Activity Report

Half Year 2011

Cautionary statements concerning forward-looking statements

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

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to AXA's Registration Document for the year ended December 31, 2010, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Financial market conditions in first half of 2011

In this first half of 2011, after an economic rebound in the first quarter, the economic recovery showed some signs of weakness. After the March Tohoku earthquake and tsunami in Japan, combined with uncertainties at the end of 2010 relative to political tensions in the Middle East, US economic indicators – in particular for the manufacturing sector – reversed in May the positive trend observed in the first months of the year, signaling a probable slowdown in activity. After a downward trend of the unemployment rate, job creations in the US were limited in May.

In the Euro area, economic survey have also shown deterioration. However, German indicators showed greater resilience than those of other countries in the zone. In particular, the PMI manufacturing indices have once again fallen below the 50-mark in Spain, Italy, Greece and Ireland. A sign of these divergences in economic growth, the national labour markets at best are improving slightly and at worst continue to deteriorate. Only the German labour market is showing clear signs of improvement, as the country continues to benefit from promising internal dynamism.

In addition, first signs of an economic slowdown in the emerging sphere (China, Brazil and Russia) appeared, partly explained by the inventory cycle in China.

On the monetary policy front, divergences between the developed economies and the emerging ones remain: the former continue to run accommodative policies to support their economies, while the latter are pursuing tightening in order to fight against inflationary tensions.

In Europe, the ECB initiated interest rate increases, with a first rate hike in April of 25bps. However, it has opted to maintain its non-conventional measures and has renewed its 3-months liquidity measures, fixed rate and quantities unlimited, until the end of 3Q11. The Bank of England left its rates unchanged, while inflation has been rising for more than one year now.

In the United States, the Fed once again confirmed its decision to maintain its key rates low, and the end of QEII suggests that it is ready to start normalising its quantitative measures.

Only the Bank of Japan renewed its liquidity program in light of the disaster that struck the country, doubling its public and private securities buyback program.

The emerging countries – with China in the lead – have pursued ongoing monetary tightening over the course of this first half of the year, albeit at a slower pace than that of the rise in inflation.

STOCK MARKETS

Equity markets performed well in first half of 2011 thanks to economic growth at the turn of 2010-2011 and still abundant global liquidity, particularly the Fed's provision of liquidity to markets via its quantitative easing program. US overperformed Europe due to the persistent sovereign worries in the Euro area and the lackustre growth numbers in the UK. Japanese Nikkei suffered from the March earthquake.

Overall, the Dow Jones in New York increased by 7% in the first half of 2011, as did the S&P 500 (+5%), the CAC 40 in Paris (+5%) and the FTSE in London (+1%), whereas the Nikkei in Tokyo depreciated by 4%. The MSCI World Index increased by 2% as well as MSCI G7 increased by 3% whereas the emerging indices depreciated by 3%. The S&P 500 implied volatility index decreased from 17.8% to 16.5% between December 31, 2010 and June 30, 2011.

BOND MARKETS

The US 10-year T-bond ended the half year at 3.16%, a decrease of 16 bps compared to December 31, 2010 whereas the 10-year German Bund yield increased by 6 bps to 3.02%. The 10-year Japanese Government Bond ended the half year at 1.26%, an increase of 32 bps.

Regarding the evolution of 10-year government bonds on European peripheral countries: Italy ended the half year at 4.88% (an increase of 7 bps compared to December 31, 2010), Spain ended the half year at 5.45% (a decrease of 1 bps compared to December 31, 2010), Greece ended the half year at 16.34% (an increase of 387 bps compared to

December 31, 2010), Ireland ended the half year at 11.70% (an increase of 264 bps compared to December 31, 2010), Portugal ended the half year at 10.90% (an increase of 430 bps compared to December 31, 2010).

In Europe, the iTRAXX Main spreads remained stable at 106 bps, while the iTRAXX Crossover decreased by 40 bps to 397 bps. In the United States, the CDX Main increased by 7 bps to 92 bps.

EXCHANGE RATES

Despite financial market turbulences in Europe, the Euro continued to appreciate against the main currencies during the first half of this year, except for the Swiss Franc.

Compared to December 31, 2010, the US Dollar lost 8% against the Euro (closing exchange rate moved from $1.34 at the end of 2010 to $1.45 at the end of June 2011). The Yen lost 8% against the Euro (closing exchange rate moved from Yen 108.8 at the end of 2010 to Yen 117.6 at half year of 2011). The Pound Sterling lost 5% against the Euro (closing exchange rate moved from £0.857 at the end of 2010 to £0.903 at the end of June 2011). The Swiss Franc gained 2% against the Euro (closing exchange rate moved from CHF 1.25 at the end of 2010 to CHF 1.22 at the end of June 2011).

On an average rate basis, the US Dollar lost 5% against the Euro (from $1.34 over the first half of 2010 to $ 1.40 over the first half of 2011). The Yen gained 8% against the Euro (from Yen 121.6 over the six months to March 31, 2010 used for half year 2010 accounts to Yen 112.3 over the six months to March 31, 2011 used for half year 2011). The Pound Sterling decreased by 1% (from £0.861 over the first half of 2010 to £0.869 over the first half of 2011) and the Swiss Franc gained 9% against the Euro (from CHF 1.39 over the first half of 2010 to CHF 1.27 over the first half of 2011).

Operating highlights

Significant acquisitions

On November 15, 2010, **AXA** announced a joint proposal with **AMP** to **AXA APH** whereby AXA dispose of its 54% stake in AXA APH to AMP and acquire AXA APH Asian operations.
On April 1, 2011, after receiving the various shareholder approval, court approvals and regulatory approvals in Australia and New Zealand as well as regulator approvals in Asia, AXA announced that it has successfully completed the AXA APH transaction. This resulted in AMP acquiring AXA APH's outstanding shares for AU$ 13.3 billion, of which AXA' shares in AXA APH have been paid for AU$ 7.2 billion in cash, while AXA acquired from AMP 100% of AXA APH's Asian operations for AU$ 9.8 billion in cash. AXA APH's Australia & New Zealand businesses price was AU$ 3.5 billion.
This transaction had an impact on AXA Group of €0.7 billion realized capital gains recorded for in net income regarding the sale of its Australia and New Zealand operation, €2.5 billion reduction in shareholders' equity mainly relative to the buy-out of minority interests in AXA APH Asian operations, leading to an increase of +4 points on debt gearing and a decrease of -1 point of Solvency I ratio.

On June 10, 2011, **AXA**, **Bharti Entreprises** ("Bharti") and **Reliance Industries Limited** ("RIL") announced having reached an understanding on the acquisition by RIL and its associate Reliance Industrial Infrastruce Limited ("RIIL") of Bharti's shareholding of 74% in Bharti AXA Life Insurance Co. Ltd ("Bharti AXA Life") and Bharti AXA General Insurance Co. Ltd. ("Bharti AXA GI").
This transaction is subject to negotiation and entering into legally binding agreements between RIL, RIIL and AXA and obtaining necessary approvals from IRDA[1] and other applicable approvals. On completion of the proposed transaction, RIL and RIIL would effectively own respectively 57% and 17% in both insurance companies and would become AXA's joint ventures partners in India. AXA would retain its current 26% shareholding and would continue to manage the day to day operations of the joint ventures.
The proposed agreement contemplates an option by which AXA would acquire from RIL and RIIL up to 24% shareholding in both insurance companies in accordance with the applicable regulations as and when the FDI[2] regulations permit such holding by AXA. Upon exercise of such option, RIL will effectively own 45%, RIIL will effectively own 5% and AXA the balance 50% in both insurance companies.
RIL and AXA will join forces to create market leading Life and General Insurance businesses in India by leveraging their respective strengths and expertise.
In fiscal year 2011[3], Bharti AXA Life collected premiums of INR 7.9 billion (or ca. Euro 132 million) and Bharti AXA GI collected gross direct premiums of INR 5.5 billion (or ca. Euro 92 million).

Significant disposals

On March 11, 2011, AXA announced the sale of 15.6% stake in **Taikang Life**. China Insurance Regulatory Commission («CIRC») has issued its approval in connection with the proposed transfer by AXA of its entire 15.6% interest in Taikang Life, China's 4th largest life insurer, to a consortium of new and existing shareholders. The consideration for this transaction amounts to USD 1.2 billion (or ca. Euro 0.9 billion). This corresponds to implied 2009 multiples of 21x net earnings[4] and 6x book value[4].
This transaction generated a positive impact of €0.7 billion in net income and reduced debt gearing by 2 points in the first half of 2011.

