Embedded Value 2010 Report

February 17, 2011

Cautionary statements concerning forward-looking statements

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

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

This report includes non-GAAP financial measures. Embedded value is not based on IFRS, which are used to prepare and report AXA's financial statements and should not be viewed as a substitute for IFRS financial measures. In the attached report, the European Embedded Value is reconciled to IFRS shareholders' equity as reported in AXA's 2010 annual accounts. AXA believes the non-GAAP measure shown herein, together with the IFRS information, provides a meaningful measure for the investing public to evaluate AXA's business relative to the businesses of peers.

Key principles

The Embedded Value is an estimate of the economic value of a life insurance business, comprised of the adjusted net asset value (**ANAV**) and the value of the inforce business (**VIF**), including future profits on existing business but excluding any profits on future new business. It corresponds to the total net amount distributable to the shareholders, after sufficient allowance for the aggregated risks in the covered business, in a market-consistent environment.

From the end of 2004, AXA's methodology for Life & Savings EV has been compliant with the CFO Forum's European Embedded Value (EEV) Principles and guidance and has adopted a market-consistent approach. In particular, it:

- Provides for the cost of all significant options and guarantees (O&G) of Life & Savings businesses
- Includes a charge for cost of capital and non-financial risks (CoC/NFR)
- Does not include the margins earned by our affiliated investment management companies reported outside the Life & Savings segment, and with that respect is not compliant with the CFO Forum EEV Guidance 9.11.

In June 2008, the CFO Forum released the new MCEV Principles©[1]. Even though AXA already uses a market consistent methodology when making allowance for the aggregate risks in its Life & Savings business, AXA has remained formally under the EEV principles for its 2010 EV disclosure since the mandatory implementation date of MCEV principles was postponed so far to end-2011 by the CFO Forum.

[1] *© Stichting CFO Forum Foundation 2008*

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I. Highlights

Key figures

- **2010 Life & Savings European Embedded Value (EEV) was up by Euro 4.7 billion to Euro 40.5 billion**, driven by a strong operating performance of Euro 6.1 billon, partly offset by negative investment experience of Euro -1.4 billion, reflecting mainly the lower interest rates environment (see below).

  During 2010, part of the AXA UK Life & Savings business was sold to Resolution Ltd. This transaction reduced AXA UK Life & Savings EEV by Euro -2.6 billion (Euro -2.8 billion less Euro 0.2 billion of Pension Scheme transfer to the Holding company), presented as opening adjustment in this report. The Euro 2.4 billion proceeds of the transaction are shown in the Other than Life businesses segment of "Group EV" (see page 11).

  Operating return on Life & Savings European Embedded Value (EEV), increased to 18% (compared to 13% in 2009) reflecting a higher performance from the existing business and an increased 2010 New Business Value (up by 12% compared to 2009).

  Total return on Life & Savings European Embedded Value (EEV), was 14% in 2010 compared to 29% in 2009 (2009 EEV started at a lower level due to end of 2008 market conditions, leading to an exceptionally high total return in 2009). The main driver of lower return in 2010 versus 2009, despite a higher operating return, was the investment experience, representing a -4% impact on total return (16% in 2009) driven by changes in market conditions.

- **2010 Life & Savings New Business Value (NBV) increased by 12% to Euro 1.3 billion**, driven by an improved business mix (Euro 0.2 billion) mainly in the US and Japan.
  The NBV/APE margin increased to 22.3% (compared to 18.0% in 2009), reflecting the better profitability.

- Consistent with previous years, AXA used, at end 2010, reference rates which included, where applicable, liquidity premia over the swap curves for some of its entities. In line with industry's converging practices, AXA has adjusted the approach introduced in 2008 in its market-consistent methodology in terms of liquidity premium (calibration and allowance by products) and yield curve extrapolation for long term maturities where no sufficient liquid data is available on the markets. The resulting opening adjustments amounted to Euro -0.3 billion. A description of the methodology used to set these premia can be found in the Chapter IV of this report.

- **FY10 Implied Discount Rate (IDR) decreased to 6.9%**, reflecting the lower management case assumptions for future periods.

- **FY10 Internal Rate of Return (IRR)** increased from 10.3% in 2009 to 10.9%, as the positive business mix improvements and increased contribution from high growth markets were slightly offset by lower management case assumptions for future periods, consistent with the markets' deterioration observed in 2010.

- **FY10 Group Embedded Value ("Group EV") increased by Euro 3.7 billion to Euro 34.2 billion**. It was calculated as the sum of the Life & Savings EEV and the Tangible Net Asset Value (TNAV) for the other than Life businesses. This increase was largely driven by the strong increase in Life & Savings EEV (Euro 4.7 billion), while the TNAV for the other than Life businesses decreased by Euro -1.0 billion to Euro -6.3 billion, including Euro 1.1 billion operating performance, offset by the payment of 2010 dividend by AXA Group (Euro -1.3bn), and the negative impact of the foreign currency hedging program (Euro -2.6 billion).
  Consistently with the Life & Savings EEV presentation, the impact of deconsolidating part of the UK Life & Savings business is shown as opening adjustment in the Tangible Net Asset Value for the other than Life businesses, the total impact being neutral on Group EV. The transaction had a total Euro -0.4 billion net impact on Group EV, captured in the Operating return of other than Life businesses.

  Operating return on Group EV was 24% (compared to 27% in 2009) driven by a strong operating performance in Life & Savings. Other than Life businesses underlying earnings contributed up to Euro 1.4 billion to this return.

  Total return on Group EV was 16% in 2010, compared to 50% in 2009. The high return in 2009 was due to the low level of Group EV end of 2008 (Euro 18.6 billion compared to Euro 30.4 billion end of 2009). In addition, 2010 return was also impacted by market conditions, compared to a positive investment experience in 2009 (recovery from 2008 very low market conditions).

Life and savings EEV

Euro million, Group share	Free surplus	+	Required capital	=	ANAV	+	VIF	=	Life EEV 2010	Life EEV 2009
Opening Life & Savings EEV	**2,997**		**14,293**		**17,290**		**18,456**		**35,745**	**27,209**
Modeling changes and opening adj.	1,198		(2,211)		(1,013)		(1,468)		(2,481)	640
Adjusted opening Life & Savings EEV	**4,195**		**12,082**		**16,277**		**16,988**		**33,264**	**27,849**
Operating performance from existing business	4,059		(463)		3,596		1,205		4,801	2,475
Expected existing business contribution	3,615		(345)		3,269		(416)		2,853	2,649
Current year operational experience	444		(117)		327		(185)		141	1,123
Change in operational assumptions	-		-		-		1,806		1,806	(1,296)
New Business Value	(2,191)		806		(1,385)		2,675		1,290	1,113
Operating Return on Life & Savings EEV	**1,867**		**344**		**2,211**		**3,880**		**6,091**	**3,588**
Current year investment experience	931		(227)		704		(2,071)		(1,367)	4,501
Total return on Life & Savings EEV	**2,798**		**117**		**2,915**		**1,809**		**4,724**	**8,089**
Exchange rate movements impact	647		686		1,334		1,283		2,617	54
Others (incl. Life EEV of acquired business)	355		-		355		8		363	(770)
Dividends paid/received	(1,157)		-		(1,157)		-		(1,157)	(311)
Capital injections	666		-		666		-		666	834
Closing Life & Savings EEV	**7,504**		**12,885**		**20,389**		**20,087**		**40,476**	**35,745**
of which Life & Savings VIF									**20,087**	**18,456**
Certainty equivalent PVFP									26,009	24,905
Time value of O&G									(3,996)	(4,257)
CoC/NFR									(1,926)	(2,192)
Operating Return on Life & Savings EEV									**18%**	**13%**
Total Return on Life & Savings EEV									**14%**	**29%**

Modeling changes and opening adjustments of Euro -2,481 million largely driven by:

- the partial disposal of the UK Life & Savings business (Euro -2,798 million), as well as the positive impact (Euro 248 million) of transferring an employees' Pension Scheme deficit from the UK Life & Savings to the Holding segment of the Group EV, as most of the obligation relates to the divested business and employees no more part of the Group.
- It also included the impact of adjusting end of 2009 reference rate (Euro -285 million due to converging practices on liquidity premium, allowance by product and yield curve extrapolation for long term maturities).
- Remaining changes mainly reflected model refinements in different countries.

Operating performance from existing business of Euro 4,801 million included the following items:

Expected existing business contribution of Euro 2,853 million is the sum of the expected contribution from existing business assuming assets earned the beginning of period reference rates (Euro 645 million) and additional earnings consistent with the management case scenarios used to calculate IDR for the prior year (Euro 2,209 million).

The **current year operational experience** of Euro 141 million included the following impacts:

- France (Euro 386 million), primarily due to positive experience in 2010 Protection technical results.
- US (Euro 161 million), mainly reflecting favorable tax settlements.

partly offset by:

- CEE (Euro -177 million), reflecting a decrease in future contribution for Polish and Hungarian Pension Funds following recent actual or possible changes in local regulations (see NORCEE section).
- Japan (Euro -97 million), reflecting higher surrender and lapses than projected.
- Belgium (Euro -88 million), mainly driven by higher lapses than expected and a change in tax rate for the required capital following a change in asset allocation.

The **changes in operational assumptions** of Euro 1,806 million were mainly driven by France with Euro 1,542 million (projection of a lower loss ratio for Protection business, based on recurring positive experience in recent years) and Germany with Euro 311 million, reflecting updated actuarial assumptions and future profit sharing expectations.

New Business Value increased by 12%, on a comparable basis, to Euro 1,290 million despite a 2% decrease in New business APE, mainly driven by an improved business mix and favorable assumptions changes.

Operating Return on Life & Savings EEV of Euro 6,091 million represented 18% of Adjusted Opening Life & Savings EEV, compared to 13% in 2009. The higher return was driven by the favorable assumptions changes, and higher inforce and new business contributions.

Current year investment experience of Euro -1,367 million had a negative impact on EEV due to the changes in economic conditions compared to end of 2009. This impacted EEV through lower interest rates, widening sovereign bonds spreads, higher interest rates volatilities and higher Euro credit spreads.

Total Return on Life & Savings EEV was Euro 4,724 million or 14% over the Adjusted Opening Life & Savings EEV, with a strong contribution from the operational performance slightly balanced by a negative investment experience in 2010.

Exchange rate movements' impact amounted to Euro 2,617 million, reflecting a strong appreciation of foreign currencies.

Others (incl. Life EEV of acquired business) of Euro 363 million reflected an internal transfer of Central and Eastern Europe entities' shares between AXA Switzerland and the Group Holding. However this impact is neutral on the Group EV.

Dividends paid/received of Euro -1,157 million reflected net dividends paid by the Life & Savings segment to Other than Life segments in 2010.

Capital injections of Euro 666 million were mainly related to injections into the UK retained business, Central Eastern Europe entities, and AXA Life Europe (ALE) branches in Germany and Japan.

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Closing Life & Savings EEV of Euro 40,476 million was composed of the following items:

- **Life & Savings required capital** decreased by Euro -1,408 million to Euro 12,885 million, driven by:
  - the partial disposal of the UK Life & Savings business (Euro -1,706 million).
  - a lower local AA capital requirement in Belgium following an update of the model calibrations (see NORCEE section for more details),
  - investment experience reflecting higher unrealized capital gains, increasing resources covering the capital requirements,
  - partly offset by the New Business capital requirement of the year and foreign currencies appreciation.

- **Life & Savings free surplus** increased by Euro 4,507 million to Euro 7,504 million. The free surplus represents the net asset value held in excess of the shareholder's equity required to support the business. While not necessary to back existing liabilities or capital requirements, this excess may however not be immediately distributable to shareholders, because of, for example (but not limited to):
  - dividend distribution rules including other components than statutory earnings, or
  - implicit items in excess of hard capital but not yet realized (e.g. most of unrealized invested assets gains and losses):
    - total unrealized gains and losses not projected in Value of Inforce (VIF) end of 2010 amounted to Euro 3.4 billion, located mainly in France (Euro 1.3 billion), Asia-Pacific (Euro 1.2 billion), NORCEE (Euro 1.1 billion).

  The free surplus increase was mainly driven by:

  - the decrease in the required capital
  - higher unrealized capital gains in ANAV in a lower interest rates environment
  - strong existing business contribution reinforced by positive operational experience
  - lower cost of investing in New Business (strain on statutory earnings and required capital), primarily driven by a lower strain on statutory earnings in the US, reflecting a change in business mix towards less capital consuming products
  - appreciation of foreign currencies

- **Life & Savings VIF** increased by Euro 1,632 million to Euro 20,087 million. The favorable operational assumptions changes (Euro 1,806 million) of which 1,542 million in France – see PVFP below) and the strong New Business contribution (Euro 2,675 million) were balanced by a negative current year investment experience (Euro -1,922 million), reflecting adverse changes in market conditions, and the partial deconsolidation of the UK Life & Savings business (Euro -1,568 million).

  Certainty Equivalent PVFP increased by Euro 1,107 million to Euro 26,009 million, mainly driven by the positive impact of projecting a lower loss ratio for Protection business in France, based on recurring positive experience in recent years.

  The Time Value of O&G slightly decreased by Euro -262 million to Euro -3,996 million, principally driven by a favorable impact of higher long term reference rates in Switzerland (due to the alignment with industry practices of yield curve extrapolation methodology).

  CoC/NFR decreased by Euro -265 million to Euro -1,926 million reflecting lower capital requirements in 2010 (see above: mainly Belgium and UK).

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Reconciliation of Life & Savings IFRS Shareholders' Equity to ANAV

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

Euro million, Group share	2009	2010
Life & Savings Shareholders' equity	**38,018**	**41,502**
Net URCG not included in Shareholders' equity	906	936
Goodwill	(7,494)	(7,306)
Deferred Acquisition & Origination Costs (DAC & DOC)	(8,374)	(8,823)
Value of Business Inforce (VBI)	(2,432)	(2,044)
Other intangibles	(646)	(941)
UCG projected in PVFP & other Stat-GAAP adjustments	(2,687)	(2,936)
UCG projected in PVFP	*(1,361)*	*(2,298)*
other Stat-GAAP adjustments	*(1,327)*	*(638)*
Life & Savings Adjusted Net Asset Value (ANAV)	**17,290**	**20,389**

The major elements of the reconciliation are as follows:

- Addition of unrealized capital gains (or losses) net of taxes and policyholder bonuses to the extent these are not reflected in IFRS equity (for example real estate and loan assets not carried at market value).
- Elimination of all intangible assets.
- Deduction of unrealized gains/losses that are counted as part of the VIF.
- Other adjustments between Statutory and IFRS balance sheet, predominantly reflecting different reserving bases.

