : China Insurance Year Book 2010.

Denplan

On December 20, 2011, AXA announced that it has signed and closed the sale of **Denplan** to Simplyhealth Group Limited, for a price of £115 million (or ca. €137 million). Total cash proceeds to AXA were £151 million (or ca. €179 million). This operation had a positive impact of £46 million (or ca. €53 million) which was accounted for in net income.

Capital operations

SharePlan 2011

For several years, the AXA Group has been offering its employees in and outside France, the opportunity to subscribe to shares issued by way of a capital increase reserved for employees. In 2011, employees invested a total of €0.33 billion lead to a total of approximately 37 million newly issued shares. Employee shareholders represented 7.4% of the outstanding share capital as of December 9, 2011.

As of December 31, 2011, AXA total share capital amounted to 2,357,197,520 shares.

Catastrophe bonds

On October 20, 2011, AXA Global P&C announced the successful placement of €180 million catastrophe bonds due January 2015 to institutional investors. This is the second issuance by Calypso Capital Limited, an Irish special purpose company, under a €1.5 billion catastrophe bond program set up in 2010. This structure provides AXA Global P&C with a fully collateralized and multi-year protection against windstorms mainly in Belgium, France (excluding French overseas territories), Germany, Ireland, Luxemburg and the United Kingdom. The additional issuance provides AXA Global P&C with a total cat bond cover of €455 million.

Other

AXA Rosenberg

In the first half of 2011 a number of class action law suits were filed against AXA Rosenberg on behalf of certain AXA Rosenberg clients. These suits made various allegations including breach of fiduciary duty, negligence/gross negligence in connection with the coding error and requested damages in an unspecified amount to be determined at trial. In the fourth quarter of 2011, the parties entered into a settlement agreement following a nonbinding mediation process. On December 6, 2011, the Federal District Court for the North District of California approved a preliminary settlement order in relation to these class actions and, pursuant to this order, AXA Rosenberg paid \$65 million in December 2011. A court hearing to definitely approve the settlement is scheduled for the end of March 2012.

AXA rating

On January 27th, 2012, S&P affirmed the 'AA-' long-term ratings on AXA Group, assigning a negative outlook, and removing the CreditWatch with negative implications under which AXA Group and other financial institutions were placed on December 9, 2011 following the rating actions on the Eurozone sovereigns.

Events subsequent to December 31, 2011

There has been no subsequent event since December 31, 2011.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in Euro million)

	2011	2010 published	2010 restated (d)	2011/ 2010 (e)
Life & Savings	52,431	56,923	56,792	-4.2%
of which Gross written premiums	50,918	54,962	54,834	-
of which Fees and revenues from investment contracts with no participating feature	350	518	518	-
Property & Casualty	27,046	27,413	25,986	3.5%
International Insurance	2,876	2,847	2,847	1.5%
Asset Management	3,269	3,328	3,328	-0.3%
Banking (b)	485	459	459	5.3%
Holdings and other companies (c)	0	0	0	n.a
TOTAL	86,107	90,972	89,412	-1.5%

(a) Net of intercompany eliminations.

(b) Excluding (i) net realized capital gains or loss and (ii) change in fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €479 and €86,101 million for full year 2011 and €444 and €90,964 million for full year 2010.

(c) Includes notably CDOs and real estate companies.

(d) Restated means the restatement following the sale of Canadian operations.

(e) Changes are on a comparable basis.

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

In particular, comparable basis for revenues and APE¹ in this document means including, in both periods, acquisitions, disposals and business transfers, and net of intercompany transactions.

As a consequence of the partial sale of the United Kingdom Life & Savings operations, full year 2010 APE is based on retained business only.

Consolidated gross revenues for full year 2011 reached € 86,107 million, down 3.7% compared to 2010.

The restatements to a comparable basis were mainly driven by the impact of the partial sale of UK Life & Savings operations (€-1,505 million or -1.6 points), the impact of AXA APH Asian entities minority interest buy-out and disposal of Australia and New Zealand operations (€-1,551 million or -1.3 points) and the depreciation of Euro against most of major currencies (€+718 million or +0.8 point).

On a comparable basis, gross consolidated revenues were down 1.5%.

¹ Annual Premium Equivalent (APE) is a new regular premiums plus are tenth of single premiums, in line with EEV methodology. APE is Group share.

Annual Premium Equivalent

Annual Premium equivalent

(in Euro million)

	2011	2010	2011/ 2010 (b)
TOTAL	5,733	5,780	-0.6%
France	1,340	1,384	-2.7%
United States	1,018	986	7.0%
United Kingdom (a)	535	545	-1.3%
Japan	463	465	-7.6%
Germany	506	464	9.1%
Switzerland	397	283	24.8%
Belgium	173	218	-20.8%
Central Eastern Europe	213	274	-22.6%
Mediterranean & Latin American Region	432	553	-21.6%
Australia/New Zealand	-	283	-
Hong Kong	330	159	16.4%
South-East Asia, India and China	326	166	15.0%
Mature markets	4,808	5,114	-1.1%
High Growth markets	925	667	2.0%

(a) Full year 2010 retained business only.

(b) Changes are on a comparable basis.

Total Life & Savings New Business APE amounted to €5,733 million, down 1%, both on reported and comparable basis. APE decrease was mainly due to Mediterranean & Latin American Region, Central Eastern Europe, Belgium, France and Japan, partly offset by the United States, Switzerland, Hong Kong and South-East Asia, India and China.

High Growth markets grew by 2% in 2011 fuelled by strong growth in Hong Kong (€+48 million or +16%), South-East Asia, India and China (€+42 million or €+15%), largely offset by Central Eastern Europe (€-62 million or -23%) negatively impacted by regulatory developments.

Mediterranean & Latin American Region APE decreased by €121 million (-22%) to €432 million mainly due to mature markets (€-110 million) experiencing (i) a significant decrease in general account Savings products (€-150 million or -45%) mainly at AXA MPS reflecting a more favorable context in 2010 and lower activity within the bank distribution channel, slightly offset by (ii) an increased focus on unit-linked products (€+42 million or +46%).

Central and Eastern Europe APE decreased by 62 million (-23%) to €213 million. The closing of new business in Pension Funds following the new regulations in Hungary and Poland was partly compensated by the strategic shift towards Individual unit-linked business (+41%).

Belgium APE decreased by €45 million (-21%) to €173 million, mainly driven by lower sales of Crest general account Savings products reflecting a conservative commercial policy in a highly competitive market.

France APE decreased by €44 million (-3%) to €1,340 million mostly due to (i) a decrease of €103 million (-3%) in Individual Savings mainly reflecting market uncertainties leading to lower large contracts activity at AXA Wealth Management driving down general account Savings APE partly offset by (ii) a €6 million increase (+10%) in Group Retirement mainly driven by higher new business in unit-linked investment contracts and (iii) in €59 million increase in general account Protection & Health (+12%) driven by significant portfolio development in Group Protection & Health as well as Individual Protection stemming from "Protection Familiale".

Japan APE decreased by €35 million (-8%) to €463 million on a comparable basis, mainly due to (i) €6 million (-5%) decrease in Investment & Savings following the non-repeat of significant sales of Variable Annuity products as a result of last year change in inheritance tax law, (ii) €24 million (-15%) decrease in Health as a result of the discontinuation of the former low margin Cancer product together with lower sales in Medical products partly offset by newly launched Cancer products.

The United States APE increased by €69 million (+7%) to €1,018 million mainly driven by General account Protection & Health (+52%) with the launch of the new Indexed Universal Life product primarily in third party

channels and Variable Annuities (+5%) as strong sales of Retirement Cornerstone and the roll-out of the new Structured Capital Strategies product were partly offset by lower sales of Accumulator.

Switzerland APE increased by €70 million (+25%) to €397 million driven by (i) €+62 million (+31%) in Group Life driven by higher demand for full insurance contracts and (ii) €+8 million (+9%) in Individual Life mainly attributable to Protect Invest products.

Hong Kong APE increased by €48 million (+16%) to €330 million due to the successful launch of unit-linked products (+9%), higher sales in general account Protection & Health (+13%) and Funds (+15%).

South-East Asia, India and China APE increased by €42 million (+15%) to €326 million mainly driven by (i) Indonesia (€+29 million) with strong sales of unit-linked products through the bancassurance channel, (ii) China (€+10 million) primarily from higher sales of general account Protection products through the bancassurance channel, (iii) Thailand (€+10 million) mainly from higher sales of short term Savings products. These increases were partly offset by (iv) lower sales in India (€-9 million) mainly from unit-linked business following regulatory changes since September 2010.

Property & Casualty Revenues

Property & Casualty Revenues

(in Euro million)

	2011	2010 published	2010 restated (a)	2011/2010 (b)
TOTAL	27,046	27,413	25,986	3.5%
Mature markets	21,609	22,495	21,067	1.3%
Direct	2,102	1,928	1,928	8.2%
High Growth markets	3,335	2,990	2,990	15.7%

(a) Restated means the restatement following the sale of Canadian operations.

(b) Changes are in comparable basis

Property & Casualty gross revenues were up 4% to €27,046 million or up 3.5% on a comparable basis mainly driven by Personal lines (+4%) especially in Germany, the Mediterranean & Latin American Region, Asia and Direct Business. Commercial lines increased by 3% especially in the United Kingdom & Ireland and in the Mediterranean & Latin American Region partly offset by Switzerland.

Personal lines (60% of P&C gross revenues) were up by 4% on a comparable basis, stemming from both Motor (+5%) and Non-Motor (+2%), primarily as a result of tariff increases in Mature markets and Direct business and higher volumes in High Growth markets.

Motor revenues grew by 5% mainly driven by:

- the Mediterranean & Latin American Region (+7%), primarily driven by higher volumes in Turkey (+35%) and in Mexico (+14%), tariff increases in Italy (+7%), partly offset by Spain (-7%) due to a fierce competitive environment,
- Direct business (+6%) reflecting a 12% increase in the UK as a result of tariff increases and successful marketing campaigns in 2010, strong growth in Italy and Poland (+99% and +25% respectively) as well as higher volumes in Japan (+7%),
- Germany (+9%) as a result of higher volumes and price increases,
- Asia (+10%) following strong sales increase in Malaysia (+20%),
- partly offset by France (-1%) as price increases were offset by lower volumes.

Non-Motor revenues increased by 2% mainly due to:

- Direct Business (+31%) reflecting higher volumes in Household in the UK,
- Germany (+4%) mainly due to a positive net production in Property,
- Switzerland (+2%) driven by strong sales in Household,
- France (+1%) thanks to price increases.

Commercial lines (40% of P&C gross revenues) increased by 3% on a comparable basis with Motor and Non-Motor up by 7% and 3% respectively.

Motor revenues were up by 7%, mainly driven by:

- the United Kingdom (+17%) as a result of improved retention and higher new business,
- the Mediterranean & Latin American Region (+8%) notably in Mexico (+21%) fuelled by positive portfolio developments and tariff increases,
- Belgium (+5%) and France (+3%) mainly due to tariff increases.

Non-Motor revenues were up by 3% reflecting growth in:

- the Mediterranean & Latin American Region (+6%) mainly driven by large accounts in high growth markets,
- France (+3%) mainly following tariff increases,
- the United Kingdom (+3%) due to primarily Health portfolio development in the UK and abroad.
- These increases were partly offset by Switzerland (-1%) due to fierce market competition with pressure on premiums.

International Insurance revenues were up 1% both on reported and comparable basis to €2,876 million mainly driven by (i) **AXA Corporate Solutions** up 3% to €1,986 million mainly due to positive portfolio developments in Aviation & Space, Motor and Marine partly offset by selective underwriting in Liability, and (ii) **AXA Assistance** down 2% to €750 million.

Asset management revenues decreased by 2% or remained stable on a comparable basis to €3,269 million mainly driven by (i) a decrease in management fees (€-71 million) partly offset by higher performance fees (€+23 million) and real estate transaction fees at AXA Investment Managers (€+23 million), (ii) higher distribution fees at AllianceBernstein (€+10 million).

AllianceBernstein revenues were down 3% to €1,963 million due to lower management fees (-6%), primarily in Institutional clients, as a consequence of lower bps (-0.52bp) and lower average assets under management (-5%).

AUM decreased by €27 billion or -7% from 2010 to €335 billion driven by (i) net outflows of €-28 billion mainly from Institutional clients, (ii) €-7 billion unfavorable market impact partly offset by (iii) €+10 billion positive exchange rate impact.

AXA Investment Managers revenues increased by €64 million (+5%) to €1,306 million. Excluding distribution fees (retroceded to distributors), net revenues increased by €54 million (+5%) following higher performance and Real Estate transaction fees while management fees remained stable.

AUM decreased by €4 billion from year-end 2010 to €512 billion at the end of 2011 mainly as a result of €-3 billion unfavorable market impact, €-4 billion unfavorable change in scope related to the partial sale of the UK Life & Savings operations and €-1 billion net outflows, partly offset by €+5 billion favorable foreign exchange impact.

Net outflows of €-1 billion were mainly driven by outflows on AXA Rosenberg products (€-5 billion) and the voluntary exit from unprofitable employee shareholding schemes (€-2 billion), partly offset by inflows mainly on AXA Private Equity, AXA Real Estate and AXA Framlington.

Net banking revenues were up 6% to €485 million or up 5% on a comparable basis, mainly driven by France (+15%) due to higher revenues on growing retail loans and mortgages activities, while AXA Bank Belgium slightly decreased (-1%) to €328 million as higher income from retail banking activities was more than offset mainly by unfavorable changes in fair value of hedging derivatives (€-26 million) and higher funding cost (€-9 million).

Consolidated underlying earnings, adjusted earnings and net income

	(in Euro million)		
	2011	2010 published	2010 restated (b)
Gross written premiums	80,570	84,946	83,390
Fees and revenues from investment contracts without participating feature	350	518	518
Revenues from insurance activities	80,920	85,464	83,908
Net revenues from banking activities	414	444	444
Revenues from other activities	4,708	5,055	5,052
TOTAL REVENUES	86,042	90,964	89,404
Change in unearned premium reserves net of unearned revenues and fees	(547)	(510)	(449)
Net investment result excluding financing expenses (a)	15,114	30,576	30,473
Technical charges relating to insurance activities (a)	(75,422)	(94,351)	(93,482)
Net result of reinsurance ceded	(733)	(819)	(786)
Bank operating expenses	(87)	(96)	(96)
Insurance acquisition expenses	(8,160)	(8,699)	(8,425)
Amortization of value of purchased life business in force	(241)	(250)	(250)
Administrative expenses	(9,754)	(10,783)	(10,566)
Valuation allowances on tangible assets	29	(9)	(9)
Change in value of goodwill	(0)	(3)	(3)
Other	(388)	(62)	(62)
Other operating income and expenses	(94,755)	(115,071)	(113,679)
OPERATING EARNINGS BEFORE TAX	5,854	5,959	5,749
Net income from investments in affiliates and associates	85	71	70
Financing expenses	(360)	(488)	(488)
UNDERLYING EARNINGS BEFORE TAX	5,579	5,542	5,331
Income tax expenses	(1,453)	(1,296)	(1,235)
Minority interests	(224)	(366)	(366)
UNDERLYING EARNINGS	3,901	3,880	3,731
Net realized capital gains or losses attributable to shareholders	(312)	437	419
ADJUSTED EARNINGS	3,589	4,317	4,150
Profit or loss on financial assets (under fair value option) & derivatives	114	210	212
Exceptional operations (including discontinued operations)	2,069	(1,616)	(1,456)
Goodwill and other related intangible impacts	(1,167)	(87)	(81)
Integration and restructuring costs	(281)	(76)	(76)
NET INCOME	4,324	2,749	2,749

(a) For the periods ended December 31, 2011 and December 31, 2010, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €+4,977 million and €+13,788 million, and benefits and claims by the offsetting amounts respectively.

(b) Restated means the restatement following classification of Canadian operations as discontinued business.

Underlying, Adjusted earnings and Net Income

	(in Euro million)		
	2011	2010 published	2010 restated (b)
Life & Savings	2,267	2,455	2,445
Property & Casualty	1,848	1,692	1,553
International Insurance	276	290	290
Asset Management	321	269	269
Banking	32	9	9
Holdings and other companies (a)	(843)	(836)	(836)
UNDERLYING EARNINGS	3,901	3,880	3,731
Net realized capital gains or losses attributable to shareholders	(312)	437	419
ADJUSTED EARNINGS	3,589	4,317	4,150
Profit or loss on financial assets (under Fair Value option) & derivatives	114	210	212
Exceptional operations (including discontinued operations)	2,069	(1,616)	(1,456)
Goodwill and related intangibles impacts	(1,167)	(87)	(81)
Integration and restructuring costs	(281)	(76)	(76)
NET INCOME	4,324	2,749	2,749

(a) Includes notably CDOs and real estate companies.