On May 31, 2011, AXA announced that it has agreed to sell its **Canadian operations** in Property & Casualty and Life & Savings insurance to Intact Financial Corporation for a total cash consideration of CAD 2.6 billion (or ca. €1.9 billion). This corresponds to implied 2010 multiples of 13x underlying earnings and 1.9x book value. This transaction is expected to generate an exceptional capital gain of approximately €0.9 billion during the second semester, which will be accounted for in net income. In addition, AXA is entitled to receive up to CAD 100 million (or ca. €72 million) in contingent considerations based on profitability metrics over a period of 5 years.

[1] *Insurance Regulatory and Development Authority.*
[2] *Foreign Direct Investment.*
[3] *April 2010 – March 2011. Premiums are expressed in Indian GAAP.*
[4] *Source : China Insurance Yearbook 2010.*

AXA's Canadian operations affected by this proposed transaction is treated as discontinued operations in AXA's half year 2011 consolidated financial statements. As a consequence, their earnings are accounted for in net income.
Estimated impacts on AXA expected at the closing date:

- Ca. +5 points on Solvency I ratio, which is 186% at June 30, 2011,
- Ca. +6 points on Economic Capital ratio, which is 184% at June 30, 2011,
- Ca. -3 points on debt gearing, which is 28% at June 30, 2011.

The parties expect the sale to close before the end of 3Q 2011, subject to customary closing conditions and regulatory approvals for a transaction of this type.

Other

On February 3, 2011, the US Securities and Exchange Commission entered an order settling charges against three AXA Rosenberg companies in connection with a coding error in an investment model. Compensation payments have been made to clients and former clients of AXA Rosenberg Group, which were completed in the second quarter of 2011, and AXA Rosenberg Group also paid a civil monetary penalty. AXA previously established a €66 million net provision in its full year 2010 accounts related to this matter. In addition, the three AXA Rosenberg companies have been named as defendants in a putative class action lawsuit in California related to the coding error, which is pending as of the date of this report.

Related-party transactions

During the first half of the fiscal year 2011, there were (1) no modifications to the related-party transactions described in Note 28 "Related-Party transactions" of the audited consolidated financial statements for the fiscal year ended December 31, 2010 included in the full year 2010 Registration Document (pages 399 and 400) filed with the *Autorité des marchés financiers* and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com), which significantly influenced the financial position or the results of the Company during the first six months of the fiscal year 2011, and (2) no new transaction concluded between AXA SA and related parties that significantly influenced the financial position or the results of the Company during the first six months of 2011.

Risk factors

The principal risks and uncertainties faced by the Group are described in detail in Section 3.1 "Risk factors" and in Section 1.2 "Additional factors which may affect AXA's business" included in the full year 2010 Registration Document (respectively on pages 192 to 213 and pages 33 to 45) filed with the *Autorité des marchés financiers* and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com).

The description contained in these Sections of the 2010 Registration Document remains valid in all material respects at the date of this Report regarding the appreciation of the major risks and uncertainties affecting the Group at June 30, 2011 and which management expects may affect the Group during the remainder of 2011.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (d)	FY 2010 published	FY 2010 restated (d)	HY 2011/HY 2010
Life & Savings	**27,841**	**30,881**	**30,812**	**56,923**	**56,792**	**-6.6%**
of which Gross written premiums	*27,010*	*29,876*	*29,809*	*54,962*	*54,834*	-
of which Fees and revenues from investment contracts with no participating feature	*182*	*292*	*292*	*518*	*518*	-
Property & Casualty	**15,350**	**15,394**	**14,691**	**27,413**	**25,986**	**2.7%**
International Insurance	**1,739**	**1,762**	**1,762**	**2,847**	**2,847**	**0.6%**
Asset Management	**1,658**	**1,670**	**1,670**	**3,328**	**3,328**	**2.8%**
Banking (b)	**248**	**218**	**218**	**459**	**459**	**13.0%**
Holdings and other companies (c)	**0**	**0**	**0**	**0**	**0**	**n.a**
TOTAL	**46,836**	**49,925**	**49,153**	**90,972**	**89,412**	**-3.0%**

(a) Net of intercompany eliminations.
(b) Excluding net realized capital gains and change in fair value of assets under fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €245 million and €46,835 million for first half 2011, €212 million and €49,921 million for first half 2010, and €444 million and €90,964 million for full year 2010.
(c) Includes notably CDOs and real estate companies.
(d) Restated means the restatement following classification of Canadian operations as discontinued business.

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

In particular, comparable basis for revenues and APE[5] in this document means including, in both periods, acquisitions, disposals and business transfers, and net of intercompany transactions.

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

Consolidated gross revenues for first half year 2011 reached €46,836 million, down 5% compared to first half year 2010.

The restatements to a comparable basis were mainly driven by the impact of the partial sale of UK Life & Savings operations (€+1,123 million or +2.2 points), the impact of AXA APH Asian entities minority interest buy-out and disposal of Australia and New Zealand operations (€+811 million or +0.9 point) and the appreciation of Euro against most of all major currencies (€-744 million or -1.5 points).

On a comparable basis, gross consolidated revenues were down 3%.

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

Annual Premium Equivalent

Annual Premium equivalent

(in Euro million)

	HY 2011	HY 2010	FY 2010	HY 2011/HY 2010 (b)
TOTAL	**2,948**	**2,986**	**5,780**	**-1.1%**
France	664	681	1,384	0.0%
United States	502	505	986	5.2%
United Kingdom (a)	296	295	545	-0.0%
Japan	212	222	465	-17.1%
Germany	258	247	464	4.5%
Switzerland	277	179	283	36.9%
Belgium	80	123	218	-35.0%
Mediterranean & Latin American Region	202	322	553	-37.3%
Australia/New Zealand	-	153	283	-
Hong Kong	166	72	159	32.9%
Central Eastern Europe	129	109	274	-3.5%
South East Asia, India and China	162	78	166	19.0%
Mature markets	**2,467**	**2,688**	**5,114**	**-3.3%**
High Growth markets	**481**	**298**	**667**	**11.4%**

(a) Half year 2010 retained business only.
(b) Changes are on a comparable basis.

Total Life & Savings New Business APE amounted to €2,948 million, down 1% compared to half year 2010. On a comparable basis, APE decreased by 1%, mainly due to Mediterranean & Latin American Region, Belgium and Japan, partly offset by Switzerland, Hong Kong, South-East Asia & China and the United States, while France remained stable.

Mediterranean & Latin American Region APE decreased by €120 million (-37%) to €202 million mainly due to mature markets (€-105 million or -37%) reflecting a significant decrease in general account savings products (€-119 million or -57%) notably in Italy (€-119 million of which €-101 million at AXA MPS) reflecting a more favorable context in 2010 notably a tax amnesty, slightly offset by an increased focus on unit-linked (€+12 million or +25%) and Individual Protection products (€+4 million or +50%). High growth markets decreased by €15 million (-38%) driven by Group Protection in Mexico (€-14 million) due to less large new contracts as a result of a stricter underwriting policy.

Belgium APE decreased by €43 million (-35%) to €80 million, mainly driven by lower sales of Crest general account Savings products reflecting a conservative commercial policy in a highly competitive market.

Japan APE decreased by €38 million (-17%) to €212 million, mainly due to (i) €24 million (-37%) decrease in Investment & Savings following the non-repeat of significant sales of Variable Annuity products in the first half of 2010 as a result of last year change in inheritance tax law, (ii) €11 million (-17%) decrease in Health as a result of a shift from lower margin to higher margin Medical products partly offset by the launch of Cancer Income Support products at the end of 2010.

Switzerland APE increased by €66 million (+37%) to €277 million driven by (i) €+63 million (+45%) in Group Life driven by higher demand for full insurance contracts and (ii) €+3 million (+9%) in Individual Life mainly attributable to the new Protect Plan and Protect Invest products.

Hong Kong APE increased by €44 million (+33%) to €166 million mainly driven by the successful launch of unit-linked Investment & Savings products and higher agent productivity.

South East Asia, India & China increased by €26 million (+19%) to €162 million mainly driven by (i) Indonesia (€+19 million) with strong sales of unit-linked products through the bancassurance channel, (ii) China (€+8 million) primarily from higher sales of Group Protection & Health and Individual savings products and (iii) Thailand (€+3 million) mainly from higher sales of short term Savings products, partly offset by (iv) lower sales in India (€-4 million) mainly from unit-linked business following regulatory changes in September 2010.

The United States APE increased by €26 million (+5%) to €502 million mainly driven by (i) Variable Annuity up 5% reflecting higher sales of the Retirement Cornerstone and Structured Capital Strategies products and (ii) Life up 25% reflecting sales of the new Indexed Universal Life product.

