Half Year 2006
ACTIVITY REPORT

Cautionary statements concerning the use of non-GAAP measures and forward-looking statements

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Market conditions in the first half year 2006

Financial markets

The underlying economic context was supportive in the first half of the year. The world economy continued its sustained expansion particularly in the United States and China. The US economy proved particularly resilient, posting GDP growth of nearly 6% again in the first quarter 2006. In Europe, the momentum is now in favor of growth, and the pace of expansion within the Euro zone, picked up in the early part of the year. Japan also demonstrated in the first-half of 2006 that its economy was once again able to use domestic power to generate strong growth, enough to make the country less dependent on the world trade cycle.

STOCK MARKETS

Compared to December 31, 2005 levels, most of the regions of the world were posting relatively poor performances at the end of June, as first-quarter gains were wiped out by the stock market correction in the second quarter. Overall and in Euro terms, the US indices ended the first half of the year flat or slightly down; the European indices came in slightly higher (+3%); and Japan was sharply down (-8%). In Europe, the Stoxx 50 rose by 2% and the CAC40 by 5%.

BOND MARKETS

Sustained growth and the appearance of ever-stronger inflationary pressures pushed 10-year US treasury yields upward. From barely 4.40% at the end of 2005, they had reached 5.20% by the end of June 2006. Hence, US bonds, especially at the long end of the curve, turned in negative performances for the first half of the year. The European sovereign debt market moved in line with the US key rate market, with 10-year yields rising by around 80bps and surpassing the 4% mark in late June. Overall, sovereign bonds showed negative performances (or nil at best) at the short end of the curves.

In the corporate bonds market, credit spreads of the Iboxx, Non Financial Corporate Index have been trading within a 55 to 62 bps spread range from the start of the year to the beginning of June, as supply was relatively limited and overall market conditions remained robust.

EXCHANGE RATES

Compared to December 31, 2005, the Dollar lost close to 8% against the Euro (Closing exchange rate moved from 1.18$ at the end of 2005 to 1.27$ at the end of June 2006). The same was true for the yen but to a lesser extent (Closing exchange rate moved from 138.9 yens at the end of 2005 to 142.4 yens at the end of March 2006 used for half year accounts and to 145.8 yens at the end of June 2006).

On an average rate basis, the Dollar gained 4% against the Euro (from 1.285$ at the end of June 2005 to 1.229$ at the end of June 2006), whereas the yen lost 4 % against the Euro at the first half-year 2006 (from 136.24 yens at the end of June 2005 to 142.25 yens at the end of June 2006, and from 136.99 yens at the end of March 2005 to 139.96 yens at the end of March 2006 used for half year accounts).

June 30, 2006 operating highlights

Significant acquisitions and disposals

ACQUISITIONS

AXA Canada had announced on November 29, 2005, that it had entered into an agreement to buy Winterthur Canada Financial Corporation, whose main asset is **The Citadel General Assurance Company ("Citadel")**. The acquisition is financed internally by the AXA Group. The transaction closed in March 2006. The purchase price amounted to €221 million, and the related goodwill to €100 million.

On May 8, 2006, AXA Asia Pacific Holdings announced it had completed its acquisition of **MLC Hong Kong** and **MLC Indonesia**. Each of the two purchases was subject to regulatory approval. Approvals were obtained for both purchases and completion occurred on terms consistent with AXA APH's February 21, 2006 announcement of the proposed purchase.
The purchase price amounted to €357 million. The related goodwill and value of business in force (gross of tax) for the transaction were €362 million.

AXA announced on June 14, 2006 that it has entered into a definitive agreement with Credit Suisse Group under which AXA will acquire 100% of **Winterthur** for CHF12.3 billion (€7.9 billion) to be paid in cash.
In addition, AXA will refinance CHF1.6 billion (€1.0 billion) of Winterthur's outstanding debt, of which CHF1.1 billion (€0.7 billion) of internal loans to be redeemed to Credit Suisse Group at closing.
Winterthur's operations will complement and strengthen AXA's distribution channels and product range, while further increasing AXA's geographic diversification, by both strengthening its European franchise and increasing its presence in high growth markets.

AXA has secured approximately 70% of the total financing of the acquisition of Winterthur through:

- €4.1 billion capital increase resulting in the issue of 208,265,897 new shares (see Events subsequent to June 2006 for more details)
- €2.2 billion of perpetual deeply subordinated notes (see Events subsequent to June 2006 for more details)

The remaining €2.6 billion will be financed through a mix of internal resources, senior and subordinated debt.
The transaction is subject to obtaining required regulatory approvals, including from the European Competition Commission (anti-trust authorities), and to the satisfaction of other customary closing conditions. Closing is expected around year-end 2006.

At June 30, 2006, in order to hedge future acquisition price for Winterthur acquisition, AXA implemented foreign exchange forwards denominated in Swiss francs for CHF7.3 billion.

DISPOSALS

AXA initiated in 2006 a strategic review regarding the future of its reinsurance activity, currently underwritten by **AXA RE** and reported in the "International Insurance" segment. Following the receipt of a binding offer on April 6, 2006 and consultation with the relevant workers' councils, AXA announced on June 6, 2006 the signing of a definitive agreement to cede **the business of AXA RE** to Paris Re Holdings Limited. AXA will take a stake of approximately 4% in Paris RE Holdings.
Under the terms of the agreement, the business of AXA RE is expected to be ceded in 2007 to Paris Re Holdings, with the risks and corresponding net income related to AXA RE's 2006 claims experience accruing to Paris Re Holdings. This transaction will generate a capital gain of approximately €120 million gross of tax on the business ceded, and AXA will begin benefiting from the capital release in 2007.

AXA will guarantee the reserves pertaining to losses incurred on or before December 31, 2005. Starting with the first half year 2006 accounts, the accounting results of AXA RE accruing to the AXA Group will mainly comprise the impact of the loss reserve developments on the corresponding run-off portfolio and will be reported in the Other International Insurance segment. Completion of the transaction is subject to the satisfaction of various closing conditions including obtaining required regulatory approvals.

Capital and financing operations

Capital operations
During the first quarter 2006, AXA pursued its share purchase program to control dilution arising from 2005 share-based compensation and employee Shareplan program. Therefore, AXA purchased 12.7 million shares for a total amount of €0.35 billion.

Financing operations
In 2006, in order to further protect the Group net assets denominated in U.S. dollars, AXA implemented a U.S. dollar 2 billion foreign exchange hedge, at an average rate €/$ of 1.25.

Other operations

As announced on December 21, 2005, AXA made a voluntary public offer between January 9, 2006 and February 27, 2006 to purchase the minority shares of its German subsidiary AXA Konzern AG ("AXA Konzern") from minority shareholders at a price of €129.30 per ordinary and preference share. The offer was a success, with AXA reaching a direct and indirect holding of 96.8% of the share capital of AXA Konzern as of the end of the offer period, thereby exceeding the 95% threshold that is a condition to launching a minority squeeze-out. At the end of June, the corresponding ownership rate of the group in the German subsidiaries amounted to 96.84% generating an additional goodwill of €80 million.

Events subsequent to June 30, 2006

On May 15, 2006, AXA announced **the squeeze-out of the minority shareholders of its German subsidiary** AXA Konzern AG, whereby it will acquire the 3.2% of AXA Konzern shares it does not already own at a price of €134.54 per ordinary share and preference share. The resolution of the squeeze-out was endorsed at the annual general meeting of AXA Konzern on July 20, 2006.
Under the terms of the voluntary public offer, shareholders who tendered their shares to AXA at €129.30 per share during the offer period will also benefit from the higher squeeze-out price of €134.54 per share.
AXA will also proceed with a squeeze-out of the 0.44% minority shareholding in Kölnische Verwaltungs-Aktiengesellschaft für Versicherungswerte AG ("KVAG") at a price of €2,042.01 per ordinary share. The principal asset of KVAG is a 25.6% stake in AXA Konzern's share capital. The resolution of the squeeze-out was endorsed at the annual general meeting of KVAG, held on July 21, 2006. The total investment of the squeeze-out of AXA Konzern's and KVAG's minority shareholders is €144 million.
The registration of the squeeze-out is subject to various procedures according to the German law.
In order to further streamline the organization in Germany, AXA Konzern is launching in parallel the squeeze-out of the minority shareholders of its listed life insurance subsidiaries.
Upon the completion of these transactions, AXA will own directly or indirectly 100% of all its German subsidiaries.

AXA announced on July 11, 2006 the completion of its €4.1 billion **capital increase** (1 new share for 9 previously held at a price of 19.8 euros per share) to finance part of the Winterthur acquisition, resulting in the issue of 208,265,897 new shares.
The settlement and listing of the new shares on the Eurolist market of Euronext Paris took place on July 13, 2006, resulting in a total AXA's share capital of 2,082,658,975 shares as from that date.

The new shares will be eligible for any future dividend distributions, including the dividend paid in 2007 in respect of fiscal year 2006 earnings.

As part of the financing of the acquisition of Winterthur, AXA has issued on July 6, 2006, **a triple-tranche Euro and Sterling perpetual deeply subordinated notes** issue for a total amount of approximately €2.2 billion, of which Euro 1 billion for the Euro Perpetual Non-Call 10 year tranche (issued at a spread of 150 bps over Euribor), GBP 500 million for the Sterling Perpetual Non Call 10 year tranche (issued at 150 bps over Libor) and GBP 350 million for the Sterling Perpetual Non Call 20 year tranche (spread of 175 bps over Libor).

As a result of the operations above, AXA has secured approximately 70% of the total financing of the acquisition of Winterthur through the €4.1 billion capital increase and the issue of €2.2 billion of perpetual deeply subordinated notes. The remaining €2.6 billion will be financed through a mix of internal resources, senior and subordinated debt.

On July 19, 2006, **AXA Asia Pacific Holdings ("AXA APH")** announced that its Board had concluded that it would not be in the interests of AXA APH to acquire the **Japanese operations of Winterthur,** which will therefore remain fully owned by AXA sa. AXA APH will be reviewing the opportunity to acquire Winterthur's other Asian life insurance assets. This review is expected to commence in September 2006.

Consolidated Operating results

Consolidated gross revenues

Consolidated Gross Revenues (a)				
(in euro million)	**HY 2006**	**HY 2005**	**FY 2005**	**HY 06/05**
Life and Savings	25 732	21 907	45 116	17,5%
of which Gross written premiums	*24 920*	*21 127*	*43 496*	*18,0%*
of which Fees and revenues from investment contracts with no participating feature	*289*	*237*	*509*	*21,6%*
Property & Casualty	10 815	10 314	18 874	4,9%
International Insurance	2 520	2 501	3 813	0,7%
Asset Management	2 090	1 550	3 440	34,8%
Other Financial services (Net banking revenues) (b)	181	225	428	-19,5%
Holding companies activities	0	0	-0	-
TOTAL	**41 338**	**36 499**	**71 671**	**13,3%**

(a) Net of intercompany eliminations

(b) Excluding net realized capital gains and change in fair value of assets under fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €200 million and €41,360 million for the period of June 30, 2006.

Consolidated gross revenues for half year 2006 reached **€41,338 million**, **up 13.3% compared to previous period.**

Excluding the impact of the appreciation of the euro against other currencies (€429 million or -1.2 point, mainly from the US Dollar), and scopes differences, notably (i) the cancellation of AXA RE 2005 and 2006 revenues following the signing of a definitive agreement to cede the business of AXA RE to Paris Re Holdings Limited, and (ii) Citadel revenues consolidated from January 1st, 2006, **gross consolidated revenues were up 12.8% on a comparable basis.**

Group APE[1] reached €3,065 million, up +18% compared to Half-Year 2005. On a constant exchange rate, Group APE increased by 16.6%. This growth was attributable to all significant countries except Germany and Southern Europe.

France APE increased by 18% to €630 million, with strong sales in individual unit linked products in half year 2006. At the first half-year 2006, percentage related to unit-linked reached 24.4% against 20.2% in the first half-year 2005.

The United States APE increased by 14% on a constant exchange rate basis due to sustained growth mainly attributable to strong sales of Variable Annuity (+22%) and Individual Life (+17%) products.

In **the United Kingdom**, APE was up +25% on a constant exchange rate basis, driven by sales of unit-linked investment bonds and pension products following "A Day".

Japan APE was up 34% on a constant exchange rate basis to €337 million mainly due to new Term Life products and riders as well as SPA (savings product) sales, partly offset by a reduction in fixed annuities and health sales. The LTPA[2] product contributed also positively to Japan new business growth, but with declining momentum in 2Q06 due to changes to the tax regulation in April 2006.

Germany APE decreased by 12% mainly due to the backlog effect in the first quarter 2005 of the end of 2004 surge in activity linked to a change in tax regulation. Excluding this backlog effect, APE increased by 33% (28% in the first quarter 2006) notably driven by the launch of both Twinstar (new Unit-Linked product with enhanced guarantees) mainly on proprietary channels and a new Medical Cost Insurance product in health.

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[1] *Annual premiums equivalent is New regular premiums plus one tenth of Single premiums, in line with Group EEV methodology.*

[2] *LTPA=Long Term Personal Accident*

Benelux APE increased by 10% driven by ***Belgium*** up by 8.5%, mainly due to AXA Life Invest and Crest 40 products. ***Netherlands*** APE increased by 20.5% driven by higher new business within the mortgage and pension segment.

Southern Europe APE decreased by 11% mainly driven by a 46% decrease in non-proprietary channels primarily due to the termination in May 2005 of an important bank-insurance agreement in traditional life line of business partly offset by the 8% increase in proprietary channel (78% of total APE).

Australia/New Zealand APE increased by 18.4% on a constant exchange rate basis mainly driven by institutional mandates and mezzanine funds for both wholesale and retail clients following their positive investment track record, particularly in global equities.

Property & Casualty gross written premiums were **up +4.9%, or +3.7% on a comparable basis to €10,815 million**, mainly driven by France (+3.6% to 2,832 million) and the United Kingdom including Ireland (+8% to €2,469 million).

Personal lines (61% of P&C premiums) were up 4.3% on a comparable basis**,** stemming from both Motor (+4%) notably driven by strong positive net inflows (555,000 new contracts), and non Motor (+5%).

Motor revenues grew by 4%, mainly driven by United Kingdom including Ireland (+18%, reflecting an updated pricing strategy, increased new business volume and strong retention), and both Southern Europe and Germany up +4% mainly driven by positive net inflows. Japan (up 28%), Turkey (up 16%), Morocco (up 16%) and Switzerland (up 6%) also contributed to motor revenues growth while in Canada and Netherlands, motor revenues were down -9% and -6% respectively.

Non-motor revenues increased by 5% (mainly driven by household) reflecting new business deals in the United Kingdom, increased tariffs in France and Belgium, an increase of higher insured sums and new business in Individual disability in the Netherlands and a combined growth in all lines in Southern Europe.

Commercial lines (38% of P&C premiums) recorded a +2.8% growth.

Motor revenues were up 1%, mainly as positive evolution in France and Canada (both of them up +3%), Belgium (+5%) and United Kingdom including Ireland (+2%) offset the decrease Germany revenues (-3%) due to a more competitive market environment.

Non-motor revenues were up 3% mainly driven by France (+7% due to construction and property) and United Kingdom including Ireland (+7% as a result of an increase in new business deals).