(b) Restated means the restatement following classification of Canadian operations as discontinued business.

Group underlying earnings amounted to €3,901 million. On a constant exchange rate basis, underlying earnings increased by €90 million (+2%) driven by Property & Casualty, Asset Management and Banking partly offset by a decrease in Life & Savings.

Life & Savings underlying earnings amounted to €2,267 million. On a constant exchange rate basis Life & Savings underlying earnings were down €213 million (-9%). On a comparable scope basis, restated for the partial sale of the UK Life & Savings operation and for the AXA APH Asian entities minority interest buy-out and disposal of Australia and New Zealand operations, Life & Savings underlying earnings were down €52 million (-2%) mainly attributable to the United States (€-155 million), Japan (€-35 million), partly offset by the UK (€+51 million), Switzerland (€+48 million), South-East Asia, India & China (€+39 million) and France (€+25 million) mainly resulting from:

- (i) **Higher Investment margin** (€+34 million or +1%), mainly as a result of (i) a lower allocation to policyholders in Germany (€+29 million), (ii) higher average asset base and stable credited interests in Belgium (€+26 million) partly offset by (iii) Hong Kong (€-20 million) mainly due to a higher allocation to policyholders.
- (ii) **Higher fees & revenues** (€+321 million or +5%) mainly driven by:
 - a. **Unit-linked management fees** were up €126 million, mainly driven by the United States (€+79 million) with higher unit-linked management fees from higher Separate Account balances and France (€+28 million) driven by both business mix and positive market effects,
 - b. **Loadings on premiums and mutual funds** were up €192 million mainly driven by (i) the United States (€+110 million) due to higher Unearned Revenue Reserve amortization (€+95 million) reflecting lower projection of future loadings, (ii) Hong Kong (€+65 million) driven by higher new business and in-force growth,
 - c. **Other fees** were up €3 million.
- (iii) **Net technical margin** was down €979 million mainly driven by (i) €-830 million deterioration of the Variable Annuity hedging results in the United States as a result of higher impact of reserve adjustments following lower lapse assumption as well as higher volatility cost and basis losses (ii) France (€-111 million) mainly as a result of regulatory changes on "CMU" levy (€-61 million offset in expenses) and less favorable prior year reserve development in Group Retirement, (iii) Japan (€-64 million) mainly due to lower mortality margin following the Great East Japan earthquake, partly offset by (iv) Switzerland (€+71 million) mainly due to a favorable claims experience.
- (iv) **Expenses** decreased by €954 million (or -13%). On a comparable basis, expenses decreased by €319 million or -5% as a result of:
 - a. €179 million lower acquisition expenses, primarily driven by the United States (€+297 million) as a result of lower DAC amortization notably following the decrease in technical margin, partly offset by Hong Kong (€-51 million) reflecting higher commissions and in-force growth, and Belgium (€-45 million) mainly driven by a change in actuarial assumptions leading to higher DAC amortization in 2011.
 - b. €140 million lower administrative expenses, reflecting both positive one-offs impacts, notably the change in CMU levy in France, as well as productivity programs net of inflation.
- (v) **Lower tax expenses and minority interests** (down €221 million) driven by lower pre-tax underlying earnings, more favorable tax one-offs (€91 million in the United States, €15 million in Japan and €37 million in Germany versus €89 million in 2010), and a favorable tax situation in the UK.

Property & Casualty underlying earnings amounted to €1,848 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €252 million (+16%) mainly driven by:

- (i) **Higher net technical result (including expenses)** up €389 million (or +96%) driven by:
 - a. **Current year loss ratio** improving by 2.1 points driven by lower Nat Cat charge (-1.0 point) and lower current year claims experience (-1.1 points) benefitting from tariff increases and lower frequency claims partly offset by higher large claims and inflation,
 - b. **Lower positive prior year reserve development** by 1.5 points,
 - c. **Lower expense ratio** improving by 0.8 point to 27.0%, reflecting (i) 0.5 point reduction in acquisition ratio mainly driven by renegotiation of commission rates and reduced exposure to highly commissioned business in the United Kingdom, and (ii) 0.3 point reduction in administrative expenses ratio benefitting from both positive one-off impacts and various productivity programs net of inflation.
 - d. As a result, **the combined ratio** improved by 1.4 points to 97.9%.
- (ii) **Investment result** slightly decreased by 1% to €2,034 million,
- (iii) **Higher income tax expense and minority interests** (up €122 million) mainly driven by higher pre-tax underlying earnings and while positive tax one-offs remained stable.

International Insurance underlying earnings amounted to €276 million. On a constant exchange rate basis, underlying earnings decreased by €16 million (or -6%) notably due to AXA Corporate Solutions Assurance down (€-11 million) with a slight deterioration of combined ratio (up 1.0 point) reflecting lower prior year reserve developments.

Asset Management underlying earnings amounted to €321 million. On a constant exchange rate basis, underlying earnings increased by €53 million (+20%) mainly driven by AXA IM (€+87 million or +69%) reflecting (i) the non repeat of AXA Rosenberg coding error provision allowance (€+66 million) as well as (ii) higher revenues partly offset by AllianceBernstein (€-34 million or -23%) as a result of lower management fees following a decrease in assets under management and higher expenses due to promotion and services partly offset by lower variable compensations.

Banking underlying earnings increased to €32 million (vs. €9 million in 2010), excluding the contribution of AXA Bank Hungary, reclassified to net income, following the discontinuation of lending activities.

Holdings and other companies underlying earnings amounted to €-843 million. On a constant exchange rate basis, holdings underlying earnings decreased by €-9 million (-1%) to €-845 million driven by (i) Germany Holdings down 32 million mainly driven by less favorable tax-one offs, (ii) AXA SA (€-8 million) mostly following lower financial income, partly offset by (iii) UK Holdings (€+33 million) following higher investment margin and (iv) US Holdings (€+30 million) due to lower share-based compensation and lower financial charges.

Group net capital gains attributable to shareholders amounted to €-312 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders were down €732 million mainly due to:

- (i) €-460 million higher **impairments** to €-840 million in 2011 mainly driven by €-387 million net impairment on Greece government bonds, and to a lesser extent higher impairments on equity,
- (ii) €-224 million lower **realized capital gains**, to €+682 million in 2011, mainly driven by (i) the non repeat of the change in French tax regulation on “réserve de capitalisation” (€-190 million) and (ii) lower realized gains on equities (€-179 million) partly offset by higher realized gains on real estate (€+85 million),
- (iii) €-47 million lower intrinsic value mainly related to equity derivatives premium amortization.

As a result, **adjusted earnings** amounted to €3,589 million. On a constant exchange rate basis, adjusted earnings decreased by €641 million (-15%).

Net Income amounted to €4,324 million. On a constant exchange rate basis, net income increased by €1,360 million (+49%) mainly as a result of:

- (i) **Higher exceptional operations** from €-1,456 million in 2010 – mainly related to the partial sale of UK Life & Savings operations – to €2,069 million encompassing :
 - a. €+902 million capital gain of the disposal of Canada operations,
 - b. €+798 million following the sale of the stake in Taikang Life,
 - c. €+626 million in capital gain on the disposal of Australia and New Zealand operations,
 - d. €-187 million due to the restructuring of the participation in Bharti AXA Life Insurance Co. Ltd. and Bharti AXA General Insurance,
 - e. €-144 million loan losses in Hungary (total impact on net income stood at €-230 million including goodwill and other intangible amortization).
- (ii) partly offset by
 - a. higher amortization and impairments of intangible assets from €-81 million in 2010 to €-1,167 million, mostly related to the goodwill reduction in the United States, €-943 million, attributable to the Accumulator book of business considering the present market environment deterioration,
 - b. lower adjusted earnings (€-641 million),
 - c. higher restructuring costs (€-210 million) mainly due to the accelerated vesting of AllianceBernstein deferred compensation plans.

Consolidated Shareholders' Equity

As of December 31, 2011, consolidated shareholders' equity totaled €48.6 billion. The movements in shareholders' equity since December 31, 2010 are presented in the table below:

	(in Euro million)
	Shareholders' Equity
At December 31, 2010	49,698
Share Capital	85
Capital in excess of nominal value	236
Equity-share based compensation	43
Treasury shares sold or bought in open market	110
Deeply subordinated debt (including interests charges)	(291)
Fair value recorded in shareholders' equity	(1,574)
Impact of currency fluctuations	473
Payment of N-1 dividend	(1,601)
Other	(2,364)
Net income for the period	4,324
Actuarial gains and losses on pension benefits	(577)
At December 31, 2011	48,562

Shareholder Value

EARNINGS PER SHARE ("EPS")

	(in Euro million except ordinary shares in million)							
	2011		2010 Published		2010 Restated (a)		Var. 2011 versus 2010 Restated (a)	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	2,301.0	2,305.0	2,266.3	2,274.6	2,266.3	2,274.6		
Net income (Euro per Ordinary Share)	1.75	1.75	1.08	1.08	1.08	1.08	62%	62%
Adjusted earnings (Euro per Ordinary Share)	1.43	1.43	1.77	1.77	1.70	1.69	-16%	-15%
Underlying earnings (Euro per Ordinary Share)	1.57	1.57	1.58	1.57	1.51	1.51	4%	4%

(a) Restated in 2010 means the restatement of the Canadian activities as discontinued operations.

RETURN ON EQUITY (“ROE”)

(in Euro million)

	Period ended , December 31, 2011	Period ended , December 31, 2010 published	Period ended , December 31, 2010 restated (c)	Change in % points
ROE	9.4%	5.9%	5.9%	3.5 pts
Net income group share	4,324	2,749	2,749	
Average shareholders' equity	45,950	46,225	46,225	
Adjusted ROE	10.0%	12.0%	11.5%	-1.5 pts
Adjusted earnings (a)	3,298	4,018	3,851	
Average shareholders' equity (b)	32,897	33,552	33,552	
Underlying ROE	11.0%	10.7%	10.2%	0.7 pts
Underlying earnings (a)	3,610	3,580	3,432	
Average shareholders' equity (b)	32,897	33,552	33,552	

(a) Including adjustment to reflect net financial charges related to undated debt (recorded through shareholders' equity).
 (b) Excluding fair value of invested assets and derivatives and undated debt (both recorded through shareholders' equity).
 (c) Restated in 2010 means the restatement of the Canadian activities as discontinued operations.

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)		
	2011	2010 published	2010 restated (b)
Gross revenues	52,481	56,988	56,856
APE (Group share)	5,733	5,780	5,780
Investment margin	2,428	2,536	2,528
Fees & revenues	7,160	7,615	7,569
Net technical margin	(205)	767	751
Expenses	(6,236)	(7,190)	(7,136)
Amortization of VBI	(239)	(250)	(250)
Other	43	21	21
Underlying earnings before tax	2,951	3,500	3,484
Income tax expenses / benefits	(597)	(807)	(801)
Minority interests	(87)	(238)	(238)
Underlying earnings Group share	2,267	2,455	2,445
Net capital gains or losses attributable to shareholders net of income tax	(35)	279	276
Adjusted earnings Group share	2,232	2,734	2,721
Profit or loss on financial assets (under FV option) & derivatives	273	347	347
Exceptional operations (including discontinued operations)	745	(1,646)	(1,634)
Goodwill and other related intangibles impacts	(1,015)	(23)	(22)
Integration and restructuring costs	(42)	(16)	(16)
Net income Group share	2,193	1,396	1,396

(a) Before intercompany transactions.

(b) Restated means the restatement following classification of Canadian operations as discontinued business.

Consolidated Gross Revenues

	(in Euro million)		
	2011	2010 published	2010 restated (b)
France	13,658	14,650	14,650
United States	9,657	9,460	9,460
United Kingdom	651	2,040	2,040
Japan	5,747	5,560	5,560
Germany	7,001	6,880	6,880
Switzerland	6,158	5,090	5,090
Belgium	2,142	2,506	2,506
Central and Eastern Europe (e)	514	515	515
Mediterranean & Latin American Region (a)	4,796	6,955	6,955
Hong Kong	1,465	1,321	1,321
South-East Asia (d)	255	244	244
Other countries (c)	436	1,768	1,636
TOTAL	52,481	56,988	56,856
Intercompany transactions	(50)	(64)	(64)
Contribution to consolidated gross revenues	52,431	56,923	56,792
of which High growth markets	2,617	2,485	2,485
of which Mature markets	49,814	54,439	54,307

(a) Mediterranean & Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.

(b) Restated means the restatement following classification of Canadian operations as discontinued business.

(c) Other countries correspond to Australia / New Zealand, Canada, Luxembourg, AXA Global Distributors, AXA life europe, Architas and Family protect .

(d) South-East Asia revenues include Indonesia and Singapore.

(e) Includes Poland, Hungary, Czech Republic and Slovakia.

Underlying earnings

	(in Euro million)		
	2011	2010 published	2010 restated (b)
France	632	607	607
United States	312	478	478
United Kingdom	(6)	134	134
Japan	323	335	335
Germany	192	174	174
Switzerland	293	212	212
Belgium	155	170	170
Central and Eastern Europe (d)	9	9	9
Mediterranean & Latin American Region (a)	104	117	117
Hong Kong	224	142	142
South-East Asia, India and China (c)	50	3	3
Other countries (e)	(19)	74	64
UNDERLYING EARNINGS	2,267	2,455	2,445
of which High growth markets	295	174	174
of which Mature markets	1,973	2,281	2,271

(a) Mediterranean & Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.

(b) Restated means the restatement following classification of Canadian operations as discontinued business.

(c) South-East Asia earnings include Indonesia, Thailand, Philippines and Singapore.

(d) Includes Poland, Hungary, Czech Republic and Slovakia.

(e) Other countries correspond to Australia / New Zealand, Canada, Luxembourg, AXA Global distributors, AXA Life Europe, Architas and Family Protect.

Underlying, Adjusted earnings and Net Income

	(in Euro million)		
	2011	2010 published	2010 restated (a)
UNDERLYING EARNINGS	2,267	2,455	2,445
Net realized capital gains or losses attributable to shareholders	(35)	279	276
ADJUSTED EARNINGS	2,232	2,734	2,721
Profit or loss on financial assets (under Fair Value option) & derivatives	273	347	347
Exceptional operations (including discontinued operations)	745	(1,646)	(1,634)
Goodwill and related intangible impacts	(1,015)	(23)	(22)
Integration and restructuring costs	(42)	(16)	(16)
NET INCOME	2,193	1,396	1,396

(a) Restated means the restatement following classification of Canadian operations as discontinued business.

Life & Savings operations – France

	(in Euro million)	
	2011	2010
Gross revenues	13,658	14,650
<i>APE (Group share)</i>	<i>1,340</i>	<i>1,384</i>
Investment margin	1,111	1,105
Fees & revenues	1,520	1,513
Net technical margin	449	561
Expenses	(2,190)	(2,296)
Amortization of VBI	(69)	(13)
Other	6	6
Underlying earnings before tax	827	875
Income tax expenses / benefits	(194)	(266)
Minority interests	(2)	(2)
Underlying earnings Group share	632	607
Net capital gains or losses attributable to shareholders net of income tax	193	247
Adjusted earnings Group share	825	854
Profit or loss on financial assets (under FV option) & derivatives	(83)	63
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	741	917

Gross revenues decreased by €991 million (-7%) to €13,658 million. On a comparable basis, gross revenues decreased by €924 million (-6%) mainly due to:

- *Individual Savings* revenues decreased by €1,010 million (-13%) mainly reflecting market uncertainties notably leading to lower large contracts at AXA Wealth Management driving lower general account revenues partly offset by higher unit-linked revenues (+3%),
- *Group Retirement* decreased by €44 million (-5%) despite higher unit-linked revenues (+175% or €+139 million),
- *Protection and Health* increased by €130 million (+3%) driven by €+103 million in Group Protection and Health reflecting positive portfolio development and €+27 million in Individual Protection and Health mainly due to the success of the Family Protection product.

APE decreased by €44 million (-3%) to €1,340 million. On a comparable basis, APE decreased by €37 million (-3%):

- *Individual Savings* decreased by €103 million (-13%) mainly reflecting market uncertainties notably leading to lower large contracts at AXA Wealth Management driving lower general account APE (-17%) partly offset by higher unit-linked APE (+4%),
- *Group Retirement* increased by €6 million (+10%) driven by some new large contracts in 2011 especially in unit-linked investment contracts,
- *Protection and Health* increased by €59 million (+12%) driven by Individual Protection (+31%) mainly due to the success of the Family Protection product and by Group Protection and Health (+15%) partly offset by Individual Health (-4%).

Investment margin remained stable (€+5 million) in an unfavorable interest rate environment.

Fees & revenues increased by €8 million (+0%) to €1,520 million mainly due to higher unit-linked fees.