France APE remained stable at €664 million reflecting a significant change in business mix as (i) lower sales of general account Individual Savings (-13% or €-41 million) were offset by (ii) higher sales of unit-linked Individual Savings (+21% or €+15 million) and, (iii) an increase in general account Protection & Health and Group Retirement sales.

As a result, High Growth markets APE increased by 11% mainly driven by Asia while Mature markets declined by 3%, mainly as a result of lower general account Savings products, partly offset by higher sales of general account Protection and Health.

Property & Casualty Revenues

Property & Casualty Revenues

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (a)	FY 2010 published	FY 2010 restated (a)	HY 2011/HY 2010
TOTAL	*15,350*	15,394	14,691	27,413	25,986	**2.7%**
Mature markets	*12,726*	13,015	12,313	22,495	21,067	**1.2%**
Direct	*1,059*	962	962	1,928	1,928	**9.3%**
High Growth markets	*1,564*	1,417	1,417	2,990	2,990	**11.0%**

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

Property & Casualty gross revenues were up 5% to €15,350 million or up 3% on a comparable basis mainly driven by Personal lines (+4%) especially in Germany, the Mediterranean & Latin American Region and Direct Business. Commercial lines increased by 1% especially in the United Kingdom & Ireland, France and the Mediterranean & Latin American Region partly offset by Germany and Switzerland.

Personal lines (59% of P&C gross revenues) were up by 4% on a comparable basis, stemming from both Motor (+5%) and Non-Motor (+2%), primarily as a result of tariff increases in Mature markets and Direct business and higher volume in High Growth markets.

Motor revenues grew by 5% mainly driven by (i) the Mediterranean & Latin American Region (+7%), primarily driven by positive volume effects in Turkey (+35%) in a context of car sales growth, in Mexico (+21%) supported by advertising campaigns and in Italy (+9%) benefiting from 2010 and 2011 tariff increases, partly offset by Spain (-8%), (ii) Direct business (+7% or €+65 million) driven by €+43 million in the UK as a result of tariff increases, €+27 million in continental Europe with strong growth in Italy and Poland as well as €+8 million in Japan driven by higher volumes partly offset by €-13 million decrease in South Korea as a result of a difficult market environment, and (iii) Germany (+9%) as a result of higher volumes and price increases, partly offset by (iv) France (-1%) as negative volumes were offset by tariff increases.

Non-Motor revenues increased by 2% mainly driven by (i) Direct business (+30%) reflecting higher volumes in Household in the UK, (ii) France (+5%) mainly driven by tariff increase in Household (+6%), (iii) Belgium (+4%) mainly driven by Property following the increase in average premium, and (iv) Germany (+1%) mainly due to a positive net production in Property, partly offset by (v) the United Kingdom (-3%) mainly reflecting selective underwriting within Travel and Warranty lines.

Commercial lines (40% of P&C gross revenues) increased by 1% on a comparable basis with both Motor and Non-Motor up by 1%.

Motor revenues were up by 1%, mainly driven by (i) the United Kingdom (+16%) as a result of renewal and new business tariff increases, (ii) Belgium (+4%) reflecting tariff increases and new business and (iii) France (+2%) driven by tariff increases in a context of selective underwriting, partly offset by (iv) the Mediterranean & Latin American Region (-6%) mainly in Gulf, Italy and Spain as a result of selective underwriting.

Non-Motor revenues were up by 1% mainly driven by (i) the Mediterranean & Latin American Region (+4%) mainly on large accounts in high growth markets and (ii) France (+2%) reflecting price increases partly offset by lower volumes, partly offset by (iii) Germany (-1%) mainly due to Liability and Property negatively impacted by cancellations in Industrial business.

International Insurance revenues were down 1% to €1,739 million or up 1% on a comparable basis mainly driven by (i) **AXA Corporate Solutions** (up 2% to €1,271 million) mainly driven by positive developments in Aviation & Space (+24%) and Motor (+10%) partly offset by a decrease in Property (-7%) and Liability (-3%), and (ii) **AXA Assistance** down 2% to €384 million.

Asset management revenues decreased by 1% or increased by 3% on a comparable basis to €1,658 million mainly driven by (i) an increase in performance fees (€+15 million) and transaction fees at AXA IM, (ii) distribution fees at AllianceBernstein (€+13 million) and (iii) stable management fees (€+3 million).

AllianceBernstein revenues were up 2% to €1,024 million driven by higher distribution fees (+11%) from higher retail AUM. Management fees were stable driven by higher Retail and Private clients fees offset by lower Institutional clients fees.
AUM decreased by €39 billion from year end 2010 to €323 billion at the end of June, 2011 driven by net outflows of €24 billion mainly from Institutional clients, and negative exchange rate impact of €27 billion, partly offset by €11 billion market appreciation.

AXA Investment Managers revenues increased by €28 million (+5%) to €634 million. Excluding distribution fees (retroceded to distributors), net revenues increased by €23 million (+4%) mainly driven by higher performance fees (€+15 million), driven by AXA Private Equity, and higher real estate transaction fees (€+7 million), while management fees remained stable as lower AXA Rosenberg management fees were compensated by an increase in management fees from other expertises.
AUM decreased by €2 billion from year-end 2010 to €514 billion at the end of June, 2011 as a result of €5 billion unfavorable foreign exchange impact and €2 billion change in scope related to the partial sale of the UK Life & Savings operations, partly offset by €4 billion favorable market impact and €1 billion net inflows mainly driven by net inflows at AXA Fixed Income, AXA Framlington, AXA Private Equity and Money Markets products despite €3 billion net outflows on AXA Rosenberg products and the voluntary exit from unprofitable employee shareholding plans schemes (€-2 billion).

Net banking revenues were up 14%, or up 13% on a comparable basis to €248 million, mainly driven by all AXA Bank Europe entities and especially by Belgium (+13% mainly driven by higher revenues on mortgage and consumer loans) and France (+6% driven by a strong increase in mortgage loans activity).

Consolidated underlying earnings, adjusted earnings and net income

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (b)	FY 2010 published	FY 2010 restated (b)
Gross written premiums	43,959	46,884	46,115	84,946	83,390
Fees and revenues from investment contracts without participating feature	182	292	292	518	518
Revenues from insurance activities	**44,141**	**47,177**	**46,407**	**85,464**	**83,908**
Net revenues from banking activities	***245***	***212***	***212***	***444***	***444***
Revenues from other activities	***2,449***	***2,533***	***2,531***	***5,055***	***5,052***
TOTAL REVENUES	**46,835**	**49,921**	**49,150**	**90,964**	**89,404**
Change in unearned premium reserves net of unearned revenues and fees	***(3,740)***	***(3,504)***	***(3,467)***	***(510)***	***(449)***
Net investment result excluding financing expenses (a)	***11,065***	***8,323***	***8,274***	***30,576***	***30,473***
Technical charges relating to insurance activities (a)	(40,351)	(41,467)	(41,057)	(94,351)	(93,482)
Net result of reinsurance ceded	(571)	(178)	(162)	(819)	(786)
Bank operating expenses	(44)	(50)	(50)	(96)	(96)
Insurance acquisition expenses	(4,345)	(4,219)	(4,093)	(8,699)	(8,425)
Amortization of value of purchased life business in force	(87)	(148)	(148)	(250)	(250)
Administrative expenses	(5,047)	(5,250)	(5,138)	(10,783)	(10,566)
Valuation allowances on tangible assets	(0)	(1)	(1)	(9)	(9)
Change in value of goodwill	(1)	(1)	(1)	(3)	(3)
Other	(158)	(104)	(104)	(62)	(62)
Other operating income and expenses	**(50,605)**	**(51,419)**	**(50,754)**	**(115,071)**	**(113,679)**
OPERATING EARNINGS BEFORE TAX	**3,556**	**3,321**	**3,202**	**5,959**	**5,749**
Net income from investments in affiliates and associates	46	23	23	71	70
Financing expenses	(196)	(219)	(219)	(488)	(488)
UNDERLYING EARNINGS BEFORE TAX	**3,406**	**3,124**	**3,006**	**5,542**	**5,331**
Income tax expenses	(1,040)	(825)	(791)	(1,296)	(1,235)
Minority interests	(145)	(217)	(217)	(366)	(366)
UNDERLYING EARNINGS	**2,222**	**2,082**	**1,997**	**3,880**	**3,731**
Net realized capital gains or losses attributable to shareholders	171	202	190	437	419
ADJUSTED EARNINGS	**2,393**	**2,284**	**2,187**	**4,317**	**4,150**
Profit or loss on financial assets (under fair value option) & derivatives	165	255	258	210	212
Exceptional operations (including discontinued operations)	1,543	(1,552)	(1,462)	(1,616)	(1,456)
Goodwill and other related intangible impacts	(50)	(43)	(40)	(87)	(81)
Integration and restructuring costs	(52)	-	-	(76)	(76)
NET INCOME	**3,999**	**944**	**944**	**2,749**	**2,749**