Other Lines[3] **(1% of P&C premiums)** revenues increased by 2%.

International Insurance revenues were up +0.7%, or +6.6% on a comparable basis (ie. Excluding AXA RE) to €2,520 million, mainly attributable to AXA Assistance and AXA Corporate Solutions Assurance, partly offset by other activities.

AXA Corporate Solutions Assurance revenues were up +3.7% or +4.5% on a comparable basis to €1,098 million, mainly attributable to a strong portfolio development on Property due to a reinsurance program restructuring providing additional underwriting capacities.

AXA Assistance revenues were up +13.7% or +11.9% on a comparable basis to €309 million, reflecting a steady activity growth.

Other activities were down -17% on a comparable basis, including the transfer of reinsurance activities formerly led by AXA Re to AXA Liabilities Managers mainly attributable to US life reinsurance entity (-

[3] *Please note that UK Health is no longer reported in other lines but is now allocated between personal non motor and commercial non motor lines.*

11%) in line with the decrease in premium volume due to the run-off status of the business and US non life and European entities mainly due to the renewals stop in Malta agency from June 2005.

Asset management revenues increased by **34.8% or 30.6% on a comparable basis to €2,090 million**, driven by higher average Assets under Management (+21.9% or +18.9% on a constant exchange rate basis compared to previous year) and strong net inflows (€+39 billion).

AllianceBernstein revenues were up +26.8% or 26.5% on a comparable basis to €1,417 million as higher investment advisory fees, driven by 16% higher average AUM on a constant exchange rate basis as a result of net new business inflows and market appreciation. In addition, AllianceBernstein AUM increase was attributable to strong investment performance and strong net inflows (€23.5 billion) across all clients categories partly offset by negative exchange rate impact (€-37 billion).

AXA Investment Managers showed a +55.7% performance or +40.7% on a comparable basis to €674 million, due to average AUM growth (+20% on a comparable basis), mostly from third party retail and institutional client segments which generate higher average fees, and higher performance fees. AUM increased by €9.3 billion from year-end 2005 to €441.4 billion driven by €15 billion of net inflows mainly from institutional and retail third party clients partly offset by a €1.4 billion unfavorable market impact and a €4.5 billion negative foreign exchange rate impact.

Net banking revenues in Other Financial Services were down -19.5% or -20.8% on a comparable basis to €181 million, mainly attributable to AXA Bank Belgium (-8.5% to €148 million), as a result of lower capital gains offset by higher net interest and fee income, and AXA Banque in France down 64% to €18 million, or up 21% excluding derivatives due to higher interests revenues and higher commissions both reflecting a strong activity.

Consolidated underlying, adjusted earnings and net income

Underlying earnings, adjusted earnings and Net income

(in euro million)	HY 2006	HY 2 005	FY 2005
Gross written premiums	38 167	33 844	65 995
Fees and revenues from investment contracts with no participating feature	289	237	509
Revenues from insurance activities	***38 456***	***34 082***	***66 504***
Net revenues from banking activities	***200***	***200***	***408***
Revenues from other activities	***2 704***	***2 192***	***4 733***
TOTAL REVENUES	**41 360**	**36 473**	**71 645**
Change in unearned premium reserves net of unearned revenues and fees	***-1 974***	***-1 943***	***-502***
Net investment result excluding financing expenses (a)	***9 610***	***12 308***	***30 928***
Technical charges relating to insurance activities (a)	-36 779	-36 313	-80 827
Net result of reinsurance ceded	-497	-302	-141
Bank operating expenses	-38	-26	-61
Acquisition costs	-3 426	-3 142	-6 509
Amortization of value of purchased life business in force and other intangible asset	-154	-370	-529
Administrative expenses	-4 220	-3 932	-8 570
Valuation allowances on tangibles assets	-1	25	-3
Other	-320	-56	-197
Other operating income and expenses	***-45 435***	***-44 116***	***-96 838***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**3 561**	**2 723**	**5 233**
Income arising from investment in associates - Equity method	12	9	20
Financing debts expenses	-316	-305	-602
OPERATING INCOME GROSS OF TAX	**3 258**	**2 427**	**4 651**
Income tax	-888	-439	-900
Minority interests share in income	-280	-226	-492
UNDERLYING EARNINGS	**2 090**	**1 761**	**3 258**
Net realized capital gains attributable to shareholders	826	370	850
ADJUSTED EARNINGS	**2 916**	**2 132**	**4 108**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-275	119	149
Exceptional operations (including discontinued operations)	92	27	-72
Goodwill and other related intangible impacts	-4	-4	-13
NET INCOME	**2 729**	**2 274**	**4 173**

(a) For the periods ended June 30, 2006 and June 30, 2005, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+2,195 million and €+3,807 million and benefits and claims by the offsetting amounts respectively.

Underlying, Adjusted earnings and Net Income			
(in euro million)	**HY 2006**	**HY 2005**	**FY 2005**
Life & Savings	1 224	972	1 931
Property & Casualty	780	695	1 346
International Insurance	64	103	68
Asset Management	233	154	396
Other Financial Services	33	42	67
Holding companies	-244	-205	-549
UNDERLYING EARNINGS	**2 090**	**1 761**	**3 258**
Net realized capital gains attributable to shareholders	826	370	850
ADJUSTED EARNINGS	**2 916**	**2 132**	**4 108**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-275	119	149
Exceptional operations (including discontinued operations)	92	27	-72
Goodwill and other related intangible impacts	-4	-4	-13
NET INCOME	**2 729**	**2 274**	**4 173**

Group underlying earnings reached **€2,090 million, up +19% or €+329 million**. **At constant exchange rate basis**, the group underlying earnings was **€+294 million or +17%** driven by strong growth in Life & Savings, Property & Casualty, and Asset Management activities.

Life & Savings underlying earnings were up **€+251 million (+26%) or €+230 million (+24%) on a constant exchange rate basis** driven by all margins, mainly attributable to **the United States** (€+79 million to €488 million), **France** (€+59 million to €308 million), **the United Kingdom** (€+37 million to €80 million), **Japan** (€+15 million to €130 million), **Germany** (€+13 million to €28 million) and **Australia/New-Zealand** (€+16 million to €45 million).

Underlying operating earnings before tax increased by €635 million on constant exchange rate basis (including a positive effect of €219 million following the non recurring items recorded in half-year 2005 in Japan), mainly resulting from:

(i) an **improved investment margin** (€+82 million), primarily in Japan (higher distribution of dividends on the alternative portfolio), the United States (higher assets levels and improved performance on real estate), and Australia/New-Zealand (improved market conditions) partly compensated by France (following higher amounts credited to policyholders), and Belgium (lower average investment return)

(ii) **higher fees and revenues** (€+398 million) pulled up by the United States (higher fees on Separate Account business), France (higher sales and increased asset bases), the United Kingdom (mainly as a result of the reclassification of a bond product into insurance contract following the launch of a new insurance feature and increase in loadings on premiums on Creditor insurance products), Japan (launch of new Term products and sales/retention of high margin health products), and Australia/New Zealand (higher fees from mutual funds and advice businesses)

(iii) an **improved net technical margin** (€+140 million) driven by the United States (higher "GMDB/IB" margins), the United Kingdom (favorable adjustment on unit linked reserves following resolution of tax matters), and Australia New Zealand (more favorable claims termination experience in the health business)

(iv) **a higher level of VBI amortization** (€+211 million) mainly attributable to Japan (€+225 million), reflecting the non recurring 2005 change in future investment assumptions (€+197 million).

This was partly offset by:

(v) **higher expenses including Deferred Acquisition Costs** (€-196 million), mainly in France (higher commissions and expenses mainly due to salaried sales force and IT costs), the United States (mostly driven by higher DAC amortization), the United Kingdom (mostly due to increased amortization of deferred expenses related to Creditor Insurance business offset in fees and revenues, strategic initiatives and Sarbanes Oxley related costs), and Australia/New Zealand (higher commissions associated with increased fees and revenues)

Tax, minority interest and change in scope increased by €404 million mainly in Japan (€320 million) reflecting notably a positive €193 million non recurring 2005 deferred tax asset reassessment due to the improvement in recoverability of tax losses carried forward), and higher income tax in line with higher 2006 operational income.

Property & Casualty underlying earnings improved by **€85 million** to **€780 million**. This improvement was attributable to almost all countries (mainly €+20 million in UK, €+15 million in Canada, €+12 million in both France and Germany, and €+7 million in Belgium) mainly stemming from:

(i) **a higher net technical result** (€+317 million to 3,050 million), due to an improvement in **the accounting loss ratio (-1.7 points to 68.5%) while positive prior years developments remained stable**, partly offset by,

(ii) **higher expenses** (€-235 million to €-2,743 million), **the expense ratio deteriorated by 1.1 point to 28.4** % driven mainly by higher acquisition ratio (+1.0 point) notably in the UK (customers operations with increased activity arising from new corporate partners), Germany (due to a change in cost allocation between loss and expenses implemented at the end of 2005), and Belgium (a rise in extra-commissions to the brokers)

As a consequence, **Group combined ratio improved by 0.6 point to 96.9%.**

(iii) **higher investment income overall** (€+55 million to €874 million)

(iv) **higher income tax expense** (€-58 million to €-379 million) in line with higher pre-tax earnings

(v) **income/Loss arising from investment in affiliates and associates-equity method** remained nearly stable at €3 million.

(vi) **minority interests** decreased by €5 million related to the purchase of some minority shares of AXA Konzern AG (German subsidiary).

International Insurance underlying earnings reached **€64 million, down €-39 million**.

The decrease was mainly attributable to **AXA RE** which contributed for **€55 million** to underlying earnings in the first half year 2005, whereas its impact on AXA's first half year 2006 accounts is mainly limited to the result of the run-off of AXA RE 2005 and prior years reserves (€4 million underlying earnings which are reported in other line of international insurance segment).

AXA Corporate Solutions Assurance underlying earnings increased by **€5 million** to €44 million mainly stemming from higher investment result (€+17 million) due to higher fixed maturities revenues reflecting a higher asset base partly offset by higher income tax (€-11 million). The combined ratio remained stable at 100.5%.

Other activities underlying earnings increased by **€13 million** to €8 million mainly due to AXA RE run off portfolio and an increase on US Life reinsurance activity due to favorable conditions on US stock market.

Asset Management underlying earnings increased by **€79 million to €233 million**, attributable to both AllianceBernstein (€+37 million to €135 million) and AXA Investment Managers (€+42 million to €98 million), following:

(i) higher average assets under management (+16% at AllianceBernstein and +20% at AXA Investment Managers on a comparable basis) and increased performance fees

(ii) improvement in the cost to income ratio

(iii) contribution to AXA Investment Managers underlying earnings from AXA Framlington purchased on October 31, 2005.

Other Financial Services underlying earnings decreased by **€9 million to €33 million**, mainly attributable to

(i) AXA Bank Belgium (€-22 million to €14 million), mainly due to lower fixed income capital gains and the non recurrence of the reversal in 2005 of a provision for risks related to loan activities in France, partly offset by

(ii) CFP (€+13 million to €20 million) following favorable developments on doubtful receivables.

Holdings underlying earnings were down **€-39 million to €-244 million**. This deterioration was mainly attributable to

(i) AXA SA (€-39 million to €-125 million, mainly due to higher financial charges and higher general expenses mainly related to AXA trademark development (seasonality effect)

(ii) AXA Asia/Pacific holdings (€-16 million to €-13 million) mainly due to the non recurrence of a positive income received in 2005 on cross currency interest swaps

(iii) AXA Financial Holdings (€-13 million or €-11 million at constant exchange rate basis to €-56 million) due to higher net interest expense principally related to short term borrowings from AXA and higher stock based compensation expenses

Partly offset by,

(iv) Germany holdings (€+33 million to €5 million) due to higher tax benefits resulting from the fiscal union with AXA Versicherung implemented in the second half of 2005.

Group net capital gains attributable to shareholders **were up €+456 million to €826 million**, mainly as a result of:

- higher net realized capital gains by €430 million overall mainly coming from:
  - (i) Belgium (€+291 million) primarily on equity investments
  - (ii) Japan Life (€+89 million) due to the non recurrence of the 2005 reserve strengthening (€+314 million pre-tax) partly offset by lower net capital gains (€-144 million pre-tax)
  - (iii) UK P&C (€+31 million to €58 million) reflecting a portfolio realignment to reduce an overweight equity position across all business areas
  - (iv) Germany P&C (€+29 million to €63 million) mainly on equities
  - (v) Southern Europe P&C (€+19 million to €35 million) mainly on equities thanks to good equity market conditions at the beginning of 2006

- a €+62 million foreign exchange rates impact in Half Year 2006 compared to negative impacts in Half Year 2005 (€-76 million) mainly coming from :
  - o France (€+77 million in both Life & Savings and Property & Casualty): positive impact of foreign exchange on currency macro hedge instruments mainly on USD equities, which only reflected the change in fair value of the derivatives

- AXA SA (€+45 million to €22 million) on exchange rates derivatives reflecting in half year 2006 the mark to market of the time value of the derivatives used in net investment hedges (€+14 million) and a foreign exchange profit on the hedging of AXA ADR (€+8 million) whereas HY 2005 accounted for negative mark to market (€-8 million) and a foreign exchange loss on the hedging of AXA ADR (€-16 million)

- higher net capital gains partly offset by the non recurrence of the HY 2005 release of DTA valuation allowance in Japan (€-115 million).

As a result of higher underlying earnings and higher net capital gains, **adjusted earnings were up €784million or €749million at constant exchange rate basis to €2,916 million.**

The Half Year 2006 **net income** reached **€2,729 million, up €455 million (+20%) or €416 million at constant exchange rate basis (+18%** at a constant exchange rate basis)**.**

This growth was the result of:

(i) **higher adjusted earnings** (+37% or €+784 million to €2,916 million),

(ii) **lower result on financial assets accounted for under Fair Value Option and derivatives (€-394 million to €-275 million)** resulting mainly from the impact of higher interest rates on fixed maturities in investments funds and derivatives in France (€-190 million to €-117 million), and in AXA SA (€-94 million to nil in 2005) reflecting the change of the mark to market on interest rate swaps not qualified as hedge accounting mainly following the increase of euro interest rate in 2006 (€-161 million to €-99 million), partly offset by a favourable change in fair value of foreign currency option hedging earnings denominated in USD (€+67 million to €+5 million).

(iii) **higher result of exceptional operations (€+65 million to €92 million) :**

Half-Year 2006 exceptional operations (**€+92 million) mainly** related to (i) an additional contractual profit in the Netherlands related to the sale of the health portfolio to Achmea in 2004 (€+7 million), (ii) on-going fees in AllianceBernstein from the sale in 2005 of Alliance cash management services (€4 million net), dilution gain from the issuance of Alliance Holding units and related adjustment of deferred tax liability also resulting from dilution gain from prior period (€90 million), (iii) a release of contingency provision related to the sale of Advest in Axa Financial Holding (€+3 million), (iv) €2 million effect related to the finalization of the impact of the 2005 settlement with Nationwide in AXA France Assurance and UK holding, partly offset by (v) €-10 million in AXA SA representing a charge for real estate transfer tax, following exceeding the 95% threshold of AXA Konzern ownership, and (vi) Citadel's restructuring costs in Canada (€-4 million).