VIF maturity profile

The table below shows how the modeled discounted risk-neutral cashflows to be generated by the year-end existing business are expected to emerge into free surplus over future years. To show the profile of the VIF emergence, the VIF has been split into five maturity ranges representing timespan in which profits are expected to flow.

VIF maturity profile *(Euro million, Group share)*		
1 to 5 years	6,738	34%
6 to 10 years	6,227	31%
11 to 15 years	3,608	18%
16 to 20 years	1,813	9%
more than 20 years	1,702	8%
total	**20,087**	

The VIF maturity profile shows that 34% of the VIF should emerge in the first five years and 65% during the first 10 years. The decrease in expectations of the cash flows in this risk neutral environment in the 1-5 year bucket as compared to 2009 (46%) is mainly due to the US operations, where the projection of unit linked fund values in a sustained low growth rate environment leads to higher statutory reserves and capital requirements. This results in lower expected projected statutory profits in the first years in the US, whereas cash flow profiles using the management case are broadly similar in 2009 and 2010 for the US inforce. The US cashflows included above are calculated using models which do not so far, for simplicity reasons, factor management actions in, which could be projected, hence lowering such requirements.

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Implied Risk Discount Rate for Life & Savings VIF

Reference Interest Rate		Total IDR based on distributable earnings	
2009	2010	2009	2010
3.8%	3.3%	8.8%	6.9%

The reference rate reflects the yield used for the certainty equivalent valuation, based on the average business duration. It decreased in 2010, reflecting the lower interest rates environment.

The IDR decreased **to 6.9%**, driven by lower cost of options and guarantees, and reflecting less favorable management case assumptions for future periods.

The decrease in 2010 IDR means that the management case assumptions for future periods are closer to the economic environment.

2010 IDR will be the basis for calculating the 2011 expected return (excluding 2011 NBV).

Life and savings NBV

Euro million - Group share	2009	2010
Full Year - EEV based		
Regular premiums	*3,004*	*2,750*
Single premiums	*31,841*	*30,301*
Annualized Premium Equivalent (APE)	**6,188**	**5,780**
Capitalization factor	*9.6*	*10.0*
Present Value of Expected Premiums (PVEP)	60,675	57,794
New Business Value (NBV)	**1,113**	**1,290**
NBV/APE	**18.0%**	**22.3%**
NBV/PVEP	1.8%	2.2%
New Business IRR	**10.3%**	**10.9%**
APE change at comparable basis		-2%
PVEP change at comparable basis		-2%
NBV change at comparable basis		12%

Rollforward of Life & Savings NBV *(Euro million, Group share)*	
2009 Life & Savings NBV	1,113
Modeling changes and opening adjustments	(10)
Change in scope and acquisitions	(19)
Business-driven evolution:	150
Volume	*(2)*
Mix	*175*
Expenses	*(108)*
Investment market conditions	*(17)*
Assumptions changes and other	*101*
Currency impact	56
2010 Life & Savings NBV	1,290

Euro million - Group share	2009	2010
Certainty Equivalent Value less Strain	1,462	1,561
Time Value of O&G	(207)	(147)
CoC/NFR	(143)	(124)
NBV	1,113	1,290

- **Life & Savings New Business** APE slightly decreased by 2% to Euro 5,780 million, driven by France (reflecting significant Group retirement contracts in 2009 not repeated in 2010), and Japan reflecting the discontinuation of a non profitable medical product. These decreases were balanced by a strong performance in the UK (retained business only) and high growth countries.
- **Life & Savings New Business PVEP** decreased by 2% to 57,794 million, in line with the APE evolution.
- **Life & Savings New Business Value (NBV)** increased by 12%, on a comparable basis, to Euro 1,290 million, mainly due to:
  - a more favorable business mix, driven by the better profitability of redesigned Accumulator products in the US and Japan, and increase contribution of protection products in France
  - favorable assumptions changes, driven by the projection of a lower loss ratio for Protection business in France, based recurring on positive experience in recent years and improved mortality assumptions for Variable Annuity products in Germany
  - partly offset by lower volumes, and higher expenses (mainly in France as a result of changing the expenses allocation between acquisition and administration, and the UK reflecting the current subscale situation for the retained business).

The internal rate of return (**IRR**) increased to 10.9%, as the positive business/country (high growth markets) mix improvements were slightly offset by lower management case assumptions for future periods, consistent with the markets' deterioration observed in 2010.

IRR increase is in line with the NBV/APE margin improvement.

Reference Interest Rate		Total NB IDR based on distributable earnings	
2009	2010	2009	2010
3.4%	3.3%	5.2%	5.3%

IDR are lower for new business than those of inforce, reflecting a lower level of guarantees. 2010 IDR was stable compared to 2009.

Life and savings sensitivities

Life & Savings sensitivities (Euro million, Group share)	EEV 2010		NBV 2010	
Original amounts, full year 2010	40,476		1,290	
Upward parallel shift of 100 basis points in reference interest rates	781	2%	7	1%
Downward parallel shift of 100 basis points in reference interest rates	(2,440)	-6%	(77)	-6%
10% higher value of equity markets	1,401	3%	69	5%
10% lower value of equity markets	(1,536)	-4%	(70)	-5%
10% higher value of real estate	434	1%	13	1%
10% lower value of real estate	(445)	-1%	(10)	-1%
Overall 10% decrease in lapse rates	1,065	3%	130	10%
Overall and permanent decrease of 10% in expenses	1,627	4%	151	12%
5% lower mortality rate for annuity business	(352)	-1%	(16)	-1%
5% lower mortality rate for life business	718	2%	41	3%
Upward parallel shift of 25% of the volatility on equity markets	(778)	-2%	(42)	-3%
Upward parallel shift of 25% of the volatility on interest rates	(1,168)	-3%	(65)	-5%
50 basis points higher in credit spreads	(1,512)	-4%	(38)	-3%
50 basis points lower in credit spreads	1,415	3%	33	3%
Reference rate without liquidity premium	(1,691)	-4%	(41)	-3%
Reference rate with liquidity premia 10bps higher	703	2%	19	2%

The sensitivities to interest rate movement for EEV exhibit the classic pattern of decreases reducing value (because of contractual guarantees eroding target margins) while increases having a positive effect.

Sensitivities are applied one at a time, rather than in combination. Combined effects are likely to be different than implied by adding the effects of two separate sensitivities. The definition of these shocks is available in the Methodology section of this report.

New business often has a very different sensitivity than inforce due to significantly different portfolios. The new business will have a longer expected life than the average of inforce for the same product type, does not include impacts on free surplus, and has small reserves built-up, so sensitivities for NBV tend to be a larger percentage of value than those of EEV.

At group level, end of 2010 EEV is primarily sensitive to:

- Interest rates, driven by the US, Japan, France and Switzerland
- Equity markets, driven by the US, France and Belgium
- Credit spreads, driven by the US, France, and Northern and Central Eastern Europe countries
- Interest rates volatility, driven by the US, France and Switzerland.

2010 EEV sensitivities were in line with 2009.

The Euro -1.7 billion impact of not considering a liquidity premium in the EEV calculation decreased compared to 2009, consistently with the lower level of liquidity premia in 2010, and allowance by products.

At Group level, the NBV was less sensitive to financial parameters than in 2009, reflecting the impact of management actions to re-design products with a lower risk profile, and sell more Protection products.

Group EV

Life & Savings is only one of the business segments of the AXA Group, which also has notably Property & Casualty insurance, Asset Management, Bank, International Insurance, and Holdings segments.

AXA's Group Embedded Value (Group EV) is calculated as the sum of the Life & Savings European Embedded Value (L&S EEV) for the Life & Savings segment, and the Tangible Net Asset Value (TNAV) for other businesses.

The TNAV for other businesses is derived from the IFRS shareholders equity for other than Life & Savings businesses, and several adjustments are made to obtain this tangible value, notably the elimination of intangibles assets. Reconciliation between the IFRS shareholders equity and the tangible net asset value for other than Life & Savings is available in appendix 2.

	2010			2009
Euro million, group share	Life & Savings	Other businesses	Total Group	Total Group
Opening Group EV	35,745	(5,323)	30,422	18,600
Modeling changes and opening adjustments	(2,481)	2,375	(106)	57
Adjusted opening Group EV	33,264	(2,948)	30,316	18,657
Operating return	6,091	1,065	7,156	4,974
Current year investment experience	(1,367)	(861)	(2,228)	4,397
Total return	4,724	205	4,928	9,371
Internal dividends payment	(1,157)	1,157	-	-
Dividend paid by the Group	-	(1,259)	(1,259)	(836)
Capital flows	666	(666)	-	-
Exchange rate movements impact	2,617	(2,809)	(193)	272
Acquired / Disinvested business and others	363	(388)	(25)	434
Change in shares issued and treasury shares	-	385	385	2,523
Closing Group EV	40,476	(6,324)	34,152	30,422
Operating return on Group EV	18%		24%	27%
Total return on Group EV	14%		16%	50%

Modeling changes and opening adjustments of Euro 2,375 million for Other than Life businesses were mainly attributable to the Euro 2,798 million adjustment reflecting the UK Life & Savings disposal, consistent with the treatment in Life & Savings EEV, as well as the transfer of a pension provision from the UK Life to the Holding segment (Euro -248 million). Remaining adjustments were related to the buy-out of minority shares in CEE.

Operating return of Euro 1,065 million for Other than Life business mainly included the following items:

- underlying Earnings of Euro 1,419 million
- a normalized capital gain assumption of 4.5% before tax on held equities, or Euro 256 million
- correction of interest on undated subordinated debts of Euro -300 million which are considered as debt in this movement analysis.
- Euro –380 million of net difference between the proceeds received and the Life & Savings EEV for the UK Life & Savings disposal

Current year investment experience of Euro -861 million for Other than Life businesses included:

- after-tax Net Income (Euro 1,352 million) less Underlying Earnings and less 4.5% normalized equity capital gain assumption, netting to Euro -323 million
- change in fair value for items not reflected in IFRS net income (e.g. invested assets, debts including TSS/TSDI, pension actuarial gains and losses in SoCI) of Euro -313 million
- elimination of dividends paid to the Life & Savings segment, which are considered as investment return by the Life & Savings segment and therefore were shown as a negative investment return in Other than Life Businesses.

Total Return of Euro 205 million for Other than Life businesses is equal to the operating return plus the current year investment experience.

Internal dividends payment for Other than Life businesses reflected the net dividend paid by the Life & Savings entities. It is noteworthy that these dividends do not necessarily represent cashflows received at Group Holding level.

Dividends from Property and Casualty, Asset Management, International Insurance and Banking activities paid to the Holdings segment are not shown in the table above, as neutral at the total Other than Life level.

Dividend paid by the Group for Other than Life businesses reflected the 2010 dividend paid by the Group Holding to shareholders.

Other Capital Flows for Other than Life businesses include impacts from a variety of internal transfers, resulting in 2010 in a net capital injection made to the Life & Savings segment.

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

Acquired/Disinvested business and others impact on Other than Life businesses mainly reflects the impacts related to the transfer of CEE shares from Switzerland Life & Savings to the Holdings segment.

Change in shares issued and treasury shares of Euro 385 million mainly reflected 2010 Shareplan.

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II. Detailed results by region

United States

LIFE AND SAVINGS EEV

Euro million, Group share	Free surplus	+	Required capital	=	ANAV	+	VIF	=	US EEV 2010	US EEV 2009
Opening Life & Savings EEV	1,243		1,843		3,086		3,393		6,478	5,225
Modeling changes and opening adj.	(284)		269		(15)		(531)		(546)	(0)
Adjusted opening Life & Savings EEV	958		2,112		3,071		2,861		5,932	5,225
Operating performance from existing business	1,379		(287)		1,092		(138)		954	394
Expected existing business contribution	862		(69)		793		85		878	774
Current year operational experience	517		(218)		299		(138)		161	986
Change in operational assumptions	-		-		-		(86)		(86)	(1,366)
New Business Value	(311)		104		(207)		329		122	72
Operating Return on Life & Savings EEV	1,068		(183)		885		191		1,076	466
Current year investment experience	(253)		(59)		(313)		(26)		(339)	1,979
Total return on Life & Savings EEV	815		(242)		572		165		738	2,445
Exchange rate movements impact	64		145		208		195		403	(176)
Others (incl. Life EEV of acquired business)	-		-		-		-		-	(922)
Capital flows	(277)		-		(277)		-		(277)	(93)
Closing Life & Savings EEV	1,560		2,015		3,575		3,221		6,795	6,478
of which Life & Savings VIF									3,221	3,393
Certainty equivalent PVFP									4,267	4,448
Time value of O&G									(719)	(755)
CoC/NFR									(327)	(301)
Operating Return on Life & Savings EEV									18%	9%
Total Return on Life & Savings EEV									12%	47%

Modeling changes and opening adjustments of Euro -546 million mainly reflected the impact of adjusting end of 2009 reference rate (converging practices on liquidity premium, product allowance and yield curve extrapolation), as well as an update of the local AA capital requirement model calibration (Euro -129 million negative impact due to higher Cost of Capital). The impact of adjusting end of 2009 reference rate was negative mainly because of the impact of moving to a 0% liquidity premium on GMIB products.

The **operating return** was 18%. 2009 operating return included negative Euro -380 million of operational changes, while in 2010 the operating return included Euro 76 million of operational changes, split as follows:

- Euro 161 million of **operational experience** due to tax impacts including favorable tax settlements.
- Euro -86 million of changes in **operational assumptions** were mainly related to revised premium assumptions on Universal Life products.

The total return of 12% was negatively impacted by a negative investment experience of Euro -339 million, driven by impairment on CMBS and the lower interest rates environment.

The **capital flows** of Euro -277 million reflected dividends paid by AXA Equitable to its parent company AXA Financial Holding.

The **ANAV** increased to Euro 3,575 million driven by a strong inforce contribution.

- **The required capital** slightly increased by Euro 172 million to Euro 2,015 million, including Euro 145 million impact of currency impact.
- **The free surplus** increased by Euro 317 million to Euro 1,560 million, primarily driven by the expected inforce contribution and operational experience, and partly offset by:
  - new business investments
  - investment experience, and
  - dividend payment during the year.

As mentioned on page 7, the free surplus represents the net asset value held in excess of the shareholder's equity required to support the business. While not necessary to back existing liabilities or capital requirements, this excess may however not be immediately distributable to shareholders because of dividend distribution rules including other components than statutory earnings. This is the case in the US in the State of New York where the ordinary dividend is defined as the minimum of Previous year's Statutory Net Gains from Operations (based on statutory earnings components) and 10% of the previous year's Statutory Surplus (including AllianceBernstein which is excluded from the Life & Savings EEV scope).