(a) For the periods ended June 30, 2011, June 30, 2010 and December 31, 2010 the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €+3,257 million, €-2,306 million and €+13,788, and benefits and claims by the offsetting amounts respectively.
(b) Restated means the restatement following classification of Canadian operations as discontinued business.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (b)	FY 2010 published	FY 2010 restated (b)
Life & Savings	1,310	1,325	1,320	2,455	2,445
Property & Casualty	989	923	843	1,692	1,553
International Insurance	143	144	144	290	290
Asset Management	157	150	150	269	269
Banking	8	(22)	(22)	9	9
Holdings and other companies (a)	(384)	(438)	(438)	(836)	(836)
UNDERLYING EARNINGS	**2,222**	**2,082**	**1,997**	**3,880**	**3,731**
Net realized capital gains or losses attributable to shareholders	171	202	190	437	419
ADJUSTED EARNINGS	**2,393**	**2,284**	**2,187**	**4,317**	**4,150**
Profit or loss on financial assets (under Fair Value option) & derivatives	165	255	258	210	212
Exceptional operations (including discontinued operations)	1,543	(1,552)	(1,462)	(1,616)	(1,456)
Goodwill and related intangibles impacts	(50)	(43)	(40)	(87)	(81)
Integration and restructuring costs	(52)	-	-	(76)	(76)
NET INCOME	**3,999**	**944**	**944**	**2,749**	**2,749**

(a) Includes notably CDOs and real estate companies.
(b) Restated means the restatement following classification of Canadian operations as discontinued business.

Group underlying earnings amounted to €2,222 million. On a constant exchange rate basis, underlying earnings increased by €192 million (+10%) driven by Property & Casualty, Holdings and Banking partly offset by a decrease in Life & Savings.

Life & Savings underlying earnings amounted to €1,310 million. On a constant exchange rate basis Life & Savings underlying earnings were down €18 million (-1%). On a comparable scope basis, restated for partial sale of the UK Life & Savings operation and for the AXA APH Asian entities minority interest buy-out and disposal of Australia and New Zealand operations, Life & Savings underlying earnings were up €112 million (+9%) mainly attributable to the United States (€+135 million), France (€+35 million) and South East Asia, India & China (€+23 million), partly offset by Japan (€-34 million), Germany (€-14 million), Hong Kong (€-26 million), and the Mediterranean & Latin America Region (€-10 million) mainly resulting from:

(i) **Higher investment margin** (€+63 million or up 5%) primarily as a result of (i) higher average asset base as well as lower investment income allocated to policyholders in France (€+34 million), (ii) higher investment income mainly driven by a higher average asset base in Belgium (€+23 million) and (iii) the Mediterranean & Latin American Region (€+13 million) mainly from mature markets driven by a higher average asset base, partly offset by (iv) Hong Kong (€-15 million) mainly due to higher credited interests to policyholders.

(ii) **Higher fees & revenues** (€187 million or up 6%) mainly driven by:

a. ***Unit-linked management fees*** up €132 million (+14%), mainly driven by the United States (€+78 million) with higher unit-linked management fees from higher Separate Account balances and France (€+28 million) driven by both business mix and positive market effects,

b. ***Loadings on premiums and mutual funds*** was up €46 million mainly driven by the United States (€+ 98 million) due to higher Unearned Revenue Reserve amortization (€+104 million) reflecting lower projection of loadings, partly offset by France (€-61 million) mainly due to lower loadings on general account premiums (€-44 million),

c. ***Other fees*** were up €9 million driven by the United States (€+15 million) following financial market improvement partly offset by CEE (€-3 million)

(iii) **Net technical margin** was up €180 million (+38%) mainly driven by (i) the United States (€+340 million) primarly driven by lower GMxB losses (€+324 million) reflecting improvement in basis and volatility costs as well as increased interest rate hedging gains, partly offset by (ii) Japan (€-69 million) mainly due to lower mortality margin following the Tohoku earthquake (€-70 million), (iii) France (€-63 million) mainly as a result of regulatory changes on "CMU" levy (offset in expenses) and the new retirement law and (iv) Belgium (€-15 million) mainly due to less favorable mortality and disability experiences,

(iv) **Expenses** increased by €336 million (or +11%) as a result of:

a. an increase in acquisition expenses by €314 million (or +20%) following higher DAC amortization in the United States (€+333 million) mainly reflecting improved margins on Variable Annuities partly offset by prior year positive adjustement on commissions (€-20 million) in France,

b. administration expenses slightly increasing (+1%).

(v) **Higher tax expenses and minority interests** (up €62 million or +14%) driven by higher pre-tax underlying earnings movements, as well as negative tax one-off in Japan (€-15 million).

Property & Casualty underlying earnings amounted to €989 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €124 million (+15%) mainly driven by:

(i) **Higher net technical result (including expenses)** up €170 million (or +96%) driven by:

a. **Current year loss ratio** down 3.1 points driven by lower Nat Cat charge (-1.5 points) and lower current year claims experience (-1.6 points),

b. **Lower positive prior year reserve development** by 2.6 points,

c. **Lower expense ratio** improving by 0.7 point to 26.8%, reflecting (i) 0.4 point reduction in acquisition ratio mainly driven by renegociation of brokers commission rates and reduced exposure to highly commissioned business in the United Kingdom, and (ii) 0.3 point reduction in administrative expenses ratio benefiting from both positive one-off impacts and various productivity programs net of inflation.

d. As a result, **the combined ratio** was down 1.3 points to 97.2%.

(ii) **Stable investment result,**

(iii) **Higher income tax expense and minority interests** (up €43 million) mainly driven by higher pre-tax underlying earnings and a non-recurring negative tax adjustment in the United Kingdom (€-9 million).

International Insurance underlying earnings amounted to €143 million. On a constant exchange rate basis, underlying earnings decreased by €3 million (or -2%) mainly due to (i) AXA Corporate Solutions Assurance down (€-3 million) with a slight deterioration of combined ratio (up 0.7 point) following a higher level of major losses on Property (€+20 million) notably Tohoku earthquake in Japan for €25 million partly offset by tariff increases in several lines of business.

Asset Management underlying earnings amounted to €157 million. On a constant exchange rate basis, underlying earnings increased by €9 million (+6%) mainly driven by AXA IM (€+19 million or +25%) reflecting higher revenues and a contained expense base partly offset by AllianceBernstein (€-11 million or -15%) as a result of higher expenses due to promotion and services on new products partly offset by higher revenues.

Banking segments' underlying earnings amounted to €8 million. On a constant exchange rate basis, banking underlying earnings increased by €31 million, mainly driven by Belgium (€+33 million) driven by higher interest and commission margins.

Holdings and other companies' underlying earnings amounted to €-384 million. On a constant exchange rate basis, holdings underlying earnings increased by €50 million (+11%) or down €14 million excluding AXA Rosenberg provision booked in holdings in the first half of 2010 driven by (i) AXA SA (€-27 million) driven by higher investments and taxes following higher inter-company dividends, partly offset by (ii) US Holdings (€+19 million) due to lower interest expenses.

Group net capital gains attributable to shareholders amounted to €171 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders were down €34 million mainly due to:

(i) €-39 million higher **impairments**, to €-238 million in the first half of 2011 mainly driven by (a) €-92 million net impairment charge on Greece government bonds subject to a global support plan (bonds with maturities below 2020) booked centrally at AXA SA level, partly offset by (b) lower impairments on equity and other fixed income assets,

(ii) €+41 million higher **realized capital gains,** to €+500 million in the first half of 2011, mainly driven by higher realized gains on equities (€+39 million) and on real estate (€+97 million) partly offset by lower realized gains on fixed income (€-57 million),

(iii) €-90 million related intrinsic value mainly related to equity derivatives premium amortization.

As a result, **adjusted earnings** amounted to €2,393 million. On a constant exchange rate basis, adjusted earnings increased by €158 million (+7%).

Net Income amounted to €3,999 million. On a constant exchange rate basis, net income increased by €2,908 million mainly as a result of:

(i) Exceptional capital gains of €1,440 million, realized in the first half of 2011 on Taikang Life (€749 million) and on disposal of Australia and New Zealand operations (€691 million) compared with a net loss on the partial disposal of the UK Life & Savings business in the first half of 2010 (€1,462 million),

(ii) Higher adjusted earnings: €+158 million to €2,393 million,

(iii) Less favorable change in fair value of financial assets and derivatives: €-90 million to €+165 million. These €+165 million can be analyzed as follows:

a. €+165 million positive performance from private equity, equity and hedge funds, net of derivatives,
b. €+65 million positive change in fair value mainly from Asset Backed Securities mainly in France,
c. €+57 million following foreign exchange movement mainly in France,

d. partly offset by €-148 million negative impact mainly from interest rates movements, mainly due to Euro swap rate increase in AXA SA and Belgium.