Net technical margin decreased by €111 million (-20%) to €449 million mainly driven by (i) Group Protection (€-79 million) due to €-61 million following a change in “CMU” levy regulation (offset in expenses), as well as a lower positive prior year reserve development and by (ii) Group Retirement (€-28 million) driven by lower positive prior year reserve developments.

Expenses decreased by €106 million (-5%) to €-2,190 million due to lower general expenses (€+128 million), driven by exceptional impacts on taxes (€+99 million of which €+61 million following a change in “CMU” levy regulation offset in technical margin) and lower staff costs.

Amortization of VBI increased by €56 million (+422%) to €-69 million reflecting the accelerated amortization of the remaining stock of VBI.

As a result, the **underlying cost income ratio** increased by 0.7 point to 73.3%.

Income tax expenses decreased by €73 million (-27%) to €-194 million, mostly due to higher non taxable revenues, lower taxes on prior year reserve developments and to a lesser extent, lower pre tax underlying earnings.

As a result, **underlying earnings** increased by €25 million (+4%) to €632 million.

Adjusted earnings decreased by €29 million (-3%) to €825 million, mainly driven by higher impairments (€-165 million) notably on fixed income assets (€-142 million on Greek government bonds), €-112 million from last year change in the French tax regulation on the “réserve de capitalization” partly offset by higher realized capital gains mainly on real estate and equities (€+195 million) as well as a more favorable change in intrinsic value of equity hedging positions (€+29 million).

Net income decreased by €175 million (-19%) to €741 million, due to an unfavorable change in fair value of mutual funds and derivatives (€-145 million) mainly due to credit spread widening and lower adjusted earnings.

Life & Savings operations - United States

	(in Euro million)	
	2011	2010
Gross revenues	9,657	9,460
<i>APE (Group share)</i>	<i>1,018</i>	<i>986</i>
Investment margin	474	505
Fees & revenues	1,931	1,804
Net technical margin	(1,192)	(426)
Expenses	(909)	(1,278)
Amortization of VBI	(5)	(52)
Other	-	-
Underlying earnings before tax	300	553
Income tax expenses / benefits	13	(75)
Minority interests	-	-
Underlying earnings Group share	312	478
Net capital gains or losses attributable to shareholders net of income tax	(11)	(138)
Adjusted earnings Group share	301	340
Profit or loss on financial assets (under FV option) & derivatives	330	73
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(944)	(1)
Integration and restructuring costs	(29)	(3)
Net income Group share	(343)	410
Average exchange rate : 1.00 € = \$	1.3867	1.3370

Gross revenues increased by €197 million (+2%) to €9,657 million. On a comparable basis, gross revenues increased by €557 million (+6%):

- *Variable Annuity* revenues (53% of gross revenues) increased by 5% reflecting the impact of the new Retirement Cornerstone and Structured Capital Strategies products launched in 2010, which represented a combined 53% of the full year 2011 Variable Annuity sales,
- *Life revenues* (27% of gross revenues) decreased by 1% driven by a decrease in Variable Life renewal premiums down 18% from Corporate Owned Life Insurance, partially offset by an increase in sales of the Indexed Universal Life (product launched in August 2010, and represented 37% of the full year 2011 Life sales),
- *Fees on Asset Management business* (7% of gross revenues) increased by 4% driven by higher average separate account balances reflecting market performance in the first half of the year,
- *Mutual Funds revenues* (1% of gross revenues) increased by 7%.

APE increased by €31 million (+3%) to €1,018 million. On a comparable basis, APE increased by €69 million (+7%):

- *Variable Annuity* increased by 5% to €460 million reflecting higher sales of Retirement Cornerstone, mainly through the retail channel and Structured Capital Strategies product, offsetting lower sales on former versions of Accumulator,
- *Life* increased by 40% to €249 million reflecting increased sales of Indexed Universal Life (product launched in August 2010) primarily in third party channels,
- *Mutual Funds* decreased by 7% to €303 million.

Investment margin decreased by €31 million (-6%) to €474 million. On a constant exchange rate basis, investment margin decreased by €13 million (-3%) driven by a decrease in investment income of €40 million reflecting lower yields on fixed income assets, partly offset by a decrease in interest and bonus credited to policyholders of €27 million primarily reflecting lower crediting rates.

Fees & revenues increased by €126 million (+7%) to €1,931 million. On a constant exchange rate basis, fees & revenues increased by €198 million (+11%) primarily driven by higher unit-linked management fees from higher average Separate Account balances (€+79 million), and higher Unearned Revenue Reserve amortization (€+95 million) notably driven by a revised projection of lower future projected loadings (more than offset in DAC amortization).

Net technical margin decreased by €766 million to €-1,192 million. On a constant exchange rate basis, net technical margin decreased by €810 million primarily driven by higher GMxB losses reflecting increased volatility and basis losses, and higher impact of GMxB reserve adjustment for lower lapse assumptions.

Expenses decreased by €369 million (-29%) to €-909 million. On a constant exchange rate basis, expenses decreased by €336 million (-26%):

- Expenses, net of capitalization (including commissions and DAC capitalization) decreased by €60 million (-5%) to €-1,005 million mainly due to productivity actions implemented in 2011, including a one-time change to employee benefit plans (€+37 million) and overall reduced spending, partially offset by higher asset based commissions,
- DAC amortization decreased by €276 million to €+96 million following higher GMxB losses (including revision of lapse assumptions) and a favorable change in expected mortality, offsetting recurring DAC amortization and lower projected future loadings (partly offset in URR).

Amortization of VBI decreased by €47 million (-91%) to €-5 million. On a constant exchange rate basis, amortization of VBI decreased by €47 million (-90%) following a change in assumption reflecting higher expected margins on MONY in-force contracts partly offset by the annual amortization charge.

As a result, the **underlying cost income ratio** increased by 4.7 points to 75.3%.

Income tax expense decreased by €88 million to a benefit of €13 million. On a constant exchange rate basis, income tax expense decreased by €88 million which reflects lower underlying earnings and higher favorable impact of tax settlements in 2011 (€91 million in 2011 vs. €76 million in 2010).

Underlying earnings decreased by €166 million (-35%) to €312 million. On a constant exchange rate basis, underlying earnings decreased by €155 million (-32%).

Adjusted earnings decreased by €39 million (-12%) to €301 million. On a constant exchange rate basis, adjusted earnings decreased by €28 million (-8%) mainly reflecting the decrease in underlying earnings partly offset by lower impairments on fixed income assets.

Net income decreased by €753 million (-184%) to €-343 million. On a constant exchange rate basis, net income decreased by €765 million (-187%). Net income decreased reflecting (i) a €943 million goodwill reduction attributable to the Accumulator book of business considering the present market environment deterioration, and (ii) higher restructuring costs recorded in 2011 (€-29 million), partly offset by a more favorable change in the fair value of interest rate derivatives (€+261 million).

Life & Savings operations - United Kingdom

	(in Euro million)	
	2011	2010
Gross revenues	651	2,040
<i>APE (Group share)</i>	<i>535</i>	<i>545</i>
Investment margin	15	122
Fees & revenues	375	506
Net technical margin	23	65
Expenses	(454)	(577)
Amortization of VBI	(2)	(3)
Other	-	-
Underlying earnings before tax	(43)	113
Income tax expenses / benefits	37	21
Minority interests	0	(0)
Underlying earnings Group share	(6)	134
Net capital gains or losses attributable to shareholders net of income tax	2	(6)
Adjusted earnings Group share	(5)	128
Profit or loss on financial assets (under FV option) & derivatives	3	59
Exceptional operations (including discontinued operations)	(37)	(1,642)
Goodwill and other related intangibles impacts	(50)	(12)
Integration and restructuring costs	(3)	(1)
Net income Group share	(93)	(1,468)
<i>Average exchange rate : 1.00 € = £</i>	<i>0.8663</i>	<i>0.8615</i>

As a consequence of the partial sale of the Life & Savings business to Resolution in 2010, 2011 gross revenues, underlying earnings, adjusted earnings and net income do not include the business sold in 2010. For consistency, 2011 figures have been compared to the same scope for 2010, i.e. retained business as well as portfolios transferred in November 2011 to Resolution. This is referred to as a comparable scope basis in the commentary below.

2010 underlying earnings amounted to €134 million, corresponding approximately to €191 million from the sold business and €-57 million from the retained business for the comparable scope.

2010 APE is based on retained business only.

Gross revenues decreased by €1,389 million (-68%) to €651 million. On a constant exchange rate and comparable scope basis, gross revenues increased by €120 million (22%) mainly attributable to €77 million from unit-linked business supported by the launch of the new Accumulator product in 2010, €22 million from bancassurance business and €19 million from Sun Life Direct Protection business.

APE decreased by €10 million (-2%) to €535 million. On a constant exchange rate and on retained business only, APE decreased by €7 million (1%). Excluding the large corporate pension schemes, APE increased by €6 million (+1%) driven by mutual funds sales through the Elevate wrap platform (€+72 million or +75%) as more advisers signed up to using the platform, partly offset by lower sales of unit-linked products driven by a combination of lower volume in individual pensions due to significant sales in 2010 following a change in legislation and lower sales of offshore bonds due to uncertain economic conditions.

Investment margin decreased by €108 million (-88%) to €15 million. On a constant exchange rate and on a comparable scope basis, the investment margin decreased by €4 million.

Fees & revenues decreased by €130 million (-26%) to €375 million. On a constant exchange rate and on a comparable scope basis, fees & revenues increased by €32 million (9%) driven by €22 million increase in loadings on premiums reflecting portfolio growth, together with €10 million increase in unit-linked management fees mostly driven by in force growth.

Net technical margin decreased by €43 million (-65%) to €23 million. On a constant exchange rate and on a comparable scope basis, net technical margin increased by €20 million mainly due to a favorable change in reserve assumption for policyholder taxes on Sun Life Direct Protection business (€+11 million).

Expenses decreased by €123 million (-21%) to €-454 million. On a constant exchange rate and on a comparable scope basis, the expenses increased by €5 million.

Amortization of VBI decreased by €1 million (-28%) to €-2 million (8%). On a constant exchange rate and on a comparable scope basis, amortization of VBI remained stable.

Income tax benefits increased by €16 million (78%) to €37 million. On a constant exchange rate and on a comparable scope basis, income tax benefits increased by €7 million (25%) driven by a positive tax adjustment following a corporate tax rate decrease more than offset by higher pre-tax underlying earnings evolution. Retained business underlying earnings benefited from a favorable tax situation in 2010 and 2011 (€11 million).

As a consequence, the **underlying cost income ratio** increased by 26.8 points to 110.5%. On a constant exchange rate and on a comparable scope basis, the underlying cost income ratio decreased by 13.1 points.

Underlying earnings decreased by €140 million to €-6 million. On a constant exchange rate and a comparable scope basis, underlying earnings increased by €51 million.

Adjusted earnings decreased by €133 million to €-5 million. On a constant exchange rate and comparable scope, adjusted earnings increased by €51 million due to the underlying earnings movement.

Net income increased by €1,375 million to €-93 million. Excluding €1,642 million exceptional loss in 2010 arising from the partial sale of the Life & Savings business, on a constant exchange rate and on a comparable scope basis, net income decreased by €20 million. In addition to the changes in adjusted earnings, the year on year movement in net income included €-37 million adjustment related to the completion of the held for sale portfolios transferred in 2011 and €-38 million accelerated amortization related to customer intangibles.

Life & Savings operations – Japan

	(in Euro million)	
	2011	2010
Gross revenues	5,747	5,560
<i>APE (Group share)</i>	463	465
Investment margin	(0)	(0)
Fees & revenues	1,456	1,356
Net technical margin	(23)	43
Expenses	(860)	(782)
Amortization of VBI	(56)	(66)
Other	-	-
Underlying earnings before tax	518	550
Income tax expenses / benefits	(191)	(211)
Minority interests	(4)	(4)
Underlying earnings Group share	323	335
Net capital gains or losses attributable to shareholders net of income tax	12	5
Adjusted earnings Group share	335	340
Profit or loss on financial assets (under FV option) & derivatives	19	46
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	(9)
Net income Group share	354	377
<i>Average exchange rate : 1.00 € = Yen</i>	112.9700	121.5997

Gross revenues increased by €187 million (+3%) to €5,747 million. On a comparable basis, revenues decreased by €221 million (-4%):

- *Protection* revenues (39% of gross revenues) decreased by €76 million (-4%) mainly resulting from the sales discontinuation of low margin products, notably Increasing Term Rider (€-52 million), Endowment (€-19 million) as well as lower sales of Group Life (€-18 million), partly offset by sales of new Whole Life products (€+19 million),
- *Investment & Savings* revenues (30% of gross revenues) decreased by €91 million (-5%) mainly due to the non repeat of significant sales of Variable Annuity products in 2010 driven by a change of inheritance tax law (€-59 million),
- *Health* revenues (31% of gross revenues) decreased by €54 million (-3%) mainly resulting from Cancer product discontinuation in 2010 (€-39 million) and lower sales in Medical products (€-19 million), partly offset by newly launched Cancer products (€+8 million).

APE decreased by €2 million (-1%) to €463 million. On a comparable basis, APE decreased by €35 million (-8%):

- *Health* decreased by €24 million (-15%) to €148 million, as a result of a shift from lower margin to higher margin Medical products, partly offset by the new Cancer products,
- *Investment and Savings* decreased by €6 million (-6%) to €103 million, due to non-repeat of significant sales of Variable Annuity products,
- *Protection* decreased by €5 million (-3%) to €213 million, mainly driven by lower sales of Increasing Term and Term products (€-27 million), partly offset by an increase in new Whole Life products (€+20 million) reflecting a shift in product mix towards higher margin products.

Investment margin remained stable at €0 million.

Fees & revenues increased by €100 million (+7%) to €1,456 million. On a constant exchange rate basis, fees & revenues remained stable.

Net technical margin decreased by €65 million to €-23 million. On a constant exchange rate basis, net technical margin decreased by €64 million mainly driven by the unfavorable impact of the Great East Japan earthquake on the mortality margin and a lower surrender margin following improved retention combined with model and assumption changes.

Expenses increased by €77 million (10%) to €-860 million. On a constant exchange rate basis, expenses increased by €16 million (2%) mainly due to (i) €7 million higher IT infrastructure costs and (ii) €5 million additional expenses related to the earthquake.

Amortization of VBI decreased by €10 million (-15%) to €-56 million. On a constant exchange rate basis, VBI amortization decreased by €14 million (-21%) mainly driven by the natural decline of VBI balance.

As a result, the **underlying cost income ratio** deteriorated by 3.2 points to 63.9%.

Income tax expenses decreased by €20 million to €-191 million. On a constant exchange rate basis, income tax expenses decreased by €33 million due to lower pre-tax underlying earnings and a positive tax one-off (€15 million).

Underlying earnings decreased by €12 million (-4%) to €323 million or decreased by €35 million (-10%) on a constant exchange rate basis.

Adjusted earnings decreased by €6 million (-2%) to €335 million or decreased by €29 million (-9%) on a constant exchange rate basis, due to lower underlying earnings partly offset by lower impairments.

Net income decreased by €23 million to €354 million. On a constant exchange rate basis, net income decreased by €48 million, mainly due to (i) €29 million lower adjusted earnings, (ii) less favorable mark-to-market changes of fixed maturities and alternative assets, partly offset by (iii) a favorable foreign exchange impact driven by an accounting mismatch on derivatives hedging foreign denominated equities.

Life & Savings operations – Germany

	(in Euro million)	
	2011	2010
Gross revenues	7,001	6,880
<i>APE (Group share)</i>	<i>506</i>	<i>464</i>
Investment margin	113	84
Fees & revenues	325	306
Net technical margin	77	98
Expenses	(255)	(225)
Amortization of VBI	(32)	(14)
Other	-	-
Underlying earnings before tax	228	249
Income tax expenses / benefits	(35)	(75)
Minority interests	(0)	(0)
Underlying earnings Group share	192	174
Net capital gains or losses attributable to shareholders net of income tax	(42)	11
Adjusted earnings Group share	151	185
Profit or loss on financial assets (under FV option) & derivatives	2	29
Exceptional operations (including discontinued operations)	-	1
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(1)	(0)
Net income Group share	152	214

Gross revenues increased by €122 million (+2%) to €7,001 million¹:

- *Life revenues* (65% of gross revenues) slightly decreased by €17 million (-0%) to € 4,582 million due to lower single premiums from unit-linked Savings as well as lower regular premiums from Protection partly compensated by higher single premiums from general account Savings and short term investment products,
- *Health revenues* (35% of gross revenues) increased by €139 million (+6%) to 2,419 million mainly deriving from premium indexation and higher new business.