The **VIF** slightly decreased to Euro 3,221 million, driven by negative modeling adjustments (see above) and negative operational experience, partly offset by the New Business contribution and appreciation of the US dollar.

Reference Interest Rate		Total IDR based on distributable earnings	
2009	2010	2009	2010
4.2%	3.9%	15.1%	14.0%

The **IDR** decreased in line with the **reference rate**, and the negative impact of a lower expected return on required capital (based on the management case assumptions for future periods).

LIFE AND SAVINGS NBV

Euro million - Group share	2009	2010
Full Year - EEV based		
Regular premiums	*329*	*311*
Single premiums	*6,651*	*6,752*
Annualized Premium Equivalent (APE)	**994**	**986**
Capitalization factor	*11.0*	*10.1*
Present Value of Expected Premiums (PVEP)	10,272	9,882
New Business Value (NBV)	**73**	**122**
NBV/APE	**7.3%**	**12.4%**
NBV/PVEP	0.7%	1.2%
New Business IRR	**8.9%**	**9.8%**
APE change at comparable basis		-5%
PVEP change at comparable basis		-8%
NBV change at comparable basis		62%

Rollforward of Life & Savings NBV *(Euro million, Group share)*	
2009 Life & Savings NBV	**73**
Modeling changes and opening adjustments	-
Change in scope and acquisitions	0
Business-driven evolution:	47
Volume	*(4)*
Mix	*64*
Expenses	*(18)*
Investment market conditions	*(2)*
Assumptions changes and other	*6*
Currency impact	3
2010 Life & Savings NBV	**122**

Euro million - Group share	2009	2010
Certainty Equivalent Value less Strain	134	164
Time Value of O&G	(41)	(23)
CoC/NFR	(21)	(18)
NBV	**73**	**122**

- **APE** decreased by 5%, primarily due to the decline of Accumulator APE as a consequence of lower guaranteed rates, and partly mitigated by higher Mutual Funds sales, following the equity markets recovery.
- **NBV** increased by 62%, to Euro 122 million, mainly due to:
  - favorable changes in mix, reflecting the increased profitability of both redesigned Accumulator products and new Cornerstone product.
  - partly offset by the negative impact of higher unit costs, due to lower volumes.
- This resulted in a higher **NBV/APE** ratio (12.4% compared to 7.3% in 2009).

The IRR increased to 9.8%, driven by an increased profitability, and a lower free surplus consumption by 2010 New Business.

The lower Time Value of O&G reflected management actions taken to de-risk New Business, notably a reduced guaranteed rate on Equivest product

Reference Interest Rate		Total NB IDR based on distributable earnings	
2009	2010	2009	2010
3.5%	3.9%	7.2%	7.2%

The **IDR** remained stable, as the lower gap between current investment market conditions and management case assumptions for future periods was offset by the business mix improvement.

LIFE AND SAVINGS SENSITIVITIES

Life & Savings sensitivities *(Euro million, Group share)*	EEV		NBV	
Original amounts, full year 2010	6,795		122	
Upward parallel shift of 100 basis points in reference interest rates	392	6%	9	7%
Downward parallel shift of 100 basis points in reference interest rates	(795)	-12%	(13)	-11%
10% higher value of equity markets	408	6%	32	26%
10% lower value of equity markets	(494)	-7%	(34)	-28%
10% higher value of real estate	16	0%	-	0%
10% lower value of real estate	(16)	0%	-	0%
Overall 10% decrease in lapse rates	61	1%	10	8%
Overall and permanent decrease of 10% in expenses	309	5%	47	38%
5% lower mortality rate for annuity business	(87)	-1%	(1)	0%
5% lower mortality rate for life business	405	6%	20	16%
Upward parallel shift of 25% of the volatility on equity markets	(234)	-3%	(7)	-5%
Upward parallel shift of 25% of the volatility on interest rates	(209)	-3%	(21)	-17%
50 basis points higher in credit spreads	(426)	-6%	(4)	-3%
50 basis points lower in credit spreads	437	6%	3	3%
Reference rate without liquidity premium	(348)	-5%	(2)	-2%
Reference rate with liquidity premia 10bps higher	62	1%	0	0%

The sensitivities to interest rate movement for EEV exhibit the classic pattern of decreases reducing value (because of contractual guarantees eroding target margins) while increases having a positive effect.

As compared to 2009, EEV is more sensitive to financial parameters, reflecting the deterioration of the economic environment.

The significant sensitivities to interest rates and equity markets shocks are driven by the high proportion of Variable Annuity products, highly sensitive to these parameters.

The high sensitivity to credit spreads is due to a significant proportion of corporate bonds in the assets portfolio.

The Euro -348 million impact of not considering a liquidity premium in the EEV calculation decreased compared to 2009, reflecting the impact of moving to a 0% liquidity premium on GMIB products.

The NBV sensitivities to lower equity markets are explained by lower Unit-Linked fees and increased Variable Annuities CoC/NFR through higher Required Capital.

The NBV sensitivities to interest rates volatility are explained by the sensitivity of Vatiable Annuities business to these parameters, while the NBV sensitivity to equity volatility has been significantly reduced as compared to year end 2009 with the implementation of the AXA Tactical Manager (ATM) tool.

France

LIFE AND SAVINGS EEV

Euro million, Group share	Free surplus	+	Required capital	=	ANAV	+	VIF	=	France EEV 2010	France EEV 2009
Opening Life & Savings EEV	900		3,612		4,512		2,502		7,014	5,709
Modeling changes and opening adj.	91		(91)		0		244		244	354
Adjusted opening Life & Savings EEV	991		3,522		4,512		2,746		7,258	6,063
Operating performance from existing business	949		(81)		868		1,714		2,582	170
Expected existing business contribution	873		(145)		728		(75)		653	596
Current year operational experience	76		64		140		246		386	(104)
Change in operational assumptions	-		-		-		1,542		1,542	(321)
New Business Value	(623)		290		(333)		492		159	145
Operating Return on Life & Savings EEV	326		209		535		2,206		2,741	315
Current year investment experience	132		(7)		125		(418)		(293)	662
Total return on Life & Savings EEV	458		202		661		1,788		2,448	977
Exchange rate movements impact	0		-		0		(0)		(0)	-
Others (incl. Life EEV of acquired business)	-		-		-		-		-	-
Capital flows	(181)		-		(181)		-		(181)	(26)
Closing Life & Savings EEV	1,268		3,724		4,992		4,534		9,526	7,014
of which Life & Savings VIF									4,534	2,502
Certainty equivalent PVFP									6,185	4,111
Time value of O&G									(1,222)	(1,151)
CoC/NFR									(429)	(458)
Operating Return on Life & Savings EEV									38%	5%
Total Return on Life & Savings EEV									34%	16%

Modeling changes and opening adjustments mainly reflected a refinement of the policyholder bonus mechanism in Group Protection business, and the impact of adjusting end of 2009 reference rate (converging practices on liquidity premium, product allowance and yield curve extrapolation).

The **operating return** of 38% was exceptionally impacted by 2010 **operational experience** and favorable **operational assumptions changes.**

- The Euro 386 million **operational experience** was mainly driven by positive reserve development on Protection business, as well as lower tax expenses in 2010 than projected.
- The Euro 1,542 million of **changes in operational assumptions** mainly reflected the projection of a lower loss ratio for Protection and Health business based on recurring positive experience in recent years (as shown above in 2010).

The **total return** of 34% was negatively impacted by the **current year investment experience** (Euro -293 million) mainly reflecting a lower interest rates environment, higher interest rates volatility, and higher credit spreads.

The **capital flows** of Euro -181 million reflect net dividends paid.

The **EEV** of Euro 9,526 million was composed of the following elements:

- **Required capital** slightly increased to Euro 3,724 million driven by New Business requirements.
- **Free surplus** increased to Euro 1,268 million compared to 2009, driven by a strong existing business contribution reinforced by the positive operational experience on Protection and Health business and investment experience, with higher unrealized capital gains in the lower interest rates environment. Overall investment in New Business remains stable.
- **VIF** strongly increased to Euro 4,534 million, benefiting from the change in assumptions for the Protection and Health business, and contribution from New Business.

Reference Interest Rate		Total IDR based on distributable earnings	
2009	2010	2009	2010
4.0%	3.7%	8.8%	7.2%

The **IDR** decreased more sharply than the reference rate. The increase in value due to operational assumptions changes has a dilutive impact on IDR while the margin for financial risks remains stable.

LIFE AND SAVINGS NBV

Euro million - Group share	2009	2010
Full Year - EEV based		
Regular premiums	*647*	*609*
Single premiums	*9,543*	*7,748*
Annualized Premium Equivalent (APE)	**1,602**	**1,384**
Capitalization factor	*12.3*	*11.1*
Present Value of Expected Premiums (PVEP)	17,512	14,516
New Business Value (NBV)	**145**	**159**
NBV/APE	**9.0%**	**11.5%**
NBV/PVEP	0.8%	1.1%
New Business IRR	**8.4%**	**8.4%**
APE change at comparable basis		-14%
PVEP change at comparable basis		-17%
NBV change at comparable basis		10%

Rollforward of Life & Savings NBV *(Euro million, Group share)*	
2009 Life & Savings NBV	**145**
Modeling changes and opening adjustments	-
Change in scope and acquisitions	0
Business-driven evolution:	15
Volume	*(20)*
Mix	*22*
Expenses	*(44)*
Investment market conditions	*(7)*
Assumptions changes and other	*64*
Currency impact	-
2010 Life & Savings NBV	**159**

Euro million - Group share	2009	2010
Certainty Equivalent Value less Strain	250	239
Time Value of O&G	(57)	(46)
CoC/NFR	(49)	(34)
NBV	**145**	**159**

- **APE** decreased by 14% to Euro 1,384 million, driven by lower sales of Individual Savings and Group retirement businesses (as large Group retirement contracts in 2009 were not repeated in 2010).
- **NBV** increased by 10% to Euro 159 million, mainly due to:
  - a positive impact from considering an economic loss ratio for Protection and Health business
  - an improved business mix, reflecting an increased proportion of Protection business
  - partly offset by lower volumes and higher expenses (as a result of changing the expense allocation between acquisition and administration).
- This resulted in a higher **NBV/APE** ratio at 11.5%.

The IRR was stable at 8.4%, as the positive impact of the improved loss ratio assumption was offset by higher expenses allocated to New Business

Reference Interest Rate		Total NB IDR based on distributable earnings	
2009	2010	2009	2010
4.0%	3.7%	6.3%	5.7%

- IDRs are lower for new business than those of inforce reflecting a lower level of guarantees.
- The IDR decreased more sharply than the reference rate, driven by the lower cost of options and guarantees, and business mix with Protection business being less sensitive to market risk margins.

LIFE AND SAVINGS SENSITIVITIES

Life & Savings sensitivities *(Euro million, Group share)*	EEV		NBV	
Original amounts, full year 2010	9,526		159	
Upward parallel shift of 100 basis points in reference interest rates	30	0%	(21)	-13%
Downward parallel shift of 100 basis points in reference interest rates	(473)	-5%	11	7%
10% higher value of equity markets	329	3%	5	3%
10% lower value of equity markets	(331)	-3%	(5)	-3%
10% higher value of real estate	169	2%	4	3%
10% lower value of real estate	(172)	-2%	(4)	-3%
Overall 10% decrease in lapse rates	233	2%	33	21%
Overall and permanent decrease of 10% in expenses	547	6%	37	23%
5% lower mortality rate for annuity business	(30)	0%	(3)	-2%
5% lower mortality rate for life business	19	0%	2	1%
Upward parallel shift of 25% of the volatility on equity markets	(220)	-2%	(7)	-4%
Upward parallel shift of 25% of the volatility on interest rates	(281)	-3%	(10)	-6%
50 basis points higher in credit spreads	(219)	-2%	(9)	-6%
50 basis points lower in credit spreads	206	2%	8	5%
Reference rate without liquidity premium	(514)	-5%	(10)	-6%
Reference rate with liquidity premia 10bps higher	143	1%	3	2%

EEV is mainly sensitive to:

- a decrease in interest rates, with impact on Group Retirement business
- equity markets on Unit-Linked business
- interest rates volatility, affecting the Time Value of Options & Guarantees on General Account business.
- expenses, reflecting a high level of projected costs.

As compared to 2009, EEV is less sensitive to interest rates variations, reflecting a refinement of the policyholder bonus mechanism in Group Protection business, and more sensitive to volatilities, due to the higher level of implied interest rates volatilities.

NBV sensitivities are higher than for inforce business, as only the VIF is shocked (the strain remaining unchanged) while ANAV is shocked for inforce business.

United Kingdom

LIFE AND SAVINGS EEV

Euro million, Group share	Free surplus	+	Required capital	=	ANAV	+	VIF	=	UK EEV 2010	UK EEV 2009
Opening Life & Savings EEV	(554)		1,731		1,177		2,043		3,220	2,503
Modeling changes and opening adj.	701		(1,706)		(1,006)		(1,618)		(2,623)	(86)
Adjusted opening Life & Savings EEV	147		25		172		425		596	2,417
Operating performance from existing business	5		-		5		(54)		(49)	381
Expected existing business contribution	82		-		82		(51)		31	225
Current year operational experience	(78)		-		(78)		(6)		(84)	62
Change in operational assumptions	-		-		-		4		4	94
New Business Value	(122)		-		(122)		151		29	97
Operating Return on Life & Savings EEV	(117)		-		(117)		97		(20)	478
Current year investment experience	-		-		-		28		28	179
Total return on Life & Savings EEV	(117)		-		(117)		125		8	657
Exchange rate movements impact	6		1		7		16		23	193
Others (incl. Life EEV of acquired business)	-		-		-		-		-	-
Capital flows	318		-		318		-		318	(48)
Closing Life & Savings EEV	353		26		379		566		945	3,220
of which Life & Savings VIF									566	2,043
Certainty equivalent PVFP									577	2,288
Time value of O&G									-	(34)
CoC/NFR									(11)	(211)
Operating Return on Life & Savings EEV									-3%	20%
Total Return on Life & Savings EEV									1%	27%

Modeling changes and opening adjustments of Euro -2,623 million mainly included the impact of the partial deconsolidation of the UK Life & Savings business sold to Resolution Ltd in 2010, and the positive impact of transferring a pension provision from the UK Life & Savings to the Holdings segment of the Group EV. The proceeds of the transaction are shown in the Other than Life businesses segment of Group EV.