(iv) Lower other operations results for €-52 million related to restructuring costs.

Consolidated Shareholders' Equity

As of June 30, 2011, consolidated shareholders' equity totaled €46.4 billion. The movements in shareholders' equity since December 31, 2010 are presented in the table below:

(in Euro million)

	Shareholders' Equity
At December 31, 2010	**49,698**
Share Capital	**1**
Capital in excess of nominal value	**3**
Equity-share based compensation	**22**
Treasury shares sold or bought in open market	**107**
Deeply subordinated debt (including interests charges)	**(140)**
Fair value recorded in shareholders' equity	**(1,614)**
Impact of currency fluctuations	**(1,945)**
Payment of N-1 dividend	**(1,601)**
Other	**(2,126)**
Net income for the period	**3,999**
Actuarial gains and losses on pension benefits	**12**
At June 30, 2011	**46,416**

Shareholder Value

EARNINGS PER SHARE ("EPS")

(in Euro million except ordinary shares in million)

	HY 2011		HY 2010 Published		HY 2010 Restated (a)		FY 2010 Published		FY 2010 Restated (a)		Var. HY 2011 versus HY 2010 Restated (a)	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares	**2,298.4**	**2,302.5**	**2,263.2**	**2,270.6**	**2,263.2**	**2,270.6**	**2,266.3**	**2,274.6**	**2,266.3**	**2,274.6**		
Net income (Euro per Ordinary Share)	1.68	1.68	0.35	0.35	0.35	0.35	1.08	1.08	1.08	1.08	***382%***	***382%***
Adjusted earnings (Euro per Ordinary Share)	0.98	0.98	0.94	0.94	0.90	0.90	1.77	1.77	1.70	1.69	***9%***	***9%***
Underlying earnings (Euro per Ordinary Share)	0.91	0.90	0.85	0.85	0.81	0.81	1.58	1.57	1.51	1.51	***11%***	***11%***

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

RETURN ON EQUITY ("ROE")

(in Euro million)

	Period ended , June 30, 2011	Period ended , June 30, 2010 published	Period ended , June 30, 2010 restated (c)	Change in % points
ROE	**17.3%**	**4.0%**	**4.0%**	**13.3 pts**
Net income group share	3,999	944	944	
Average shareholders' equity	46,349	47,191	47,191	
Adjusted ROE	**13.5%**	**12.4%**	**11.8%**	**1.7 pts**
Adjusted earnings (a)	2,253	2,129	2,032	
Average shareholders' equity (b)	33,356	34,306	34,306	
Underlying ROE	**12.5%**	**11.2%**	**10.7%**	**1.7 pts**
Underlying earnings (a)	2,081	1,927	1,843	
Average shareholders' equity (b)	33,356	34,306	34,306	

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

Life & Savings Segment

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

Life & Savings segment (a)

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (b)	FY 2010 published	FY 2010 restated (b)
Gross revenues	**27,879**	**30,920**	**30,851**	**56,988**	**56,856**
APE (Group share) (c)	*2,948*	*3,229*	*2,986*	*5,780*	*5,780*
Investment margin	1,248	1,280	1,278	2,536	2,528
Fees & revenues	3,675	3,806	3,780	7,615	7,569
Net technical margin	645	527	521	767	751
Expenses	(3,636)	(3,566)	(3,538)	(7,190)	(7,136)
Amortization of VBI	(86)	(148)	(147)	(250)	(250)
Other	22	12	12	21	21
Underlying earnings before tax	**1,867**	**1,911**	**1,904**	**3,500**	**3,483**
Income tax expenses / benefits	(495)	(461)	(459)	(807)	(801)
Minority interests	(62)	(126)	(126)	(238)	(238)
Underlying earnings Group share	**1,310**	**1,325**	**1,320**	**2,455**	**2,445**
Net capital gains or losses attributable to shareholders net of income tax	243	8	5	279	276
Adjusted earnings Group share	**1,553**	**1,333**	**1,325**	**2,734**	**2,721**
Profit or loss on financial assets (under FV option) & derivatives	171	291	292	347	347
Exceptional operations (including discontinued operations)	763	(1,547)	(1,539)	(1,646)	(1,634)
Goodwill and other related intangibles impacts	(15)	(11)	(11)	(23)	(22)
Integration and restructuring costs	(16)	-	-	(16)	(16)
Net income Group share	**2,457**	**66**	**66**	**1,396**	**1,396**

(a) Before intercompany transactions.
(b) Restated means the restatement following classification of Canadian operations as discontinued business.
(c) Restated half year 2010 APE is based on UK retained business only.

Consolidated Gross Revenues

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (b)	FY 2010 published	FY 2010 restated (b)
France	7,105	7,336	7,336	14,650	14,650
United States	4,754	4,713	4,713	9,460	9,460
United Kingdom	327	1,398	1,398	2,040	2,040
Japan	2,865	2,816	2,816	5,560	5,560
Germany	3,328	3,494	3,494	6,880	6,880
Switzerland	4,544	3,643	3,643	5,090	5,090
Belgium	1,111	1,338	1,338	2,506	2,506
Mediterranean & Latin American Region (a)	2,338	4,243	4,243	6,955	6,955
Other countries	1,507	1,938	1,869	3,848	3,716
TOTAL	**27,879**	**30,920**	**30,851**	**56,988**	**56,856**
Intercompany transactions	(38)	(39)	(39)	(64)	(64)
Contribution to consolidated gross revenues	**27,841**	**30,881**	**30,812**	**56,923**	**56,792**
of which High growth markets	**1,296**	**1,212**	**1,212**	**2,485**	**2,485**
of which Mature markets	**26,544**	**29,668**	**29,599**	**54,439**	**54,307**

(a) Mediterranean & Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.
(b) Restated means the restatement following classification of Canadian operations as discontinued business.

Underlying earnings

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (b)	FY 2010 published	FY 2010 restated (b)
France	379	345	345	607	607
United States	345	229	229	478	478
United Kingdom	(8)	119	119	134	134
Japan	133	150	150	335	335
Germany	82	96	96	174	174
Switzerland	125	117	117	212	212
Belgium	82	80	80	170	170
Mediterranean & Latin American Region (a)	56	67	67	117	117
Other countries	115	122	117	228	218
UNDERLYING EARNINGS	**1,310**	**1,325**	**1,320**	**2,455**	**2,445**
of which High growth markets	121	92	92	174	174
of which Mature markets	1,189	1,233	1,229	2,281	2,271

(a) Mediterranean & Latin American Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico.
(b) Restated means the restatement following classification of Canadian operations as discontinued business.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (a)	FY 2010 published	FY 2010 restated (a)
UNDERLYING EARNINGS	**1,310**	**1,325**	**1,320**	**2,455**	**2,445**
Net realized capital gains or losses attributable to shareholders	243	8	5	279	276
ADJUSTED EARNINGS	**1,553**	**1,333**	**1,325**	**2,734**	**2,721**
Profit or loss on financial assets (under Fair Value option) & derivatives	171	291	292	347	347
Exceptional operations (including discontinued operations)	763	(1,547)	(1,539)	(1,646)	(1,634)
Goodwill and related intangible impacts	(15)	(11)	(11)	(23)	(22)
Integration and restructuring costs	(16)	-	-	(16)	(16)
NET INCOME	**2,457**	**66**	**66**	**1,396**	**1,396**

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

Life & Savings operations – France

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**7,105**	**7,336**	**14,650**
APE (Group share)	*664*	*681*	*1,384*
Investment margin	587	553	1,105
Fees & revenues	749	779	1,513
Net technical margin	253	316	561
Expenses	(1,097)	(1,173)	(2,296)
Amortization of VBI	(7)	(7)	(13)
Other	4	3	6
Underlying earnings before tax	**489**	**471**	**875**
Income tax expenses / benefits	(109)	(126)	(266)
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	**379**	**345**	**607**
Net capital gains or losses attributable to shareholders net of income tax	144	(56)	247
Adjusted earnings Group share	**523**	**288**	**854**
Profit or loss on financial assets (under FV option) & derivatives	35	(34)	63
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**558**	**255**	**917**

Gross revenues decreased by €231 million (-3%) to €7,105 million[6]. On a comparable basis, gross revenues decreased by €197 million (-3%) mainly due to :

- *Individual Savings* revenues decreased by €271 million (or -7%, slightly better than the contracting market) due to lower general account Individual Savings (-12% or €-402 million) related to the uncertainties around individual tax environment partly offset by a strong increase of unit-linked Individual Savings premiums (+21% or €+131 million, also stronger than the market),
- *Group Retirement* revenues increased by €80 million (+20%) linked to positive portfolio developpement (new large contracts),
- *Protection and Health* revenues decreased by €3 million (-0%) mainly due to €-16 million in Group Protection and Health driven by less favorable prior year adjustements, offset by €+13 million in Individual Protection and Health driven by the success of Family Protection product.