Half-Year 2005 exceptional operations (**€27 million)** related to the realized capital gains on the sale of AXA Assistance participation in CAS (€23 million), of Alliance Capital Cash Management activity (€3 million or €9 million before tax and minority interest), and of BIA in AXA Bank Belgium (€2 million).

Consolidated Shareholders' Equity

As of June 30, 2006, consolidated shareholders' equity totaled €31.7 billion. The movement in shareholders' equity since December 31, 2005 is presented in the table below:

	Shareholders' Equity ***(in euro million)***
At December 31, 2005	**33 847**
- Share capital	6
- Capital in excess of nominal value	9
- Equity-share based compensation	19
- Treasury shares sold or bought in open market	-284
- Change in equity component of compound financial instruments	0
- Super subordinated debt (including accrued interests)	-14
- Fair value recorded in shareholders' equity	-2 921
- Impact of currency fluctuations	-646
- Cash dividend	-1 635
- Other	4
- Net Income for the period	2 729
- Actuarial gains and losses on pension benefits	574
At June 30, 2006	**31 688**

Creation of Shareholder Value

EARNINGS PER SHARE ("EPS")

	HY 2006		**HY 2005**		**Var. HY 2006 versus HY 2005**	
(in euro million except ordinary shares in millions)	**Basic**	**Fully diluted**	**Basic**	**Fully diluted**	**Basic**	**Fully diluted**
Weighted numbers of shares	**1 828,4**	**1 910,8**	**1 885,2**	**1 957,7**		
Net income	2 729	2 786	2 274	2 328		
Net income (Euro per Ordinary Share)	***1,49***	***1,46***	***1,21***	***1,19***	***23,8%***	***22,6%***
Adjusted Earnings	2 916	2 973	2 132	2 186		
Adjusted Earnings (Euro per Ordinary Share)	***1,59***	***1,56***	***1,13***	***1,12***	***41,0%***	***39,4%***
Underlying Earnings (Euro per Ordinary Share)	***1,14***	***1,12***	***0,93***	***0,93***	***22,3%***	***21,2%***

RETURN ON EQUITY (ROE)[4]

(in euro million except percentages)	**HY 2006**	**FY 2005**	**Var. HY 2006 versus FY 2005**
Average Shareholder's equity (a)	**24 960**	**22 363**	
Adjusted Earnings	2 916	4 108	
Adjusted ROE (b)	***23,4%***	***18,4%***	***5,0 pts***
Underlying ROE (b)	***16,7%***	***14,6%***	***2,2 pts***

(a) excluding change in fair value on invested assets and derivatives (recorded through SHE)

(b) Annualized for the 6 months period

[4] *Adjusted and underlying ROE are calculated with Shareholder's equity excluding change in Fair Value on invested assets and derivatives (included in consolidated shareholder's equity)*

Life & Savings Segment

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

Life & Savings Segment (a)

	HY		FY
(in euro million)	**2006**	**2005**	**2005**
Gross written premiums	24 922	21 131	43 502
Fees and revenues from investment contracts with no participating feature	289	237	509
Revenues from insurance activities	***25 211***	***21 368***	***44 011***
Net revenues from banking activities	***0***	***0***	***0***
Revenues from other activities	***524***	***543***	***1 115***
TOTAL REVENUES	**25 735**	**21 911**	**45 126**
Change in unearned premium reserves net of unearned revenues and fees	***-144***	***-119***	***-197***
Net investment result excluding financing expenses (b)	***8 475***	***11 221***	***28 946***
Technical charges relating to insurance activities (b)	-29 113	-28 697	-64 721
Net result of reinsurance ceded	-26	54	-7
Bank operating expenses	0	0	0
Acquisition costs	-1 504	-1 397	-2 827
Amortization of value of purchased life business in force and other intangible asset	-154	-362	-529
Administrative expenses	-1 350	-1 389	-3 017
Change in tangible assets impairment	-0	2	-4
Others income and expenses	-72	-32	-156
Other operating income and expenses	***-32 220***	***-31 821***	***-71 262***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**1 846**	**1 191**	**2 613**
Income arising from investment in associates - Equity method	6	4	10
Financing debts expenses	-41	-51	-119
OPERATING INCOME GROSS OF TAX	**1 811**	**1 144**	**2 504**
Income tax	-499	-101	-424
Minority interests share in income	-89	-70	-149
UNDERLYING EARNINGS	**1 224**	**972**	**1 931**
Net realized capital gains attributable to shareholders	440	213	432
ADJUSTED EARNINGS	**1 664**	**1 185**	**2 362**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-107	41	50
Exceptional operations (including discontinued operations)	0	0	-0
Goodwill and other related intangible impacts	-2	-4	-8
NET INCOME	**1 555**	**1 223**	**2 404**

(a) before intercompany transactions

(b) For the periods ended June 30, 2006 and June 30, 2005, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+2,195 million and €+3,807 million and benefits and claims by the offsetting amounts respectively.

Consolidated Gross revenues [(a)]

(in euro million)	**HY 2006**	**HY 2005**	**FY 2005**
France	7 620	6 587	13 237
United States	7 948	6 623	13 940
United Kingdom	2 071	1 130	2 395
Japan	2 714	2 322	4 735
Germany	1 701	1 718	3 585
Belgium	1 307	1 353	2 734
Southern Europe	680	717	1 439
Other countries	1 694	1 461	3 060
TOTAL	**25 735**	**21 911**	**45 126**
Intercompany transactions	-2	-4	-10
Contribution to consolidated gross revenues	**25 732**	**21 907**	**45 116**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income

(in euro million)	**HY 2006**	**HY 2005**	**FY 2005**
France	308	249	387
United States	488	388	866
United Kingdom	80	43	85
Japan	130	118	266
Germany	28	15	30
Belgium	35	42	56
Southern Europe	25	25	44
Other countries	130	92	198
UNDERLYING EARNINGS	**1 224**	**972**	**1 931**
Net realized capital gains attributable to shareholders	440	213	432
ADJUSTED EARNINGS	**1 664**	**1 185**	**2 362**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-107	41	50
Exceptional operations (including discontinued operations)	0	0	-0
Goodwill and other related intangible impacts	-2	-4	-8
NET INCOME	**1 555**	**1 223**	**2 404**

Life & Savings operations - France

	Periods ended June 30,		FY
(in euro million)	**2 006**	**2005**	**2005**
Gross revenues	**7 620**	**6 587**	**13 237**
APE (group share)	*630*	*536*	*1 075*
Investment margin	489	515	938
Fees & revenues	656	564	1 196
Net technical margin	65	65	70
Expenses	-823	-745	-1 590
Amortization of VBI	-31	-28	-48
Underlying operating earnings before tax	**355**	**371**	**565**
Income tax expenses / benefits	-45	-120	-176
Minority interests	-1	-2	-3
Underlying earnings group share	**308**	**249**	**387**
Net capital gains attributable to shareholders net of income tax	60	35	154
Adjusted earnings group share	**368**	**284**	**540**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-89	44	90
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**279**	**328**	**630**

Gross revenues increased by €1,033 million (+16%) to €7,620 million. Net of intercompany transactions, gross revenues increased by €1,034 million (+16%) to €7,618 million mainly due to investment & savings premiums which increased by €898 million (+20%) to €5,382 million driven by (i) individual unit-linked premiums (€+568 million or +55% to €1,594 million) especially in proprietary channels, (ii) Group retirement (€+242 million or +55% to €680 million) due to a good level of new business single premiums, while (iii) individual non unit-linked investments and savings were up 3%.

APE increased by €94 million (+18%) on a comparable basis to €630 million mainly due to:

- strong growth of Investment & Savings APE up €77 million (+20%) to €459 million driven by (i) a €+44 million (+46%) increase in unit-linked individual savings to €141 million on both regular and single premiums and (ii) a €+14 million increase in non Unit-Linked Group retirement to €41 million resulting from a strong growth in single premiums; as a result, the part of Unit-Linked individual savings represented 35% of individual savings, up 7 points.

- a €10 million increase or +28% in individual life and health to €46 million, fuelled by products launches.

Investment margin decreased by €26 million or 5% to €489 million as a result of (i) a €57 million investment income increase to €2,015 million resulting notably from a higher equity income following the internal restructuring of the holding scheme of some equity investments, more than offset by (ii) €83 million higher amounts credited to policyholders to €1,527 million.

Fees & revenues were up €92 million or +16% to €656 million resulting from higher sales on general account (€+33 million) and higher revenues on Unit-Linked products (€+59 million), following both higher sales and increased asset bases.

Net technical margin remained stable at €65 million.

Expenses increased by €79 million to €-823 million mainly due to (i) increased commissions (€+26 million or +7.7% to €-361 million), (ii) €+44 million higher general expenses mainly due to salaried sales force and IT investments.

Amortization of VBI slightly increased by €3 million to €-31 million.

Underlying cost income ratio deteriorated by 2.3 points to 71.8% reflecting increased expenses and a decreased underlying investment margin partly offset by higher fees and revenues.

Income tax expenses decreased by €74 million to €-45 million (i) as some dividends on equities were taxed at a reduced rate while previously taxed at full rate and (ii) reflecting the 0.5 point decrease in French short term tax rate.

As a consequence, **underlying earnings** improved by €59 million to €308 million.

Adjusted earnings were up €84 million to €368 million resulting from higher underlying earnings and a €25 million increase in capital gains attributable to shareholders to €60 million, mainly explained by a positive impact of currency macro hedge on equity investments (€+9 million in June 2006 versus €-39 million in June 2005), partly offset by lower net realized capital gains on equities (€51 million versus €73 million in June 2005).

Net income was down €49 million to €279 million as the adjusted earnings growth was more than offset by the €133 million decrease in change in fair value of assets under fair value option (to €-89 million in 2006) mainly due to the impact of higher interest rates on fixed maturities in investments funds and on derivatives used to manage the duration gaps between assets and liabilities.

Life & Savings operations - United States

	Periods ended June 30,		FY
(in euro million)	**2 006**	**2005**	**2005**
Gross revenues	**7 948**	**6 623**	**13 940**
APE (group share)	*993*	*829*	*1 700*
Investment margin	416	374	807
Fees & revenues	796	648	1 404
Net technical margin	344	275	632
Expenses	-803	-728	-1 572
Amortization of VBI	-34	-24	-51
Underlying operating earnings before tax	**719**	**545**	**1 220**
Income tax expenses / benefits	-231	-158	-354
Minority interests	0	0	0
Underlying earnings group share	**488**	**388**	**866**
Net capital gains attributable to shareholders net of income tax	0	16	5
Adjusted earnings group share	**488**	**404**	**871**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	9	2	9
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	-2	-4	-8
Net income group share	**495**	**402**	**872**
Average exchange rate : 1.00 € = $	*1,2285*	*1,2853*	*1,2453*

Gross revenues increased by 20% to €7,948 million on a current exchange rate basis, or by 15% on a constant exchange rate basis primarily driven by increases in First Year Variable Annuity premiums (up 32%) and First Year life premiums (up 11%) partially offset by a 74% decrease in First Year Fixed Annuities. Other revenues were down by 18% due entirely to the absence of fee revenues resulting from the sale of Advest in Q4 ’05. On a comparable basis (excluding Advest fee revenues for 1H ’05), other revenues were up by 17%, driven by increases in asset management fees resulting from higher account balances.

APE increased by 20% to €993 million on a current exchange rate basis or 14% on a constant exchange rate basis. Annuity APE was up 19%, entirely driven by the 22% growth in Variable Annuity, and Mutual Funds APE was up 15%. Life APE was up 3% despite declines in COLI[5] business. Excluding COLI business, Life was up 17%.

Investment margin increased by €42 million to €416 million, or by €23 million on a constant exchange rate basis. Investment income increased by €15 million to €1,328 million, primarily due to higher asset levels and improved performance on real estate. Interest and bonus credited decreased by €8 million to €912 million reflecting lower credited rates in life business.

Fees & revenues increased by €149 million to €796 million, or by €113 million on a constant exchange rate basis. This increase was mainly due to higher fees earned on separate account business (up €102 million on a constant exchange rate basis), resulting from positive net cash flows and the impact of the market appreciation on separate account balances since the end of first half 2005.

Net technical margin increased by €69 million to €344 million, or by €54 million on a constant exchange rate basis. This increase was notably attributable to higher "GMDB/IB" margins due to the impact of gains from the active financial risk management program, partially offset by lower life mortality spread.

Expenses (including commissions and DAC) increased by €76 million to €-803 million or €40 million on a constant exchange rate basis:

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[5] *COLI = Corporate Owned Life Insurance*

- **Expenses net of capitalization** (including commissions and DAC capitalization) increased by €5 million, or decreased by €19 million on a constant exchange rate basis principally due to (i) a decrease in integration projects related to MONY and lower amortization of IT expenses (net of capitalization) and (ii) higher DAC capitalization (€77 million), all partially offset by an increase in commission expenses of €82 million and an increase in variable expenses.

- **DAC amortization** increased by €71 million or €59 million on a constant exchange rate basis reflecting reactivity to higher margins on products which are DAC-reactive and lower favorable DAC unlocking for expected higher emerging margins on variable and interest sensitive life products.

Underlying amortization of VBI increased by €10 million to €-34 million or €8 million on a constant exchange rate basis.

Underlying cost income ratio was 71.2% versus 77.3% in 2005, reflecting increases in margins.

Income tax expense increased by €73 million to €-231 million, or by €63 million on a constant exchange rate basis. This increase is principally due to the impact of higher pre-tax underlying income.

Underlying earnings increased by €100 million to €488 million, or by €79 million on a constant exchange rate basis. This increase primarily reflects higher margins partially offset by higher expenses, mainly due to higher DAC and VBI amortization.

Adjusted earnings were €488 million, an increase of €84 million from 2005 on a current exchange basis or of €62 million on a constant exchange rate basis, primarily due to higher underlying earnings, partially offset by lower net capital gains.

Net income increased by €93 million to €495 million, or by €71 million on a constant exchange rate basis, primarily due to the increase in adjusted earnings and an increase in mark to market adjustments on investments on fair value option, reflecting improved market conditions in 2006 compared to 2005.

Life & Savings operations - United Kingdom

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**2 071**	**1 130**	**2 395**
APE (group share)	*477*	*381*	*817*
Investment margin	103	97	181
Fees & revenues	286	212	457
Net technical margin	64	18	94
Expenses	-318	-288	-657
Amortization of VBI	-15	-12	-22
Underlying operating earnings before tax	**120**	**28**	**54**
Income tax expenses / benefits	-40	15	31
Minority interests	0	0	0
Underlying earnings group share	**80**	**43**	**85**
Net capital gains attributable to shareholders net of income tax	13	8	14
Adjusted earnings group share	**93**	**51**	**98**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-2	-11	-54
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**91**	**40**	**44**
Average exchange rate : 1.00 € = £	*0,6873*	*0,6859*	*0,6840*

Gross revenues increased by 83% to €2,071 million, or 84% on a constant exchange rate basis:

- ***Investment & Savings*** (83% of gross revenues) increased by 124% as:
  - *Insurance Premiums* (70% of gross revenues) were up 161% due to the positive impact of the reclassification of a bond product into insurance contracts following the launch of a new insurance feature.
  - *Margins on Investments Products* (12% of gross revenues) increased by 24% reflecting higher front end fees and fund management fees driven by net new money growth and improved stock market levels during the first half of 2006.