Adjusted opening Life & Savings EEV of Euro 596 million represented an adjusted end of 2009 UK Life EEV, excluding the business sold to Resolution. The analysis below only focuses on the UK Life & Savings business retained by AXA after the transaction.

The operating return of -3% was negatively impacted by the current year **operational experience** of Euro -84 million. It mainly reflected separation costs, following the transaction with Resolution.

The total return of 1% was favorably impacted by the current year **investment experience** of Euro 28 million, mainly reflecting the positive impact of lower interest rates environment on Protection business.

The capital flows of Euro 318 million reflected capital injections to support the growth of the retained Wealth Business.

The EEV of Euro 945 million was composed of the following elements:

- **Required capital** remained stable at Euro 26 million. The retained business gives rise to a very low capital requirement.
- **Free surplus** increased to Euro 353 million, as a consequence of the capital injections.
- **VIF** increased to Euro 566 million, driven by a strong New Business contribution.

Reference Interest Rate		Total IDR based on distributable earnings	
2009	2010	2009	2010
5.0%	3.6%	7.0%	7.5%

The **IDR** increased despite a decrease in the **reference rate** because of a lower weight of the cost of capital for the retained business.

LIFE AND SAVINGS NBV

Euro million - Group share	2009	2010
Full Year - EEV based		
Regular premiums	*386*	*107*
Single premiums	*5,409*	*4,379*
Annualized Premium Equivalent (APE)	**926**	**545**
Capitalization factor	*5.6*	*6.7*
Present Value of Expected Premiums (PVEP)	7,568	5,092
New Business Value (NBV)	**97**	**29**
NBV/APE	**10.5%**	**5.4%**
NBV/PVEP	1.3%	0.6%
New Business IRR	**9.4%**	**8.4%**
APE change at comparable basis		35%
PVEP change at comparable basis		36%
NBV change at comparable basis		-58%

Rollforward of Life & Savings NBV *(Euro million, Group share)*	
2009 Life & Savings NBV	**97**
Modeling changes and opening adjustments	(3)
Change in scope and acquisitions	(31)
Business-driven evolution:	(38)
Volume	*25*
Mix	*(16)*
Expenses	*(28)*
Investment market conditions	*-*
Assumptions changes and other	*(19)*
Currency impact	3
2010 Life & Savings NBV	**29**

Euro million - Group share	2009	2010
Certainty Equivalent Value less Strain	98	30
Time Value of O&G	-	-
CoC/NFR	(1)	(1)
NBV	97	29

Reference Interest Rate		Total NB IDR based on distributable earnings	
2009	2010	2009	2010
4.2%	3.7%	5.8%	5.5%

The analysis below is based on the UK retained business only. Comparable basis figures for 2009 were Euro 390 million APE and Euro 67 million NBV.

- **APE** increased by 35% to Euro 545 million mainly driven by Mutual Funds sales through Elevate platform, Investment and Savings products and Individual Pensions.
- **NBV** decreased by 58% to Euro 29 million, mainly due to:
  - higher unit costs, reflecting the current sub-scale situation for the retained business
  - a change in the tax position, direct consequence of the transaction with Resolution Ltd
- This resulted in a lower **NBV/APE** margin at 5.4%.

The IRR decreased to 8.4%, driven by higher unit costs and changes in tax position.

IDR slightly decreased to 5.5%, in line with the reference rate. Contrary to inforce business, the weight of cost of capital remains unchanged compared to 2009.

LIFE AND SAVINGS SENSITIVITIES

Life & Savings sensitivities *(Euro million, Group share)*	EEV		NBV	
Original amounts, full year 2010	945		29	
Upward parallel shift of 100 basis points in reference interest rates	(13)	-1%	(1)	-3%
Downward parallel shift of 100 basis points in reference interest rates	14	1%	1	3%
10% higher value of equity markets	30	3%	4	15%
10% lower value of equity markets	(27)	-3%	(4)	-15%
10% higher value of real estate	2	0%	0	0%
10% lower value of real estate	(2)	0%	(0)	0%
Overall 10% decrease in lapse rates	33	3%	6	20%
Overall and permanent decrease of 10% in expenses	34	4%	10	33%
5% lower mortality rate for annuity business	-	0%	-	0%
5% lower mortality rate for life business	20	2%	3	11%
Upward parallel shift of 25% of the volatility on equity markets	-	0%	-	0%
Upward parallel shift of 25% of the volatility on interest rates	-	0%	-	0%
50 basis points higher in credit spreads	(1)	0%	0	0%
50 basis points lower in credit spreads	1	0%	0	0%
Reference rate without liquidity premium	5	1%	(0)	-1%
Reference rate with liquidity premia 10bps higher	(1)	0%	0	0%

EEV is mainly sensitive to equity markets, expenses and lapses, reflecting the high proportion of Unit-Linked business.

As compared to 2009, EEV is less sensitive to interest rates and credit spreads, reflecting the disposal of the Annuity business and With-Profit Funds.

The unusual pattern of sensitivities to interest rates, i.e. a negative sensitivity to an increase in interest rates is due to the high proportion of Protection Business in the UK.

NBV sensitivities are in line with EEV sensitivities, the higher impacts being due to the weight of the New Business Strain not shocked in these sensitivities.

Northern and Central Eastern Europe

LIFE AND SAVINGS EEV

Euro million, Group share	Free surplus +	Required capital =	ANAV +	VIF =	NORCEE EEV 2010	NORCEE EEV 2009
Opening Life & Savings EEV	(1,290)	5,122	3,832	5,469	9,301	6,103
Modeling changes and opening adj.	696	(694)	2	582	584	473
Adjusted opening Life & Savings EEV	(594)	4,428	3,834	6,051	9,885	6,576
Operating performance from existing business	630	68	698	60	758	882
Expected existing business contribution	726	(8)	718	(18)	700	625
Current year operational experience	(95)	75	(20)	(159)	(179)	(11)
Change in operational assumptions	-	-	-	236	236	268
New Business Value	(566)	201	(365)	663	299	223
Operating Return on Life & Savings EEV	65	269	333	723	1,056	1,105
Current year investment experience	603	(227)	376	(721)	(346)	1,049
Total return on Life & Savings EEV	668	41	709	2	711	2,153
Exchange rate movements impact	9	366	374	388	763	41
Others (incl. Life EEV of acquired business)	362	-	362	-	362	-
Capital flows	257	-	257	-	257	531
Closing Life & Savings EEV	702	4,835	5,536	6,441	11,978	9,301
of which Life & Savings VIF					6,441	5,469
Certainty equivalent PVFP					8,694	8,166
Time value of O&G					(1,428)	(1,775)
CoC/NFR					(825)	(923)
Operating Return on Life & Savings EEV					11%	17%
Total Return on Life & Savings EEV					7%	33%

Euro million, Group share	Germany 2010	Belgium 2010	Switzerland 2010	CEE 2010	NORCEE 2010
Opening Life & Savings EEV	3,257	2,374	3,056	614	9,301
Modeling changes and opening adj.	(71)	195	293	168	584
Adjusted opening Life & Savings EEV	3,186	2,569	3,348	782	9,885
Operating performance from existing business	595	121	172	(131)	758
Expected existing business contribution	252	210	198	40	700
Current year operational experience	32	(88)	54	(177)	(179)
Change in operational assumptions	311	(1)	(80)	6	236
New Business Value	96	22	124	56	299
Operating Return on Life & Savings EEV	691	144	296	(74)	1,056
Current year investment experience	(405)	(231)	278	12	(346)
Total return on Life & Savings EEV	286	(88)	574	(62)	711
Exchange rate movements impact	(0)	-	737	26	763
Others (incl. Life EEV of acquired business)	-	-	362	-	362
Capital flows	20	30	76	131	257
Closing Life & Savings EEV	3,492	2,512	5,097	877	11,978
of which Life & Savings ANAV	958	1,588	2,699	291	5,536
Required capital	1,250	1,144	2,243	198	4,835
Free surplus	(292)	444	456	93	702
of which Life & Savings VIF	2,534	924	2,398	586	6,441
Certainty equivalent PVFP	3,241	1,815	3,032	607	8,694
Time value of O&G	(389)	(672)	(365)	(2)	(1,428)
CoC/NFR	(318)	(219)	(269)	(18)	(825)
Operating Return on Life & Savings EEV	22%	6%	9%	-9%	11%
Total Return on Life & Savings EEV	9%	-3%	17%	-8%	7%

Modeling changes and opening adjustments of Euro 584 million mainly reflected the impact of modeling refinements in Switzerland (Euro 268 million), the adjustments end of 2009 reference rate (Euro 136 million, reflecting converging practices on liquidity premium, allowance by product and yield curve extrapolation), as well as an update of the local AA capital requirement model calibration in Belgium (Euro 150 million positive impact due to lower Cost of Capital) and impact of the minority buyout in CEE (Euro 175 million). This was partly offset by model refinements in Germany.

The operating return decreased to 11%, negatively impacted by unfavorable **operational experience** of Euro -179 million, with the following contributions:

- **Belgium** with a Euro -88 million impact, mainly reflecting an adverse lapses experience.
- **Switzerland** with a Euro 54 million impact, reflecting a favorable lapses experience.
- **CEE** with a Euro -177 million impact, reflecting adverse changes in regulation for pension funds affecting the value of inforce business:
  - mandatory Pension Funds in Hungary (Pillar II) have been nationalized by law voted on December 13th, 2010.
  - in Poland, strong reduction of the expected future contribution following the proposition presented by the Polish government on January 24th, 2011, aiming at the reduction of public debt, with impact on Pillar II Pension Funds.

The operational assumptions changes of Euro 236 million were mainly attributable to **Germany**, with Euro 311 million reflecting updated actuarial assumptions and profit sharing expectations. This was partly offset in **Switzerland**, with Euro -80 million reflecting new pricing together with a more conservative mandatory annuity conversion rate, decided by public vote on March 2010, for Group contracts.

The total return decreased to 7%, negatively impacted by the financial markets evolution. **Investment experience** had a negative impact of Euro -346 million, mainly driven by the lower interest rates environment in **Germany**, widening of the Belgian sovereign bonds spread and Euro credit spreads.

The positive Euro 257 million **capital flows** were due to:

- in **Germany**, a capital injection in the German branch of AXA Life Europe to support New Business, partly offset by dividend payment,
- a capital transfer from the Property & Casualty segment to Life & Savings in **Belgium**,
- dividend received from AXA Japan in **Switzerland**,
- and capital injections in **CEE** to invest in new business.

The Euro 362 million of Others in **Switzerland** reflected an internal transfer of CEE shares (previously eliminated for consolidation purpose) to the Holding segment, and is neutral on Group EV.

The EEV of Euro 11,978 million was composed of the following elements:

- **Required capital** decreased to Euro 4,835 million, reflecting a lower local AA capital requirement in **Belgium** following an update of the model calibration.
- **Free surplus** increased to Euro 702 million, as a consequence of the lower capital requirement in **Belgium**, strong existing business contribution, higher unrealized capital gains due to lower interest rates (mainly in **Switzerland**), and the transfer of CEE shares in **Switzerland**. Overall investment in New Business remains stable
- **VIF** increased to Euro 6,441 million, driven by a strong New Business contribution, and various modeling adjustments (see above), and despite adverse changes in local regulation highlighted above in Hungary and Poland.

	Reference Interest Rate		Total IDR based on distributable	
	2009	2010	2009	2010
Switzerland	2.9%	2.8%	4.9%	3.8%
Belgium	4.2%	3.3%	8.2%	8.9%
Germany	4.1%	3.7%	7.4%	6.8%
Central Eastern Europe	4.8%	5.1%	5.8%	4.9%

The IDR decreased in Switzerland and Germany, as a consequence of a lower reference interest rate. In Switzerland, it decreased more sharply than the reference rate, reflecting the lower level of options and guarantees due to higher long term interest rates (as a result of the extrapolation methodology).

In CEE, the lower IDR was due to a lower margin for financial risk.

IDR increased in Belgium, driven by a lower cost of capital.

LIFE AND SAVINGS NBV

Euro million - Group share	NORCEE 2009	NORCEE 2010	Germany 2010	Belgium 2010	Switzerland 2010	CEE 2010
Full Year - EEV based						
Regular premiums	*817*	*837*	*357*	*126*	*163*	*191*
Single premiums	*3,390*	*4,016*	*1,070*	*919*	*1,198*	*829*
Annualized Premium Equivalent (APE)	**1,156**	**1,239**	**464**	**218**	**283**	**274**
Capitalization factor	*11.5*	*12.7*	*11.6*	*10.5*	*21.9*	*8.4*
Present Value of Expected Premiums (PVEP)	12,806	14,641	5,195	2,251	4,758	2,437
New Business Value (NBV)	**223**	**299**	**96**	**22**	**124**	**56**
NBV/APE	**19.3%**	**24.1%**	**20.6%**	**10.2%**	**43.9%**	**20.6%**
NBV/PVEP	1.7%	2.0%	1.8%	1.0%	2.6%	2.3%
New Business IRR	**9.4%**	**9.1%**	**8.4%**	**8.5%**	**8.7%**	**10.9%**
APE change at comparable basis		-1%	-1%	-17%	2%	16%
PVEP change at comparable basis		6%	5%	-19%	20%	21%
NBV change at comparable basis		22%	52%	-46%	36%	16%

Rollforward of Life & Savings NBV (Euro million, Group share)		NORCEE	Germany	Belgium	Switzerland	CEE
2009 Life & Savings NBV		**223**	**63**	**41**	**84**	**34**
Modeling changes and opening adjustments		6	3	(3)	7	(1)
Change in scope and acquisitions		12	-	-	-	12
Business-driven evolution:		49	29	(16)	26	9
Volume		*2*	*(1)*	*(7)*	*2*	*8*
Mix		*35*	*13*	*14*	*7*	*1*
Expenses		*(2)*	*5*	*(11)*	*4*	*(1)*
Investment market conditions		*(0)*	*(3)*	*(15)*	*18*	*0*
Assumptions changes and other		*14*	*15*	*4*	*(6)*	*1*
Currency impact		10	-	-	7	2
2010 Life & Savings NBV		**299**	**96**	**22**	**124**	**56**

- **APE** decreased by 1% to Euro 1,239 million due to the following offsetting contributions:
  - **Belgium** (-17%) driven by lower General Account sales as a consequence of reduced guaranteed rates
  - **CEE** (+16%) mainly driven by Polish Pension funds contribution (before considering the impact of the changes in regulation mentioned in the previous page).

- **NBV increased by 22%** to Euro 299 million, driven by strong increases in Germany and Switzerland, partly offset by a decrease in Belgium. The evolution could be analyzed as follows:

  - **Germany:** up 52% to Euro 96 million, due to:
    - improved business mix reflecting the positive impact of repricing Twinstar product, with better profitability
    - and improved mortality assumptions for Twinstar.