APE decreased by €17 million (-3%) to €664 million. On a comparable basis, APE was stable (+0%) :

- *Individual Savings* decreased by 7% or €26 million, due to market context driving lower general accounts APE (-13%) partly offset by higher unit-linked APE (+21%),
- *Group Retirement* increased by 55% or €11 million due to new large contracts,
- *Protection and Health* increased by 6% or €15 million notably driven by a significant rise in Individual Protection notably driven by Family Protection product (€+6 million).

Investment margin increased by €34 million (+6%) to €587 million mainly as a result of a higher asset base as well as lower investment income allocated to policyholders.

Fees & revenues decreased by €29 million (-4%) to €749 million notably due to lower loadings on premiums in Group Protection (€-35 million, mainly due to prior year negative adjustments on loadings partly offset by prior year positive adjustments in commissions), lower loadings on general accounts savings (€-18 million) mainly from lower volumes, partly offset by higher unit-linked management fees (€+28 million) mainly driven by both favorable business mix and positive market effects.

[6] *€7,094 million after intercompany eliminations.*

Net technical margin decreased by €63 million (-20%) to €253 million mainly as a result of a €-21 million impact following a change in "CMU" levy (offset in expenses), €-14 million impact in Group Protection mainly following the new retirement law enacted in 2010, and €-6 million in Individual Protection.

Expenses decreased by €76 million (-6%) to €-1,097 million mainly due to €+20 million on prior year positive commissions adjustment in 2011 in Group Protection and non-recurring positive impact on taxes (€+56 million of which €+21 million linked to a change in "CMU" levy regulation).

Amortization of VBI was stable at €-7 million.

As a result, the **underlying cost income ratio** improved by 2.1 points to 69.5%.

Income tax expenses decreased by €17 million (-13%) to €-109 million mostly due to a higher contribution of non taxable dividends, partly offset by higher pre-tax underlying earnings.

Underlying earnings increased by €35 million (+10%) to €379 million.

Adjusted earnings increased by €235 million (+82%) to €523 million mainly driven by higher underlying earnings (€+35 million), higher realized capital gains mainly on real estate and equities (€+126 million), and the non recurrence of an unfavorable change in intrinsic value of equity hedging positions.

Net income increased by €303 million (+119%) to €558 million reflecting higher adjusted earnings as well as €+52 million on change in fair value of freestandings derivatives mainly driven by the non recurrence of unfavourable credit spread impact in half year 2010 (€-45 million) and €+24 million favorable foreign exchange impact driven by an accounting mismatch on derivatives hedging foreign denominated equities.

Life & Savings operations - United States

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**4,754**	**4,713**	**9,460**
APE (Group share)	*502*	*505*	*986*
Investment margin	239	252	505
Fees & revenues	1,013	880	1,804
Net technical margin	188	(142)	(426)
Expenses	(945)	(633)	(1,278)
Amortization of VBI	1	(32)	(52)
Other	-	-	-
Underlying earnings before tax	**496**	**326**	**553**
Income tax expenses / benefits	(151)	(96)	(75)
Minority interests	-	-	-
Underlying earnings Group share	**345**	**229**	**478**
Net capital gains or losses attributable to shareholders net of income tax	(9)	(25)	(138)
Adjusted earnings Group share	**335**	**204**	**340**
Profit or loss on financial assets (under FV option) & derivatives	48	132	73
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(1)
Integration and restructuring costs	(12)	-	(3)
Net income Group share	**370**	**336**	**410**
Average exchange rate : 1.00 € = $	*1.4042*	*1.3278*	*1.3370*

Gross revenues increased by €41 million (+1%) to €4,754 million. On a comparable basis, gross revenues increased by €314 million (+7%):

- *Variable Annuity* revenues (54% of gross revenues) increased by 7% reflecting the impact of the new Retirement Cornerstone and Structured Capital Strategies products launched in 2010, which represented a combined 53% of the first half of 2011 Variable Annuity sales.
- *Life* revenues (27% of gross revenues) increased by 3% primarily reflecting the impact of the new Indexed Universal Life product launched in August 2010 partly offset by lower Term Insurance and Interest Sensitive Life sales.
- *Fees on Asset Management business* (7% of gross revenues) increased by 10% driven by higher average separate account balances mainly resulting from equity market increases over the previous year.
- *Mutual Funds* revenues (1% of gross revenues) increased by 9% driven by improved equity market conditions compared to last year.

APE decreased by €3 million (-1%) to €502 million. On a comparable basis, APE increased by €26 million (+5%):

- *Variable Annuity* increased by 5% to €228 million reflecting higher sales of the Retirement Cornerstone and Structured Capital Strategies products.
- *Life* increased by 25% to €105 million reflecting sales of the new Indexed Universal Life product.
- *Mutual Funds* decreased by 3% to €167 million.

Investment margin decreased by €14 million (-5%) to €239 million. On a constant exchange rate basis, investment margin was stable. Investment income decreased by €7 million reflecting lower yields on fixed income assets partly offset by higher income from alternative investments. Interest and bonus credited decreased by €7 million primarily reflecting lower crediting rates partly offset by higher balances.

Fees & revenues increased by €133 million (+15%) to €1,013 million. On a constant exchange rate basis, fees & revenues increased by €191 million (+22%) primarily driven by higher unit-linked management fees (€+78 million) from higher Separate Account balances, and higher Unearned Revenue Reserve amortization (€+104 million) from revised projection of lower future cost of insurance charges (more than offset in DAC amortization).

Net technical margin increased by €330 million to €188 million. On a constant exchange rate basis, net technical margin increased by €340 million from €-142 million to €199 million, primarily driven by lower GMxB losses in the first half of 2011, reflecting improvements in basis and volatility costs, as well as increased interest rate hedging gains.

Expenses increased by €312 million (+49%) to €-945 million. On a constant exchange rate basis, expenses increased by €366 million (+58%):

- Expenses, net of capitalization (including commissions and DAC capitalization) increased by €34 million (+6%) to €-570 million mainly due to higher asset based commission expenses.
- DAC amortization increased by €333 million to €-429 million primarily due to higher Variable Annuity margins and the projection of lower future cost of insurance charges (partly offset in URR), partly offset by a favorable change in expected mortality.

Amortization of VBI decreased by €34 million from €-32 million to €1 million. On a constant exchange rate basis, amortization of VBI decreased by €34 million following changes in assumptions reflecting higher expected margins on MONY in-force contracts, offsetting the annual amortization charge.

As a result, the **underlying cost income ratio** decreased by 1.6 points to 65.5%.

Income tax expenses increased by €55 million (+57%) to €-151 million. On a constant exchange rate basis, income tax expenses increased by €64 million (+66%). The tax expense increase mainly reflects higher pre-tax underlying earnings.

Underlying earnings increased by €115 million (+50%) to €345 million. On a constant exchange rate basis, underlying earnings increased by €135 million (+59%).

Adjusted earnings increased by €131 million (+64%) to €335 million. On a constant exchange rate basis, adjusted earnings increased by €150 million (+74%) mainly reflecting the increase in underlying earnings and lower impairments on fixed income assets.

Net income increased by €35 million (+10%) to €370 million. On a constant exchange rate basis, net income increased by €56 million (+17%). Net income improved due to an increase in adjusted earnings, an increase in the fair value of alternative investments (€+28 million), partly offset by a less favorable change in the fair value of interest rate derivatives (€-109 million), and restructuring costs recorded in 2011 (€-12 million).