APE increased by €42 million (+9%) to €506 million:

- *Life* increased by €8 million (+2%) mainly due to higher new business from general account Savings as well as Pure Protection and increasing single premiums from short term investment products partly offset by lower new business from unit-linked products, reflecting a shift in customer sentiment towards traditional products and as a result of the repricing of Variable Annuities (“Twinstar”),
- *Health* increased by €34 million (+31%) mainly driven by a favorable change in regulation.

Investment margin increased by €29 million (+34%) to €113 million due to an increasing investment income from private equity and fixed income assets, notably as a result of exceptional coupon distributions, combined with a lower share allocated to policyholder.

Fees & revenues increased by €18 million (+6%) to €325 million mainly due to higher loadings on Health business in line with portfolio growth and higher URR (Unearned Revenues Reserves) amortization on Variable Annuity products (offset by higher amortization of deferred acquisition costs).

Net technical margin fell by €21 million (-22%) to €77 million due to a decrease in hedging margin on GMxB products (€- 33 million) partly compensated by improved claims experience in Health.

Expenses increased by €30 million (+13%) to €-255 million mainly due to higher amortization of deferred acquisition costs (€-18 million) mainly following updated interest rates and costs assumptions (€-18 million) as well as higher expenses in Health deriving from new business and portfolio growth.

¹ €6,985 million after intercompany eliminations.

Amortization of VBI increased by €18 million (+124%) to €-32 million due to change in interest rate assumptions (€-12 million).

As a result, the **underlying cost income ratio** increased by 6.8 points to 55.8%.

Income tax expenses decreased by €40 million (-54%) to €-35 million mainly due to a positive tax one-off (€+37million) and lower pre-tax underlying earnings.

Underlying earnings increased by €19 million (+11%) to €192 million.

Adjusted earnings decreased by €34 million (-18%) to €151 million mainly due to higher fixed income impairment charge mostly on Greek government bonds, partly offset by higher underlying earnings.

Net income decreased by €62 million (-29%) to €152 million mainly due to lower adjusted earnings and less favorable change in fair value of alternative investments.

Life & Savings operations – Switzerland

	(in Euro million)	
	2011	2010
Gross revenues	6,158	5,090
<i>APE (Group share)</i>	397	283
Investment margin	118	113
Fees & revenues	265	231
Net technical margin	270	169
Expenses	(202)	(194)
Amortization of VBI	(59)	(43)
Other	-	-
Underlying earnings before tax	392	275
Income tax expenses / benefits	(99)	(63)
Minority interests	-	-
Underlying earnings Group share	293	212
Net capital gains or losses attributable to shareholders net of income tax	(13)	34
Adjusted earnings Group share	280	247
Profit or loss on financial assets (under FV option) & derivatives	100	69
Exceptional operations (including discontinued operations)	798	51
Goodwill and other related intangibles impacts	(7)	(6)
Integration and restructuring costs	-	-
Net income Group share	1,172	361
<i>Average exchange rate : 1.00 € = Swiss Franc</i>	1.2366	1.3910

Gross revenues increased by €1,067 million (+21%) to €6,158 million¹. On a comparable basis, gross revenues increased by €384 million (+8%):

- *Group Life* revenues increased by €372 million (+9%) to €5,276 million as a result of a strong positioning in a context of lasting strong demand for full-protection schemes contracts from small and medium size enterprises, with higher single premiums (€+300 million) and higher regular premiums (€+72 million).
- *Individual Life* revenues increased by €11 million (+2%) to €882 million as a consequence of higher single premiums (€+11 million) mainly attributable to the new Protect Invest product.

APE increased by €114 million (+40%) to €397 million. On a comparable basis, APE increased by €70 million (+25%):

- *Group Life* increased by €62 million (+32%) driven by higher demand for full-protection schemes,
- *Individual Life* increased by €8 million (+9%) mainly attributable to the new Protect Plan product.

Investment margin increased by €5 million (+4%) to €118 million. On a constant exchange rate basis, investment margin decreased by €8 million (-7%) mainly due to a higher policyholder bonus allocation.

Fees & revenues increased by €34 million (+15%) to €265 million. On a constant exchange rate basis, fees & revenues increased by €5 million (+2%) resulting from both Individual Life and Group Life.

Net technical margin increased by €100 million (+59%) to €270 million. On a constant exchange rate basis, net technical margin increased by €71 million (+42%) driven by a favorable development in mortality and disability margin in Individual Life as well as a €8 million gain from the cancellation of a large internal co-insurance contract (offset by a corresponding VBI amortization).

Expenses increased by €8 million (+4%) to €-202 million. On a constant exchange rate basis, expenses decreased by €14 million (-7%) driven by both lower acquisition expenses of €+9 million (-16%) and lower administrative expenses of €+5 million (-4%) reflecting ongoing strict cost management.

¹ €6,151 million after intercompany eliminations.

Amortization of VBI increased by €15 million (+35%) to €-59 million. On a constant exchange rate basis, amortization of VBI increased by €9 million (+20%) mainly impacted by the cancellation of the above mentioned internal co-insurance contract.

As a result, the **underlying cost income ratio** decreased by 6.4 points to 40.0%.

Income tax expenses increased by €36 million (+57%) to €-99 million. On a constant exchange rate basis, income tax expenses increased by €25 million (+40%) mainly due to dividends received from consolidated foreign subsidiaries and higher pre-tax underlying earnings.

Underlying earnings increased by €80 million (+38%) to €293 million. On a constant exchange rate basis, underlying earnings increased by €48 million (+23%).

Adjusted earnings increased by €33 million (+14%) to €280 million. On a constant exchange rate basis, adjusted earnings increased by €2 million (+1%) mainly driven by higher underlying earnings partly offset by lower realized capital gains net of impairments (€-44 million), mainly on equities.

Net income increased by €811 million to €1,172 million. On a constant exchange rate basis, net income increased by €681 million mainly driven by the realized gain on the sale of the stake in Taikang Life (€798 million) partly offset by a non-recurring positive tax impact included in 2010 (€-54 million).

Life & Savings operations – Belgium

	(in Euro million)	
	2011	2010
Gross revenues	2,142	2,506
<i>APE (Group share)</i>	173	218
Investment margin	288	262
Fees & revenues	163	153
Net technical margin	34	67
Expenses	(278)	(250)
Amortization of VBI	(5)	(4)
Other	-	-
Underlying earnings before tax	203	227
Income tax expenses / benefits	(48)	(57)
Minority interests	(0)	(0)
Underlying earnings Group share	155	170
Net capital gains or losses attributable to shareholders net of income tax	(88)	69
Adjusted earnings Group share	68	239
Profit or loss on financial assets (under FV option) & derivatives	(70)	33
Exceptional operations (including discontinued operations)	-	(4)
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(7)	(3)
Net income Group share	(9)	265

Gross revenues decreased by €363 million (-15%) to €2,142 million¹:

- *Individual Life & Savings* decreased by 18% (or €-353 million) to €1,563 million mainly driven by the strong decrease in both unit-linked and general account Savings products by €348 million (-21%), especially on Crest products, in a highly competitive environment,
- *Group Life* revenues decreased by 2% (or €-10 million) to €579 million.

APE decreased by €45 million (-21%) to €173 million:

- *Individual Life & Savings* APE decreased by 25% (or €-48 million) mainly driven by mower sales of Crest products reflecting a conservative commercial policy in a highly competitive market,
- *Group Life* APE increased by 10% (or €3 million) to €27 million.

Investment margin increased by €26 million (+10%) to €288 million mainly driven by higher investment income (€25 million) as a result of a higher asset base.

Fees & revenues increased by €10 million (+7%) to €163 million mainly due to higher Unearned Revenues Reserves amortization following an update of actuarial assumptions (€+18 million more than offset by higher DAC amortization), partly offset by lower fees and loadings (€-9 million).

Net technical margin decreased by €32 million (-48%) to €34 million mainly due to the new recurring contribution to the policyholder protection fund (€-25 million) and a less favorable disability experience.

Expenses increased by €28 million (+11%) to €-278 million due to higher net deferred acquisition cost amortization (€-35 million), mainly due to an update of actuarial assumptions (€-30 million), partly offset by lower commissions (€+6 million) and lower general expenses (€+2 million) including €+8 million one-off benefit.

Amortization of VBI increased by €1 million to €-5 million.

¹ €2,142 million after intercompany eliminations.

As a result the underlying cost income ratio increased by 5.4 points to 58.2%.

Income tax expenses decreased by €10 million to €-48 million.

Underlying earnings decreased by €15 million to €155 million.

Adjusted earnings decreased by €171 million to €68 million mainly due to realized capital losses on equities in 2011 compared to realized gains on equities in 2010 (€-142 million) and, to a lesser extent, to Greek government bonds impairment (€-26 million).

Net income decreased by €274 million to €-9 million mainly driven by realized and unrealized capital losses on fixed income mutual funds due to credit spreads widening.

Life & Savings operations – Central and Eastern Europe

	(in Euro million)	
	2011	2010
Gross revenues	514	515
<i>APE (Group share)</i>	<i>213</i>	<i>274</i>
Investment margin	29	25
Fees & revenues	115	115
Net technical margin	35	27
Expenses	(162)	(152)
Amortization of VBI	(2)	(2)
Other	-	-
Underlying earnings before tax	15	14
Income tax expenses / benefits	(6)	(5)
Minority interests	(0)	0
Underlying earnings Group share	9	9
Net capital gains or losses attributable to shareholders net of income tax	(0)	1
Adjusted earnings Group share	8	10
Profit or loss on financial assets (under FV option) & derivatives	(0)	(1)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(2)	(3)
Integration and restructuring costs	-	(0)
Net income Group share	6	6

Gross revenues decreased by €1 million to €514 million. On a comparable basis, gross revenues decreased by €4 million (-1%), as the decrease in pension fund products sales in Poland and Hungary, due to the changes in regulation was partly offset by an increase in unit-linked sales (€+14 million or +7%).

APE decreased by €61 million to €213 million. On a comparable basis, APE decreased by €62 million (-23%) to €213 million due to a progressive run-off of the Pension Funds business (€-83 million or -52%) following regulatory changes in Poland and Hungary partly offset by Life & Savings APE (€+20 million or +17%) stemming from unit-linked product sales (€+21 million or +24%).

Underlying earnings were stable at €9 million. On a constant exchange basis, despite the nationalization of the mandatory Pension Funds in Hungary and regulatory reform in Poland, underlying earnings were stable due to higher technical margin and lower administrative expenses offset by higher acquisition expenses.

As a result, the **underlying cost income ratio** was stable at 91.7%.

Adjusted earnings decreased by €1 million to €8 million. On a constant exchange rate basis, adjusted earnings decreased by €1 million driven by higher impairments on equities.

Net income decreased by €1 million to €6 million. On a constant exchange rate basis, net income decreased by €1 million driven by lower adjusted earnings.

Life & Savings operations – Mediterranean and Latin American Region

	(in Euro million)	
	2011	2010
Gross revenues	4,796	6,955
<i>APE (Group share)</i>	432	553
Investment margin	264	253
Fees & revenues	320	332
Net technical margin	73	108
Expenses	(445)	(455)
Amortization of VBI	(14)	(21)
Other	-	-
Underlying earnings before tax	197	217
Income tax expenses / benefits	(52)	(70)
Minority interests	(41)	(30)
Underlying earnings Group share	104	117
Net capital gains or losses attributable to shareholders net of income tax	(80)	35
Adjusted earnings Group share	24	152
Profit or loss on financial assets (under FV option) & derivatives	14	(24)
Exceptional operations (including discontinued operations)	(0)	-
Goodwill and other related intangibles impacts	(12)	(0)
Integration and restructuring costs	(2)	-
Net income Group share	24	127

Gross revenues decreased by €2,159 million (-31%) or €2,146 million (-31%) on a comparable basis to €4,796 million:

- Mature markets were down by €2,130 million or -33%, mainly driven by a significant decrease of €2,320 million in general account savings products at AXA MPS reflecting a more favorable context in 2010 in Italy due to a tax amnesty and 2011 lower activity from the bank distribution channel,
- High growth markets decreased by €15 million (-4%), mainly driven by lower Group Protection new business in Mexico.

APE decreased by €121 million (-22%) or €120 million (-22%) on a comparable basis to €432 million.

- Mature markets were down €110 million (-23%), mainly reflecting a strong drop in general account savings products (€-150 million) mostly at AXA MPS, partly offset by a better performance of unit-linked products (€42 million or +46%) and Individual Protection at AXA MPS (€4 million), in line with the strategy to focusing on improving the business mix,
- High growth markets decreased by €10 million (-14%) mainly driven by Group Protection in Mexico (€-12 million) due to less large new contracts as a result of a stricter underwriting policy.

Investment margin increased by €11 million (+4%) or €12 million (+5%) on a comparable basis to €264 million, in both mature markets (€+9 million) and high growth markets (€+3 million mainly in Mexico), as a result of increased average asset base combined with lower policyholder bonuses.

Fees & revenues decreased by €12 million (-4%) or €10 million (-3%) on a comparable basis to €320 million.

- Mature markets were down €5 million (-2%), mainly as a result of lower volumes in general account savings at AXA MPS (€-8 million),
- High growth markets decreased by €5 million (-6%) mainly driven by Mexico (€-8 million) following lower volumes in Group Protection.

Net technical margin fell by €35 million (-33%) or €34 million (-32%) on a comparable basis to €73 million attributable to:

- Mature markets down €25 million (-33%) driven by lower GMxB margin (€-14 million) and lower mortality margin in Spain (€-17 million) mainly in Protection, partly offset by a higher surrender margin at AXA MPS,
- High growth Markets down €9 million (-29%) mainly driven by Mexico (€-8 million) due to higher severity mainly in Individual Protection.

Expenses decreased by €10 million (-2%) or €7 million (-2%) on a comparable basis to €-445 million due to:

- Mature markets down €4 million (-1%) driven by lower commissions, reflecting lower volumes, partly compensated by higher DAC amortization at AXA MPS in line with higher surrenders on general account saving products.
- High growth markets down €3 million (-3%), driven by Mexico as a result of lower commissions on Group Protection.

Amortization of VBI decreased by €7 million (-33%) to €-14 million. On a constant exchange rate basis, amortization of VBI decreased by €7 million (-33%) mainly due to the natural decline of VBI balance at AXA MPS.

As a result, the **underlying cost income ratio** increased by 1.2 points to 69.9%.

Income tax expenses decreased by €18 million (-24%) or €17 million (-24%) on a comparable basis to €-52 million mainly due to lower pre-tax underlying earnings as well as the introduction in 2010 of a new tax based on reserve in Italy.

Underlying earnings decreased by €13 million (-12%) or €12 million (-11%) on a comparable basis to €104 million.

Adjusted earnings decreased by €128 million (-84%) or €127 million (-84%) on a comparable basis to €24 million mainly due to higher impairment charges, notably on Greek government bonds (€-93 million) as well as lower realized capital gains.

Net income decreased by €104 million (-82%) or €102 million (-80%) on a comparable basis to €24 million reflecting lower adjusted earnings partly offset by a positive change in fair value of interest rate derivatives.

Life & Savings operations – Hong Kong

	(in Euro million)	
	2011	2010
Gross revenues	1,465	1,321
<i>APE (Group share)</i>	<i>330</i>	<i>159</i>
Investment margin	4	24
Fees & revenues	385	332
Net technical margin	45	53
Expenses	(170)	(128)
Amortization of VBI	9	(8)
Other	(7)	-
Underlying earnings before tax	266	274
Income tax expenses / benefits	(17)	(14)
Minority interests	(26)	(118)
Underlying earnings Group share	224	142
Net capital gains or losses attributable to shareholders net of income tax	(12)	19
Adjusted earnings Group share	211	161
Profit or loss on financial assets (under FV option) & derivatives	(49)	0
Exceptional operations (including discontinued operations)	(1)	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	161	162

Gross revenues increased by €144 million (+11%) to €1,465 million. On a comparable basis, gross revenues increased by €202 million (+15%) mainly due to higher revenues from general account Protection & Health products (€+110 million) and unit-linked products (€+61 million).

APE increased by €171 million (+107%) to €330 million. On a comparable basis, APE increased by €48 million (+16%) due to the successful launch of a new series of unit-linked products (€+10 million) and higher general account Protection & Health products (€+20 million) notably driven by several large cases in Group Medical as well as Funds (€+16 million).

Investment margin decreased by €20 million (-83%) to €4 million. On a constant exchange rate basis, investment margin decreased by €20 million (-82%) mainly due to higher bonus allocated to policyholders, partially offset by higher investment income reflecting a higher asset base.

Fees & revenues increased by €53 million (+16%) to €385 million. On a constant exchange rate basis, fees & revenues increased by €68 million (+20%) primarily driven by an increase in loadings on premiums and mutual funds stemming from new business and growing in-force, and to a lesser extent by higher unit-linked management fees.