  - **Belgium:** down by 46% to Euro 22 million, due to:
    - lower volumes, in line with APE decrease,
    - higher unit costs, as a consequence of lower volumes,
    - negative impact from investment market conditions, reflecting the widening of the Belgian sovereign bond spreads,
    - partly offset by an improved business mix, reflecting the lowering of the guaranteed interest rates.

  - **Switzerland:** up by 36% to Euro 124 million, mainly due to Group contracts, with improved business mix and positive impact from higher long term interest rates.

- **CEE:** NBV up 16% to Euro 34 million, in line with the APE increase (before considering any impact of the changes in regulation mentioned in the previous pages which will impact NBV in Hungary and in Poland – if confirmed for the later).

The IRR for the total region decreased to 9.1%, driven by the following contributions:

- in Germany, the IRR increased to 8.4%, notably due to Twinstar repricing.
- In Belgium, the IRR decreased to 8.5%, reflecting higher expenses and certain deteriorated market conditions.
- in Switzerland, the IRR amounted to 8.7%.
- in CEE, the IRR remained stable at 10.9%.

In both Switzerland and Germany, while NBV/APE ratios reach significant level, IRRs are negatively impacted by the long term nature of underlying businesses.

Euro million - Group share	NORCEE 2009	NORCEE 2010	Germany 2010	Belgium 2010	Switzerland 2010	CEE 2010
Certainty Equivalent Value less Strain	352	377	116	66	136	60
Time Value of O&G	(84)	(37)	(6)	(31)	0	(0)
CoC/NFR	(45)	(42)	(15)	(12)	(12)	(3)
NBV	**223**	**299**	**96**	**22**	**124**	**56**

The decrease in Options and Guarantees was mainly attributable to Switzerland with the impact of higher long term interest rates (due to the extrapolation methodology).

	Reference Interest Rate		Total NB IDR based on distributable earnings	
	2009	2010	2009	2010
Switzerland	2.9%	2.9%	5.0%	3.5%
Belgium	4.2%	3.6%	7.9%	6.8%
Germany	3.9%	3.6%	5.9%	4.8%
Central Eastern Europe	4.6%	4.8%	5.6%	7.2%

The IDR decreased compared to 2009 in Switzerland, Belgium and Germany, reflecting a lower value of Options and Guarantees in Switzerland and Belgium, and lower margin for financial risk in Germany.

It increased in CEE, driven by Polish Pension Funds with a higher margin for financial risk.

IDRs are lower for new business than those for inforce reflecting a lower level of guarantees.

LIFE AND SAVINGS SENSITIVITIES

Life & Savings sensitivities (Euro million, Group share)	EEV		NBV	
Original amounts, full year 2010	11,978		299	
Upward parallel shift of 100 basis points in reference interest rates	244	2%	(36)	-12%
Downward parallel shift of 100 basis points in reference interest rates	(479)	-4%	21	7%
10% higher value of equity markets	400	3%	13	4%
10% lower value of equity markets	(449)	-4%	(13)	-4%
10% higher value of real estate	222	2%	7	3%
10% lower value of real estate	(230)	-2%	(5)	-2%
Overall 10% decrease in lapse rates	340	3%	43	14%
Overall and permanent decrease of 10% in expenses	461	4%	28	9%
5% lower mortality rate for annuity business	(152)	-1%	(12)	-4%
5% lower mortality rate for life business	18	0%	1	0%
Upward parallel shift of 25% of the volatility on equity markets	(219)	-2%	(14)	-5%
Upward parallel shift of 25% of the volatility on interest rates	(604)	-5%	(27)	-9%
50 basis points higher in credit spreads	(572)	-5%	(16)	-5%
50 basis points lower in credit spreads	521	4%	16	5%
Reference rate without liquidity premium	(670)	-6%	(22)	-7%
Reference rate with liquidity premia 10bps higher	248	2%	6	2%

EEV is mainly sensitive to:

- a decrease in interest rates, driven by Switzerland,
- equity markets driven by Belgium,
- interest rates volatility (Switzerland and Belgium),
- credit spreads driven by Germany.

As compared to 2009, EEV is less sensitive to interest rates, but more sensitive to credit spreads (driven by Germany), and to equity markets driven by Belgium.

NBV sensitivities are line with EEV sensitivities, the higher impacts being due to the weight of the New Business Strain not shocked in these sensitivities.

NBV is mainly sensitive to:

- interest rates (Belgium and Health business in Germany).
- lapses and expenses (Belgium and Switzerland).
- interest rates volatility (Belgium and Switzerland).

Asia-Pacific

LIFE AND SAVINGS EEV

Euro million, Group share	Free surplus +	Required capital =	ANAV +	VIF =	Asia-Pacific EEV 2010	Asia-Pacific EEV 2009
Opening Life & Savings EEV	2,273	1,015	3,288	4,443	7,731	5,800
Modeling changes and opening adj.	77	(46)	31	(138)	(107)	189
Adjusted opening Life & Savings EEV	2,350	969	3,320	4,305	7,624	5,989
Operating performance from existing business	855	(87)	768	(396)	372	576
Expected existing business contribution	790	(21)	769	(314)	455	385
Current year operational experience	65	(66)	(1)	(123)	(124)	177
Change in operational assumptions	-	-	-	40	40	14
New Business Value	(327)	21	(306)	895	589	496
Operating Return on Life & Savings EEV	528	(66)	462	499	961	1,072
Current year investment experience	657	22	679	(765)	(86)	501
Total return on Life & Savings EEV	1,185	(44)	1,141	(266)	875	1,573
Exchange rate movements impact	575	158	734	676	1,409	(4)
Others (incl. Life EEV of acquired business)	(6)	-	(6)	8	1	-
Capital flows	(506)	-	(506)	-	(506)	174
Closing Life & Savings EEV	3,598	1,084	4,681	4,722	9,403	7,731
of which Life & Savings VIF					4,722	4,443
Certainty equivalent PVFP					5,408	5,027
Time value of O&G					(458)	(379)
CoC/NFR					(228)	(206)
Operating Return on Life & Savings EEV					13%	18%
Total Return on Life & Savings EEV					11%	26%

Euro million, Group share	Japan 2010	Australia & New Zealand 2010	Hong Kong 2010	SEA & China 2010	Asia Pacific 2010
Opening Life & Savings EEV	5,310	1,008	1,195	218	7,731
Modeling changes and opening adj.	(123)	(3)	9	9	(107)
Adjusted opening Life & Savings EEV	5,187	1,005	1,205	228	7,624
Operating performance from existing business	84	103	206	(22)	372
Expected existing business contribution	267	74	95	19	455
Current year operational experience	(97)	8	5	(41)	(124)
Change in operational assumptions	(86)	20	105	0	40
New Business Value	354	44	114	77	589
Operating Return on Life & Savings EEV	438	147	320	55	961
Current year investment experience	(116)	(21)	35	16	(86)
Total return on Life & Savings EEV	322	126	355	71	875
Exchange rate movements impact	1,069	228	78	35	1,409
Others (incl. Life EEV of acquired business)	0	1	0	0	1
Capital flows	(355)	(61)	(113)	23	(506)
Closing Life & Savings EEV	6,222	1,299	1,525	357	9,403
of which Life & Savings ANAV	3,741	626	181	133	4,681
Required capital	360	407	298	18	1,084
Free surplus	3,381	218	(117)	115	3,598
of which Life & Savings VIF	2,481	673	1,344	224	4,722
Certainty equivalent PVFP	2,781	746	1,626	254	5,408
Time value of O&G	(204)	(7)	(223)	(24)	(458)
CoC/NFR	(97)	(66)	(59)	(7)	(228)
Operating Return on Life & Savings EEV	8%	15%	27%	24%	13%
Total Return on Life & Savings EEV	6%	13%	29%	31%	11%

The modeling changes and opening adjustments of Euro -123 million in Japan mainly reflected the impact of adjusting the end of 2009 reference rate (converging practices on liquidity premium, allowance by product and yield curve extrapolation).

The operating return of 13% was driven by a strong New Business Value (Euro 589 million) and favorable assumptions changes (Euro 40 million), partly offset by a negative operational experience (Euro -124 million) during the year. This included the following contributions:

- **Japan** had a 8% operating return, negatively impacted by:
    - **operational experience** (Euro -97 million) mainly driven by higher surrender and lapses than expected
    - **operational assumptions** changes (Euro -86 million), principally reflecting the impact of adjusting lapses assumptions.

  while in 2009, the return was favorably impacted by operational changes reflecting the recovery in value of the Variable Annuity portfolio.

- **Australia** included Euro 20 million of assumptions changes, reflecting a change in mutual funds fees.

- **Hong Kong** was positively impacted by Euro 105 million of assumptions changes, reflecting better mortality and lapses assumptions.

- **SEA & China** suffered a negative 2010 operational experience (Euro -41 million), reflecting higher expenses in India and China, as well as negative lapses experience in Singapore.

The total return was 11%, negatively impacted by market conditions.

Investment experience had a limited impact of Euro -86 million, mainly driven by **Japan** (Euro -116 million) hit by the lower interest rates environment.

The Euro -506 million **capital flows** reflected the payment of dividends of Euro 529 million by Japan, Hong Kong and Australia & New Zealand, partly offset by capital injections in SEA & China.

The **EEV** of Euro 9,403 million was composed of the following elements:

- **Required capital** slightly increased by Euro 69 million to Euro 1,084 million, mainly due to a JPY/EUR change impact.
- **Free surplus** strongly increased to Euro 3,598 million, driven by a strong existing business contribution, a decreasing cost of investing in New Business, higher unrealized capital gains in the lower interest rates environment.
- **VIF** slightly increased to Euro 4,722 million, as the negative impact from the lower interest rates environment in Japan was offset by the positive JPY/EUR change impact

	Reference Interest Rate		Total IDR based on distributable earnings	
	2009	2010	2009	2010
Japan	2.2%	1.7%	6.7%	4.9%
Australia/New Zealand	5.6%	6.2%	6.7%	7.7%
Hong Kong	4.5%	4.0%	7.5%	6.8%

The IDR in Japan decreased more sharply than the reference rate, due to lower long term margins for financial risks embedded in the management case assumptions.

The IDR variations in Hong Kong and Australia/New Zealand were driven by the variation of reference rates.

LIFE AND SAVINGS NBV

Euro million - Group share	Asia-Pacific 2009	Asia-Pacific 2010	Japan 2010	Australia & New Zealand 2010	Hong Kong 2010	SEA & China 2010
Full Year - EEV based						
Regular premiums	*657*	*692*	*355*	*30*	*150*	*156*
Single premiums	*3,556*	*3,810*	*1,097*	*2,528*	*90*	*95*
Annualized Premium Equivalent (APE)	**1,013**	**1,073**	**465**	**283**	**159**	**166**
Capitalization factor	*7.5*	*7.8*	*9.1*	*9.4*	*7.4*	*4.6*
Present Value of Expected Premiums (PVEP)	8,475	9,177	4,345	2,809	1,208	815
New Business Value (NBV)	**496**	**589**	**354**	**44**	**114**	**77**
NBV/APE	**49.0%**	**54.9%**	**76.1%**	**15.6%**	**71.6%**	**46.2%**
NBV/PVEP	5.9%	6.4%	8.1%	1.6%	9.4%	9.4%
New Business IRR	**17.3%**	**21.8%**	**11.8%**	**19.1%**	**52.2%**	
APE change at comparable basis		-5%	-18%	-14%	25%	58%
PVEP change at comparable basis		-2%	-8%	-15%	42%	46%
NBV change at comparable basis		9%	1%	-4%	40%	29%

Rollforward of Life & Savings NBV (Euro million, Group share)	Asia-Pacific	Japan	Australia & New Zealand	Hong Kong	SEA & China
2009 Life & Savings NBV	**79**	**330**	**38**	**78**	**50**
Modeling changes and opening adjustments	(7)	(6)	(0)	-	(0)
Change in scope and acquisitions	0	1	(0)	(0)	(0)
Business-driven evolution:	18	7	(2)	33	21
Volume	*7*	*(64)*	*(6)*	*20*	*37*
Mix	*4*	*70*	*3*	*3*	*(9)*
Expenses	*(0)*	*(2)*	*(3)*	*(6)*	*(5)*
Investment market conditions	*(5)*	*(13)*	*2*	*8*	*1*
Assumptions changes and other	*13*	*17*	*2*	*8*	*(4)*
Currency impact	0	22	8	3	6
2010 Life & Savings NBV	**91**	**354**	**44**	**114**	**77**

- **APE down by 5%** to Euro 1,073 million, driven by:
  - -18% in **Japan**, following the discontinuation of a medical cancer product with low profitability,
  - -14% in **Australia & New Zealand**, driven by lower Mutual funds and General Account Savings sales,

partly offset by higher volumes in Hong Kong and South East Asia & China.

- **NBV up by 9%** to Euro 589 million, as analyzed by factor in the above table :
  - **Japan:** stable (up by 1%) at Euro 354 million, as the negative volume impact was offset by an improved business mix, with the discontinuation of a medical cancer product with low profitability and the launch in 2010 of a new Variable Annuity product.
  - **Australia/NZ**: down by -4% to Euro 44 million, with negative impact from the lower volumes, in line with APE evolution.
  - **Hong Kong:** up by 40% to Euro 114 million, mainly driven by higher volumes and lower reference rates (with positive impact for Protection Business).
  - **SEA & China:** up by 29% to Euro 77 million, largely driven by higher volumes, partly offset by a deteriorated business mix.

- This resulted in an overall **higher NBV/APE ratio of 54.9%.**

- The **IRR** increased to 21.8%, reflecting a higher New Business contribution from Hong Kong and SEA & China entities, with high level of profitability.

Euro million - Group share	Asia-Pacific 2009	Asia-Pacific 2010	Japan 2010	Australia & New Zealand 2010	Hong Kong 2010	SEA & China 2010
Certainty Equivalent Value less Strain	516	625	355	49	134	87
Time Value of O&G	(8)	(24)	(1)	-	(15)	(8)
CoC/NFR	(12)	(12)	(1)	(4)	(5)	(2)
NBV	**496**	**589**	**354**	**44**	**114**	**77**

	Reference Interest Rate		Total NB IDR based on distributable earnings	
	2009	2010	2009	2010
Japan	2.0%	1.5%	3.4%	2.6%
Australia/New Zealand	5.6%	6.2%	6.4%	7.1%
Hong Kong	4.1%	3.5%	5.5%	5.3%

IDR decreased in Japan and Hong Kong, in line with the lower reference interest rate, and increased in Australia & New Zealand where the reference rate increased.