Life & Savings operations - United Kingdom

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**327**	**1,398**	**2,040**
APE (Group share)	*296*	*295*	*545*
Investment margin	6	81	122
Fees & revenues	185	327	506
Net technical margin	(0)	45	65
Expenses	(219)	(327)	(577)
Amortization of VBI	(1)	(2)	(3)
Other	-	-	-
Underlying earnings before tax	**(31)**	**125**	**113**
Income tax expenses / benefits	23	(6)	21
Minority interests	0	(0)	(0)
Underlying earnings Group share	**(8)**	**119**	**134**
Net capital gains or losses attributable to shareholders net of income tax	2	(11)	(6)
Adjusted earnings Group share	**(6)**	**108**	**128**
Profit or loss on financial assets (under FV option) & derivatives	3	50	59
Exceptional operations (including discontinued operations)	17	(1,478)	(1,642)
Goodwill and other related intangibles impacts	(6)	(7)	(12)
Integration and restructuring costs	(0)	-	(1)
Net income Group share	**7**	**(1,327)**	**(1,468)**
Average exchange rate : 1.00 € = £	*0.8686*	*0.8705*	*0.8615*

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

Half year 2010 underlying earnings amounted to €119 million, corresponding approximately to €138 million, sold business and €-20 million retained business for the comparable scope.

Half year 2010 and full year 2010 APE are based on retained business only.

Gross revenues decreased by €1,071 million (-77%) to €327 million. On a constant exchange rate and comparable scope basis, gross revenues increased by €51 million (+19%) mainly attributable to €+39 million from unit-linked business mostly following the launch of the new Accumulator product in 2010, €12 million from Bancassurance business and €10 million from Sun Life Direct Protection business.

APE decreased €242 million (-45%) to €296 million. On a constant exchange rate and on retained business only, APE was in line with prior year. Excluding the large corporate pension schemes, APE increased by €13 million (+5%) due to mutual funds sales through the Elevate wrap platform (€+46 million or +106%) as more advisers signed up to using the platform, partly offset by individual pensions where high volumes were achieved in the first quarter of 2010 as a result of the change in the minimum pension age.

Investment margin decreased by €76 million (-93%) to €6 million. On a constant exchange rate and on a comparable scope basis, the investment margin remained stable.

Fees & revenues decreased by €146 million (-44%) to €185 million. On a constant exchange rate and on a comparable scope basis, fees & revenues increased by €12 million (+9%) driven by €9 million increase in loadings on premiums reflecting portfolio growth, together with €3 million increase in unit-linked management fees driven by in-force growth and favorable market conditions.

Net technical margin decreased by €46 million to €0 million. On a constant exchange rate and on a comparable scope basis, net technical margin remained stable.

Expenses decreased by €112 million (-34%) to €219 million. On a constant exchange rate and on a comparable scope basis, expenses remained stable.

Amortization of VBI decreased by €1 million (-32%) to €-1 million. On a constant exchange rate and on a comparable scope basis, amortization of VBI remained stable.

As a consequence, the **underlying cost income ratio** increased by 43.3 points to 116.1%. On a constant exchange rate and on a comparable scope basis, the underlying cost income ratio decreased by 6.0 points.

Income tax benefits increased by €28 million to €23 million. On a constant exchange rate and on a comparable scope basis, income tax benefits increased by €3 million driven by a positive tax adjustment following a corporate tax decrease offset by higher pre-tax underlying earnings evolution. Retained business underlying earnings benefited from a favorable tax situation in 2010 and 2011.

Underlying earnings decreased by €126 million to €-8 million. On a constant exchange rate and on a comparable scope basis, underlying earnings increased by €12 million.

Adjusted earnings decreased by €114 million to €-6 million. On a constant exchange rate and on a comparable scope basis, adjusted earnings increased by €13 million largely due to the underlying earnings movement.

Net income increased by €1,334 million to €7 million. Excluding €1,478 million exceptional loss arising from the partial sale of the Life & Savings business, on a constant exchange rate and on a comparable scope basis, net income increased by €14 million.

Life & Savings operations – Japan

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**2,865**	**2,816**	**5,560**
APE (Group share)	*212*	*222*	*465*
Investment margin	(0)	(0)	(0)
Fees & revenues	727	631	1,356
Net technical margin	(55)	21	43
Expenses	(406)	(350)	(782)
Amortization of VBI	(25)	(50)	(66)
Other	-	-	-
Underlying earnings before tax	**242**	**252**	**550**
Income tax expenses / benefits	(107)	(100)	(211)
Minority interests	(2)	(3)	(4)
Underlying earnings Group share	**133**	**150**	**335**
Net capital gains or losses attributable to shareholders net of income tax	81	28	5
Adjusted earnings Group share	**214**	**178**	**340**
Profit or loss on financial assets (under FV option) & derivatives	104	36	46
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	(9)
Net income Group share	**318**	**214**	**377**
Average exchange rate : 1.00 € = Yen	*112.3500*	*129.1769*	*121.5997*

Gross revenues increased by €48 million (+2%) to €2,865 million. On a comparable basis, gross revenues decreased by €325 million (-12%):

- *Protection* revenues (39% of gross revenues) decreased by €47 million (-5%) mainly resulting from the discontinuation of the Increasing Term Rider product (€-40 million) in 2010 as well as lower sales of Endowment and Whole Life products not actively promoted (€-8 million),
- *Investment & Savings* revenues (30% of gross revenues) decreased by €253 million (-25%) mainly due to non-repeat of significant sales of Variable Annuity products in the first half of 2010 driven by the change of inheritance tax law,
- *Health* revenues (31% of gross revenues) decreased by €24 million (-3%) mainly resulting from the Cancer product discontinuation (€-19 million) in 2010 and lower sales of Medical products (€-10 million), partly offset by the new Cancer Income Support product (€+4 million), launched in the second half year of 2010.

APE decreased by €10 million (-4%) to €212 million. On a comparable basis, APE decreased by €38 million (-17%). This was mainly due to (i) €-24 million (-37%) decrease in Investment & Savings due to non-repeat of significant sales of Variable Annuity products in the first half of 2010, (ii) €-11 million (-17%) decrease in Health as a result of a shift from lower margin to higher margin Medical products partly offset by the new Cancer Income Support products, and (iii) €-2 million (-2%) decrease in Protection mainly driven by lower sales of Term product (€-12 million) partly offset by the new Whole Life product (€+9 million).

Investment margin remained stable at €0 million.

Fees & revenues increased by €96 million (+15%) to €727 million. On a constant exchange rate basis, fees & revenues were stable.

Net technical margin decreased by €76 million to €-55 million. On a constant exchange rate basis, net technical margin decreased by €69 million mainly driven by:

- Mortality margin down €81 million mainly driven by €-70 million from the Tohoku earthquake and €-15 million less favorable mortality experience mainly in Term products,
- Surrender margin up €10 million mainly driven by a lower retention of certain Protection products.

Expenses increased by €55 million (+16%) to €-406 million. On a constant exchange rate basis, expenses increased by €3 million (+1%) mainly driven by (i) €7 million higher advertising expenses to support the new Cancer Income Support products, partly offset by (ii) €5 million lower commission expenses net of DAC capitalization as a result of lower new business.

Amortization of VBI decreased by €25 million (-50%) to €-25 million. On a constant exchange rate basis, VBI amortization decreased by €28 million (-57%) mainly driven by the natural decline of VBI balance.

As a result, the **underlying cost income ratio** increased by 2.7 points to 64.0%.

Income tax expenses increased by €7 million to €-107 million. On a constant exchange rate basis, income tax expenses decreased by €7 million due to lower pre-tax underlying earnings partly offset by a negative tax one-off in 2011 (€-15 million).

Underlying earnings decreased by €17 million (-11%) to €133 million or decreased by €34 million (-23%) on a constant exchange rate basis.

Adjusted earnings increased by €36 million (+20%) to €214 million or increased by €8 million (+4%) on a constant exchange rate basis, driven by (i) €33 million higher realized capital gains on fixed income assets and, (ii) €9 million lower impairments, partly offset by (iii) lower underlying earnings.

Net income increased by €104 million (+49%) to €318 million or increased by €63 million (+29%) on a constant exchange rate basis mainly due to €8 million higher adjusted earnings, favorable change in mark-to-market of interest rate derivatives (€+36 million) and the Japanese Yen appreciation against major currencies (€+24 million).

Life & Savings operations – Germany

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**3,328**	**3,494**	**6,880**
APE (Group share)	*258*	*247*	*464*
Investment margin	50	50	84
Fees & revenues	150	140	306
Net technical margin	35	41	98
Expenses	(108)	(87)	(225)
Amortization of VBI	(10)	(5)	(14)
Other	-	-	-
Underlying earnings before tax	**118**	**138**	**249**
Income tax expenses / benefits	(35)	(42)	(75)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**82**	**96**	**174**
Net capital gains or losses attributable to shareholders net of income tax	(7)	(3)	11
Adjusted earnings Group share	**75**	**93**	**185**
Profit or loss on financial assets (under FV option) & derivatives	8	27	29
Exceptional operations (including discontinued operations)	-	-	1
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	(0)
Net income Group share	**83**	**120**	**214**

Gross revenues decreased by €167 million (-5%) to €3,328 million[7]:

- *Life* revenues (63% of gross revenues) decreased by €242 million (-10%) to €2,112 million due to lower single premiums from general account short term investment products and unit-linked Savings as well as lower regular premiums in Protection with Savings partly compensated by higher single premiums from general account Savings,
- *Health* revenues (37% of gross revenues) increased by €75 million (+7%) to €1,216 million mainly derived from premium indexation and higher new business.