- ***Life Insurance premiums*** (17% of gross revenues) decreased by 1% primarily due to lower volumes of Creditor Insurance single premiums.

APE was up 25% to €477 million driven by sales of unit-linked investment bonds and pension products following "A Day", which simplified the tax framework for pensions in the UK in April 2006. Sales within the IFA channel were up 26%.

Investment margin increased by €6 million to €103 million on both a current and constant exchange rate basis with increased investment income (€3 million) and increased shareholders' participation in With-Profit bonus payments (€2 million) reflecting recent bonus declarations, which increased some bonus rates following stock market improvements.

Fees and revenues increased by €74 million to €286 million, on both a current and constant exchange rate basis due to:

– €11 million increase in loadings on premiums on Creditor insurance products (which as mentioned hereunder is offset by a similar increase in expenses).
– €61 million increase in loadings on other premiums mainly as a result of the reclassification of a bond product into insurance contract rather than Investment following the launch of a new insurance feature. In addition 2006 has seen increased single premium transfers into Pensions business.
– €2 million increase in fees earned due to higher average account balances due to improved stock market levels and net inflows partially offset by deferral of increased premium loadings.

Net technical margin increased by €46 million to €64 million on both a current and constant exchange rate basis mainly due to a €51 million favorable adjustment on unit linked reserves following resolution of tax matters on years 1998 to 2004.

Expenses, net of policyholder allocation[6] increased by €30 million to €-318 million notably as a result of:

- A €11 million increase in amortization of deferred expenses relating to Creditor Insurance business (offsetting the increase in loadings on premiums above)
- €10 million in respect of supporting corporate developments including implementation of Sarbanes Oxley
- €10 million investment in sales, marketing and customer services incurred in delivering new distribution agreements with Britannia and developing the new range of protection products.

The **underlying cost income ratio** decreased from 114.5% to 96.9%, as the gross margin increase following the reclassification of a bond product into insurance contract and improved stock market levels more than offset expenses increase.

Amortization of VBI increased by €3 million to €-15 million, or €4 million on a constant exchange rate basis.

Income tax resulted in a €40 million expense in first half 2006 versus a €15 million benefit in half year 2005. 2006 expense was impacted by a €32 million adverse non recurring tax adjustment and higher pre-tax earnings.

As a result, **underlying earnings** increased by €37 million to €80 million, mainly as a result of increased fees and revenues and investment margin partly offset by increased expenses.

Adjusted earnings increased by €42 million to €93 million with an increased volume of realized gains on corporate bonds in 1Q'06.

Net Income included the undiscounted tax adjustment on unrealized gains attributable to policyholders in Unit Linked Life funds[7], for €-2 million in 2006 compared to €-11 million in 2005. As a result of this and higher adjusted earnings, net income increased by €51 million to €91 million in 2006.

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[6] *Part of these expenses is located in the With-Profit funds and therefore is borne by policyholders.*

[7] *Undiscounted deferred tax provided on unit linked assets while the unit liability reflects the expected timing of the payment of future tax therefore using a discounted basis.*

Life & Savings operations – Japan

	Periods ended June 30,		FY
(in euro million)	**2 006**	**2005**	**2005**
Gross revenues	**2 714**	**2 322**	**4 735**
APE (group share)	*337*	*258*	*589*
Investment margin	7	-41	0
Fees & revenues	473	428	889
Net technical margin	71	70	175
Expenses	-299	-310	-635
Amortization of VBI	-40	-266	-351
Underlying operating earnings before tax	**212**	**-118**	**78**
Income tax expenses / benefits	-78	240	195
Minority interests	-3	-3	-7
Underlying earnings group share	**130**	**118**	**266**
Net capital gains attributable to shareholders net of income tax	97	114	120
Adjusted earnings group share	**227**	**232**	**385**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-4	3	6
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**223**	**236**	**392**
Average exchange rate : 1.00 € = Yen	*139,960*	*136,986*	*136,286*

Gross Revenues (100%) increased by 17% or 19% at constant exchange rate basis to €2,714 million. Excluding (i) group pension transfers (€251 million versus €13 million last year) and (ii) the conversion program started in January 2003 to Life (€21 million versus €32 million last year) and Health (€44 million versus €82 million last year), gross revenues increased by 9% at current exchange rate basis or 12% at constant exchange rate basis to €2,398 million:

– **Investment & Savings** (32% of gross revenues excluding group pension transfers): Premiums increased by 15% at constant exchange rate basis to €763 million, predominantly due to €224 million higher sales of SPA (single premium US dollar-denominated index-linked annuity product), partially offset by (i) a reduction in single premium individual fixed annuities sold via bancassurance partnerships (€-100 million) as part of a planned transition towards variable type products.
– **Life** (47% of gross revenues excluding conversions): Premiums increased by 14% at constant exchange rate basis to €1,122 million driven by (i) higher revenues from Term products (€+80 million), mainly the new Increasing Term product launched in September 2005, (ii) LTPA (Long-Term Personal Accident) sales (€+55 million), a product launched in March 2005 which benefited from favorable tax regulations up until April 2006, and (iii) stronger Term Rider sales (€+54 million). This was partially offset by lower Endowment and Whole Life regular premiums (€-35 million) as a result of lower in force (these products are not actively promoted for new business).
– **Health** (21% of gross revenues excluding conversions): Premiums increased by 3% at constant exchange rate basis to €513 million driven by good retention on high margin medical products such as Medical Whole Life and Medical Riders.

APE increased by 31% or by 34% at constant exchange rate basis to €337 million.

Individual business grew by 33% at constant exchange rate basis to €326 million, notably:

– **Investments & Savings:** APE increased by 79% on a constant exchange rate basis to €41 million, driven by SPA sales (€+28 million), an equity-linked product launched in November 2004 for Bancassurance and in October 2005 for other Distribution Channels, partially offset by lower Fixed Annuity sales (€-10 million).

- **Life:** APE increased by 40% on a constant exchange rate basis to €228 million coming mainly from (i) strong sales development of Increasing Term products (€+59 million), driven by new launches in September 2005, and (ii) Term Rider products (€+15 million). The LTPA product, launched in March 2005, still showed an increase (€+12 million) compared to last year, as it has continued to benefit from favorable tax regulations until April 2006. These positive impacts were partially offset by lower sales of LTTP (€-10 million) reflecting a shift towards recently launched products.
- **Health:** APE decreased by 4% on a constant exchange rate basis to €57 million following lower Medical Whole Life sales.

Group business APE increased by 45% on a constant exchange rate basis to €12 million driven by sales from New Mutual Aid product launched in October 2004.

Investment margin increased by €48 million at current and constant exchange rate basis to €7 million, mainly driven by:
- Higher investment income up €+64 million or €+71 million at constant exchange rate basis to €315 million, driven by higher distribution of dividends on the alternative portfolio due to the combined impact of higher volume invested in these portfolios and strong performance in the second quarter of 2006 partially offset by a lower performance on hedged foreign bonds and a higher exposure to lower yielding Japanese Government Bonds;
- Higher interest credited up by €18 million or by €24 million at constant rate basis to €302 million mainly due to increased contract in-force.

Fees & revenues increased by €45 million, or €55 million at constant exchange rate basis, to €473 million reflecting the contribution from new business including the launch of new Term products and sales of high margin health products, along with the success of continuing efforts to retain profitable policies.

Net technical margin increased by €1 million, or €2 million at constant exchange rate basis, to €71 million. The mortality margin (net of bonus, Group life dividend and reinsurance) was stable at €56 million. Better mortality experience on Life products (Term and Term riders) and the non-recurring 2005 strengthening of the annuity portfolio reserves (€18 million) were partially offset by a decrease in the Group Life in-force and Medical Term in-force block. The surrender margin increased by €2 million to €15 million due mainly to higher Safety Plus surrenders, partially offset by improved retention on Term and lower B-policy conversions and surrenders.

Expenses decreased by €10 million, or €4 million at constant exchange rate basis, to €-299 million. Excluding non-recurring 2005 DAC amortization (€-22 million) due to a change in investment assumptions, expenses increased by €+18 million driven by (i) higher commission paid due mainly to higher sales, (ii) an increase in project related expenses, (iii) higher rental costs and disposal expenses as a result of the move to the new headquarters. This was partially offset by an increase in DAC capitalization this year.

Amortization of VBI decreased by €226 million or €225 million at constant exchange rate basis to €40 million mainly as a result of the non-recurring 2005 change in future investment assumptions that led to a higher amortization charge of €197 million.

Underlying cost income ratio improved from 76.9% to 67.7% mainly reflecting higher investment margin, fees and revenues and technical margin, partially offset by higher expenses.

Income tax expense increased by €318 million, or €319 million at constant exchange rate basis, to €-78 million due to:
- €+193 million coming from the non-recurring 2005 release of valuation allowance on tax losses carried forward;
- €+126 million due to higher income tax as a result of a higher operational income and of the non-recurrence of the high VBI amortization recorded in 2005.

Underlying earnings increased by €12 million, or €15 million at constant exchange rate basis, to €130 million driven mainly by (i) stronger investment margin (€+47 million), (ii) stronger fees and revenues (€+54 million), and (iii) lower VBI amortization (€+220 million). All these impacts were partially offset by higher tax (€-312 million). Excluding the non-recurring items in 2005, underlying earnings increased by €59 million, or €62 million at constant exchange rate basis.

Adjusted earnings decreased by €5 million, or remained stable at constant exchange rate basis, to €227 million following the improvement in underlying earnings by €15 million fully offset by the combined impacts of (i) the non-recurring 2005 strengthening of reserves (€+314 million) (ii) lower net capital gains (€-144 million to €167 million) (iii) higher DAC and VBI reactivity (€-15 million to €-15 million) (iv) higher operational tax (€-56 million to €-55 million) and (v) the non-recurring 2005 release of valuation allowance on tax loss carried forward (€-114 million).

Net income decreased by €12 million or by €7 million at constant exchange rate basis, to €223 million following adjusted earnings unchanged from last year coupled with a €7 million decrease due to:

- a lower impact coming from invested assets and derivatives (€-27 million) and in particular from the change in fair value of assets under fair value option following higher dividend distributions;

- lower tax, DAC and VBI reactivity (€+19 million).

Life & Savings operations – Germany

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**1 701**	**1 718**	**3 585**
APE (group share)	*127*	*144*	*270*
Investment margin	44	35	66
Fees & revenues	68	45	88
Net technical margin	22	19	44
Expenses	-47	-35	-82
Amortization of VBI	-5	-6	-11
Underlying operating earnings before tax	**81**	**58**	**105**
Income tax expenses / benefits	-52	-41	-72
Minority interests	-1	-1	-3
Underlying earnings group share	**28**	**15**	**30**
Net capital gains attributable to shareholders net of income tax	5	2	2
Adjusted earnings group share	**33**	**17**	**32**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-3	0	4
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**30**	**17**	**36**

Gross revenues decreased by -1% (€-17 million) to €1,701 million mainly driven by the decrease in Life partly offset by higher Health premiums:

- *Investment & Savings* (21% of gross written premiums) increased by 8% to €360 million, driven by unit-linked premiums, partly stemming from the new product "TwinStar" which experienced a promising launch especially on proprietary channels. The share of unit-linked premiums grew significantly to 30% (24% for the same period in 2005). Non-unit linked premiums were stable at €253 million.
- *Life* (45% of gross written premiums) decreased by 5% to €769 million mainly due to a shift from endowment business to Investments and Savings products (notably annuity business) and higher maturities on regular premiums compared to last year.
- *Health* (27% of gross written premiums): increased by 3% to €463 million driven by the strong new business at the beginning of 2006 and a positive effect on premium adjustment.
- *Other* (7% of gross written premiums) decreased by 13% to €108 million as the share in medical council business was further reduced at the beginning of the year.

APE decreased by 12% to €127 million mainly due to the backlog effect in 1Q'05 of the end of 2004 surge in activity linked to a change in tax regulation. Restated from this effect, APE increased by 33%, mainly driven by Investment & Savings unit-linked (especially Twinstar €+10 million) and Health business (notably following the launch of a new Medical Cost Insurance product).

Investment margin increased by €8 million to €44 million mainly driven by lower policyholder participation.

Fees & revenues were strongly up €23 million to €68 million mainly resulting from higher new business in unit-linked products and in Health combined with lower policyholder participation.

Net technical margin increased by €3 million to €22 million mainly due to the improvement of mortality and surrender margin in Life & Savings, offset by a slightly lower technical margin in Health.

Expenses increased by €12 million to €-47 million, primarily explained by set-up expenses for the new product "Twinstar" and higher commissions in health, in line with strong new business, combined with lower policyholder participation.

Underlying cost income ratio decreased by 6.2 points to 51.7% mainly due to increase of net expenses (gross of DAC) as a result of lower PB rate.

Income tax expenses increased by €10 million to €-52 million as a result of higher pre-tax underlying income.

Underlying Earnings increased by €13 million to €28 million mainly driven by the increase of fees and revenues and investment margin partly offset by higher expenses.

Adjusted Earnings increased by €16 million to €33 million benefiting from the increase in underlying earnings and €3 million higher net capital gains attributable to shareholders.

Net Income increased by €13 million to €30 million driven by the increase of adjusted earnings, partly offset by negative change in fair value on assets under fair value option, resulting from higher interests rates.

Life & Savings operations - Belgium

	Periods ended June 30,		FY
(in euro million)	**2 006**	**2005**	**2005**
Gross revenues	**1 307**	**1 353**	**2 734**
APE (group share)	*163*	*150*	*336*
Investment margin	55	61	74
Fees & revenues	68	68	143
Net technical margin	31	25	49
Expenses	-98	-90	-183
Amortization of VBI	-1	-1	-2
Underlying operating earnings before tax	**54**	**64**	**81**
Income tax expenses / benefits	-19	-21	-25
Minority interests	0	0	0
Underlying earnings group share	**35**	**42**	**56**
Net capital gains attributable to shareholders net of income tax	219	21	85
Adjusted earnings group share	**254**	**63**	**141**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-17	1	-11
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**236**	**64**	**131**

Gross revenues decreased by €47 million to €1,307 million:

- *Individual Life and Savings revenues (85% of revenues)* decreased by 4% to €1,109 million. The distribution agreement with "la Poste" was terminated on February 28, 2005. Excluding this effect, revenues increased by 3% mainly driven by the growth in unit-linked contracts (+24% to €213 million), in Crest 30 and 40 series (+16% to €518 million) and in Traditional Life (+7% to €116 million).
- *Group Life and Savings revenues (15% of revenues)* increased by 2% to €198 million. Regular premiums rose by 2% to €175 million and single premiums remained stable at €23 million.

APE increased by 9% to €163 million mainly driven by Crest 40 and Unit-Linked products (notably AXA Life Invest).

Investment margin was down €7 million to €55 million due to the 36bps decrease (on an annual basis) in the average investment return while average credited rate decreased by -17bps (on an annual basis). As a consequence of the high production in products with lower guaranteed rates (Crest 30 and Crest 40), the average guaranteed rate decreased by 31bps on an annual basis. The decrease in investment return is more than offset by higher capital gains recorded in adjusted earnings.

Fees and revenues were stable at €68 million.

Net technical margin rose by €6 million to €31 million due to a €6 million non recurring release of reserves on disability business. The decrease due to the recovery in 2005 on undue annuity paid to a social security body is offset by a better technical margin on annuities.