In Japan, the decrease was also due to lower long term margins for financial risks embedded in the management case assumptions.

The IDR were lower for New Business than for inforce, reflecting a lower risk profile.

LIFE AND SAVINGS SENSITIVITIES

Life & Savings sensitivities (Euro million, Group share)	EEV		NBV	
Original amounts, full year 2010	9,403		589	
Upward parallel shift of 100 basis points in reference interest rates	172	2%	56	9%
Downward parallel shift of 100 basis points in reference interest rates	(732)	-8%	(95)	-16%
10% higher value of equity markets	200	2%	10	2%
10% lower value of equity markets	(199)	-2%	(8)	-1%
10% higher value of real estate	17	0%	1	0%
10% lower value of real estate	(17)	0%	(1)	0%
Overall 10% decrease in lapse rates	356	4%	28	5%
Overall and permanent decrease of 10% in expenses	230	2%	22	4%
5% lower mortality rate for annuity business	(57)	-1%	(0)	0%
5% lower mortality rate for life business	205	2%	11	2%
Upward parallel shift of 25% of the volatility on equity markets	(89)	-1%	(12)	-2%
Upward parallel shift of 25% of the volatility on interest rates	(36)	0%	(4)	-1%
50 basis points higher in credit spreads	(206)	-2%	(1)	0%
50 basis points lower in credit spreads	199	2%	0	0%
Reference rate without liquidity premium	(37)	0%	7	1%
Reference rate with liquidity premia 10bps higher	216	2%	7	1%

EEV is mainly sensitive to:

- a decrease in interest rates, driven by Japan due to old products with high guaranteed rates
- a decrease in lapses rates, mainly driven by mutual funds in Australia .

As compared to 2009, EEV is more sensitive to interest rates due to the lower level of reference rates at 2010 year end compared to 2009 year end.

NBV sensitivities reflect higher impacts due to the weight of the New business Strain not shocked in these sensitivities (only VIF is shocked).

NBV is mainly sensitive to:

- interest rates driven by Japan
- lapses rates and expenses driven by mutual funds in Australia.

Mediterranean and Latin American region

LIFE AND SAVINGS EEV

Euro million, Group share	Free surplus	+	Required capital	=	ANAV	+	VIF	=	MedLA EEV 2010	MedLA EEV 2009
Opening Life & Savings EEV	144		970		1,114		606		1,720	1,764
Modeling changes and opening adj.	(82)		56		(26)		(7)		(32)	(291)
Adjusted opening Life & Savings EEV	62		1,026		1,088		600		1,688	1,473
Operating performance from existing business	240		(75)		166		20		185	73
Expected existing business contribution	282		(102)		180		(44)		135	44
Current year operational experience	(42)		28		(14)		(6)		(20)	14
Change in operational assumptions	-		-		-		70		70	15
New Business Value	(243)		190		(53)		144		91	79
Operating Return on Life & Savings EEV	(3)		116		113		164		276	152
Current year investment experience	(140)		45		(96)		(168)		(264)	108
Total return on Life & Savings EEV	(143)		160		17		(4)		12	260
Exchange rate movements impact	(6)		17		10		8		19	2
Others (incl. Life EEV of acquired business)	-		-		-		-		-	2
Capital flows	(103)		-		(103)		-		(103)	(17)
Closing Life & Savings EEV	(190)		1,203		1,012		604		1,616	1,720
of which Life & Savings VIF									604	606
Certainty equivalent PVFP									878	864
Time value of O&G									(169)	(163)
CoC/NFR									(106)	(94)
Operating Return on Life & Savings EEV									16%	10%
Total Return on Life & Savings EEV									1%	18%

The modeling changes and opening adjustments of Euro -32 million mainly reflected an increase of modeled scope in Spain (through inclusion of co-insurance block of annuities), and the impact of adjusting the end of 2009 reference rate (converging practices on liquidity premium, allowance by product and yield curve extrapolation).

The operating return of 16% was positively impacted by **operational assumptions** changes of Euro 70 million, partly offset by the **current year operational experience** of Euro -20 million. It included the following impacts:

- improved mortality assumptions for most countries,
- adverse operational experience with the negative impact of a new tax law in Italy.

The **total return** of 1% was negatively impacted by the financial market conditions deterioration. **Investment experience** had a negative impact of Euro -264 million, mainly due to a widening of the sovereign bonds spreads in Southern Europe countries, as well as higher corporate spreads.

The Euro -103 million **capital flows** reflected dividend payments.

The EEV of Euro 1,616 million was composed of the following elements:

- **Required capital** increased by 233 million to Euro 1,203 million, driven by a significant increase in New Business volumes.
- **Free surplus** decreased by Euro 334 million to Euro -190 million, as a consequence of the higher capital requirement, significant investment in New Business and lower unrealized capital gains due to the widening of sovereign bonds spreads in Southern Europe countries.
- **VIF** remained stable at Euro 604 million, as the expected contribution from inforce and New Business was offset by the negative investment experience.

Reference Interest Rate		Total IDR based on distributable earnings	
2009	2010	2009	2010
4.0%	3.8%	8.2%	8.5%

The IDR increased to 8.5% despite a lower reference interest rate, driven by a higher gap between the current environment (spread of sovereign bonds) and the illustrative economic assumptions for future periods.

LIFE AND SAVINGS NBV

Euro million - Group share	2009	2010
Full Year - EEV based		
Regular premiums	*168*	*193*
Single premiums	*3,292*	*3,595*
Annualized Premium Equivalent (APE)	**497**	**553**
Capitalization factor	*4.5*	*4.6*
Present Value of Expected Premiums (PVEP)	4,042	4,484
New Business Value (NBV)	**79**	**91**
NBV/APE	**16.0%**	**16.5%**
NBV/PVEP	2.0%	2.0%
New Business IRR	**10.4%**	**9.9%**
APE change at comparable basis		10%
PVEP change at comparable basis		10%
NBV change at comparable basis		14%

Rollforward of Life & Savings NBV (Euro million, Group share)	
2009 Life & Savings NBV	**79**
Modeling changes and opening adjustments	(7)
Change in scope and acquisitions	0
Business-driven evolution:	18
Volume	*7*
Mix	*4*
Expenses	*(0)*
Investment market conditions	*(5)*
Assumptions changes and other	*13*
Currency impact	0
2010 Life & Savings NBV	**91**

Euro million - Group share	2009	2010
Certainty Equivalent Value less Strain	112	126
Time Value of O&G	(18)	(17)
CoC/NFR	(15)	(17)
NBV	**79**	**91**

- **APE** was up by 10% to Euro 553 million, driven by a strong increase in General Account Savings products in AXA MPS.
- **NBV** was up by 14% to Euro 91 million, mainly due to:
  - higher volumes, in line with APE evolution
  - a more favorable business mix, with strong performance on protection (Death and Disability products sold bundled with mortgage and consumer loans) in AXA MPS
  - more favorable mortality assumptions in all entities
- This resulted in a higher NBV/APE ratio at 16.5%.

The IRR slightly decreased to 9.9%, as the increased profitability was offset by higher capital consumption.

Reference Interest Rate		Total NB IDR based on distributable earnings	
2009	2010	2009	2010
4.2%	3.8%	5.0%	5.3%

IDRs are lower for new business than those for inforce reflecting a lower risk profile.

As for inforce, the increase in IDR despite a decrease in reference rate is due to the higher gap between current economic environment for MedLA Region, and the long term view considered in the management case assumptions, notably on sovereign bonds.

LIFE AND SAVINGS SENSITIVITIES

Life & Savings sensitivities (Euro million, Group share)	EEV		NBV	
Original amounts, full year 2010	1,616		91	
Upward parallel shift of 100 basis points in reference interest rates	(45)	-3%	(0)	0%
Downward parallel shift of 100 basis points in reference interest rates	25	2%	(1)	-1%
10% higher value of equity markets	34	2%	4	5%
10% lower value of equity markets	(36)	-2%	(5)	-5%
10% higher value of real estate	8	0%	0	0%
10% lower value of real estate	(8)	0%	(0)	0%
Overall 10% decrease in lapse rates	42	3%	10	11%
Overall and permanent decrease of 10% in expenses	47	3%	7	8%
5% lower mortality rate for annuity business	(27)	-2%	(0)	0%
5% lower mortality rate for life business	52	3%	5	5%
Upward parallel shift of 25% of the volatility on equity markets	(15)	-1%	(2)	-2%
Upward parallel shift of 25% of the volatility on interest rates	(38)	-2%	(3)	-4%
50 basis points higher in credit spreads	(88)	-5%	(9)	-10%
50 basis points lower in credit spreads	50	3%	4	5%
Reference rate without liquidity premium	(127)	-8%	(14)	-15%
Reference rate with liquidity premia 10bps higher	35	2%	4	4%

The significant weight of Protection business within the region explains the unusual pattern of sensitivities to interest rates, i.e. a negative sensitivity to an increase in interest rates.

NBV sensitivities to interest rates were close to zero reflecting various offsetting impacts, protection being negatively sensitive to interest rates as opposed to other products.

III. Methodology

Covered business

AXA's Life & Savings segment offers a broad range of Life insurance products including retirement and Health, for both group and individuals. This segment accounted for 63%, or Euro 57 billion of AXA's consolidated IFRS gross revenues for the year ended 12/31/10. The net asset value of the not modelled Life and Savings entities was Euro 213 million which represented 0.7% of the total net asset value of the Life & Savings segment.

Cash flows projected in the VIF are from the following entities, which represented 99.1 % of the total Life & Savings technical reserves and 100% of total Life & Savings revenues (smaller entities included in EEV are consolidated on the equity method in IFRS and therefore do not contribute to revenues) as of 12/31/10:

- United States
- France
- United Kingdom
- Northern and Central Eastern Europe (Germany, Belgium, Switzerland, and Central & Eastern Europe : Hungary, Czech Republic and Poland)
- Mediterranean and Latin American Region (Italy, Spain, Portugal, Greece, Turkey and Mexico)
- Japan
- Australia/New Zealand
- Hong Kong
- Southeast Asia & China (China, Indonesia, Thailand, Philippines, India and Singapore)

Some entities are not taken into account for the VIF and NBV calculations, but have their Life & Savings business operations included in the Life ANAV. Their ANAV represented 1.1% of the total ANAV as of 12/31/10.

ANAV, VIF and NBV methodology

ANAV METHODOLOGY

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

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

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

The ANAV for each operation includes the book value of any shares it holds in other AXA Group entities that are outside the Life & Savings segment, although any crossholdings within the Life & Savings segment are eliminated locally. The book value of crossholdings outside the Life & Savings segment is eliminated in the Holdings segment for Group EV purposes.

AXA has chosen to exclude the profits of its investment management companies on managed assets for Life & Savings operations from Life & Savings EEV, and with that respect is not compliant with the CFO Forum EEV Guidance 9.11. This choice is linked to the commercially sensitive nature of disclosing margins for companies that also manage third-party assets, and because AllianceBernstein units are publicly-traded. It is also noteworthy that the units of AllianceBernstein held by US Life entities in the Group are not valued at their 12/31/10 market value of Euro 2.1 billion (gross of tax) in the Life & Savings EEV; instead, these units are carried at their cost basis of Euro 0.8 billion. This treatment is consistent with other cross-shareholdings of entities within the AXA Group.

VIF METHODOLOGY

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

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

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

Risk neutral value and Time value of options and guarantees (O&G)

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

- the interest rate guarantees on traditional products (such as guaranteed cash values, guaranteed annuity options (GAOs), etc.)
- the profit sharing rules (bonus rates, credited interest rates, policyholder dividends, etc), which combined with guarantees can create asymmetric returns for shareholders
- the guaranteed benefits (GMDB, GMIB and similar) on Unit-Linked annuity products and no lapse guarantees[2] in life insurance contracts (although note that as mentioned above the hedging costs for guarantees on Accumulator-type business are reflected in the Certainty Equivalent PVFP rather than in the Time Value of O&G)
- the dynamic policyholder behavior, that is, the options (such as full or partial surrender, premium discontinuance, annuitization, etc.) that policyholders can elect at a time that disadvantages the company.

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

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

Methodology for calculating the risk neutral value

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

The economic scenarios are constructed using a proprietary economic scenario generator developed by Barrie & Hibbert. A number of asset classes and economic assumptions are modeled stochastically. This includes equities, bond yields, credit spreads, credit defaults, property, foreign exchange and inflation.

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

Methodology for calculating the CoC/NFR

This item is based on the cost of holding capital corresponding to the highest of

- the local regulatory requirement
- the capital consistent with a AA capital requirement in each operation.

These two amounts are considered net of implicit items that can be used to support capital requirements.

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

This can be considered to provide a provision for two elements: 1) a cost of locked-in capital, and 2) an additional provision for other non-financial risks.

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

The non-financial risks represent the economic cost incurred through the exposure of the company to insurance and operational risks. AXA assumes an allowance for non-financial risks. As of today, there is no established market practice for the estimation of the non-financial risks in the EEV framework. Hence, AXA has calculated the allowance for non-financial risk by assuming a higher locked-in capital base, corresponding to a local AA capital requirement. The CoC/NFR was approximately Euro 0,8 billion higher than the minimum local regulatory requirements (and corresponding level of required capital in 2010 AXA Life & Savings EEV was Euro 4.5bn higher than the minimum solvency requirement).

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

New business value methodology

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

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

No value is placed on future new business sales. Inforce cash flows may include certain renewals flows from existing contracts as well as some future flexible premium receipts when consistent with pricing, commercial and ALM practices.

The assumptions for valuing the new business VIF are consistent with overall inforce VIF, and economic assumptions are set to reflect year-end conditions. Unit-linked products are a special case in NBV, with year-end conditions used for future asset returns but fund performance from point of sale to year-end based on beginning-of-year expectations in order to avoid distortion by market performance relative to potential future profitability.

New business includes new contracts written in the current year. If future flexible premia and expected renewal flows from new contracts written in the year are reasonably predictable, for example they are included in pricing the contract and/or there is stable historical experience, then they and the benefits associated with them are included in the projection of future cash flows. That is, they are included in the calculation of VIF, and to the extent they are related to contracts sold in the current year, they are part of NBV. If policy additions are the result of significant new marketing activity, and were not anticipated at the time of original contract sale, then such additions are reflected as new business. This treatment of future flexible premia and renewals is required by the EEV Principles and Guidance, but some areas of judgment remain. Due to different practices across the market, AXA looks to better align its treatment in each country with that of its peer companies.

Full consistency of scope is ensured between the computation of NBV and new business volume indicators (APE or PVEP).