Net technical margin decreased by €9 million (-16%) to €45 million. On a constant exchange rate basis, net technical margin decreased by €7 million (-13%) mainly due to the early termination of an internal co-insurance treaty (€-7 million, offset in amortization of VBI).

Expenses increased by €42 million (+33%) to €-170 million. On a constant exchange rate basis, expenses increased by €48 million mainly due to higher investments in the business infrastructure and higher acquisition expenses driven by new business growth.

Amortization of VBI decreased by €18 million to €9 million. On a constant exchange rate basis, amortization of VBI decreased by €18 million mainly due to revision of future profits and update of assumptions (€+10 million) and the early termination of an internal co-insurance treaty.

As a consequence, the **underlying cost income ratio** increased by 3.7 points to 37.0%.

Income tax expenses increased by €3 million (+24%) to €-17million. On a constant exchange rate basis, income tax expenses increased by €4 million reflecting a higher taxable income based on premium.

Underlying earnings increased by €81 million (+57%) to €224 million. On a constant exchange rate and scope basis, following the minority interests buy-out, underlying earnings remained stable.

Adjusted earnings increased by €50 million (+31%) to €211 million. On a constant exchange rate and scope basis, adjusted earnings decreased by €44 million (-17%) mainly reflecting lower net realized capital gains.

Net income decreased by €1 million to €161 million. On a constant exchange rate and scope basis, net income decreased by €94 million (-36%) mainly reflecting lower adjusted earnings and unfavorable change in fair value of interest rate derivatives and mutual funds.

Life & Savings operations – South-East Asia, India and China

	(in Euro million)	
	2011	2010
Gross revenues	255	244
<i>APE (Group share)</i>	326	166
Underlying earnings Group share	50	3
Net capital gains or losses attributable to shareholders net of income tax	2	3
Adjusted earnings Group share	52	6
Profit or loss on financial assets (under FV option) & derivatives	4	(0)
Exceptional operations (including discontinued operations)	(17)	(50)
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	39	(45)

Gross revenues increased by €10 million (+4%) to €255 million. On a comparable basis, gross revenues increased by €5 million (+2%) mainly driven by unit-linked products in Indonesia and Singapore, partly offset by a slowdown in Protection in Singapore.

APE increased by €160 million (+96%) to €326 million. On a comparable basis, APE increased by €42 million (+15%) mainly driven by:

- Indonesia (€+29 million) with strong sales of unit-linked products through the bancassurance channel,
- China (€+10 million) mainly from higher sales of general account Protection products through the bancassurance channel,
- Thailand (€+10 million) mainly from higher sales of short-term Savings and Whole Life products, partly offset by
- India (€-9million) mainly from lower sales in unit-linked business following regulatory changes in September 2010, in line with the market.

Underlying earnings increased by €47 million to €50 million. On a constant exchange rate and scope basis, following the minority-interests buy-out, underlying earnings increased by €39 million following lower losses in India (€+21 million) and earnings improvements in Indonesia (€+10 million) and Singapore (€+6 million).

Adjusted earnings increased by €46 million to €52 million. On a constant exchange rate and scope basis, adjusted earnings increased by €35 million primarily driven by underlying earnings growth.

Net income increased by €83 million to €39 million. On a constant exchange rate and scope basis, net income increased by €88 million mainly reflecting growth in adjusted earnings and the non repeat of residual past losses in India.

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)

	2011	2010 published	2010 restated (a)
Australia / New Zealand	355	1,551	1,551
Canada	-	132	0
Luxembourg	78	82	82
AXA Global Distributors	3	0	0
AXA Life Europe Insurance	-	-	-
Architas Europe	(0)	2	2
Family protect	0	-	-
TOTAL	436	1,768	1,636
Intercompany transactions	(3)	0	0
Contribution to consolidated gross revenues	433	1,768	1,636

(a) Restated means the restatement following classification of Canadian operations as discontinued business.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	2011	2010 published	2010 restated (a)
Australia and New Zealand	12	82	82
Canada	-	10	-
Luxembourg	4	5	5
AXA Global Distributors	(26)	(21)	(21)
AXA Life Europe Insurance	(1)	(2)	(2)
Architas Europe	(2)	(1)	(1)
Family Protect	(7)	-	-
UNDERLYING EARNINGS	(19)	74	64
Net realized capital gains or losses attributable to shareholders	2	(1)	(4)
ADJUSTED EARNINGS	(18)	73	59
Profit or loss on financial assets (under Fair Value option) & derivatives	5	0	1
Exceptional operations (including discontinued operations)	2	(2)	11
Goodwill and related intangible impacts	-	(1)	-
Integration and restructuring costs	(0)	(0)	(0)
NET INCOME	(11)	71	71

(a) Restated means the restatement following classification of Canadian operations as discontinued business.

AXA GLOBAL DISTRIBUTORS¹

Underlying earnings as well as **adjusted earnings** and **net income** decreased by €5 million (-19%) to €-26 million mainly due to higher expenses reflecting business development in Europe.

AUSTRALIA / NEW ZEALAND

Following the disposal of the Australia and New Zealand operations on Apr. 1st, 2011, Australia and New Zealand contributed only to the first quarter of 2011.

¹ AXA Global Distributors was formed in March 2009 and is 100% owned by AXA SA. The AXA Global Distributors' initiative aim is to distribute variable annuity products through third party partnerships, specifically large banks. P&L excluding infrastructure costs are reflected within AXA France and AXA UK Life & Savings segments.

CANADA

Following the announced sale of Canadian operations in 2011, these operations were treated as discontinued operations in AXA's full year 2011 consolidated financial statements, leading to a reclassification of their earnings contribution in net income.

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.

Following the announcement of the sale of Canadian operations, 2010 earnings were restated to reflect its reclassification as discontinued business.

In addition, in order to improve visibility on Direct operations in P&C, this activity is now reported as a separate reporting unit and no longer included within countries or regions. Reported 2010 figures by country were modified accordingly with this new presentation.

Property and Casualty Segment

(in Euro million)

	2011	2010 published	2010 Restated (a)
Gross revenues	27,286	27,656	26,219
Current accident year loss ratio (net)	72.6%	74.4%	74.8%
All accident year loss ratio (net)	70.9%	71.1%	71.7%
Net technical result before expenses	7,807	7,932	7,382
Expense ratio	27.0%	28.0%	27.8%
Net investment result	2,034	2,115	2,035
Underlying earnings before tax	2,591	2,357	2,165
Income tax expenses / benefits	(748)	(658)	(604)
Net income from investments in affiliates and associates	38	33	32
Minority interests	(33)	(40)	(40)
Underlying earnings Group share	1,848	1,692	1,553
Net capital gains or losses attributable to shareholders net of income tax	(62)	111	96
Adjusted earnings Group share	1,786	1,803	1,649
Profit or loss on financial assets (under FV option) & derivatives	(90)	27	29
Exceptional operations (including discontinued operations)	147	6	153
Goodwill and other related intangibles impacts	(66)	(64)	(59)
Integration and restructuring costs	(78)	(22)	(22)
Net income Group share	1,700	1,750	1,750

(a) Restated in full year 2010 means the figures as reported were modified accordingly the Direct P&C operations reported as a separate reporting unit.

Consolidated Gross Revenues

(in Euro million)

	2011	2010 published	2010 restated (a)
France	5,596	5,896	5,531
United Kingdom & Ireland	3,772	4,229	3,687
Germany	3,638	3,489	3,489
Switzerland	2,643	2,336	2,336
Belgium	2,100	2,118	2,049
Central and Eastern Europe (d)	65	109	67
Mediterranean & Latin American Region (b)	6,848	6,928	6,661
Direct (c)	2,102	n.a	1,928
Other countries (e)	522	2,552	472
TOTAL	27,286	27,656	26,219
Intercompany transactions	(240)	(242)	(234)
Contribution to consolidated gross revenues	27,046	27,413	25,986
of which High growth markets	3,335	2,990	2,990
of which Direct	2,102	1,928	1,928
of which Mature markets	21,609	22,495	21,067

(a) Direct P&C operations are now reported as a separate business. Full year 2010 restated figures as reported were modified accordingly. Restated means also the restatement following classification of Canadian operation as discontinued business.

(b) Mediterranean & Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.

(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.

(d) Includes Ukraine and Reso (Russia).

(e) Other countries correspond to Canada, Luxembourg and Asia.

(in Euro million)

Combined Ratio Total	2011	2010 published	2010 restated (a)
	97.9%	99.1%	99.5%
France	95.7%	99.1%	98.9%
United Kingdom & Ireland	98.4%	103.9%	102.1%
Germany	103.2%	104.6%	104.6%
Switzerland	89.2%	88.8%	88.8%
Belgium	99.1%	98.5%	98.8%
Central and Eastern Europe	102.3%	115.9%	106.8%
Reso (Russia)	97.7%	n.a	n.a
Mediterranean & Latin American Region (b)	97.6%	97.7%	97.2%
Direct (c)	105.4%	n.a	108.3%
Other countries (d)	96.3%	96.6%	100.6%
Mature	97.2%	98.4%	98.8%
Direct	105.4%	n.a	108.3%
High Growth	98.2%	99.3%	99.3%

(a) Direct P&C operations are now reported as a separate business. Full year 2010 restated figures as reported were modified accordingly. Restated means also the restatement following classification of Canadian operation as discontinued business.

(b) Mediterranean & Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.

(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.

(d) Other countries correspond to Canada, Luxembourg and Asia.

Underlying earnings

	(in Euro million)		
	2011	2010 published	2010 restated (a)
France	496	432	424
United Kingdom & Ireland	211	50	98
Germany	221	177	177
Switzerland	397	359	359
Belgium	142	159	153
Central and Eastern Europe (d)	37	22	30
Mediterranean & Latin American Region (b)	353	358	368
Direct (c)	(33)	n.a	(62)
Other countries (e)	23	135	6
UNDERLYING EARNINGS	1,848	1,692	1,553
of which High growth markets	178	147	147
of which Direct	(33)	(62)	(62)
of which Mature markets	1,703	1,606	1,468

(a) Direct P&C operations are now reported as a separate business. Full year 2010 restated figures as reported were modified accordingly. Restated means also the restatement following classification of Canadian operations as discontinued business.

(b) Mediterranean & Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region, and Mexico.

(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, the United Kingdom, South Korea and Japan.

(d) Includes Ukraine.

(e) Other countries correspond to Canada, Luxembourg and Asia.

Underlying, Adjusted earnings and Net Income

	(in Euro million)		
	2011	2010 published	2010 restated (a)
UNDERLYING EARNINGS	1,848	1,692	1,553
Net realized capital gains or losses attributable to shareholders	(62)	111	96
ADJUSTED EARNINGS	1,786	1,803	1,649
Profit or loss on financial assets (under Fair Value option) & derivatives	(90)	27	29
Exceptional operations (including discontinued operations)	147	6	153
Goodwill and related intangibles impacts	(66)	(64)	(59)
Integration and restructuring costs	(78)	(22)	(22)
NET INCOME	1,700	1,750	1,750

(a) Restated means the restatement following classification of Canadian operations as discontinued business.

Property & Casualty Operations – France

(in Euro million)

	2011	2010
Gross revenues	5,596	5,531
Current accident year loss ratio (net)	73.5%	76.2%
All accident year loss ratio (net)	71.1%	73.6%
Net technical result before expenses	1,609	1,453
Expense ratio	24.6%	25.3%
Net investment result	550	589
Underlying earnings before tax	791	649
Income tax expenses / benefits	(294)	(224)
Net income from investments in affiliates and associates	-	-
Minority interests	(1)	(0)
Underlying earnings Group share	496	424
Net capital gains or losses attributable to shareholders net of income tax	(52)	34
Adjusted earnings Group share	445	459
Profit or loss on financial assets (under FV option) & derivatives	(14)	(7)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	431	452

The year 2010 published current year loss ratio was 76.5%

Gross revenues increased by €65 million (+1%) to €5,596 million¹:

- *Personal lines* (59% of gross revenues) were stable at €3,248 million as tariff increases were offset by negative net new contracts in both Motor and Household,
- *Commercial lines* (41% of gross revenues) were up by 3% to €2,304 million mainly driven by tariff increases partly offset by lower volumes in a context of selective underwriting.

Net technical result increased by €156 million (+11%) to €1,609 million:

- *Current accident year loss ratio* decreased by 2.6 points to 73.5% due to lower impact of Nat Cat events (-1.4 points, Xynthia in 2010) and lower attritional claims ratio reflecting tariff increases and more favorable claims frequency,
- *All accident year loss ratio* decreased by 2.5 points to 71.1% as a result of the decrease in current accident year loss ratio, and broadly stable prior year reserve developments.

Expense ratio decreased by 0.7 point to 24.6% mainly driven by a contained cost base, notably lower staff costs.

Enlarged expense ratio was down 0.4 point to 32.4%.

As a consequence, the **combined ratio** was down 3.2 points to 95.7%.

Net investment result decreased by €39 million (-7%) to €550 million mainly due to lower yields on fixed income assets partly compensated by higher dividends on equities.

Income tax expenses increased by €70 million (+31%) to €-294 million mainly reflecting higher pre-tax underlying earnings, as well as a higher corporate tax rate (€-13 million).

As a result, **underlying earnings** increased by €72 million (+17%) to €496 million.

¹ €5,552 million after intercompany eliminations.

Adjusted earnings decreased by €14 million (-3%) to €445 million as a consequence of lower realized capital gains (€-51 million) mostly on equities, and higher impairments (€-36 million) driven by equities (€-23 million) and fixed income assets (€-13 million), mostly on Greek government bonds, partly offset by higher underlying earnings.

Net income decreased by €21 million (-5%) to €431 million mainly due to the decrease in adjusted earnings and an unfavorable change in fair value of mutual funds and derivatives (€-22 million) mainly driven by credit spread widening partly offset by a less unfavorable foreign exchange impact (€+15 million).

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	2011	2010
Gross revenues	3,772	3,687
Current accident year loss ratio (net)	67.6%	72.5%
All accident year loss ratio (net)	68.0%	69.9%
Net technical result before expenses	1,181	1,129
Expense ratio	30.4%	32.2%
Net investment result	225	196
Underlying earnings before tax	284	118
Income tax expenses / benefits	(73)	(20)
Net income from investments in affiliates and associates	-	-
Minority interests	(0)	(0)
Underlying earnings Group share	211	98
Net capital gains or losses attributable to shareholders net of income tax	(26)	(9)
Adjusted earnings Group share	184	89
Profit or loss on financial assets (under FV option) & derivatives	(120)	5
Exceptional operations (including discontinued operations)	53	-
Goodwill and other related intangibles impacts	(1)	(1)
Integration and restructuring costs	(20)	(10)
Net income Group share	97	83
Average exchange rate : 1.00 € = £	0.8663	0.8615

The year 2010 published current year loss ratio was 74.4%

Gross revenues increased by €85 million (+2%) to €3,772 million¹. On a comparable basis, gross revenues increased by €83 million (+2%):

- **Personal lines** (55% of the total premiums) were up 1% at €2,020 million. Motor was up 1% to €561 million due to tariff increases in the UK and Ireland partly offset by a change in business mix. Non-Motor was up 1% to €1,459 million. Property up 8% to €568 million due to new schemes, increased volumes and improved retention in the UK. Health was stable at €561 million. Personal Other was down 6% to €331 million mainly reflecting selective underwriting within Travel and Warranty.
- **Commercial lines** (46% of the total premiums) were up 5% to €1,681 million. Motor was up 17% to €320 million driven by increased retention and higher new business. Non-Motor was up 3%. Health was up 10% to €697 million mainly reflecting growth in UK and International Corporate business. The 5% decline within Property reflects the continuing difficult market conditions.

Net technical result increased by €53 million to €1,181 million. On a constant exchange rate basis the net technical result increased by €59 million (+5%).

- **The current year loss ratio** decreased by 4.9 points to 67.6% due to the absence of significant Nat Cat events (-4.0 points), tariff increases in the UK and Ireland mainly in Personal Motor and Property, partly offset by increases in bodily injury claims in the UK.
- **The all accident year loss ratio** decreased by 1.8 points to 68.0% reflecting the positive movement in current year loss ratio partly offset by a negative prior year reserve development mainly due to bodily injury claims.

The **expense ratio** decreased by 1.8 points to 30.4% with (i) acquisition expense ratio down 1.3 points to 21.7% mainly due to a decrease in commissions following lower delegated authority business and a change in mix in Commercial lines towards lower commissioned products and the administrative expense ratio down 0.5 point to 8.7% due to expense reduction as a result of efficiency programs partly offset by the decommissioning of an IT platform.

¹ €3,670 million after intercompany eliminations.

The **enlarged expense ratio** was down 2.2 points to 33.6% reflecting the reduction in expense ratio.