Expenses increased by €8 million to €-98 million mainly due to the rise of the overhead costs (staff costs notably reflecting regulatory salary indexation) and of the commission expenses driven by commissions linked to account balances.

The **underlying cost income ratio** increased from 65.7% to 70.9% as a consequence of the lower underlying investment margin and higher expenses.

Income tax expenses decreased by €2 million to €-19 million.

As a result of the above, **underlying earnings** were down 7 million to €35 million.

Adjusted earnings increased by €190 million to €254 million driven by higher realized capital gains (€+247 million to €284 million) mainly in equity investments partly offset by higher policyholder bonus on segregated funds (€-48 million to €-63 million net of tax).

Net income increased by €172 million to €236 million as a result of higher adjusted earnings partly offset by a €18 million negative net change in fair value on (i) corporate bonds mutual funds under fair value option and (ii) derivatives, due to increased interest rates.

Life & Savings operations – Southern Europe

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**680**	**717**	**1 439**
APE (group share)	*63*	*71*	*140*
Investment margin	31	28	53
Fees & revenues	42	53	88
Net technical margin	17	13	33
Expenses	-52	-59	-105
Amortization of VBI	-2	-3	-6
Underlying operating earnings before tax	**36**	**32**	**64**
Income tax expenses / benefits	-11	-8	-20
Minority interests	0	0	0
Underlying earnings group share	**25**	**25**	**44**
Net capital gains attributable to shareholders net of income tax	4	4	10
Adjusted earnings group share	**29**	**29**	**54**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-2	2	3
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**27**	**31**	**57**

Gross revenues decreased by 5% to €680 million. Investments and savings decreased by 2% to €601 million mainly due to the lower amount of traditional contracts from institutional activity. Life contracts decreased by 23% to €79 million mainly as a result of the termination in May 2005 of an important bank-insurance agreement in Traditional Life.

APE decreased by 11% to €63 million, with a contrasted evolution by distribution channel. Proprietary channels (78% of total APE) showed an 8% growth, whereas non-proprietary channels (22% of total APE) showed a 46% decrease, mainly due to the termination of the above mentioned agreement in traditional life line of business.

Investments & Savings (€56 million or 89% of total APE) decreased by 7%:

- Non-unit-linked contracts (€48 million or 76% of total APE) decreased by 7%, driven by the lower amount of traditional investment and savings contracts from institutional activity issued in Italy in 2006 (-51% or -€66 million), which offsets the good trend in the retail business.
- Unit-linked contracts -including mutual funds- (€8 million or 13% of total APE) dropped by 12% following strong bank-insurance activity in 1Q'05.

Life (11% of total APE, €7 million) decreased by 34% mainly as a result of the cancellation of the above-mentioned important bank-insurance agreement in May 2005.

Investment margin rose by €3 million to €31 million, driven notably by higher investment income as a result of a larger average asset base.

Fees &revenues were down €11 million to €42 million, driven by the switch of the new production towards less loaded products, including the impact of the termination of a distribution agreement on traditional life products. The reduction of fees was offset by a corresponding decrease in commissions.

Net technical margin increased by €4 million to €17 million, reflecting an improvement in mortality margin both in individual risk and pension funds products.

Expenses decreased by €7 million to €-52 million as a result of the switch of the new sales towards products with lower commissions (€11 million), partly offset by a higher DAC amortization (€5 million). Non-commissions expenses remained stable at €26 million.

As a result of improved investment and technical margins and lower expenses, the **underlying cost income ratio** improved by 7.2 points to 60.8%.

Income tax expenses increased by €3 million to €-11 million notably due to the non recurrence of a positive tax item in 2005.

As a result, **underlying earnings** remained stable at €25 million.

Adjusted earnings remained stable at €29 million in line with underlying earnings evolution.

Net income was down €4 million to €27 million, in a context of rising interest rates, mainly driven by the decrease in fair value of the interest rate swaps which are used to protect fixed maturities return.

Life & Savings Operations - Other Countries

The following tables present the operating results for the other Life & Savings operations of AXA, which include Australia/New Zealand, Hong Kong, The Netherlands, Singapore, Switzerland, Canada, Morocco, Luxembourg and Turkey, for the years indicated.

Consolidated Gross revenues

(in euro million)	HY 2006	HY 2005	FY 2005
Australia / New Zealand	641	566	1 225
Hong Kong	438	357	832
The Netherlands	298	291	531
Other countries	317	246	472
Singapore	86	63	124
Switzerland	84	68	116
Canada	56	35	71
Morocco	24	27	55
Luxembourg	25	17	38
Turkey	41	37	68
TOTAL	**1 694**	**1 461**	**3 060**
Intercompany transactions	0	-0	-1
Contribution to consolidated gross revenues	**1 694**	**1 461**	**3 059**

Underlying, Adjusted earnings and Net Income

(in euro million)	HY 2006	HY 2005	FY 2005
Australia / New Zealand	45	29	64
Hong Kong	42	36	84
The Netherlands	31	19	44
Other countries	12	7	6
Singapore	0	0	0
Switzerland	3	1	2
Canada	3	0	-3
Morocco	3	2	3
Luxembourg	2	2	2
Turkey	2	1	3
UNDERLYING EARNINGS	**130**	**92**	**198**
Net realized capital gains attributable to shareholders	43	13	42
ADJUSTED EARNINGS	**173**	**105**	**240**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	1	1	3
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangible impacts	0	0	0
NET INCOME	**174**	**106**	**242**

AUSTRALIA AND NEW ZEALAND[8] [9]

Gross revenues were up 10% to €641 million on a comparable basis.

- **Gross written premiums** including fees from investment contracts without discretionary participation features were up 7% to €512 million. Whilst there has been a trend away from traditional Investment and Savings products toward mutual funds business, personal superannuation premiums have increased from last year.
- **Revenues from mutual fund and advice businesses** increased by 30% to €129 million, due to continuing growth of funds under management, particularly in Mezzanine funds, assisted by continuing strong market conditions.

Mutual retail net fund flows (excluding institutional) were up 108% to €947 million on a comparable basis. Summit platform net funds flow improved as a result of higher retention rates. Continuing strong inflows into the mezzanine Global Equity Value fund and growth in ipac, with a funds transfer of €133 million in June 2006 from one of ipac’s equity partners contributed to this positive result.

APE was up 18% to €204 million or +16% on a comparable basis[10], mainly driven by increased inflows into both mezzanine funds and Summit.

Underlying earnings were up €16 million to €45 million. On a 100% ownership basis the evolution of underlying earnings is as follows:

- The **investment margin** was up €15 million to €15 million, largely due to lower interest expense on inter-company finance arrangements and improved market conditions.

- **Fees and revenues** were up €42 million to €303 million, mainly due to increased fees from mutual funds and advice businesses, reflecting higher inflows and growth of funds under management and administration, following strong Australian equity market performance.

- The **net technical margin** was up €12 million to €14 million, primarily due to more favorable claims termination experience in the health business.

- **Expenses** (including amortization of VBI) were up €28 million to €241 million, reflecting higher commissions associated with increased fees and revenues.

- The **tax expense** was up €11 million to €5 million, reflecting the growth in pre-tax earnings and a number of non-recurring tax benefits last year including transitional tax relief which ended on July 1, 2005.

Overall, the **underlying cost income ratio** improved from 78.4% to 71.1%.

Adjusted earnings were up €24 million to €56 million, reflecting the increase in underlying earnings as well as higher net capital gains on equities (up €4 million to €6 million) as a result of the realisation of strong equity growth recorded in prior years.

Net income was up €26 million to €58 million, reflecting the increase in adjusted earnings and the increase in fair value of assets backing term certain annuities.

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[8] All comparisons to prior year figures are on a constant exchange rate basis.

[9] AXA interest in AXA Asia Pacific Group is 52.8% broken down into 51.6% direct interest holding and an additional 1.2% owned by the AAPH Executive plan trust

[10] At constant ownership interest (half year 2005: 51.6%)

HONG-KONG[11 12]

On May 8, 2006, AXA APH completed its acquisition of MLC Hong-Kong. Due to the low materiality, no contribution to earnings has been taken into account.

Gross revenues were up 17% to €438 million on a constant exchange rate basis.

APE was up 30% to €43 million or +27% on a comparable basis[13] driven by a 21% increase in individual life regular premiums, a 37% increase in non unit-linked regular premiums, due to the launch of 'Maxx', a new traditional participating product, and strong growth in investment linked products through both broker and bancassurance channels.

Underlying earnings were up €4 million to €42 million mainly due to an increase in fees and revenues (€+5 million) reflecting increased sales and growing inforce portfolio and an increase in investment margin (€+2 million) partly offset by higher expenditure (€-5 million) notably on strategic initiatives to bolster growth in Asia.

Despite the higher fees, **the underlying cost income** ratio increased by 5.7 points to 51.8%

Adjusted earnings and **net income** increased by €15 million to €57 million, driven by the €11 million increase in realised gains from strong equity market growth and €4 million higher underlying earnings.

THE NETHERLANDS

Gross revenues increased by €7 million (+2%) to €298 million on a comparable basis. Higher premiums in Investments & Savings Unit-Linked (within mortgage, pension and tax deduction segments), were partly offset by lower Life Non Unit-Linked premiums.

APE increased by €5 million (+20%) to €27 million, mainly due to higher new business within the mortgage and pension segment.

Underlying earnings increased by €11 million to €31 million, mainly attributable to (i) an improved investment margin (€+8 million) as a result of higher dividends received and the release of interest expense provision following tax review on prior fiscal years and (ii) better mortality experience (€+3 million).

Adjusted earnings improved by €18 million to €44 million, due to net realized capital gains during the period (€+7 million to €13 million after tax) in addition to the increase in underlying earnings.

Net income improved by €16 million to €43 million in line with adjusted earnings.

CANADA

Gross revenues amounted to €56 million, increasing by €21 million (+59%). On a comparable basis (at constant exchange rate basis and excluding Citadel revenues for €15 million), gross revenues increased by 4% reflecting higher commissions.

Underlying & adjusted earnings, and net income increased by €2 million on a constant exchange rate basis to €3 million mainly due to the acquisition of Citadel (€+1 million).

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[11] All comparisons to prior year figures are on a constant exchange rate basis

[12] AXA interest in AXA Asia Pacific Group is 52.8% broken down into 51.6% direct interest holding and an additional 1.2% owned by the AAPH Executive plan trust

[13] At constant ownership interest (half year 2005: 51.6%)

MOROCCO[14]

Gross revenues were down 11% at constant exchange rates to €24 million mainly due to the termination of a bank insurance agreement.

Underlying earnings, adjusted earnings and net income rose by €1 million to €3 million.

TURKEY[15]

Gross revenues were up by 12% at constant exchange rates to €41 million driven by the development of traditional life and savings policies business.

Underlying earnings increased to €2 million.

Adjusted earnings and net income rose by €1 million to €2 million.

SWITZERLAND

Gross revenues were up by 26% at constant exchange rates to €84 million mainly due to Investment & Savings lines (+28%) as a result of successful marketing initiatives and close cooperation with brokers.

Underlying earnings increased by €1 million to €3 million mainly due to higher fees & revenues as a result of new business in Investment & Savings regular premiums.

Adjusted earnings were up €5 million to €7 million mainly driven by higher capital gains on equities.

Net income rose by €5 million to €7 million in line with adjusted earnings development.

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[14] *AXA Assurance Maroc is 51% owned by AXA.*

[15] *AXA Oyak Hayat is 50% owned by AXA.*

Property & Casualty Segment

The tables below present the gross premiums and net income attributable to AXA's Property & Casualty segment for the periods indicated.

Property and Casualty Segment (a)

	HY		FY
(in euro million)	**2006**	**2005**	**2005**
Gross written premiums	10 863	10 369	18 913
Fees and revenues from investment contracts with no participating feature	0	0	0
Revenues from insurance activities	***10 863***	***10 369***	***18 913***
Net revenues from banking activities	***0***	***0***	***0***
Revenues from other activities	***26***	***21***	***43***
TOTAL REVENUES	**10 889**	**10 391**	**18 956**
Change in unearned premium reserves net of unearned revenues and fees	***-1 205***	***-1 217***	***-269***
Net investment result excluding financing expenses	***879***	***828***	***1 461***
Technical charges relating to insurance activities	-6 307	-6 137	-12 347
Net result of reinsurance ceded	-327	-304	-581
Bank operating expenses	0	0	0
Acquisition costs	-1 768	-1 584	-3 382
Amortization of value of purchased life business in force and other intangible asset	0	-1	0
Administrative expenses	-971	-931	-1 960
Change in tangible assets impairment	-1	22	-1
Others income and expenses	-3	-14	12
Other operating income and expenses	***-9 376***	***-8 948***	***-18 259***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**1 186**	**1 054**	**1 890**
Income arising from investment in associates - Equity method	3	1	3
Financing debts expenses	-4	-9	-11
OPERATING INCOME GROSS OF TAX	**1 185**	**1 047**	**1 882**
Income tax	-379	-321	-493
Minority interests share in income	-26	-31	-44
UNDERLYING EARNINGS	**780**	**695**	**1 346**
Net realized capital gains attributable to shareholders	348	140	307
ADJUSTED EARNINGS	**1 129**	**835**	**1 653**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-61	47	85
Exceptional operations (including discontinued operations)	3	0	0
Goodwill and other related intangible impacts	-1	0	-1
NET INCOME	**1 069**	**882**	**1 737**

(a) before intercompany transactions

Consolidated Gross revenues [(a)]

(in euro million)	HY 2006	HY 2005	FY 2005
France	2 860	2 797	5 096
United Kingdom & Ireland	2 487	2 311	4 413
Germany	1 812	1 802	2 798
Belgium	805	781	1 462
Southern Europe	1 579	1 558	3 019
Other countries	1 346	1 142	2 168
TOTAL	**10 889**	**10 391**	**18 956**
Intercompany transactions	-74	-77	-81
Contribution to consolidated gross revenues	**10 815**	**10 314**	**18 874**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income

(in euro million)	HY 2006	HY 2005	FY 2005
France	207	195	363
United Kingdom & Ireland	181	161	399
Germany	117	105	178
Belgium	90	84	128
Southern Europe	79	70	125
Other countries	106	81	153
UNDERLYING EARNINGS	**780**	**695**	**1 346**
Net realized capital gains attributable to shareholders	348	140	307
ADJUSTED EARNINGS	**1 129**	**835**	**1 653**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-61	47	85
Exceptional operations (including discontinued operations)	3	0	0
Goodwill and other related intangible impacts	-1	0	-1
NET INCOME	**1 069**	**882**	**1 737**

Property & Casualty Operations - France

	Periods ended June 30,		FY
(in euro million)	**2 006**	**2005**	**2005**
Gross revenues	**2 860**	**2 797**	**5 096**
Current accident year loss ratio (net)	76,3%	74,5%	74,0%
All accident year loss ratio (net)	73,8%	74,5%	73,5%
Net technical result	**672**	**628**	**1 345**
Expense ratio	23,9%	24,0%	24,4%
Net underlying investment result	263	275	464
Underlying operating earnings before tax	**322**	**311**	**569**
Income tax expenses / benefits	-115	-116	-206
Net income from investment in affiliates and associates	0	0	0
Minority interests	0	0	0
Underlying earnings group share	**207**	**195**	**363**
Net capital gains attributable to shareholders net of income tax	35	13	57
Adjusted earnings group share	**243**	**208**	**419**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-28	29	45
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**215**	**237**	**464**

Gross revenues increased by 2% to €2,860 million or, net of intercompany transactions and on a comparable basis by 4%, in a competitive French market.