Other definitions (sensitivities and IDR)

SENSITIVITIES

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

For purposes of the NBV sensitivity, shocks to financial market conditions (such as change in reference interest rates or equity market levels) are assumed to occur after the point of sale, rather than just before the point of sale. Therefore, the NBV sensitivity gives an indication of how the NBV of business written in 2010 would have been affected by an economic shock prior to year-end assuming no re-pricing action was taken. It does not indicate what future NBV might be if sales occurred at the same volume and mix as those in 2010, but in a new market environment.

Sensitivities do not include the impact on ANAV from employee benefits plans, and do not include South East Asia and China, where the full market consistent methodology is not applied.

Upward parallel shift of 100 basis points in reference rates simulates a sudden shock to the initial conditions. This means changes to: 1) the current market values of fixed-interest assets, with related possible changes to projected capital gains/losses and/or fee revenues, 2) future reinvestment rates for all asset classes, and 3) risk-discount rates. Inflation rates are not changed. Policyholder and management behavior is adjusted following normal behavioral modeling, and may not be wholly consistent with these conditions. This impacts ANAV, VIF, and NBV. If guaranteed rates are automatically adjusted based on market conditions through a formula, then the sensitivities to reference rate movements should reflect such an adjustment.

Downward parallel shift of 100 basis points in reference rates is the same as above but with a shift downward. Where the shift of 100 basis points would drop rates below 0%, they are floored at zero.

10% higher value of equity markets simulates a shock to the initial conditions just for equities. Listed equities and private equities including the impact of equity hedges should be shocked. This means changes to current market values of all these equities excluding hedge funds, with related possible changes to projected capital gains/losses and/or fee revenues. Policyholder and management behavior is adjusted to be consistent with these conditions. This impacts ANAV, VIF, and NBV. To avoid any possible confusion, any shares held in related Group entities should not be impacted by this sensitivity.

10% lower value of equity markets same as above but a decrease.

10% higher value of real estate simulates a shock to the initial conditions just for real estate. This means changes to current market values of real estate, with related possible changes to projected capital gains/losses and/or fee revenues. Policyholder and management behavior is adjusted to be consistent with these conditions. This impacts ANAV, VIF, and NBV.

10% lower value of real estate same as above but a decrease.

The sensitivities to initial values of equity and real estate only change the initial values of assets, and so new scenarios are not needed. However, stochastic runs are needed for business subject to stochastic modeling.

Upward parallel shift of 25% of the volatility on equity markets simulates a shock to the initial conditions, representing the base volatility times 1.25 for the key duration and then apply a parallel shift for the other durations. The main impact is expected on VIF and NBV through the Time Value of O&G.

Upward parallel shift of 25% of the volatility on interest rates simulates a shock to the initial conditions, representing the base volatility times 1.25 for the key duration and a parallel shift for other durations. The main impact is expected on VIF and NBV through the Time Value of O&G.

50 basis point instantaneous increase in credit spreads is immediately applied at the valuation date and is applicable to all corporate bond asset classes and associated derivatives and government bonds for emerging markets. This should be calibrated as a sudden shock of plus 50bps on the single A credit spread. This means changes to the current market value of credit assets, with related possible changes to projected capital gains/losses and/or fee revenues. Policyholder and management behavior is adjusted following normal behavioral modeling, and may not be wholly consistent with these conditions. This impacts ANAV, VIF, and NBV.

50 basis point instantaneous decrease in credit spreads *is the same as above but a decrease*.

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

Overall and permanent decrease of 10% in expenses applies to all future expenses other than commission and commission-related (for example, agency manager payments that are a percentage of agent commissions) expenses and investment expenses (as they are managed separately from Life companies general expenses). This impacts VIF and the VIF part of NBV. As the expense reflected in ANAV movement and the new business Strain included in the NBV is the actual historical figure, the strain is not adjusted for this sensitivity.

5% lower mortality rate for annuity business reflects the impact on annuity business profits from assuming 5% lower mortality rate. This impacts VIF and NBV. The base assumption in VIF for annuity business already reflects expected mortality improvement (note that mortality improvement hurts annuity profits).

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

Reference rate without liquidity premia reflects what would be the value if no liquidity premium had been considered in the projections. It impacts VIF and NBV.

Reference rate with liquidity premia 10bps higher reflects the impact, for economies where a liquidity premium is already considered, of using a 10bps higher liquidity premium in the projections (before considering any varying allowance by product). It impacts VIF and NBV.

IMPLIED DISCOUNT RATES

In a market consistent EEV, the value of the projected earnings, allowing for financial risks, Time Value of O&G, and non financial risks is the result of a stochastic valuation technique. As a result, the equivalent implied risk discount rate (IDR) is derived from a bottom up assessment of the risk. It is the discount rate that would reproduce the VIF from a deterministic projection of statutory distributable earnings (profit less movement in required capital) in an illustrative scenario. Specifically, it is not an assumption used to determine the value. The IDR will vary depending on the economic assumptions used to deduce it; however it does not affect the market consistent value in any way. It is a useful measure of the risk reflected in the overall value estimate given a set of assumptions about future asset returns. IDRs are disclosed on the basis of discounted distributable earnings including the impacts of required capital which is roughly comparable to the discount rates used in Traditional EV.

In particular it allows comparison across countries of the components of EEV.

The total implied risk discount rate therefore reflects:

- the reference interest rate of the local economy
- a margin for financial risks
- an allowance for the Time Value of O&G
- an allowance for the cost of capital and non financial risks.

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

IV. Assumptions

Financial assumptions

INVESTMENT MARKET CONDITIONS

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

Consistent with the CFO Forum MCEV Principles clarified in 2009, AXA has used since 2008, as part of its market-consistent methodology, a **reference rate** which includes, where appropriate, a premium over swap rates. This premium reflects the nature of certain types of long term insurance liabilities, which allow insurers to capture, either fully or partially, liquidity premia on credit assets such as corporate bonds.

In line with industry's research also performed in the context of Solvency II and applied during the QIS5 exercise and following industry's converging practices, AXA has adjusted the approach introduced in 2008 in its market-consistent methodology in terms of liquidity premium (calibration and allowance by products) and yield curve extrapolation for long term maturities where not enough liquid data is available on the markets.

The liquidity premium allowance is based on a two step approach.

- The first step consists in measuring the liquidity premium available in the markets by economy. In line with the industry research and QIS5, the liquidity premium is calibrated using the so called 50/40 formula corresponding to a liquidity premium equal to Maximum (0; 50%*(corporate spread – 40bps)) where the corporate spread is measured with appropriate market indices for each economy.
- As a second step, a ratio is applied to the measure obtained in the first step to reflect the nature of the liabilities and, consequently, AXA's ability to capture the liquidity premium.

  In line with market converging practices, AXA considers four buckets:
  - 100% liquidity premium for Immediate Annuities in payment
  - 75% liquidity premium for all General Account business with participating features or with guaranteed rates higher than current 10 year rate
  - 50% liquidity premium for all other General Account business and will mainly capture Pure Protection business with annually renewal premia
  - 0% liquidity premium for all Unit-Linked business including Variable Annuities

For each bucket the liquidity premium is added to the forward rate until the last liquid forward rate observable in the market.

A macroeconomic approach is used to derive the reference rate structure beyond the last available data point. This approach requires the following:

- Determination of the ultimate forward rate (UFR)
- Interpolation method between the last observable liquid forward rate and the ultimate forward rate.

The ultimate forward rate is a macroeconomic rate specified as the sum of long-term inflation and the expected real rate of interest.

The interpolation method is based on the Smith-Wilson technique with the alpha parameter set equal to 0.1 and the maturity at which the forward rate reaches the UFR set equal to 90 years.

The following table shows all parameters considered to build the full reference yield curves for main currencies:

Currency	Liquidity premium (Bucket 100%) 31/12/09 adjusted (*)	Liquidity premium (Bucket 100%) 31/12/10	UFR (%)	Extrapolation entry point
EUR	43 bps	36 bps	4,2%	30
GBP	72 bps	79 bps	4,2%	50
USD	61 bps	56 bps	4,2%	30
JPY	0 bps	0 bps	3,2%	20
CHF	5 bps	8 bps	3,2%	15
AUD	65 bps	65 bps	4,2%	15

(*) 2009 adjusted liquidity premium as in QIS5

The following table shows the reference ***yield curves as of 31 December 2010*** corresponding to buckets 0% and 100%. The restated reference yield curves as of December 2009 are also shown for comparison.

Bucket 0% reference yield curves:

	EUR		USD		GBP		JPY(September)		CHF		AUD	
	31/12/09(*)	31/12/10	31/12/09(*)	31/12/10	31/12/09(*)	31/12/10	30/09/09(*)	30/9/10	31/12/09(*)	31/12/10	31/12/09(*)	31/12/10
1	1.31%	1.31%	0.65%	0.45%	1.01%	1.14%	0.54%	0.40%	0.49%	0.29%	4.86%	5.24%
2	1.88%	1.56%	1.39%	0.81%	2.03%	1.51%	0.59%	0.39%	0.87%	0.51%	5.29%	5.41%
3	2.26%	1.90%	2.06%	1.29%	2.71%	1.98%	0.65%	0.40%	1.20%	0.83%	5.58%	5.63%
5	2.85%	2.52%	3.04%	2.23%	3.51%	2.69%	0.85%	0.49%	1.73%	1.40%	6.08%	5.99%
7	3.28%	2.99%	3.66%	2.93%	3.94%	3.21%	1.09%	0.67%	2.14%	1.83%	6.37%	6.14%
10	3.69%	3.43%	4.17%	3.56%	4.30%	3.70%	1.47%	1.05%	2.57%	2.22%	6.56%	6.25%
15	4.13%	3.79%	4.65%	4.12%	4.64%	4.09%	1.87%	1.53%	2.97%	2.49%	6.58%	6.37%
20	4.23%	3.83%	4.76%	4.29%	4.58%	4.15%	2.13%	1.81%	3.13%	2.58%	6.45%	6.18%
25	4.13%	3.67%	4.79%	4.36%	4.43%	4.12%	2.29%	1.99%	3.20%	2.67%	6.24%	5.96%
30	3.97%	3.47%	4.77%	4.39%	4.29%	4.04%	2.41%	2.14%	3.22%	2.73%	6.03%	5.76%

(*) adjusted

Bucket 100% reference yield curves:

	EUR		USD		GBP		JPY(September)		CHF		AUD	
	31/12/09(*)	31/12/10	31/12/09(*)	31/12/10	31/12/09(*)	31/12/10	30/09/09(*)	30/9/10	31/12/09(*)	31/12/10	31/12/09(*)	31/12/10
1	1.75%	1.68%	1.26%	1.02%	1.74%	1.94%	0.54%	0.40%	0.54%	0.37%	5.54%	5.92%
2	2.32%	1.92%	2.01%	1.38%	2.77%	2.32%	0.59%	0.39%	0.92%	0.59%	5.97%	6.10%
3	2.70%	2.27%	2.68%	1.86%	3.46%	2.79%	0.65%	0.40%	1.25%	0.91%	6.27%	6.31%
5	3.29%	2.89%	3.67%	2.80%	4.26%	3.50%	0.85%	0.49%	1.78%	1.48%	6.77%	6.68%
7	3.73%	3.36%	4.29%	3.51%	4.69%	4.03%	1.09%	0.67%	2.20%	1.91%	7.06%	6.83%
10	4.13%	3.80%	4.81%	4.15%	5.06%	4.52%	1.47%	1.05%	2.62%	2.30%	7.25%	6.94%
15	4.58%	4.16%	5.29%	4.71%	5.40%	4.92%	1.87%	1.53%	3.02%	2.58%	7.28%	7.07%
20	4.68%	4.20%	5.40%	4.88%	5.34%	4.98%	2.13%	1.81%	3.18%	2.66%	7.12%	6.84%
25	4.58%	4.05%	5.43%	4.95%	5.19%	4.95%	2.29%	1.99%	3.24%	2.74%	6.86%	6.57%
30	4.42%	3.84%	5.41%	4.98%	5.04%	4.87%	2.41%	2.14%	3.26%	2.80%	6.59%	6.31%

(*) adjusted

AXA Japan uses September rates.

Hong Kong results are based on USD assumptions, as a significant part of Hong Kong policies are denominated in US$.

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

Target volatilities 2009	Equities			10 yr Swaptions		
	year 5	year 10	year 20	year 5	year 10	year 15
US	26.09%	28.79%	31.45%	22.06%	17.25%	15.47%
Euro zone	27.59%	28.69%	29.77%	14.40%	14.74%	16.53%
Japan	25.97%	26.04%	26.69%	24.50%	21.15%	21.23%
UK	25.76%	27.00%	27.67%	15.70%	13.19%	14.10%
Switzerland	22.87%	24.08%	25.72%	21.70%	19.90%	22.32%

Target volatilities 2010	Equities			10 yr Swaptions		
	year 5	year 10	year 20	year 5	year 10	year 15
US	23.99%	27.40%	30.68%	21.77%	17.94%	16.34%
Euro zone	26.49%	27.48%	28.14%	19.10%	17.60%	19.15%
Japan	27.02%	30.02%	32.19%	28.83%	24.83%	25.37%
UK	24.19%	25.93%	27.97%	15.29%	13.02%	13.20%
Switzerland	19.96%	20.46%	20.94%	28.60%	31.60%	34.38%

AXA Japan uses September spot data

The swaption implied volatility targets have been changed from 20 year in 2009 to 10 year in 2010 to provide a closer match to the options and guarantees in the liabilities. The 2009 comparatives are presented for the 10 year swaption implied volatilities.

As in 2009, AXA used at year-end 2010 spot daily at-the-money forward volatilities for both equities and bonds, consistently with a return to more usual conditions in the markets and less concerns over liquidity.

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

ASSET MIX ASSUMPTIONS

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

Asset Mix (FI/Equity/ other)	2009	2010
United States	86/3/12	86/3/12
France	87/7/6	88/7/6
United Kingdom	47/48/5	33/62/5
Switzerland	71/7/21	72/6/22
Japan	84/8/8	82/6/13
Belgium	73/13/13	78/10/12
Australia/New Zealand	80/17/3	80/17/3
Hong Kong	75/25/0	74/26/0
Germany	90/2/7	91/2/7
MedLA	92/5/4	73/6/21
CEE	65/25/10	65/27/8

EXCHANGE RATES

ANAV and VIF are calculated using end of year exchange rates (exceptionally, this year Japan was also converted with end of year rates instead of end of September, due to a significant variation).

New business metrics are calculated using average exchange rates over the year (from September 09 to September 10 for Japan).