As a result the **combined ratio** was down 3.7 points to 98.4%

Net investment result increased by €29 million to €225 million. On a constant exchange rate basis the net investment result increased by €30 million mainly reflecting higher fixed income following a higher allocation towards corporate bonds.

Income tax expenses increased by €53 million (+267%) to €-73 million. On a constant exchange rate basis, income tax expenses increased by €53 million reflecting a combination of (i) higher pre-tax underlying earnings, (ii) the geographical mix between the UK and Ireland and (iii) a negative tax adjustment (€-8 million) following a decrease of corporate tax rate.

Underlying earnings increased by €113 million (+115%) to €211 million. On a constant exchange rate basis, underlying earnings increased by €114 million (+116%).

Adjusted earnings increased by €95 million (+107%) to €184 million. On a constant exchange rate basis, adjusted earnings increased by €96 million (+107%) reflecting the improvement in underlying earnings.

Net income increased by €14 million (17%) to €97 million. On a constant exchange rate basis, net income increased by €14 million (17%) due to the improvement in adjusted earnings together with the net realized gain from the sale of Denplan (€+53 million) in December 2011, partly offset by increased restructuring costs as well as an adverse movement in the fair value of interest rates derivatives (€-126 million) due to lower interest rates.

Property & Casualty Operations – Germany

	(in Euro million)	
	2011	2010
Gross revenues	3,638	3,489
Current accident year loss ratio (net)	73.4%	74.3%
All accident year loss ratio (net)	73.0%	73.3%
Net technical result before expenses	975	930
Expense ratio	30.2%	31.3%
Net investment result	369	375
Underlying earnings before tax	253	213
Income tax expenses / benefits	(34)	(38)
Net income from investments in affiliates and associates	2	2
Minority interests	(0)	(0)
Underlying earnings Group share	221	177
Net capital gains or losses attributable to shareholders net of income tax	(49)	8
Adjusted earnings Group share	172	185
Profit or loss on financial assets (under FV option) & derivatives	25	7
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(4)	(0)
Integration and restructuring costs	(8)	(3)
Net income Group share	186	190

The year 2010 published current year loss ratio was 74.3%

Gross revenues increased by € 149 million (+4%) to €3,638 million¹ :

- *Personal Lines* (56% of gross revenues) increased by 6% to €2,030 million² driven by the successful development in Motor (€+87 million or 9%) mainly driven by higher year-end renewals and higher new business from the improved price positioning in the market.
- *Commercial Lines* (36% of gross revenues) were up by 1% to €1,310 million mainly in Commercial Motor (€+11 million or 5%) driven by tariff increase and larger fleets insured.
- *Other Lines* (7% of gross revenues) grew by 6% to € 265 million mainly driven by higher assumed business in Legal Protection.

Net technical result increased by €45 million to €975 million:

- The current accident year loss ratio decreased by 0.9 point to 73.4% mainly driven by lower Nat Cat charge (- 0.9 point).
- The all accident year loss ratio decreased by 0.3 point to 73.0% mainly due to lower positive prior year reserve development.

Expense ratio decreased by 1.1 point to 30.2% due to a decrease in general expenses resulting from productivity programs and non-recurring positive impact from release of provisions in 2011 (€5 million).

Enlarged expense ratio was down by 1.1 points to 34.0%.

As a result, **the combined ratio** is down by 1.4 points to 103.2%.

Net investment result decreased by €5 million (-1%) to €369 million decline in income from equities and lower distributions from private equity funds partly offset by exceptional coupon distributions (€5 million).

Income tax expenses decreased by €4 million (-10%) to €-34 million mainly due to higher positive tax one-offs (€24 million in 2011 compared to €7 million in 2010).

¹ €3,607 million after intercompany eliminations.

² On a comparable basis, after reclassification of small and medium enterprises from Commercial lines to Personal lines.

Underlying earnings increased by € 45 million (+25%) to €221 million.

Adjusted earnings decreased by €13 million (-7%) to €172 million mainly due to higher impairments in equities offsetting higher underlying earnings.

Net income decreased by €4 million (-2 %) to €186 million mainly following lower adjusted earnings and a more favorable change in fair value of alternative investments.

Property & Casualty Operations – Switzerland

	(in Euro million)	
	2011	2010
Gross revenues	2,643	2,336
Current accident year loss ratio (net)	68.9%	68.5%
All accident year loss ratio (net)	63.1%	61.9%
Net technical result before expenses	976	892
Expense ratio	26.1%	26.9%
Net investment result	217	195
Underlying earnings before tax	503	457
Income tax expenses / benefits	(103)	(95)
Net income from investments in affiliates and associates	-	-
Minority interests	(3)	(2)
Underlying earnings Group share	397	359
Net capital gains or losses attributable to shareholders net of income tax	5	40
Adjusted earnings Group share	402	400
Profit or loss on financial assets (under FV option) & derivatives	2	(12)
Exceptional operations (including discontinued operations)	-	9
Goodwill and other related intangibles impacts	(29)	(26)
Integration and restructuring costs	-	-
Net income Group share	375	370
Average exchange rate : 1.00 € = Swiss Franc	1.2366	1.3910

The year 2010 published current year loss ratio was 68.5%

Gross revenues increased by €307 million (+13%) to €2,643 million¹. On a comparable basis, gross revenues increased by €17 million (+1%):

- *Personal lines* (53% of gross revenues) increased by 2% to €1,399 million driven by growth in Personal Motor and Property mainly as a result of positive net new contracts,
- *Commercial lines* (47% of gross revenues) decreased by 1% to €1,251 million mainly resulting from a focus on profitability and unfavorable prior year premiums development.

Net technical result increased by €84 million (+9%) to €976 million. On a constant exchange rate basis, net technical result decreased by €24 million (-3%):

- *Current accident year loss ratio* increased by 0.4 point to 68.9% mainly driven by higher Nat Cat charge (+2.1 points), partly offset by lower large claims and an improvement of attritional loss ratio in Commercial lines reflecting selective underwriting,
- *All accident year loss ratio* increased by 1.2 points to 63.1% as a consequence of the current accident year loss ratio development and lower positive prior year reserves development.

Expense ratio decreased by 0.8 point to 26.1% mainly driven by administrative expense ratio following the ongoing strict cost management.

Enlarged expense ratio was down by 1.0 point to 30.3%.

As a result, the **combined ratio** was up by 0.4 point to 89.2%.

Net investment result increased by €21 million (+11%) to €217 million. On a constant exchange rate basis, net investment result decreased by €3 million (-1%) mainly from lower income on fixed income assets.

Income tax expenses increased by €7 million (+7%) to €-103 million. On a constant exchange rate basis, income tax expenses decreased by €4 million (-5%) driven by lower pre-tax underlying earnings.

Underlying earnings increased by €38 million (+11%) to €397 million. On a constant exchange rate basis, underlying earnings decreased by €6 million (-2%).

¹ €2,637 million after intercompany eliminations.

Adjusted earnings increased by €3 million (+1%) to €402 million. On a constant exchange rate basis, adjusted earnings decreased by €42 million (-11%) driven by lower net realized capital gains (€-33 million) mainly on equities and lower underlying earnings.

Net income increased by €5 million (+1%) to €375 million. On a constant exchange rate basis, net income decreased by €36 million (-10%) mainly driven by lower adjusted earnings.

Property & Casualty Operations – Belgium

	(in Euro million)	
	2011	2010
Gross revenues	2,100	2,049
Current accident year loss ratio (net)	73.6%	77.6%
All accident year loss ratio (net)	68.5%	67.3%
Net technical result before expenses	659	672
Expense ratio	30.6%	31.5%
Net investment result	185	198
Underlying earnings before tax	204	220
Income tax expenses / benefits	(62)	(67)
Net income from investments in affiliates and associates	-	-
Minority interests	0	0
Underlying earnings Group share	142	153
Net capital gains or losses attributable to shareholders net of income tax	98	(15)
Adjusted earnings Group share	240	137
Profit or loss on financial assets (under FV option) & derivatives	17	20
Exceptional operations (including discontinued operations)	-	(2)
Goodwill and other related intangibles impacts	(2)	(2)
Integration and restructuring costs	(22)	(9)
Net income Group share	233	145

The year 2010 published current year loss ratio was 77.2%

Gross revenues increased by €51 million (+3%) to €2,100 million¹:

- *Personal lines* (49% of the gross revenues) were up 2% to €1,038 million following tariff increases, partly offset by negative net new contracts,
- *Commercial lines* (51% of the gross revenues) were up 2% to €1,042 million with Motor up 5% reflecting tariff increases and positive portfolio development while Workers Compensation remained stable.

Net technical result decreased by €13 million (-2%) to €659 million:

- *Current accident year loss ratio* decreased by 4.1 points to 73.6% mainly driven by a lower Nat Cat charge (-2.0 points) and tariff increases partly offset by higher large claims.
- *All accident year loss ratio* increased by 1.2 points to 68.5% due to lower positive prior year reserve developments (mainly in Workers' Compensation) partly offset by the improvement in current accident year loss ratio.

Expense ratio decreased by 1.0 point to 30.6%, reflecting the decrease in commission rates in Commercial lines as a result of positive business mix impact, productivity programs offsetting inflation as well as non recurring benefits (-0.2 point).

Enlarged expense ratio decreased by 1.5 points to 37.7%.

As a result, the **combined ratio** was up by 0.3 point to 99.1%.

Net investment result decreased by €13 million (-7%) to €185 million mainly due to a lower asset base.

Income tax expenses decreased by €5 million (-8%) to €-62 million mainly due to lower pre-tax underlying earnings while non recurring tax benefit remained stable (€6 million).

Underlying earnings decreased by €11 million to €142 million.

Adjusted earnings increased by €103 million (+75%) to €240 million mainly driven by higher net realized capital gains on equities net of impairments.

¹ €2,080 million after intercompany eliminations.

Net income increased by €88 million (+61%) to €233 million reflecting higher adjusted earnings, partly offset by higher restructuring costs.

Property & Casualty Operations – Central and Eastern Europe

Consolidated Gross Revenues

	(in Euro million)		
	2011	2010 published	2010 restated (a)
Ukraine	65	67	67
Poland	-	42	-
Reso (Russia)	-	-	-
TOTAL	65	109	67
Intercompany transactions	-	(0)	(0)
Contribution to consolidated gross revenues	65	109	67

(a) Restated means the restatement following classification of Canadian operations as discontinued business.

Underlying, Adjusted earnings and Net Income

	(in Euro million)		
	2011	2010 published	2010 restated (a)
Ukraine	1	0	0
Poland	-	(9)	-
Reso (Russia) (b)	36	30	30
UNDERLYING EARNINGS	37	22	30
Net realized capital gains or losses attributable to shareholders	(19)	0	0
ADJUSTED EARNINGS	18	22	31
Profit or loss on financial assets (under Fair Value option) & derivatives	2	1	(0)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and related intangibles impacts	(3)	-	-
Integration and restructuring costs	-	-	-
NET INCOME	17	22	31

(a) Restated means the restatement following classification of Canadian operations as discontinued business.

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

RESO

Underlying earnings increased by €6 million to €36 million on a constant exchange rate basis, driven by a strong portfolio growth (+21%) and higher investment income partly offset by a higher all accident year loss ratio and higher acquisition expenses. As a result, the combined ratio was up by 0.6 points to 97.7%.

Adjusted earnings decreased by €13 million to €17 million. On a constant exchange rate basis, adjusted earnings decreased by €17 million driven by higher net realized capital losses (€-22 million) mainly on fixed income assets partly offset by higher underlying earnings (€+6 million).

Net income decreased by €14 million to €16 million on a constant exchange rate basis, mainly due to lower adjusted earnings.

UKRAINE

Gross revenues decreased by €2 million (-3%) to €65 million. On a comparable basis, gross revenues increased by €1 million (+1%) benefiting from the positive development in proprietary networks and tariff increases partly offset by lower premiums in bancassurance channels.

Underlying earnings increased by €1 million to €1 million on a constant exchange rate basis, due to 4.5 points improvement in combined ratio to 102.3%.

Adjusted earnings and **Net income** remained stable at €1 million on a constant exchange rate basis.

Property & Casualty Operations – Mediterranean and Latin American Region

	(in Euro million)	
	2011	2010
Gross revenues	6,848	6,661
Current accident year loss ratio (net)	73.4%	74.8%
All accident year loss ratio (net)	71.6%	71.5%
Net technical result before expenses	1,884	1,883
Expense ratio	25.9%	25.7%
Net investment result	378	384
Underlying earnings before tax	540	567
Income tax expenses / benefits	(162)	(166)
Net income from investments in affiliates and associates	-	-
Minority interests	(24)	(33)
Underlying earnings Group share	353	368
Net capital gains or losses attributable to shareholders net of income tax	(17)	23
Adjusted earnings Group share	336	391
Profit or loss on financial assets (under FV option) & derivatives	14	13
Exceptional operations (including discontinued operations)	-	(1)
Goodwill and other related intangibles impacts	(22)	(24)
Integration and restructuring costs	(21)	-
Net income Group share	306	379

The year 2010 published current year loss ratio was 75.2%

Gross revenues increased by €188 million (+3%) to €6,848 million. On a comparable basis, gross revenues increased by €359 million (+5%) driven by an acceleration of the high growth markets (+18% or €+464 million), partly offset by the difficult economic environment in mature markets (-3% or €-105 million) mainly in Spain (€-106 million), where tariff actions did not compensate negative net new contracts:

- *Personal lines* (61% of gross revenues) were up 5% to €4,162 million owing to Motor lines (+7% or €+192 million) mainly in high growth markets (€+193 million), notably driven by positive volume effects in Turkey (€+190 million) and Mexico (€+20 million). Non-Motor lines revenues were stable (€+1 million),
- *Commercial lines* (39% of gross revenues) were up 7% to €2,662 million driven by an acceleration of both Non-Motor (+6% or €+118 million) and Motor (+8% or €+54 million) lines. Non Motor was mainly driven by new large accounts in high growth markets. Motor was mainly driven by Mexico (€+89 million) benefiting from portfolio development combined with tariff increases, partly offset by negative volume and mix effects in mature markets (€-30 million).

Net technical result increased by €2 million to €1,884 million. On a constant exchange rate basis, net technical result increased by €32 million (+2%) driven by an increase in high growth markets (+16% or €+101 million) partly offset by a decrease in mature markets (-6% or €-69 million):

- *Current accident year loss ratio* decreased by 1.3 points to 73.4%, driven by a decrease in mature markets (-2.2 points) while high growth markets remained stable. The improvement in mature markets was mainly driven by tariff increases, selective underwriting, partly offset by higher large claims and higher Nat Cat charge (+0.3 point),
- *All accident year loss ratio* increased by 0.3 point to 71.6% driven by an increase in mature markets (+0.7 point) partly offset by a decrease in high growth markets (-0.6 point), as lower positive prior year reserve developments (€-98 million), mainly in mature markets, partly offset by the improvement of the current year loss ratio.

Expense ratio rose by 0.2 point to 25.9% (with acquisition ratio down 0.2 point and an administrative expense ratio up 0.4 point) with an increase in high growth markets (+0.5 point) reflecting higher investments to support growth and a slight increase in mature markets (+0.1 point) due to lower volumes despite productivity actions.

As a result, the **enlarged expense ratio** was up by 0.3 point to 29.1%.

As a result, the **combined ratio** was up by 0.5 point to 97.6%.

Net investment result decreased by €6 million (-2%) to €378 million. On a constant exchange rate basis, net investment result increased by €2 million.

Income tax expenses decreased by €3 million (-2%) to €-162 million. On a constant exchange rate basis, income tax expenses decreased by €3 million (-2%) reflecting lower pre-tax underlying earnings and a negative country mix.

Underlying earnings decreased by €15 million (-4%) to €353 million. On a constant exchange rate basis, underlying earnings decreased by €13 million (-3%).

Adjusted earnings decreased by €56 million (-14%) to €336 million. On a constant exchange rate basis, adjusted earnings decreased by €54 million (-14%) reflecting lower underlying earnings and higher impairments, notably on Greek government bonds (€-60 million), partly offset by a more favorable change in intrinsic value of equity hedging strategy.

Net income decreased by €73 million (-19%) to €306 million. On a constant exchange rate basis, net income decreased by €70 million (-19%) reflecting lower adjusted earnings combined with 2011 restructuring costs (€-21 million).

Property & Casualty Operations – Direct business

	(in Euro million)	
	2011	2010
Gross revenues	2,102	1,928
Current accident year loss ratio (net)	80.5%	83.3%
All accident year loss ratio (net)	84.2%	85.5%
Net technical result before expenses	321	260
Expense ratio	21.2%	22.8%
Net investment result	86	71
Underlying earnings before tax	(25)	(79)
Income tax expenses / benefits	(8)	16
Net income from investments in affiliates and associates	-	-
Minority interests	0	1
Underlying earnings Group share	(33)	(62)
Net capital gains or losses attributable to shareholders net of income tax	(4)	(0)
Adjusted earnings Group share	(36)	(62)
Profit or loss on financial assets (under FV option) & derivatives	(15)	2
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(4)	(5)
Integration and restructuring costs	(7)	-
Net income Group share	(63)	(65)

The year 2010 published current year loss ratio was 83.3%

Direct business includes operations in the UK (29% of total Direct gross revenues), France (19%), South Korea (17%), Japan (16%), Spain (10%) Belgium (3%), Italy (3%), Poland (2%) and Portugal (1%).