- *Personal lines* (60% of gross written premiums) increased by 2%, on a comparable basis, to €1,699 million, mainly reflecting (i) positive net inflows in Motor (+26,500 new contracts) sustained by advertising campaigns in a very competitive market, and (ii) the ongoing price increase in Household.
- The 6% strong increase in *Commercial lines premiums* (40% of gross written premiums) to €1,143 million was driven by overall positive inflows, rate increases, notably in Liability and positive prior year premiums adjustments mainly in Construction.

The **net technical result** improved by €44 million or 7% to €672 million, driven by the 0.8 point improvement of the all accident years net loss ratio to 73.8%:

- A positive volume effect compensated the -1.8 points *current accident year net loss ratio* deterioration to 76.3%, mainly driven by (i) large claims in Commercial Property and (ii) Motor under the combined effect of price decreases and increasing average claim costs.
- The *prior accident year net technical result* improved by €67 million to €66 million mainly due to positive loss reserves developments in Commercial Property (up €+2 million to €48 million), and Motor (up €29 million to €14 million as 2005 was negatively impacted by a decrease in annuities interest rate) and lower prior year negative developments in natural catastrophes (nil versus €-36 million in the first half-year 2005).

The **expense ratio** marginally decreased by 0.1 point to 23.9%. Administration ratio remained stable at 9.0% while acquisition ratio was down 0.1 point to 14.9%.

As a consequence, the **combined ratio** improved by 0.8 point to 97.7%.

Net investment result decreased by €13 million to €263 million mainly due to lower equity dividend income following internal restructuring of the holding scheme of some equity investments (sold to AXA France Vie).

Income tax expense decreased by €1 million to €-115 million as the 0.5 point decrease in French short term tax rate more than offset the impact of higher pre tax earnings.

Underlying earnings increased by €12 million to €207 million reflecting an improved combined ratio partly offset by lower investment income.

Adjusted earnings increased by €35 million to €243 million driven by underlying earnings evolution and higher net realized capital gains (€+22 million) as a result of gains on foreign exchange macro hedge on equity investments (€+7 million versus €-22 million losses in 2005) partly offset by lower realized gains on equities (€+29 million in the first half-year 2006 versus €36 million in the first half-year 2005).

Net income decreased by €22 million to €215 million as higher adjusted earnings were more than offset by an unfavorable change in fair value of assets under fair value option, notably fixed maturities investments in a context of rising interest rates.

Property & Casualty Operations - United Kingdom & Ireland

	Periods ended June 30,		FY 2005
(in euro million)	2 006	2005	
Gross revenues	**2 487**	**2 311**	**4 413**
Current accident year loss ratio (net)	64,2%	66,7%	65,1%
All accident year loss ratio (net)	63,2%	65,5%	63,1%
Net technical result	**836**	**746**	**1 610**
Expense ratio	33,6%	31,8%	33,3%
Net underlying investment result	167	148	283
Underlying operating earnings before tax	**241**	**206**	**442**
Income tax expenses / benefits	-61	-46	-43
Net income from investment in affiliates and associates	0	0	0
Minority interests	0	0	0
Underlying earnings group share	**181**	**161**	**399**
Net capital gains attributable to shareholders net of income tax	53	28	64
Adjusted earnings group share	**234**	**189**	**464**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0	0
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**234**	**189**	**464**
Average exchange rate : 1.00 € = £	*0,6873*	*0,6859*	*0,6840*

Gross revenues increased by 8% to €2,487 million on both a current and constant exchange rate basis, reflecting significant growth on Personal Motor, Health and both Personal and Commercial Property.

- *Personal lines* (49% of the P&C premiums) were up 10% on a constant exchange rate basis due to the strong performance in Motor, reflecting an updated pricing strategy in the UK, increased new business volumes partially due to from young drivers at higher average premiums in Ireland, and strong retention. Continued growth on Property is due to new business deals in the UK. Growth in Health (+7%) reflected increased volumes in UK Individual and higher average premiums across the business.
- *Commercial Lines* (51% of the P&C premiums) were up 6% on a constant exchange rate basis reflecting strong performance in Commercial Property and Health. The growth in Property was mainly attributable to an increase in new business deals, and sustained strength in relationship management, together with the 1Q'06 sales campaign. Growth in Health (+7%) reflected increased volumes on both UK and International SME business.

Net Technical Result increased by €90 million to €836 million, or €91 million on a constant exchange rate basis:

- The *current accident year loss ratio* improved by 2.5 points to 64.2%, with an improvement in all lines of business except personal motor in Ireland and UK Travel, resulting from favorable weather experience in 2006 and improved underwriting and claims management.
- The *all accident year loss ratio* improved by 2.3 points to 63.2%, broadly reflecting the current accident year loss ratio improvement. Prior year results slightly decreased by €3 million to €24 million.

The **expense ratio** deteriorated by 1.7 points to 33.6% largely as a result of the increase of the commission ratio by 1.2 points as a result of a change in business mix and increased volumes on higher commission rated delegated authority business in the UK. The acquisition cost ratio excluding commission increased by 0.7 point mainly due to Customers Operations with increased activity arising from new Corporate Partners. This was slightly offset by 0.2 point improvement in administration cost ratio reflecting control on management expenses.

As a result**,** the **combined ratio** improved by 0.6 point to 96.7%.

Net investment result increased by €19 million to €167 million on both a current and constant exchange rate basis, as a result of higher asset base and €8 million favorable property provision movements in 2006 following a review of vacant property.

Income tax expenses increased by €15 million to €-61 million, on both a current and constant exchange rate basis reflecting improved pre-tax result in the UK.

Underlying Earnings increased by €20 million to €181 million on both a current and constant exchange rate basis, due to a combination of improved combined ratio and favorable investment performance.

Both adjusted earnings and net income increased by €45 million to €234 million on both a current and constant exchange rate basis. This included €25 million higher net realized capital gains to €53 million, notably as a result of equities gains harvesting.

Property & Casualty Operations - Germany

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**1 812**	**1 802**	**2 798**
Current accident year loss ratio (net)	75,9%	77,0%	72,2%
All accident year loss ratio (net)	67,1%	69,4%	65,8%
Net technical result	**462**	**430**	**958**
Expense ratio	29,3%	27,3%	32,5%
Net underlying investment result	142	130	218
Underlying operating earnings before tax	**193**	**177**	**266**
Income tax expenses / benefits	-74	-64	-76
Net income from investment in affiliates and associates	3	1	3
Minority interests	-4	-9	-15
Underlying earnings group share	**117**	**105**	**178**
Net capital gains attributable to shareholders net of income tax	70	38	80
Adjusted earnings group share	**188**	**143**	**258**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-12	13	37
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**175**	**157**	**295**

Gross revenues increased by 1% to €1,812 million:
- *Personal lines* (60% of total gross revenues) increased by 2% mainly driven by Motor (+4%), fuelled by strong positive net inflows of +138,000 and by Property (+1%), partly offset by lower production in the Accident line (-4%).
- *Commercial lines* (32% of total gross revenues) decreased by 1% notably in Motor (-3%) and Property (-2%) in a more competitive market environment, partly offset by new business in Liability (+4%).
- *Other lines* (8% of total gross revenues) decreased by 3%.

Net technical result improved by €32 million to €462 million:
- *Current accident year loss ratio* improved by 1 point to 75.9 % mainly due to lower claims handling costs following the change in cost allocation implemented at the end of 2005 (with a counterpart in expenses for 1.8 points), partly offset by a slightly deteriorated claims experience notably in Commercial Motor and Industrial Accident,
- *All accident year loss ratio* improved by 2.3 points to 67.1 % as a result of higher net technical result on previous years (€124 million compared to €106 million in 2005) mainly driven by prior year positive development in Property (both personal and commercial lines) and Personal Motor.

Expense ratio increased by 2 points to 29.3 % mainly explained by the change in cost allocation mentioned above. Restated from this allocation, acquisition expense ratio deteriorated by 0.2 point to 10.8% notably due to marketing campaign which sustained the strong net inflow and administrative expense ratio remained stable at 16.7%.

As a result, the **net combined ratio** improved by 0.3 point to 96.4 %.

Net investment result increased by €12 million to €142 million mainly due to higher income from equities partly offset by lower income from real estate.

Income tax expenses increased by €11 million to €-74 million due to higher taxable income.

Underlying earnings improved by €12 million to €117 million driven by the combined ratio improvement and the higher net investment income.

Adjusted earnings increased by €44 million to €188 million resulting from the improvement of underlying earnings and from higher capital gains mainly on equities (€+38 million).

Net income improved by €19 million to €175 million, as the increase of adjusted earnings was partly offset by negative change in fair value on funds holding fixed maturities under fair value option resulting from higher interest rates.

Property & Casualty Operations - Belgium

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**805**	**781**	**1 462**
Current accident year loss ratio (net)	80,2%	81,6%	81,4%
All accident year loss ratio (net)	65,4%	68,0%	70,0%
Net technical result	**252**	**229**	**439**
Expense ratio	30,1%	28,5%	28,7%
Net underlying investment result	104	95	167
Underlying operating earnings before tax	**135**	**119**	**183**
Income tax expenses / benefits	-45	-36	-55
Net income from investment in affiliates and associates	0	0	0
Minority interests	0	0	0
Underlying earnings group share	**90**	**84**	**128**
Net capital gains attributable to shareholders net of income tax	130	37	53
Adjusted earnings group share	**220**	**120**	**181**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-11	5	1
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**209**	**125**	**183**

Gross revenues increased by 3% to €805 million driven by both personal and commercial lines:

- *Personal Lines* (61% of the total gross written premiums), premiums increased by 2% as motor (57% of personal lines written premiums) increased by 1% to €279 million driven by positive net inflows, and household was up 4% to €122 million as a result of rates increases.

- *Commercial Lines* (39% of the total gross written premiums), premiums grew by 4% driven by increases in most lines as a result of portfolio and tariff increases.

The **net technical result** was up €23 million to €252 million as a result of:

- *The current year loss ratio* improved by 1.3 points to 80.2% due to an improved claims pattern in all lines except Household and Commercial Property for which 2005 was an exceptionally good year.
- *The all accident year loss ratio* improved by 2.6 points to 65.4% due to the better current year loss ratio and higher prior years' results. Boni increased by €10 million to €108 million in motor, legal protection, liability and workers' compensation.

The **expense ratio** increased by 1.6 points to 30.1% mainly driven by (i) the growth of acquisition costs ratio by 0.4 point to 20.4% mainly due to a rise in extra-commissions to the brokers and (ii) the increase of administration expenses ratio by 1.2 points to 9.7% mainly due to staff costs (regulatory salary indexation) and an IT project related to product offering segmentation.

As a result, the **combined ratio** improved by 1 point to 95.5%.

Net underlying investment result increased by €8 million to €104 million, notably driven by higher income on fixed maturities investments and equity investments.

Income tax expenses increased by €9 million to €-45 million as a result of higher pre tax underlying earnings.

Underlying Earnings increased by €7 million to €90 million driven by the combined ratio improvement and higher net investment result, partly offset by higher tax expenses.

Adjusted Earnings increased by €100 million to €220 million as a result of higher underlying earnings and higher realized gains (by €93 million to €130 million) on equities investments.

Net Income increased by €84 million to €209 million as the increase in adjusted earnings was partly offset by unfavorable change in fair value on corporate bonds mutual funds under fair value option (€-16 million to €-11 million) due to interest rates increase.

Property & Casualty Operations – Southern Europe

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**1 579**	**1 558**	**3 019**
Current accident year loss ratio (net)	75,4%	80,6%	78,3%
All accident year loss ratio (net)	74,4%	75,1%	75,6%
Net technical result	**388**	**356**	**713**
Expense ratio	24,4%	24,0%	23,5%
Net underlying investment result	104	92	167
Underlying operating earnings before tax	**122**	**104**	**194**
Income tax expenses / benefits	-43	-35	-68
Net income from investment in affiliates and associates	0	0	0
Minority interests	0	0	0
Underlying earnings group share	**79**	**70**	**125**
Net capital gains attributable to shareholders net of income tax	35	16	27
Adjusted earnings group share	**114**	**86**	**152**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-7	0	1
Exceptional operations (including discontinued operations)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**107**	**86**	**153**

Gross revenues slightly increased by 1% on a comparable basis to €1,579 million.

- *Personal lines* (€1,234 million or 78% of gross written premiums) grew by 4%. In motor (€901 million or 57% of gross written premiums), the 4% increase was driven by positive net inflows (+135,600 policies) primarily coming from (i) the direct distribution network, (ii) and a sustained growth in tied agent network in all countries. Motor average premium decreased by 1% in a very competitive market. Non-motor lines (€333 million or 21% of gross written premiums) were up 6%, driven by a combined growth in all lines.
- *Commercial lines* (22% of business, €345 million) were down 11%. In motor (6% of business, €98 million) revenues remained stable. Non-motor business (16% of business, € 247 million) decreased by 14% mainly due to the non renewal of several corporate contracts.

Most of the growth was concentrated on proprietary distribution networks (72% of business, +4%) whereas non-proprietary networks were down 8%.

Net technical result improved by €33 million to €388 million and the loss ratio decreased by 0.7 point to 74.4% mainly driven by strong monitoring of personal motor portfolio:

- *The current net technical result* increased by €97 million to €373 million resulting from the improvement of *the current accident year loss ratio* by -5.2 points to 75.4%.

- *The prior year net technical result* decreased by €64 million to €15 million.

The contrary evolution of both components of the net technical result between 2005 and 2006 is mainly due to a change of methodology in the allocation of some technical provisions between current year and prior years.

Expense ratio increased by 0.4 point to 24.4% as a result of higher administrative expense ratio (+0.6 point at 7.4%), deriving from higher staff (mainly due to the settlement of new collective agreements) and higher outsourcing expenses primarily linked to activity increases in the call centers platforms. Acquisition expense ratio excluding commissions ratio was almost stable (+0.1 point to 4.9%), despite higher marketing costs to further develop direct distribution sales. Commission ratio decreased by 0.2 point to 13.6% partly driven by lower commission rate on motor product launched in 2006.

As a result, the **combined ratio** improved by 0.3 point to 98.8%.

Net investment result increased by €12 million to €104 million mainly driven by (i) a larger average asset base, (ii) higher dividends on equity securities (from €18 million to €20 million) and (iii) an improved return of the fixed maturities portfolio.

Income tax expenses increased by €8 million to €-43 million mainly due to higher pre-tax underlying earnings.

Consequently, **underlying earnings** were up €9 million to €79 million.

Adjusted earnings were up €28 million to €114 million due to higher underlying earnings and higher capital gains on equities (from €6 million to €34 million), thanks to good equity market conditions at the beginning of 2006.

Net income increased by €21 million to €107 million reflecting adjusted earnings evolution as well as the €8 million negative change in fair value of consolidated mutual funds under fair value option following dividends distribution.