Exchange rates local currency vs Euro	2009		2010	
	EoY	Avg	EoY	Avg
United States	1.433	1.394	1.342	1.337
United Kingdom	0.8876	0.8913	0.8568	0.8615
Switzerland	1.483	1.510	1.250	1.391
Japan	131.3	129.6	108.8	117.6
Australia	1.596	1.774	1.309	1.458
Hong Kong	11.11	10.81	10.43	10.38
Czech Republic	26.35	26.43	25.09	25.35
Hungary	269.8	280.3	278.3	275.2
Poland	4.105	4.326	3.964	4.006
Singapore	2.014	2.024	1.719	1.826
Philippines	66.11	66.29	58.77	60.41
Thailand	47.87	47.81	40.44	42.57
Indonesia	13565	14430	12088	12185
China	9.790	9.526	8.840	9.056
Turkey	2.137	2.162	2.065	2.013

Operational assumptions

ACTUARIAL ASSUMPTIONS

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

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

TAX ASSUMPTIONS

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

Tax Rate	2009	2010
United States	35%	35%
France	34%	34%
United Kingdom	28%	27%
Switzerland	21%	21%
Japan	36%	36%
Belgium	34%	34%
Australia/New Zealand	30%	30%
Hong Kong	0,875% of premia	0,825% of premia
Germany	32%	32%
MedLA	28%	30%
CEE	19%	16%

EXPENSES

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

Inflation Rate	2009	2010
United States	2.5%	2.5%
France	2.0%	2.0%
United Kingdom	2.9%	2.9%
Switzerland	1.5%	1.5%
Japan	1.0%	1.0%
Belgium	2.0%	2.0%
Australia/New Zealand	2.5%	2.5%
Hong Kong	2.5%	2.5%
Germany	2.0%	2.0%
MedLA	2.0%	2.0%
CEE	2.3%	2.3%

Excluded expenses		
Euro million, Group share, pre-tax	2009	2010
United Kingdom	69	38
Germany	45	23
France	28	23
United States	28	8
CEE	16	7
MedLA	9	4
Belgium	7	4
Switzerland	6	0
Other countries	10	2
Total excluded expenses	**218**	**108**

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

The level of excluded expenses significantly decreased in 2010 compared to 2009, driven by a strong decrease in the UK and Germany. In 2010 the largest amount of excluded expenses are related to the Elevate Platform startup business in the UK, non activated IT investments in France, and various project developments in Germany (mainly ex-Winterthur entities remaining integration costs and non activated IT investments).

MODELING OF PARTICIPATING AND ADJUSTABLE CREDITED RATES BUSINESS

Participating business is generally characterized by the following key features:

- a minimum interest rate or level of bonus is guaranteed on the contract. At least the guaranteed rate or bonus is credited under all circumstances. Hence, whenever fund return does not achieve the minimum performance, the shareholder will bear the cost of maintaining the guaranteed level
- generally bonuses and crediting rates will exceed minimum guaranteed levels. The amount credited will be based on profit sharing rules as well as the performance of the investment markets and will involve a degree of management discretion.

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

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

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

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

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

Appendix 1: Details on the Implied Discount Rates

As explained previously in the report, the risk-neutral valuation method applied in AXA's EEV means that assumptions about future return spreads for different asset classes do not affect the reported EEV. The methodology is equivalent mechanically to assuming that the expected return on all asset classes is the reference rate. However, to facilitate comparisons to other companies (especially those not following a market consistent basis), and to Traditional EV, we have made calculations with illustrative future investment returns, and derived implied risk discount rates. The illustrative assumptions for 2009 and 2010 are shown in the tables below. It is important to always view IDRs in the context of their management case assumptions, because a change in assumptions will change IDR.

2009	FI Return	Equity Return	Cash Return	Real Estate Return	"Other" Return	Life VIF IDR	Life NBV IDR
United States	7.00%	9.00%	5.00%	7.50%	6.00%	15.05%	7.23%
France	6.00%	8.00%	4.00%	6.50%	n/a	8.76%	6.27%
United Kingdom	5.46%	8.02%	n/a	6.53%	n/a	6.97%	5.79%
Switzerland	2.31%	6.50%	2.58%	5.00%	6.50%	4.94%	5.02%
Japan	4.77%	6.50%	n/a	n/a	n/a	6.68%	3.43%
Belgium	5.80%	8.00%	4.25%	6.50%	7.00%	8.24%	7.86%
Australia/New Zealand	7.52%	9.10%	5.10%	7.60%	n/a	6.65%	6.41%
Hong Kong	7.05%	10.09%	5.30%	n/a	n/a	7.52%	5.51%
Germany	6.40%	8.00%	4.25%	6.50%	6.00%	7.36%	5.89%
MedLA	5.68%	8.00%	4.00%	6.50%	n/a	8.18%	5.02%
TOTAL Life & Savings	5.71%	7.93%	4.24%	6.61%	6.26%	8.76%	5.18%

2010	FI Return	Equity Return	Cash Return	Real Estate Return	"Other" Return	Life VIF IDR	Life NBV IDR
United States	6.70%	5.50%	5.00%	7.00%	6.00%	13.99%	7.18%
France	5.03%	7.83%	4.25%	6.00%	n/a	7.20%	5.69%
United Kingdom	5.15%	9.03%	n/a	6.48%	n/a	7.47%	5.49%
Switzerland	3.79%	6.04%	3.16%	6.90%	6.04%	3.79%	3.53%
Japan	4.20%	5.00%	n/a	n/a	2.04%	4.86%	2.62%
Belgium	5.16%	7.50%	4.25%	6.00%	8.25%	8.85%	6.77%
Australia/New Zealand	8.30%	10.00%	4.75%	7.75%	n/a	7.74%	7.14%
Hong Kong	6.02%	8.98%	5.00%	n/a	n/a	6.84%	5.26%
Germany	5.64%	7.50%	4.25%	6.00%	6.00%	6.83%	4.77%
MedLA	4.90%	7.50%	4.00%	6.00%	4.50%	8.51%	5.29%
CEE	4.56%	5.05%	3.84%	2.55%	0.45%	4.87%	7.25%
TOTAL Life & Savings	6.70%	5.50%	5.00%	7.00%	6.00%	6.88%	5.29%

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

The drivers of the evolution of the Total IDR for each country are described in the Detailed Results section of this report. IDRs are disclosed on the basis of discounted distributable earnings including the impacts of required capital which is roughly comparable to the discount rates used in Traditional EV.

Appendix 2: Reconciliation of the IFRS Shareholders equity to Group EV

FY10 Group Embedded Value ("Group EV") was calculated as the sum of the Life & Savings EEV and the Tangible Net Asset Value (TNAV) for other businesses (referred to as AXA methodology in the bottom table). The following table shows reconciliation from the shareholders' equity to the TNAV for other businesses.

Euro million, Group share	2010			2009		
	Life & Savings	Other businesses	Total Group	Life & Savings	Other businesses	Total Group
IFRS shareholders' equity	**41,502**	**8,196**	**49,698**	**38,018**	**8,211**	**46,229**
Net URCG not included in shareholders' equity (*)	936	1,920	2,855	906	1,656	2,561
Excluded TSS/TDI	-	(7,683)	(7,683)	-	(7,383)	(7,383)
Mark to Market debt	-	870	870	-	1,389	1,389
Excluded Intangibles	(19,113)	(9,622)	(28,736)	(18,946)	(9,196)	(28,142)
other stat/GAAP adjustments	(2,935)	(5)	(2,940)	(2,687)	-	(2,687)
ANAV (Life & Savings)/TNAV (other businesses)	**20,389**	**(6,324)**	**14,065**	**17,290**	**(5,323)**	**11,967**
Life & Savings VIF	20,087	-	20,087	18,456	-	18,456
Group EV (L&S EEV + TNAV)	**40,476**	**(6,324)**	**34,152**	**35,745**	**(5,323)**	**30,422**

(*) Does not include net UCG on assets and liabilities related to banking activities.

Appendix 3: Glossary

Adjusted opening Life & Savings EEV:
This is the balance published for previous year closing, adjusted by modeling and opening adjustments. It serves as the basis for calculating Operating Return on Life EEV and Total Return on Life & Savings EEV.

ANAV: *Adjusted Net Asset Value*. The tangible net assets on a mark to market-value basis derived equivalently either from consolidating the local regulatory (statutory) balance sheet or adjusting the consolidated IFRS balance sheet. It excluded a portion of unrealized capital gains and losses which is projected in the VIF.

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

Beginning of period reference rate:
This is the first year rate included in the previous year swaps curve

Capitalization factor: This is the multiple of regular premium that single premium plus capitalization factor times regular premium equals PVEP; it is a rough measure of the duration of regular premia business

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

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

Comparable basis Change on a comparable basis was calculated at constant FX and scope

Current year investment experience:
This includes the variance in experience during the year from that expected in the illustrative investment scenario at the end of the previous year, and the change in value created by reflecting the current yearend yield curves and investment assumptions in the VIF rather than those of last year.

Free surplus This represents the assets not supporting policy liabilities and required capital

Group EV The Group EV is the Life & Savings EEV plus IFRS shareholders equity of other business

IDR: *Implied Discount Rate*. This is the discount rate which would reproduce the market consistent VIF from a deterministic projection of statutory distributable earnings in an illustrative scenario.

Implicit items This represents the amounts allowed by local regulators to be deducted from capital amounts when determining the required minimum margin.

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

NBV/APE Margin: Equals NBV divided by APE.

NBV/PVEP Margin: Equals NBV divided by PVEP.

Operational changes:

These are the impact on the VIF of changes in future assumptions for items like mortality, expenses, lapse rates, as well as the impact of actual versus expected experience.

Operating performance from existing business:

This considers the movements in EEV related to the business inforce at the beginning of the year, excluding the investment impacts that relate to variances from the management case assumptions used in the previous year.

Operating Return on EEV: This is the movement in the Embedded Value from the beginning to the end of the year, excluding the following elements:

- modeling changes or other opening adjustments,
- exchange rate impacts,
- the impact of acquisitions,
- capital flows into or out of the Life & Savings segment,
- the difference between actual investment performance and that expected as reflected in the IDR at the beginning the year, and
- any changes in investment assumptions for the future, other than those directly tied to observing current market prices.

This therefore includes:

- unwind of discount at the beginning of year IDR on VIF + Required Capital,
- expected return on free surplus assets (i.e. those not supporting policy liabilities and required capital),
- new business impacts,
- differences in operational experience from that expected, and any changes in operational assumptions.

PVEP: *Present Value of Expected Premia*. A measure of new business volume, equal to the present value at time of issue of the total premia expected to be received over the policy term. The present value is discount at the reference interest rate. While the measure is not as closely linked to cash received in the current period as APE, the ratio of NBV/PVEP is a more economical indicator of profit margin than is the ratio of NBV/APE.

Required capital This represents the amount of assets, over and above the value placed on liabilities in respect of covered business, whose distribution to shareholders is restricted. In AXA's methodology it has been set up to be at least equal to the AA level requirement on a standalone basis net of implicit items.

Reference interest Rate: Refers to the rate used as the basis for the market-consistent valuation. In stable markets, the reference rate is taken as the swap curve yield. In current conditions AXA has used as part of its 2010 market-consistent methodology, a reference rate that includes a premium over swap rates to reflect the ability, for insurers with long term liabilities to earn risk free returns in excess of swaps by investing in corporate bonds and credit default swaps. The Reference interest Rates in the IDR tables reflect the current yields as at year-end 2009 and 2010 based on the average liability duration for inforce or new business, respectively.

Risk Neutral Value: This is equal to the sum of Certainty Equivalent PVFP and Time Value of O&G

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

Total Return on EEV: The Operating Return on EEV, plus the impact of investment experience during the year differing from that assumed for the beginning of year IDR, and the impact of any investment assumption changes (for those assumptions not directly observed in current market prices). Total return on Life & Savings European Embedded Value (EEV) excludes the impact of capital transfers, modeling changes, EEV of acquired business and foreign exchange effect.

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

Appendix 4: Report on embedded value

Report on embedded value

To AXA Chief Financial Officer

As statutory auditors of AXA Group and in accordance with your request, we have examined the Life & Savings European Embedded Value (EEV) information regarding the EEV and its components, the new business value, the analysis of movement in EEV and the sensitivities (hereinafter referred to as "the EEV Information") at December 31, 2010 of the AXA Group contained in the attached document ("Embedded Value Report 2010" hereinafter referred to as "the EV Report").

The EEV Information and underlying significant assumptions, upon which the information relies, have been established under the responsibility of management. The methods and significant assumptions adopted are detailed in the EV Report.

We are responsible for expressing a conclusion on the compliance of the results of the EEV Information with the methodology and assumptions adopted by management and on the consistency of accounting information used with the AXA Group consolidated financial statements at December 31, 2010.

Our work, which does not constitute an audit, has been performed in accordance with the professional standards applicable in France, and aims at forming a conclusion based on appropriate procedures.

Our work included the following procedures:

- Understanding the procedures adopted by management to prepare the EEV information.

- A review of the "market consistent" approach adopted by management, and described in the EV Report for consistency with the European Embedded Value Principles and Guidance defined by the European Insurance CFO Forum.

- A review of the consistency of the methodology used and implemented by management with that described in the EV Report.

- A review of the internal consistency of the economic assumptions and of their consistency with observable market data.

- A review of the consistency of the operational assumptions with regard to past, current and expected future experience.

- A review of the testing performed by Towers Watson on the underlying models used to calculate the EEV Information.

- Checking by review and reconciliation the consistency of the EEV Information with the methodology and assumptions in the EV Report.

- Checking the consistency of the accounting information and other relevant underlying data used in preparing the EEV Information with the annual financial statements and underlying accounting records at December 31, 2010.

- Obtaining the information and explanations as deemed necessary to deliver our conclusion.

We note that, due to the uncertain nature of estimation, actual outcomes can differ, perhaps significantly, from those expected in the EEV Information. We express no conclusion relating to the possibility of such outcomes.

Based on our work, we have no observations regarding:

- The compliance of the results of the EEV information at December 31, 2010 that AXA Group presented in the EV Report with the AXA Group's market consistent methodology and assumptions adopted by management and described in the EV Report which are consistent with the European Insurance CFO Forum EEV Principles and Guidance.

- The consistency of accounting information used with the AXA Group consolidated financial statements at December 31, 2010, on which we expect to issue our audit report on the 17 March 2011.

Neuilly-sur-Seine and Courbevoie, 17 February, 2011

PricewaterhouseCoopers Audit	Mazars
Michel Laforce	Gilles Magnan
Stéphane Kuypers	Maxime Simoen