Gross revenues increased by €174 million (+9%) to €2,102 million¹. On a comparable basis, gross revenues increased by €158 million (+8%):

- *Personal Motor* (89% of gross revenues) was up €105 million (+6%) to €1,880 million driven by €+42 million in the UK as a result of tariff increases and higher volumes, €+61 million in continental Europe with strong growth in France, Italy and Poland as well as €+15 million in Japan driven by higher volumes partly offset by €-12 million decrease in South Korea as a result of difficult market environment despite tariff increases,
- *Personal Non-Motor* (11% of gross revenues) was up €52 million (+31 %) to €218 million mainly supported by Property products launched in 2010 in the UK as well as in France.

Net technical result increased by €60 million (+23%) to €321 million. On a constant exchange rate basis, net technical result increased by €55 million (+21%):

- *Current accident year loss ratio* decreased by 2.5 points to 80.5% mainly driven by tariff increases in Motor and better weather conditions in the UK leading to a lower Nat Cat charge (-0.8 point),
- *All accident year loss ratio* decreased by 1.1 points to 84.2% reflecting the improvement in current accident year loss ratio partly offset by unfavorable prior year reserve developments on bodily injury claims in the UK.

Expense ratio decreased by 1.7 points to 21.2% (with acquisition ratio down 0.5 point and administrative expense ratio down 1.2 points) reflecting operational leverage following portfolio growth.

Enlarged expense ratio was down by 1.5 points to 26.8%.

As a result, the **combined ratio** was down by 2.8 points to 105.4%.

¹ €2,102 million after intercompany eliminations.

Net investment result increased by €15 million (+22%) to €86 million. On a constant exchange rate basis, net investment result increased by €15 million (+22%) mainly reflecting a higher asset base.

Income tax expenses increased by €24 million to €8 million. On a constant exchange rate basis, income tax expenses increased by €23 million reflecting higher pre-tax underlying earnings and negative tax adjustments following corporate tax rule changes in Japan (€-6 million) and in the UK (€-3 million).

Underlying earnings increased by €30 million to €-33 million. On a constant exchange rate basis, underlying earnings increased by €29 million.

Adjusted earnings increased by €26 million to €-36 million. On a constant exchange rate basis, adjusted earnings increased by €26 million mainly due to higher underlying earnings, partly offset by lower net realized capital gains, mainly on equities.

Net income decreased by €2 million to €-63 million. On a constant exchange rate basis, net income decreased by €2 million as higher adjusted earnings were more than offset by an adverse movement in the fair value of interest rate derivatives in the UK due to lower interest rates and higher restructuring costs in Japan.

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

	(in Euro million)		
	2011	2010 published	2010 restated
Canada	-	1,436	-
Asia (a)	425	1,023	379
Luxembourg	97	93	93
TOTAL	522	2,552	472
Intercompany transactions	(6)	(16)	(7)
Contribution to consolidated gross revenues	516	2,536	465

(a) Includes Hong Kong, Singapore and Malaysia.

Underlying, Adjusted earnings and Net Income

	(in Euro million)		
	2011	2010 published	2010 restated
Canada	-	139	-
Asia (a)	13	(13)	(4)
Luxembourg	10	10	10
UNDERLYING EARNINGS	23	135	6
Net realized capital gains or losses attributable to shareholders	2	28	13
ADJUSTED EARNINGS	25	163	19
Profit or loss on financial assets (under Fair Value option) & derivatives	(0)	(2)	(0)
Exceptional operations (including discontinued operations)	93	-	147
Goodwill and related intangibles impacts	-	(7)	(0)
Integration and restructuring costs	-	(0)	(0)
NET INCOME	118	154	166

(a) Includes Hong Kong, Singapore and Malaysia.

CANADA

Following the announced sale of Canadian operations in 2011, these operations were treated as discontinued operations in AXA's full year 2011 consolidated financial statements, leading to a reclassification of their earnings contribution in net income.

ASIA¹

Gross revenues increased by €45 million (+12%) to €425 million². On a comparable basis, gross revenues increased by €8 million (+2%):

- *Personal lines* (48% of the gross revenues) were up €16 million (+9%) due to Private Motor growth primarily in Malaysia as well as growth in Health driven by new products launched across the region.
- *Commercial lines* (52% of the gross revenues) were down €8 million (-4%) mainly due to more selective underwriting in Malaysia and Singapore, partly offset by positive portfolio development in Hong Kong.

Net technical result increased by €33 million (+35%) to €130 million. On a constant exchange rate, net technical result increased by €31 million (+33%).

¹ Includes Hong Kong, Singapore and Malaysia.

² €419 million after intercompany eliminations.

- *Current accident year loss ratio* increased by 1.0 point to 68.6% mainly due to Private Motor driven by higher average claim costs in Malaysia and large claims arising from floods in June in Singapore.
- *All accident year loss ratio* decreased by 5.5 points to 68.4% as prior year reserve developments increased to a positive position from a negative position in 2010.

Expense ratio increased by 0.2 point to 28.8%.

Enlarged expense ratio was up by 0.5 point to 31.8% mainly due to strengthening of claims handling costs reserves in Singapore.

As a result, the **combined ratio** was down by 5.3 points to 97.2%.

Net investment result remained stable at €10 million. On a constant exchange rate basis, net investment result increased by €1 million (+6%) resulting mainly from a higher asset base in Malaysia.

Income tax expenses increased by €4 million to €-4 million. On a constant exchange rate basis, income tax expenses increased by €4 million due to higher taxable pre-tax underlying earnings.

Underlying earnings increased by €17 million to €13 million. On a constant exchange rate basis, underlying earnings increased by €17 million.

Adjusted earnings increased by €6 million to €15 million. On a constant exchange rate basis, adjusted earnings increased by €6 million driven by increase in underlying earnings, partly offset by lower net realized capital gains.

Net income increased by €7 million to €15 million. On a constant exchange rate basis, net income increased by €7 million, in line with higher adjusted earnings.

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)

	2011	2010
AXA Corporate Solutions Assurance	2,003	1,951
AXA Global Life and AXA Global P&C (a)	73	50
AXA Assistance	911	929
Other (b)	70	95
TOTAL	3,057	3,025
Intercompany transactions	(182)	(178)
Contribution to consolidated gross revenues	2,876	2,847

(a) Formerly AXA Cessions.

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

Underlying, Adjusted earnings and Net Income

	2011	2010
AXA Corporate Solutions Assurance	150	161
AXA Global Life and AXA Global P&C (a)	55	17
AXA Assistance	21	16
Other (b)	50	95
UNDERLYING EARNINGS	276	290
Net realized capital gains or losses attributable to shareholders	17	53
ADJUSTED EARNINGS	294	343
Profit or loss on financial assets (under Fair Value option) & derivatives	(15)	32
Exceptional operations (including discontinued operations)	1	3
Goodwill and related intangibles impacts	-	-
Integration and restructuring costs	(4)	-
NET INCOME	276	378

(a) Formerly AXA Cessions.

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

AXA Corporate Solutions Assurance

	(in Euro million)	
	2011	2010
Gross revenues	2,003	1,951
Current accident year loss ratio (net)	84.7%	85.6%
All accident year loss ratio (net)	82.1%	81.5%
Net technical result before expenses	360	364
Expense ratio	15.8%	15.4%
Net investment result	199	184
Underlying earnings before tax	242	245
Income tax expenses / benefits	(90)	(81)
Net income from investments in affiliates and associates	-	-
Minority interests	(2)	(2)
Underlying earnings Group share	150	161
Net capital gains or losses attributable to shareholders net of income tax	5	5
Adjusted earnings Group share	155	166
Profit or loss on financial assets (under FV option) & derivatives	(13)	26
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	142	192

The year 2010 published current year loss ratio was 85.6%

Gross revenues increased by €52 million (+3%) to €2,003 million¹. On a comparable basis, gross revenues increased by €65 million (+3%) notably in Aviation and Space (+11% mainly driven by portfolio developments), Motor (+10% driven by portfolio developments and +2% tariff increases) and Marine (+9% mainly driven by portfolio developments), partly offset in Liability (-2% negative portfolio developments partly offset by +1% tariff increases).

On both current and constant exchange rate basis, **net technical result** decreased by €4 million (-1%) to €360 million.

- *Current accident year loss ratio* decreased by 0.9 point to 84.7%, explained by a change in cost allocation from claims handling costs to commissions (0.8 point). On a comparable basis, current accident year loss ratio decreased by 0.1 point mainly due to tariff increases and positive trend on large claims in all lines of business but Property notably in Japan.
- *Prior year technical result* decreased by 27 millions (from €91 million to €65 million) as a result of lower positive prior year reserve and premium developments.

As a consequence, the all accident year loss ratio increased by 0.6 point to 82.1%.

Expense ratio increased by 0.4 point to 15.8%. On a constant exchange rate basis, expense ratio decreased by 0.3 point driven by cost containment measures impacting administrative expense ratio by -0.4 point.

The enlarged expense ratio was down 0.4 point to 19.7%.

As a result, the **combined ratio** was up 1.0 point to 97.9%.

Net investment result increased by €15 million (+8%) to €199 million. On a constant exchange rate basis, net investment result increased by €16 million (+8%) mainly due to higher income from fixed income assets and real estate.

On both current and constant exchange rate basis, **income tax expenses** increased by €8 million (+10%) to €90 million mainly due to €5 million 2010 non recurring tax effect and to a lesser extent, higher tax rate in France (€4 million).

¹ €1,986 million after intercompany eliminations.

On both current and constant exchange rate basis, **underlying earnings** decreased by €11 million (-7%) to €150 million.

On both current and constant exchange rate basis, **adjusted earnings** decreased by €11 million (-6%) to €155 million, driven by the decrease in underlying earnings.

On both current and constant exchange rate basis, **net income** decreased by €50 million (-26%) to €142 million mainly due to an unfavorable change in fair value of mutual funds and derivatives (€-33 million) mainly driven by credit spread widening, lower adjusted earnings and a negative forex impact.

AXA Global Life and AXA Global P&C¹

Underlying earnings increased by €38 million to €55 million mainly due to positive prior year developments on Nat Cat events including a €32 million reserve development due to favorable weather events as well as higher technical results in AXA Life pool partly offset by higher administrative expenses.

Adjusted earnings increased by €36 million to €54 million mainly as a result of higher underlying earnings.

Net income increased by €30 million to €52 million mainly due to higher adjusted earnings partly offset by a €6 million less favorable change in fair value of financial assets and derivatives.

AXA Assistance

Gross revenues decreased by €18 million to €911 million². On a comparable basis, gross revenues decreased by €18 million (-2%) mainly due to the end of a large contract partly offset by growth in the United States and Mexico.

Underlying earnings increased by €4 million (+27%) to €21 million mainly driven by positive developments in Italy and Turkey partly offset by deterioration on Travel business following the end of a large contract.

Adjusted earnings increased by €3 million (+19%) to €21 million mainly driven by higher underlying earnings.

Net income decreased by €2 million (-9%) to €18 million, mainly due to €3 million higher adjusted earnings more than offset by €3 million exceptional capital gain recorded in 2010 following the end of a joint venture in Japan and €3 million restructuring costs.

Other international activities

Underlying earnings decreased by €45 million (-47%) to €50 million. On a constant exchange rate basis, underlying earnings decreased by €47 million (-50%) driven by higher losses on Life run-off portfolio and slightly lower results on Property & Casualty run-off portfolio.

Adjusted earnings decreased by €78 million (-55%) to €64 million. On a constant rate exchange rate basis, adjusted earnings decreased by €80 million (-56%) as a result of lower underlying earnings and €36 million lower realized capital gains reflecting 2010 positive impact of a change in the French tax regulation on the "reserve de capitalisation" balance in French entities (€+45 million).

Net income decreased by €81 million (-56%) to €63 million. On a constant exchange rate basis, net income decreased by €83 million (-58%) mainly as a result of lower adjusted earnings.

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

² €750 million after intercompany eliminations.

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

	2011	2010
AllianceBernstein	2,038	2,203
AXA Investment Managers	1,563	1,482
TOTAL	3,601	3,685
Intercompany transactions	(332)	(357)
Contribution to consolidated gross revenues	3,269	3,328

Underlying, Adjusted earnings and Net Income

	2011	2010
AllianceBernstein	106	143
AXA Investment Managers	215	125
UNDERLYING EARNINGS	321	269
Net realized capital gains or losses attributable to shareholders	(2)	(5)
ADJUSTED EARNINGS	318	264
Profit or loss on financial assets (under Fair Value option) & derivatives	(25)	21
Exceptional operations (including discontinued operations)	(3)	2
Goodwill and related intangibles impacts	-	-
Integration and restructuring costs	(137)	(31)
NET INCOME	153	255

AllianceBernstein

	(in Euro million)	
	2011	2010
Gross revenues	2,038	2,203
Net investment result	(27)	(3)
Total revenues	2,011	2,200
General expenses	(1,738)	(1,821)
Underlying earnings before tax	272	379
Income tax expenses / benefits	(68)	(93)
Minority interests	(98)	(142)
Underlying earnings Group share	106	143
Net capital gains or losses attributable to shareholders net of income tax	0	-
Adjusted earnings Group share	106	143
Profit or loss on financial assets (under FV option) & derivatives	(7)	0
Exceptional operations (including discontinued operations)	0	2
Goodwill and other related intangibles impacts	0	-
Integration and restructuring costs	(136)	(29)
Net income Group share	(38)	116
Average exchange rate : 1.00 € = \$	1.3867	1.3370

Assets under Management ("AUM") decreased by €27 billion from year-end 2010 to €335 billion at December 31, 2011 as a result of net outflows of €-28 billion (€-16 billion from Institutional clients including a €+16 billion inflow from an AXA advisory mandate, €-7 billion from Retail clients and €-5 billion from Private clients), €-7 billion market depreciation, and €-2 billion unfavorable change in scope, partly offset by a €+10 billion favorable foreign exchange rate impact.

Gross revenues decreased by €165 million (-8%) to €2,038 million¹. On a comparable basis, gross revenues decreased by €73 million (-3%) primarily due to lower investment management fees resulting from a 5% decrease in average AUM combined with lower average bps (-0.5bp) partly offset by higher distribution fees following higher average Retail AUM.

Net investment result decreased by €24 million to €-27 million. On a constant exchange rate basis, net investment result decreased by €25 million due to higher unrealized losses related to defer compensation obligations, offset in general expenses.

General expenses decreased by €83 million (-5%) to €-1,738 million. On a constant exchange rate basis, general expenses decreased by €18 million (-1%) mainly due to lower compensation expenses offset by higher promotion and servicing expenses.

As a result, the **underlying cost income ratio** deteriorated by 4.0 points to 84.5%.

Income tax expenses decreased by €25 million (-27%) to €-68 million. On a constant exchange rate basis, income tax expenses decreased by €22 million (-24%) driven by lower pre-tax underlying earnings, €+26 million positive tax one-off mainly due to audit settlements, partly offset by an increase in effective tax rate mainly due to unrecognized tax benefits on losses in foreign subsidiaries.

Underlying and adjusted earnings decreased by €38 million (-26%) to €106 million. On a constant exchange rate basis, underlying and adjusted earnings decreased by €34 million (-23%).

AXA ownership of AllianceBernstein at December 31, 2011 is 64.6%, up 3.2% due to repurchases of AllianceBernstein units during 2011 to fund deferred compensation plans.

¹ €1,963 million after intercompany eliminations.

Net income decreased by €154 million (-132%) to €-38 million. On a constant exchange rate basis, net income decreased by €155 million (-133%) due to lower adjusted earnings and the restructuring of compensation plans in December 2011, leading to an accelerated vesting of AllianceBernstein deferred compensation plans (€-136 million).