Property & Casualty Operations - Other Countries

Consolidated Gross revenues

(in euro million)	**HY 2006**	**HY 2005**	**FY 2005**
Canada	551	413	858
The Netherlands	177	189	275
Other countries	617	540	1 035
Turkey	262	217	453
Morocco	90	73	140
Japan	85	73	140
Switzerland	61	60	90
Singapore	44	41	79
Luxembourg	41	42	69
Hong Kong	34	34	65
TOTAL	**1 346**	**1 142**	**2 168**
Intercompany transactions	0	-2	-5
Contribution to consolidated gross revenues	**1 346**	**1 139**	**2 163**

Underlying, Adjusted earnings and Net Income

(in euro million)	**HY 2006**	**HY 2005**	**FY 2005**
Canada	60	45	80
The Netherlands	18	9	19
Other countries	27	27	54
Turkey	7	5	8
Morocco	10	13	13
Japan	-5	-6	5
Switzerland	3	1	2
Singapore	5	4	10
Luxembourg	4	4	8
Hong Kong	4	6	8
UNDERLYING EARNINGS	**106**	**81**	**153**
Net realized capital gains attributable to shareholders	24	7	26
ADJUSTED EARNINGS	**130**	**88**	**179**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-3	0	0
Exceptional operations (including discontinued operations)	3	0	0
Goodwill and other related intangible impacts	-1	0	-1
NET INCOME	**129**	**88**	**179**

CANADA

Gross revenues were up €139 million (+34%) to €551 million. On a comparable basis (at a constant exchange rate basis and excluding the acquisition of Citadel for €89 million), gross revenues were down by 2% mainly as a result of the success of the 18/24 months policies sold in 2005 leading to less renewals in 2006. Net inflows remained positive with the personal motor portfolio increasing by 12,000 policies.

Underlying earnings amounted to €60 million, up €8 million on a constant exchange rate basis, resulting mainly from the acquisition of Citadel (€+4 million) and a €3 million increase in the after tax net investment revenues as a result of increased asset base. Excluding Citadel, the combined ratio remained stable at 88.7% (including Citadel, combined ratio reached 92.2%).

Adjusted earnings were up €9 million to €67 million on a constant exchange rate basis in line with the increase in underlying earnings.

Net income increased by €5 million to €62 million, on a constant exchange rate basis driven by a €9 million increase in adjusted earnings partly offset by Citadel's restructuring costs (€-4 million).

THE NETHERLANDS

Gross revenues decreased by 6% to €177 million, mainly driven by the cancellation of group disability business as a consequence of legal changes in the Netherlands. Excluding this impact, gross revenues increased by 1%.

Underlying earnings increased by €9 million to €18 million, driven by an 8.6 points improvement in combined ratio to 90.4% following favorable experience in disability and positive prior years developments of €14 million in the first half of 2006.

Adjusted earnings increased by €4 million to €19 million driven by underlying earnings and €5 million lower realized capital gains, mainly as the first half-year 2005 earnings benefited from the sale of real estate assets (€5 million).

Net income increased by €11 million on a comparable basis to €26 million driven by adjusted earnings increase and €7 million additional contractual profit related to the sale of the health portfolio to Achmea in 2004.

TURKEY[16]

Gross revenues increased by 20% on a constant exchange rate basis to €262 million mainly driven by motor (portfolio growth and average premiums increase) and fire businesses.

Underlying earnings were up €2 million to €7 million, thanks to (i) the combined ratio improvement (-1.2 points to 97.0%) and (ii) investment income growth mainly on fixed maturities.

Adjusted earnings was up €3 million to €9 million thanks to realized gains on foreign currencies.

Net income was up €2 million to €9 million largely in line with the adjusted earnings evolution.

MOROCCO

Gross revenues were up 21% on a constant exchange rates basis to €90 million, driven by personal motor, workmen compensation and fire lines of business.

[16] *AXA Oyak is 35% owned by AXA.*

Underlying earnings were down €3 million to €10 million due to lower dividend income (especially high in 2005), partly offset by an improving combined ratio (-1.2 points at 99.8%).

Adjusted earnings and **net income** increased by €11 million to €19 million mainly due to a non-recurring capital gain following a public bid on Sonasid shares.

JAPAN

Gross revenues increased 22% at constant exchange rate basis to €85 million. Motor revenues grew by 28% to €75 million, thanks to the growth of the Motor portfolio including the contribution from the new Bike product, launched in April 2005. Revenues from the Personal Assistance portfolio, now in run-off, slightly decreased (-7% to €10 million).

Underlying earnings improved by €1 million to €-5 million mainly due to a 3.5 points improvement in the combined ratio to 108.2%. This was primarily driven by a better expense ratio down 5.3 points to 42.1% due to volume effect.

Adjusted earnings increased by €3 million to € -5 million in line with underlying earnings.

N**et income** remained stable at €-8 million as the change in fair value on assets under fair value option offset the increase in adjusted earnings.

SINGAPORE

Gross revenues increased by 1% to €44 million in a declining market.

Underlying earnings improved by €1 million to €5 million reflecting better underwriting and investment returns.

Accordingly, **adjusted earnings and net income** also improved by €1 million to €6 million on a constant exchange rate basis.

HONG KONG

Gross revenues decreased by €1 million to €34 million or -5% at constant exchange rate basis driven by a non recurring premium adjustment for construction ECI (€-2.2 million) in 2005.

Underlying earnings were down €2 million on a constant exchange rate basis to €4 million mainly due to the €2 million reduction of premium adjustments for Construction ECI.

Both **adjusted earnings** and **net income** were down €1 million to €6 million on a constant exchange rate basis mainly due to the €2 million reduction in underlying earnings, partly offset by the improved investment result.

International Insurance Segment

The following tables present the gross premiums and net income for the International Insurance Segment for the periods indicated:

Consolidated Gross revenues [(a)]

(in euro million)	HY 2006	HY 2005	FY 2005
AXA RE	na	1 065	1 460
AXA Corporate Solutions Assurance	1 106	1 068	1 614
AXA Cessions	58	29	60
AXA Assistance	341	304	621
Other *(b)*	1 057	86	147
TOTAL	**2 561**	**2 552**	**3 903**
Intercompany transactions	-42	-51	-90
Contribution to consolidated gross revenues	**2 520**	**2 501**	**3 813**

(a) Gross written premiums including intercompany eliminations

(b) Including AXA RE run off business starting January 1st, 2006.

Underlying, Adjusted earnings and Net Income

(in euro million)	HY 2006	HY 2005	FY 2005
AXA RE	na	55	11
AXA Corporate Solutions Assurance	44	38	72
AXA Cessions	4	4	9
AXA Assistance	9	10	17
Other *(a)*	8	-5	-41
UNDERLYING EARNINGS	**64**	**103**	**68**
Net realized capital gains attributable to shareholders	15	32	94
ADJUSTED EARNINGS	**79**	**135**	**162**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	0	-3	-1
Exceptional operations (including discontinued operations)	0	23	23
Goodwill and other related intangible impacts	0	0	0
NET INCOME	**79**	**155**	**184**

(a) Including AXA RE run off business starting January 1st, 2006.

AXA RE

AXA RE **Underlying, Adjusted earnings** and **Net Income** were respectively €55 million, €64 million and €66 million in June 2005.

Following the announcement on June 6, 2006 of a definitive agreement to cede the business of AXA RE to Paris Re Holding Limited, with the risks and corresponding net income related to AXA RE's 2006 claims experience assuming to Paris Re Holdings Limited, AXA RE's contribution to AXA consolidated accounts corresponds mainly to the result of the run-off of the 2005 and prior years reserves of AXA RE. This contribution is from June 2006 accounts on presented as part of the "Other line of the International Insurance segment".

AXA Corporate Solutions Assurance

(in euro million)	Periods ended June 30,		FY 2005
	2 006	2005	
Gross revenues	**1 106**	**1 068**	**1 614**
Current accident year loss ratio (net) [(a)]	86,5%	88,6%	88,9%
All accident year loss ratio (net)	88,4%	87,4%	87,9%
Net technical result	**98**	**104**	**189**
Expense ratio	12,1%	13,1%	12,9%
Net underlying investment result (b)	84	79	123
Underlying operating earnings before tax	**79**	**63**	**110**
Income tax expenses / benefits	-35	-24	-37
Net income from investment in affiliates and associates	0	0	0
Minority interests	-1	0	-1
Underlying earnings group share	**44**	**38**	**72**
Net capital gains attributable to shareholders net of income tax	-4	19	30
Adjusted earnings group share	**39**	**58**	**102**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	2	-3	-5
Exceptional operations (including discontinued operation)	0	0	0
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**41**	**54**	**97**

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

(b) In the first-half of 2005, the net underlying investment result amounted to €67 million taking into account a €12 million charge presented in the June 2005 accounts as part of the "other expenses" and which was reclassified as part of the net investment result starting with the December 2005 accounts.

Gross revenues amounted to €1,106 million, up €37 million (+3%) driven by (i) a strong portfolio development in Property due to reinsurance program restructuring providing additional underwriting capacities (€53million), partly offset by (ii) a decline in Marine, as some risks were not renewed in a context of softening market.

The **net technical result** decreased by €6 million to €98 million:

- *The current accident year net technical result* increased by €19 million to €108 million reflecting a positive volume impact combined with a lower net attritional loss ratio in Property, Aviation and Marine.
- *The prior accident year net technical result* decreased by €27 million to €-10 million, resulting from reserve strengthening mainly in Liability whereas the first half-year 2005 was positively impacted by positive reserve developments in Property, Marine and Construction.

Expenses decreased by €6 million to €-102 million, mainly due to decreased commissions (€-7 million to €48 million) as a large motor contract with high commission rate was not renewed. The expense ratio decreased by 1 point to 12.1% resulting from the growth in premiums and lower commissions.

The combined ratio remained stable at 100.5%.

Net investment result improved by €17 million to €84 million driven by higher fixed maturities revenues notably reflecting a higher asset basis.

Income tax expenses increased by €11 million to €-35 million mainly as a result of higher taxable income.

As a consequence of lower general expenses and higher net investment result, **underlying earnings** increased by €5 million to €44 million.

Adjusted earnings decreased by €18 million to €39 million, as the €23 million decrease due to both lower realized gains and a foreign exchange negative impact, more than offset the €5 million improvement in underlying earnings.

Net income decreased by €13 million to €41 million, reflecting €18 million lower adjusted earnings partly offset by a €5 million positive impact from derivatives hedging equities.

AXA Cessions

Underlying earnings remained nearly stable at €4 million as the €5 million general expenses increase (staff and IT projects) was offset by a €2 million increase in investment income and a €2 million better technical result.

AXA Assistance

Underlying earnings were down €1 million to €9 million, mainly reflecting lower margins on some products and implementation costs in France, due to new services lines launched in 2006, which more than offset an increased activity (+12% on a comparable basis).

Adjusted earnings decreased by €3 million to €9 million, under the combined effect of lower underlying earnings and a less favorable foreign exchange impact (€+1 million in June 2005 versus nil in 2006).

Net income decreased by €26 million to €8 million reflecting decreased adjusted earnings and the non recurrence of the €23 million net impact of the sale of CAS in 2005.

Other

Following the announcement on June 6, 2006 of a definitive agreement to cede the business of AXA RE to Paris Re Holding Limited, with the risks and corresponding net income related to AXA RE's 2006 claims experience assumed by Paris Re Holdings Limited, AXA RE's contribution to AXA consolidated accounts corresponds mainly to the result of the run-off of the 2005 and prior years reserves of AXA RE. This contribution is from the first half-year 2006 accounts on presented as part of the "Other line of International Insurance segment".

Underlying earnings increased by €13 million to €8 million mainly due to a €4 million result on AXA Re run off portfolio, and a €12 million increase on US Life reinsurance activity due to favorable conditions on US stock market partly offset by a €3 million decrease in the other non life run-off portfolios.

Adjusted earnings and **net income** increased respectively by €31 million and €30 million to €28 million and €26 million driven by increased underlying earnings as well as equity gains realized on AXA Re run off portfolio.

Asset Management Segment

Consolidated Gross revenues

(in euro million)	HY 2006	HY 2005	FY 2005
AllianceBernstein	1 480	1 173	2 581
AXA Investment Managers	787	537	1 195
TOTAL	**2 267**	**1 709**	**3 776**
Intercompany transactions	-177	-159	-343
Contribution to consolidated gross revenues	**2 090**	**1 550**	**3 433**

Underlying, Adjusted earnings and Net Income

(in euro million)	HY 2006	HY 2005	FY 2005
AllianceBernstein	135	98	240
AXA Investment Managers	98	57	156
UNDERLYING EARNINGS	**233**	**154**	**396**
Net realized capital gains attributable to shareholders	4	5	5
ADJUSTED EARNINGS	**238**	**159**	**402**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-2	-2	11
Exceptional operations (including discontinued operations)	85	3	3
Goodwill and other related intangible impacts	0	0	-4
NET INCOME	**320**	**160**	**411**

AllianceBernstein

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**1 480**	**1 173**	**2 581**
Net underlying investment result	-1	-10	-21
Total revenues	**1 479**	**1 162**	**2 560**
General expenses	-1 076	-878	-1 852
Underlying operating earnings before tax	**402**	**285**	**707**
Income tax expenses / benefits	-109	-74	-193
Net income from investment in affiliates and associates	0	0	0
Minority interests	-159	-113	-274
Underlying earnings group share	**135**	**98**	**240**
Net capital gains attributable to shareholders net of income tax	1	4	6
Adjusted earnings group share	**136**	**102**	**246**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0	0
Exceptional operations (including discontinued operation)	85	3	8
Goodwill and other related intangibles impacts	0	0	0
Net income group share	**220**	**105**	**254**
Average exchange rate : 1,00 € = $	*1,2285*	*1,2853*	*1,2453*

Assets under Management ("AUM") increased by €1 billion to €492 billion compared to December 31, 2005, as strong net inflows of €23 billion across all client categories and a €14 billion impact from market appreciation were offset by a €37 billion negative exchange rate impact.

Fees, commissions and other revenues were up €307 million to €1,480 million, or up 26.5% on a comparable basis, due to higher investment advisory fees driven by 16% higher average AUM and better product mix (more global & International and style blend services higher institutional research activity, sale of low fee cash management services).

General expenses increased by €199 million or by €151 million (17%) at constant exchange rate, as higher compensation expense from increased earnings, partly offset by lower distribution costs due to the sale of cash management services.

The **underlying cost income ratio** decreased by 1.9 points from 71.9% in 2005 to 70.0%.

Income tax expenses increased by €34 million to €109 million, or up €30 million at constant exchange rate basis mainly as a result of higher pre tax-earnings.

Underlying earnings increased by €37 million to €135 million, or up €31 million at constant exchange rate basis due to higher earnings.

Adjusted earnings increased by €34 million to €136 million, or up €28 million at constant exchange rate basis driven by higher underlying earnings, partly offset by lower net capital gains (€-3 million).

Net income increased by €115 million to €220 million or up €106 million at constant exchange rate basis due to higher underlying earnings and on-going fees from the sale in 2005 of Alliance cash management services (€4 million net), dilution gain from the issuance of Alliance Holding units and related adjustment of deferred tax liability also resulting from dilution gain from prior period (€81 million).

AXA Investment Managers ("AXA IM")

(in euro million)	Periods ended June 30, 2 006	2005	FY 2005
Gross revenues	**787**	**537**	**1 195**
Net underlying investment result	16	9	27
Total revenues	**803**	**545**	**1 222**
General expenses	-625	-444	-956
Underlying operating earnings before tax	**178**	**102**	**267**
Income tax expenses / benefits	-60	-30	-78
Net income from investment in affiliates and associates	0	0	0
Minority interests	-19	-14	-32
Underlying earnings group share	**98**	**57**	**156**
Net capital gains attributable to shareholders net of income tax	3	0	-1
Adjusted earnings group share	**102**	**57**	**156**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-2	-2	11
Exceptional operations (including discontinued operation)	0	0	-5
Goodwill and other related intangibles impacts	0	0	-4
Net income group share	**99**	**55**	**156**

Assets under management ("AUM") were €441 billion as of June 30, 2006, up €9 billion compared to December 2005 (+2% on a comparable basis) mainly driven by €15 billion positive net new money, mainly from third-party institutional and retail clients, partly offset by a €-2.5 billion unfavorable market impact, and a €4.5 billion negative foreign exchange impact.

Fees, commissions and others revenues, including those earned from AXA insurance companies eliminated in consolidation, increased by 47% or by €250 million to €787 million. Excluding fees retroceded to distributors and €41 million revenues from AXA Framlington, net revenues grew by 35% on a comparable basis, mainly driven by higher average AUM (+20% on a comparable basis) and a positive client and product mix evolution.

General expenses increased by €181 million to €-625 million. Excluding commissions paid to third-party agent and €26 million from AXA Framlington, expenses increased by 26% on a comparable basis, at a lower pace than revenues, to €362 million on a comparable basis. This increase resulted notably from higher staff and contractor costs given the activity increase and the development of projects.

The **underlying cost income ratio** improved from 75.7% to 70.5%.

Underlying and **adjusted earnings** increased respectively by €42 million and €45 million to €98 million and €102 million as a result of the business growth and the improvement in the cost income ratio. Contribution to June 2006 underlying and adjusted earnings from AXA Framlington (purchased on October 31, 2005) was €9 million.

Net income increased by €44 million to €99 million in line with underlying and adjusted earnings evolution.

Other Financial Services Segment

The tables below present the revenues and the net income for the Other Financial Services segment for the periods indicated:

Consolidated Gross revenues

(in euro million)	HY 2006	HY 2005	FY 2005
AXA Bank (Belgium)	151	164	339
AXA Banque (France)	20	53	70
AXA Bank (Germany)	13	14	28
Other*	4	2	4
TOTAL	**189**	**232**	**441**
Intercompany transactions	-7	-7	-13
Contribution to consolidated gross revenues	**181**	**225**	**428**

** Includes CFP, CDO's and Real Estate entities*

Underlying, Adjusted earnings and Net Income

(in euro million)	HY 2006	HY 2005	FY 2005
AXA Bank (Belgium)	14	36	50
AXA Banque (France)	-1	-2	-8
AXA Bank (Germany)	2	1	3
Other*	18	8	23
UNDERLYING EARNINGS	**33**	**42**	**67**
Net realized capital gains attributable to shareholders	-0	5	6
ADJUSTED EARNINGS	**33**	**47**	**72**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-13	10	8
Exceptional operations (including discontinued operations)	0	2	2
Goodwill and other related intangible impacts	0	0	0
NET INCOME	**20**	**58**	**82**

** Includes CFP, CDO's and Real Estate entities*

AXA Bank (Belgium)

Net banking revenues decreased by €-12 million to €151 million due to lower capital gains (€-26 million) mainly on the investment portfolio (€-23 million) offset by higher net interest and fee income (€+13.2 million) driven by the increase in client operations.

Underlying earnings decreased by €22 million to €14 million due to €13 million lower fixed income capital gains, and the non recurrence of the reversal in 2005 of a provision for risks related to loan activities in France following a favorable court decision (€16 million), partly offset by an improved interest margin (€+8 million).

Adjusted earnings decreased by €27 million to €14 million driven by the decrease in underlying earnings (€-22 million) and lower capital gains on equities (down €5 million to nil in the first-half year 2006) notably due to the non recurrence of 2005 realized capital gains on Belgacom shares.

Net income decreased by €28 million to €17 million in line with adjusted earnings.

AXA Banque (France)

Net banking revenues decreased by 64% to €20 million on a comparable basis mainly due to the adverse impact of change in the interests rates on the macro hedging strategies (€+15 million in the first half-year 2005 versus €-24 million in the first half-year 2006). Excluding derivatives, **underlying banking revenues** increased by +21% due to higher interests revenues and higher commissions both reflecting a strong activity.

Underlying and **adjusted earnings** increased by €2 million to €-1 million mainly reflecting higher underlying banking revenues.

Net income decreased by €23 million to €-16 million, negatively impacted by the change in fair value of derivatives (a €16 million loss versus a €9 million gain in June 2005) as a consequence of the rise in interest rates on the portfolio of interest rates swaps used to hedge the overall balance sheet exposure.

AXA Bank (Germany)

Net banking revenues slightly decreased, down €1 million to €13 million: as consequence of a declined interest margin.

Underlying earnings, adjusted earnings and **net income** increased by €1 million to €2 million driven by reduced expenses.

Other

CFP

Underlying earnings increased by €13 million to €20 million mainly due to favorable developments on doubtful receivables.

Holding Company Activities

The Holding company activities consist of AXA's non-operating companies, including mainly AXA parent company, AXA France Assurance, AXA Financial, AXA Asia Pacific Holdings and AXA UK Holdings.

Underlying, Adjusted earnings and Net Income			
(in euro million)	**HY 2006**	**HY 2005**	**FY 2005**
AXA	-125	-86	-282
Other French holdings companies	-10	-11	-12
Foreign holdings companies	-109	-109	-255
UNDERLYING EARNINGS	**-244**	**-205**	**-549**
Net realized capital gains attributable to shareholders	19	-25	6
ADJUSTED EARNINGS	**-225**	**-230**	**-543**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-92	26	-4
Exceptional operations (including discontinued operations)	4	0	-99
Goodwill and other related intangible impacts	0	0	0
NET INCOME	**-313**	**-204**	**-645**

AXA

Excluding non recurring tax benefits of €39 million in June 2006 compared to €47 million in June 2005, **underlying earnings** decreased by €31 million to €-125 million.
This was mainly due to (i) a higher €12 million financial charge mostly related to the financing of the FINAXA exchangeable bond buy-back, executed at year-end 2005, (ii) a €5 million increase related to the cost of share based compensation and (iii) €12 million higher expenses mainly related to AXA trademark development (seasonality effect).

Adjusted earnings decreased by €1 million to €-103 million. The decrease of underlying earnings was almost fully offset by foreign exchange impacts which represented a gain of €22 million, versus realized foreign exchange losses of €16 million for June 2005.

Mark-to-market on derivative instruments which are not qualified as hedge accounting, decreased by €94 million:

(i) €-161 million due to the change of the mark-to-market on interest rate swaps not qualified as hedge accounting, mainly due to the increase of Euro interest rate in 2006 (€99 million loss, versus a profit of €62 million for June 2005).

(ii) €+67 million due to the change of the mark-to-market of foreign currencies options hedging AXA Group underlying earnings denominated in foreign currencies (€5 million gain, versus a loss of €62 million for June 2005),

Net income decreased by €105 million from €-102 million to €-207 million.

Other French holding companies

AXA France Assurance.

Underlying earnings increased by €2 million to €-14 million.

Adjusted earnings increased by €4 million to €-13 million driven by realized gains on equities.

Net income increased by €7 million to €-10 million thanks to a tax profit on the 2005 settlement with Nationwide.

Other French holdings.

Underlying and **adjusted earnings** remained nearly stable to €5 million and €4 million respectively.

Net income decreased by €29 million due to the change in fair value of derivatives (a €5 million loss versus a €26 million profit in June 2005).

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings decreased by €13 million to €-56 million, or by €11 million on a constant rate basis, due to higher share based compensation expenses.

Adjusted earnings decreased by €14 million, or €12 million on a constant rate basis, to €-56 million.

Net income increased by €4 million on a current rate basis, or €5 million on a constant rate basis, to €-37 million reflecting an increase in mark to market adjustments on interest rate swaps, a tax gain resulting from the settlement of contingencies related to the 2005 sale of Advest (€3 million), and an exceptional adjustment to taxes (€9 million)

AXA Asia Pacific Holdings[17] [18]

Underlying earnings decreased by €16 million on a comparable basis[19] to €-13 million largely due to the non-recurrence of a positive income received in the first half-year 2005 on cross currency interest rate swaps, following the restructuring of the forward rate hedging in July 2005. Lower interest revenue on inter-company arrangements also impacted the result.

Adjusted earnings and **net income** decreased by €12 million on a comparable basis to €-16 million reflecting lower underlying earnings partly offset by positive foreign exchange impacts.

[17] All comparisons to prior year figures are on a constant exchange rate basis

[18] AXA interest in AXA Asia Pacific Group is 52.8% broken down into 51.6% direct interest holding and an additional 1.2% owned by AAPH Executive plan trust

[19] At constant ownership interest (half year 2005: 51.6%)

AXA UK Holdings

Underlying earnings remained nearly stable at €-34 million as the absence of prior year tax provision releases was offset by higher investment income.

Adjusted earnings and **net income** reached €-35 million and €-37 million respectively: in line with underlying earnings.

Other foreign holding companies

German Holding companies

Underlying earnings improved by €33 million to €5 million as a result of lower interest expenses (€5 million) and higher tax benefits resulting from the fiscal union with AXA Versicherung (€24 million, including €19 million linked to the use of prior year tax losses carry-forward) implemented in the second half of 2005.

Adjusted earnings and **net income** improved by €33 million to €5 million in line with underlying earnings.

Belgium Holding companies

Underlying earnings increased by €3 million to €-5 million mainly due to the non recurrence of the indemnity fee paid following the early repayment of a loan to AXA Bank Belgium.

Adjusted earnings and **net income** equalled underlying earnings.

Netherlands Holding companies

Underlying earnings decreased by €4 million to €-5 million mainly driven by the payment of loan interest to AXA SA (impact of € -3.7 million).

Adjusted earnings and **net income** equalled underlying earnings.

Outlook

After a strong 2005 performance, AXA delivered on its organic growth objectives in the first half of 2006, resulting in strong earnings growth in Life and Savings, Property and Casualty and Asset Management, ahead of AXA's Ambition 2012 aspirational growth targets.

Management believes that the Group is entering the second half of 2006 with a good momentum in terms of revenues, combined ratio and new business value.

A prolongation of the present financial market environment with moderately rising interest rates and favorable equity markets should remain positive for Life and Savings and Asset Management.

In Property and Casualty, barring any major catastrophic event, despite the less positive underwriting environment, the combined ratio should remain in line with first half 2006 level.

First half realised gains exceed guidance for 2006.

AXA's continued strong organic growth focus, augmented by the earnings accretive pending acquisition of Winterthur, will enhance AXA's long term capacity to successfully deliver an earnings growth per share in line with Ambition 2012.

Glossary

COMPARABLE BASIS

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

ADJUSTED EARNINGS

Adjusted earnings represent the net income (group share) before

(i) The impact of exceptional operations (primarily change in scope, including restructuring costs related to a newly acquired company during the considered accounting period).

(ii) Goodwill and other related intangible impacts, and

(iii) Profit and loss on financial assets accounted for under fair value option (excluding assets backing contract liabilities for which the financial risk is borne by the policyholder) and derivatives related to invested assets (excluding (i) all impacts of foreign exchange except the ones related to currency options in earnings hedging strategies and (ii) those related to insurance contracts evaluated according to the “selective unlocking “accounting policy).

Adjusted earnings per share (**adjusted EPS**) represents the AXA's consolidated adjusted earnings, divided by the weighted average number of outstanding ordinary shares.

Adjusted earnings per share diluted (**adjusted EPS diluted**) represents the AXA's consolidated adjusted earnings, 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).

UNDERLYING EARNINGS

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

Net realized gains or losses attributable to shareholders include

- i) realized gains and losses (on assets not designated under fair value option or trading assets) ii)change in impairment valuation allowance, iii) foreign exchange rates impacts (including derivatives and except the ones mentioned above) net of tax,
- related impact on policyholder participation net of tax (Life business),
- DAC and VBI amortization or other reactivity to those elements if any (Life business).

The Statement of Income referred here-after and presented page 15 of the current document is based on an underlying basis.

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 on Income in accordance with IFRS. As a result, the operating income under 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 DPF:**

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

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

(iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets returns and to exclude the fees on (or contractual charges included in) contracts with a 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 accounts (unit-linked) business,

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

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

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

Underlying Net Technical result includes the following components:

(i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefit and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits, including changes in valuation assumptions and additional reserves for mortality risk. This margin does not include the claims handling costs and change in claims handling cost reserves,

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

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

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

(v) .Ceded reinsurance result.

Underlying Expenses are:

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

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

(iii) Amortization of acquisition expenses on current year and prior years 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

Underlying Operating earnings before tax corresponds to the income derived from operations, before tax, minority interest, and goodwill and other related intangible impact.

LIFE & SAVINGS COST INCOME RATIO

Underlying cost income ratio: Expenses as defined above / "underlying" operating margin, where:

- Expenses are total expenses, excluding expenses related to mutual fund business net of Participating Benefits, excluding deferral and amortization of Deferred Acquisition Costs (DAC) and net rights to future management fees and excluding amortization of Value of purchased Life Business In-force (VBI),

- "Underlying" operating margin is the sum of (i) Underlying Investment margin; (ii) Underlying Fees and revenues excluding the change in deferral income, 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 interest credited to insurance annuity reserves

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

(i) Earned premiums, gross of reinsurance,

(ii) Claims charges, gross of reinsurance,

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

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

Expense ratio is the ratio of:

(i) Expenses (excluding claims handling costs but including non recurring expenses), to

(ii) Earned revenues, gross of reinsurance.

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**)

Current accident year loss ratio (Property & Casualty) 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 interest credited to the insurance annuity reserves], to

(ii) Earned revenues, gross of reinsurance.

All accidents year loss ratio (Property & Casualty) 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 interest credited to the insurance annuity reserves]to ,

(ii) Earned revenues, gross of reinsurance.

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

AXA RE

Covers are specific reinsurance treaties, bought to protect all or a portion of the company's portfolio against **major losses**. If such losses do not occur over the insured period, a profit commission (or "no-claim bonus") is paid to the ceding company. In general, the **cost of a cover** is accrued (or by extension "earned") ratably over the treaty period.

Major losses are defined as any event whose ultimate cost, gross of reinsurance and reinstatement premiums, is greater than $30 million.

Net technical margin includes:

(i) Earned premiums, net of reinsurance (cession / retrocession and covers)

(ii) Claims charge all accident years, net of reinsurance, including major losses,

(iii) Commissions (fixed commissions, sliding scale commissions as well as profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies,

(iv) Claims handling costs.

Net attritional margin on current accident year includes the following elements:

(i) Earned premiums, net of cession / retrocession (reinsurance ceded excluding covers),

(ii) Current year claims charge (excluding major losses), net of cession / retrocession,

(iii) Commissions (fixed commissions, sliding scale commissions and profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies, excluding commissions related to covers,

(iv) Claims handling costs.

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.

Operating Cost Income Ratio: operating expenses over net revenues (including performance fees).