AXA Investment Managers (“AXA IM”)

	(in Euro million)	
	2011	2010
Gross revenues	1,563	1,482
Net investment result	(20)	18
Total revenues	1,543	1,500
General expenses	(1,239)	(1,375)
Underlying earnings before tax	304	124
Income tax expenses / benefits	(79)	(38)
Minority interests	(10)	39
Underlying earnings Group share	215	125
Net capital gains or losses attributable to shareholders net of income tax	(2)	(5)
Adjusted earnings Group share	212	120
Profit or loss on financial assets (under FV option) & derivatives	(18)	20
Exceptional operations (including discontinued operations)	(3)	0
Goodwill and other related intangibles impacts	0	-
Integration and restructuring costs	(1)	(2)
Net income Group share	191	139

Assets under Management ("AUM") decreased by €4 billion from year-end 2010 to €512 billion at the end of 2011 mainly as a result of €3 billion unfavorable market impact, €4 billion unfavorable change in scope related to the partial sale of the UK Life & Savings operations and €1 billion net outflows, partly offset by €5 billion favorable foreign exchange impact. Net outflows of €-1 billion were mainly driven by outflows on AXA Rosenberg products (€-5 billion) and the voluntary exit from unprofitable employee shareholding schemes (€-2 billion), partly offset by inflows mainly on AXA Private Equity, AXA Real Estate and AXA Framlington.

Gross revenues increased by €81 million (+5%) to €1,563 million¹. On a comparable basis², and excluding distribution fees (retroceded to distributors), net revenues increased by €54 million (+5%) to €1,173 million mainly due to higher performance fees (€+23 million) driven by AXA Private Equity and AXA Real Estate, higher Real Estate transaction fees (€+23 million), and increased management fees (€+11 million) as the drop in AXA Rosenberg management fees (€-48 million) was more than compensated by an increase in management fees from other expertises (€+59 million).

Net investment result decreased by €38 million to €-20 million. On a comparable basis², net investment result decreased by €19 million mainly driven by higher interest charges.

General expenses decreased by €136 million to €-1,239 million. On a constant exchange rate basis and excluding distribution fees, general expenses decreased by €135 million (-14%). Excluding €168 million compensation related to AXA Rosenberg coding error in 2010, general expenses increased by €33 million (+4%) mainly driven by higher variable compensation triggered by higher profits, as well as higher staff costs, partly offset by the impact of downsizing at AXA Rosenberg and the non recurrence of 2010 external fees at AXA Rosenberg.

As a result, the **underlying cost income ratio** improved by 15.0 points to 73.7%. Excluding the compensation related to AXA Rosenberg coding error in 2010, the underlying cost income ratio remained flat.

Income tax increased by €40 million (+106%) to €-79 million. Excluding the €49 million net tax credit arising from the compensation related to AXA Rosenberg coding error in 2010 and the €12 million tax one offs in 2011, income tax expenses increased by €2 million (+2%).

Minority interests were €-10 million in 2011 compared to €+39 million in 2010. Excluding the €+53 million minority interests share in the compensation related to AXA Rosenberg coding error in 2010, minority interests decreased by €4 million due to AXA Rosenberg minority shareholders' buyout in the second half of 2010.

¹ €1,306 million after intercompany eliminations.

² In 2011, realized carried interests are reported in revenues (performance fees) while they were reported in investment result in 2010. Comparable basis comparisons adjust in particular this change in presentation.

Underlying earnings increased by €90 million (+72%) to €215 million, or by €87 million (+69%) on a constant exchange rate basis. Excluding the €66 million net compensation related to AXA Rosenberg coding error in 2010, underlying earnings increased by €21 million (+11%).

Adjusted earnings increased by €92 million (+76%) to €212 million. On a constant exchange rate basis, adjusted earnings increased by €89 million (+74%). Excluding the €66 million net compensation related to AXA Rosenberg coding error in 2010, adjusted earnings increased by €23 million mainly following higher underlying earnings.

Net income increased by €53 million (+38%) to €191 million. On constant exchange rate basis, net income increased by €50 million (+36%). Excluding the €66 million net compensation related to AXA Rosenberg coding error in 2010, net income decreased by €16 million, mainly driven by a less favorable mark-to-market of fixed income funds (€-18 million) and lower unrealized carried interests (€-25 million) more than offsetting the increase in adjusted earnings.

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

	2011	2010
AXA Banks (a)	523	496
o/w Belgium (b)	328	311
o/w France	116	116
o/w Hungary	54	59
o/w Germany	23	15
o/w Switzerland	0	(2)
o/w Others (c)	1	(3)
Others	6	7
TOTAL	529	504
Intercompany transactions	(44)	(44)
Contribution to consolidated gross revenues	485	459

(a) Of which AXA Bank Europe and its branches: €383 million.

(b) Includes commercial activities in Belgium and shared services of AXA Bank Europe (treasury and support functions).

(c) Includes Slovakia and Czech Republic.

Underlying, Adjusted earnings and Net Income

	2011	2010
AXA Banks (a)	36	15
o/w Belgium (b)	55	64
o/w France	1	1
o/w Hungary	-	(19)
o/w Germany	4	(0)
o/w Switzerland	(11)	(14)
o/w Others (c)	(12)	(16)
Others	(4)	(6)
UNDERLYING EARNINGS	32	9
Net realized capital gains or losses attributable to shareholders	(5)	(3)
ADJUSTED EARNINGS	27	7
Profit or loss on financial assets (under Fair Value option) & derivatives	(13)	9
Exceptional operations (including discontinued operations)	(144)	-
Goodwill and related intangibles impacts	(86)	(0)
Integration and restructuring costs	(21)	(6)
NET INCOME	(237)	9

(a) of which AXA Bank Europe and its branches: €32 million.

(b) Includes commercial activities in Belgium for €55 million and shared services of AXA Bank Europe (treasury and support functions) for €0 million.

(c) Includes Slovakia and Czech Republic.

AXA Banks

BELGIUM

Net banking revenues increased by € 17 million (+5%) to €328 million. On a comparable basis¹, net banking revenues decreased by €3 million (-1%) mainly due to negative changes in fair value of hedging derivatives (€-26 million) and higher funding cost (€-9 million) partly offset by good results in retail banking activities (€+29 million) mainly driven by higher loans income.

Underlying earnings decreased by €9 million to €55 million. Excluding 2010 non-recurring tax benefit (€+33 million), underlying earnings increased by €24 million mainly driven by retail activities thanks to a higher interest and commission margin (€+27 million) and lower administrative expenses (€+7 million) partly offset by higher distribution commissions (€-7 million) and an increase of provision of loan losses (€-8 million).

Adjusted earnings decreased by €11 million to €50 million mainly due to lower underlying earnings.

Net income decreased by €38 million to €28 million mainly driven by lower adjusted earnings, higher restructuring costs (€-10 million) and negative changes in fair value of hedging derivatives.

FRANCE

Net banking revenues were stable at €116 million. On a comparable basis¹, **net banking** revenues increased by €+16 million (+15%), including (i) higher revenues on retail loans and mortgages, as a result of a strong increase in new credit production, (ii) higher fees received on current accounts activities and (iii) a €-12 million unfavorable impact from changes in fair value of interest rates hedging instruments (€-10 million versus €+2 million in 2010).

Underlying and adjusted earnings were stable at €1 million, as operating revenues growth was mostly offset by higher expenses which included significant investment costs in marketing & advertising to support growth.

Net income decreased by €8 million to €-6 million, mainly due to changes in fair value of hedging instruments stemming from interest rates changes (€-6 million in 2011 versus €+1 million in 2010).

HUNGARY

The Hungarian government enacted a legislation in September 2011 allowing customers to redeem foreign currency denominated mortgages at non-market rates. As a result, a provision of €-103 million was set up to face the related likely costs based on the number of submitted files by December 31st, 2011 as well as €-54 million additional provision for loan losses.

In this context, Hungarian credit production has been stopped. The discontinuation of lending activities led (i) to the impairment of the related goodwill and other intangibles (€-86 million) together with (ii) the recognition of the 2011 credit activities results, including the earnings of the period, as exceptional operations in net income.

Net banking revenues decreased by €5 million to €54 million. On a comparable basis¹, net banking revenues increased by €11 million mainly due to higher interest income (€+15million) partly offset by lower funding cost (€-5 million).

Net income decreased by €208 million to €-230 million. On a constant exchange rate basis, net income decreased by €211 million.

GERMANY

Net banking revenues increased by €9 million (+58%) to €23 million before reclassification of distribution commissions 2010 (€4 million). On a comparable basis, net banking revenues including the distribution commissions increased by €12 million mainly due to an improved interest margin stemming from higher interest received from policyholder loans as well as lower interest paid for deposit and term accounts.

Underlying earnings as well as **Adjusted earnings** and **Net income** increased by €4 million to €4 million mainly driven by higher net banking revenues.

¹ In banking segment, for net banking revenues, "on a comparable basis" means after intercompany eliminations.

CZECH REPUBLIC

Underlying earnings as well as **adjusted earnings** and **net income** increased by €6 million to €-8 million on a constant exchange rate basis mainly driven by higher commercial margin (€+4 million) and lower administrative expenses (€1 million).

SLOVAKIA

Underlying earnings as well as **adjusted earnings** and **net income** decreased by €2 million to €-4 million on a constant exchange rate basis mainly driven by higher expenses following the launch of the banking activity in 2011.

SWITZERLAND

Underlying earnings as well as **adjusted earnings** increased by €3 million to €-11 million. On a constant exchange rate basis, underlying earnings as well as adjusted earnings increased by €4 million mainly driven by higher commercial margin (€+1 million) and lower administrative expenses (€+2 million).

Net income decreased by €2 million to €-15 million. On a constant exchange rate basis net income remained stable and included €4 million to cover the restructuring costs related to the operation describes below.

AXA Bank Switzerland will close its operations following the transfer of its customer portfolio to bank zweiplus. The one-off costs associated with the closure of the Swiss branch amount to €4 million.

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 Belgian Holding, CDOs and real estate companies.

Underlying, Adjusted earnings and Net Income

	2011	2010
AXA	(561)	(553)
Other French holdings companies	(47)	(40)
Foreign holdings companies	(238)	(251)
Others (a)	2	9
UNDERLYING EARNINGS	(843)	(836)
Net realized capital gains or losses attributable to shareholders	(224)	2
ADJUSTED EARNINGS	(1,067)	(834)
Profit or loss on financial assets (under Fair Value option) & derivatives	(17)	(226)
Exceptional operations (including discontinued operations)	1,324	20
Goodwill and related intangibles impacts	0	0
Integration and restructuring costs	(0)	(0)
NET INCOME	240	(1,040)

(a) Includes notably CDOs and real estate entities.

AXA¹

Underlying earnings decreased by €8 million to €-561 million mainly due to:

- an increase by €32 million in financial charge as a result of lower financial income on assets
- a €10 million operational loss related to Thailand floods (non consolidated entity),
- partly offset by higher €+38 million result on hedging of earnings denominated in foreign currencies,

Adjusted earnings decreased by €172 million to €-721 million mainly driven by a €-105 million premium amortization on equity call options, and by underlying earnings evolution.

Net income increased by €1.238 million to €547 million mainly driven by:

- €+1,519 million exceptional gains of which €617 million related to the disposal of the Australia & New Zealand operations (€+626 million for the Group) and €+902 million related to the disposal of the Canadian operations,
- €+163 million change of the mark to market on interest rate and foreign exchange derivatives instruments which are not eligible to hedge accounting partly offset by adjusted earnings evolution, a €84 million loss due to the sale of a tax receivable and a €125 million allowance due to the restructuring of the participation in Bharti AXA Life Insurance Co. Ltd.

The foreign currency hedging policy has been amended balancing various objectives between net asset value protection, financial charge, liquidity and Solvency positions. This new policy is implemented for US dollar hedging and is currently being implemented for other currencies hedging (mainly CHF and Yen). The impact in 2011 was €-66 million after tax in net income.

¹ All the figures are after tax.

Other French holding companies

AXA France Assurance.

Underlying earnings decreased by €9 million to €-17 million mainly due to higher tax expenses (€8 million) resulting from higher inter-company dividends received.

Adjusted earnings and net income decreased by €10 million to €-19 million, mainly resulting from lower underlying earnings (€-9 million).

Other French holdings.

Underlying earnings increased by €2 million to €-30 million mainly due to a decrease in general expenses.

Adjusted earnings increased by €4 million to €-31 million mainly driven underlying evolution and lower impairments.

Net income decreased by €30 million to €-77 million as a consequence of a €53 million allowance due to the restructuring of the participation in Bharti AXA General Insurance.

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings increased by €34 million (+21%) to €-131 million. On a constant exchange rate basis, underlying earnings increased by €30 million (+18%) driven by a €14 million decrease in share-based compensation and a €13 million decrease in interest financial charges related to the repayment of public debt in the first half of 2010.

Adjusted earnings increased by €34 million (+21%) to €-131 million. On a constant exchange rate basis, adjusted earnings increased by €30 million (+18%), in line with the underlying earnings evolution.

Net income increased by €120 million (+54%) to €-104 million. On a constant exchange rate basis, net income increased by €116 million (+52%) driven by higher adjusted earnings, a €14 million tax reserve release on a former subsidiary disposal, and a favorable change in the fair value of a cross currency swap.

AXA UK Holdings

Underlying earnings increased by €33 million (+101%) to €0 million. On a constant exchange rate basis, underlying earnings increased by €33 million (+101%) mainly due to the reallocation of the proceeds from the partial sale of the UK Life & Savings business in 2010 into intercompany loans (€+35 million) and reimbursement of intercompany debts (€+8 million). These improvements are partially offset by increased costs mainly relating to pensions (€3 million) and increases in tax one-off (€6 million).

Adjusted earnings increased by €33 million (+99%) to €0 million. On a constant exchange rate basis, adjusted earnings increased by €33 million reflecting the improvement in underlying earnings.

Net income decreased by €6 million (-68%) to €-16 million. On a constant exchange rate basis, net income increased by €6 million (-69%) principally reflecting adjusted earnings evolution offset by one-off tax of €15 million on the sale of an inter-group loan and higher foreign exchange losses partially offset by the movement in currency swaps (€-20 million).

German Holding companies

Underlying earnings decreased by €32 million to €-17 million mainly due to non-recurring provision releases in 2010 (€-21 million) and lower non-recurring positive tax impacts compared to 2010 (€-13 million).

Adjusted earnings decreased by €94 million to €-77 million mainly driven by higher impairment charges and lower underlying earnings.

Net income decreased by €78 million to €-69 million due to lower adjusted earnings partly offset by more favorable change in fair value of derivatives.

Belgian Holding company

Underlying earnings and **adjusted earnings** decreased by €13 million to €-12 million mainly due to the lower net investment result following the early reimbursement of a subordinated loan granted to AXA Belgium.

Net Income decreased by €15 million to €-14 million mainly due to the adjusted earnings evolution.

Mediterranean and Latin American Region Holdings

Underlying earnings decreased by €6 million (-9%) to €-69 million. On a constant exchange rate basis, underlying earnings decreased by €6 million (-9%) mainly due to recognition of operational losses from non consolidated entities partly offset by lower financial charges.

Adjusted earnings decreased by €5 million (-9%) to €-68 million. On a constant exchange rate basis, adjusted earnings decreased by €5 million (-9%) reflecting decrease in underlying earnings.

Net income increased by €8 million (+12%) to €-57 million. On a constant exchange rate basis, net income increased by €8 million (+12%) mainly due to positive fiscal impact on exceptional operations (€15 million) partly offset by lower adjusted earnings.

Other

CFP

Underlying earnings, adjusted earnings and **net income** decreased by €7 million (-75%) to €2 million driven by less favorable run-off developments.

Outlook

The Ambition AXA plan is well suited to the challenges of the current environment of low interest rates, uncertainty about the outcome of the Eurozone financial crisis and slowdown of the world's economic growth : selectivity in mature markets, acceleration in high growth markets and efficiency everywhere, with a focus on mature markets. AXA's focus remains on the execution of this strategy while maintaining the strength of its balance sheet.

Glossary

The new split between High Growth market and Mature Market is detailed below:

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

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

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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

ADJUSTED EARNINGS

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

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

Derivatives related to invested assets:

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

UNDERLYING EARNINGS

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

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

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

EARNINGS PER SHARE

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

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

RETURN ON EQUITY ("ROE")

The calculation is prepared with the following principles:

- For net income ROE: Calculation is based on consolidated financial statements, i.e. shareholders' equity including 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.

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, i.e. primarily "Investment Margin" and "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 general account 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 margin 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. 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) GMxB (Variable Annuity guarantees) active financial risk management is the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedge. It also includes the unhedged business result,
- (iv) Policyholder bonuses if the policyholder participates in the risk margin,
- (v) Ceded reinsurance result,
- (vi) Other changes in insurance reserves are all the reserves strengthening or release coming from changes in valuation assumptions, additional reserves for mortality risk and other technical impacts such as premium deficiency net of derivative if any.

Underlying Expenses are:

- (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 in-force business

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

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

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

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

- (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, excluding the recurring interests credited to insurance annuity reserves,
- (iv) Claims handling costs,
- (v) Net result of ceded reinsurance.

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.

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 exclude customer intangible amortization and integration costs related to material newly acquired companies.

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

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

ASSET MANAGEMENT

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

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

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

BANKING

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