APE increased by €11 million (+4%) to €258 million due to:

- *Life* decreased by €21 million (-12%) mainly due to declining single premiums from general account short term investment products and lower unit-linked new business partly compensated by higher new business from general account Annuities,
- *Health* increased by €32 million (+43%) driven by a change in regulation and the launch of Long Term Care product.

Investment margin remained stable at €50 million.

Fees & revenues increased by €10 million (+7%) to €150 million mainly driven by higher loadings on Health business in line with portfolio growth.

Net technical margin decreased by €6 million (-15%) to €35 million mainly due to a decrease in hedging margin on GMxB products (€-11 million) partly offset by improved claims experience in Health.

Expenses increased by €21 million (+23%) to €-108 million mainly due to higher expenses in Health deriving from new business and portfolio growth, higher amortization of deferred acquisition expenses mainly driven by positive investment experience.

Amortization of VBI increased by €5 million (+101%) to €-10 million driven by a positive experience on investment yields.

[7] *€3,319 million after intercompany eliminations.*

As a result, the **underlying cost income ratio** increased by 10.0 points to 50.0%

Income tax expenses decreased by €7 million (-17%) to €-35 million mainly due to lower pre-tax underlying earnings.

Underlying earnings decreased by €14 million (-14%) to €82 million.

Adjusted earnings decreased by €18 million (-19%) to €75 million due to higher net realized capital losses on equities and lower underlying earnings.

Net income decreased by €38 million (-31%) to €83 million mainly due to lower adjusted earnings and less favorable change in fair value of fixed income assets due to higher interest rates.

Life & Savings operations – Switzerland

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**4,544**	**3,643**	**5,090**
APE (Group share)	*277*	*179*	*283*
Investment margin	52	48	113
Fees & revenues	131	112	231
Net technical margin	130	104	169
Expenses	(106)	(93)	(194)
Amortization of VBI	(35)	(20)	(43)
Other	-	-	-
Underlying earnings before tax	**172**	**151**	**275**
Income tax expenses / benefits	(47)	(34)	(63)
Minority interests	-	-	-
Underlying earnings Group share	**125**	**117**	**212**
Net capital gains or losses attributable to shareholders net of income tax	20	28	34
Adjusted earnings Group share	**145**	**146**	**247**
Profit or loss on financial assets (under FV option) & derivatives	(1)	46	69
Exceptional operations (including discontinued operations)	749	(5)	51
Goodwill and other related intangibles impacts	(3)	(3)	(6)
Integration and restructuring costs	-	-	-
Net income Group share	**890**	**184**	**361**
Average exchange rate : 1.00 € = Swiss Franc	*1.2700*	*1.4357*	*1.3910*

Gross revenues increased by €901 million (+25%) to €4,544 million[8]. On a comparable basis, gross revenues increased by €375 million (+10%):

- *Group Life* revenues increased by €371 million (+11%) to €4,152 million mainly due to higher single premiums (€+288 million) and higher regular premiums (€+94 million) as a result of a strong positioning in a context of increased demand for full insurance contracts,
- *Individual Life* revenues increased by €6 million (+2%) to €392 million as a consequence of higher single premiums (€+5 million) mainly attributable to the new Protect Plan and Protect Invest products .

APE increased by €98 million (+55%) to €277 million. On a comparable basis, APE increased by €66 million (+37%):

- *Group Life* increased by €63 million (+45%) driven by higher demand for full-protection schemes,
- *Individual* Life increased by €3 million (+9%) mainly attributable to the new Protect Plan and Protect Invest products .

Investment margin increased by €3 million (+6%) to €52 million. On a constant exchange rate basis, investment margin decreased by €3 million (-6%) mainly due to a slightly lower investment income.

Fees & revenues increased by €19 million (+17%) to €131 million. On a constant exchange rate basis, fees & revenues increased by €4 million (+4%) mainly driven by the growth in Group Life.

Net technical margin increased by €26 million (+25%) to €130 million. On a constant exchange rate basis, net technical margin increased by €11 million (+11%) driven by €8 million gain from the cancellation of a large internal co-insurance contract (offset by a corresponding VBI amortization) and a favorable mortality development in Individual Life.

Expenses increased by €12 million (+13%) to €-106 million. On a constant exchange rate basis, expenses were stable. Higher portfolio commissions due to volume growth were compensated by lower general expenses reflecting ongoing cost management.

[8] *€4,537million after intercompany eliminations.*

Amortization of VBI increased by €15 million (+76%) to €-35 million. On a constant exchange rate basis, amortization of VBI increased by €11 million (+56%) mainly impacted by the cancellation of above mentioned internal co-insurance contract and by changes in actuarial and economic assumptions in Individual Life.

As a result, the **underlying cost income ratio** increased by 2.2 points to 45.0%.

Income tax expenses increased by €13 million (+38%) to €-47 million. On a constant exchange rate basis, income tax expenses increased by €7 million (+22%) mainly due to dividends received from consolidated foreign subsidiaries and higher pre-tax underlying earnings.

Underlying earnings increased by €8 million (+7%) to €125 million. On a constant exchange rate basis, underlying earnings decreased by €6 million (-5%) due to higher income tax.

Adjusted earnings remained stable at €145 million. On a constant exchange rate basis, adjusted earnings decreased by €17 million (-12%) due to lower realized capital gains mainly on equities.

Net income increased by €706 million to €890 million. On a constant exchange rate basis, net income increased by €603 million mainly driven by the sale of the stake in Taikang Life (€+749 million) partly offset by a non-recurring positive interest rate hedging gain in 2010.

Life & Savings operations – Belgium

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**1,111**	**1,338**	**2,506**
APE (Group share)	*80*	*123*	*218*
Investment margin	148	125	262
Fees & revenues	65	74	153
Net technical margin	25	41	67
Expenses	(131)	(137)	(250)
Amortization of VBI	(3)	(2)	(4)
Other	-	-	-
Underlying earnings before tax	**104**	**100**	**227**
Income tax expenses / benefits	(22)	(19)	(57)
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**82**	**80**	**170**
Net capital gains or losses attributable to shareholders net of income tax	0	13	69
Adjusted earnings Group share	**82**	**93**	**239**
Profit or loss on financial assets (under FV option) & derivatives	(24)	41	33
Exceptional operations (including discontinued operations)	-	(4)	(4)
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	(3)	-	(3)
Net income Group share	**56**	**130**	**265**

Gross revenues decreased by €227 million (-17%) to €1,111 million[9] :

- *Individual Life & Savings* revenues decreased by 22% (or €-225 million) to €818 million mainly driven by strong decrease in both unit-linked and general account Savings products by €222 million (-24%) especially on Crest products in a competitive environment,
- *Group Life & Savings* revenues decreased by 1% (or €-2 million) to €292 million.

APE decreased by €43 million (-35%) to €80 million. Individual Life & Savings APE decreased by 38 % (or €-44 million) mainly driven by Crest products reflecting a conservative commercial policy in a highly competitive market. Group Life & Savings APE increased by 9% (or €+1 million).

Investment margin increased by €23 million (+18%) to €148 million mainly due to higher investment income mainly driven by a higher asset base and a decrease of the average credited rate to policyholders.

Fees & revenues decreased by €9 million (-12%) to €65 million mainly due to lower fees and loadings (€-6 million) and a lower Unearned Revenue Reserve amortization (URR, €-3 million offset by lower DAC amortization).

Net technical margin decreased by €15 million (-38%) to €25 million mainly due to a less favorable mortality and disability experiences.

Expenses decreased by €6 million (-4%) to €-131 million. Excluding the reclassification of 2011 restructuring costs to net income, expenses decreased by €3 million mainly due to lower net deferred acquisition cost amortization (€-11 million) and lower general expenses (€-5 million) partly offset by the contribution to the new policyholder protection fund (€+13 million).

Amortization of VBI increased by €1 million to €-3 million.

As a result the underlying cost income ratio decreased by 1.9 points to 56.4%.

Income tax expenses increased by €2 million to €-22 million.

[9] *€1,110 million after intercompany eliminations.*

Underlying earnings increased by €2million to €82 million.

Adjusted earnings decreased by €11 million (-12%) to €82 million mainly driven by lower realized capital gains on equities and realized losses on fixed income assets partly offset by lower impairment on equities.

Net income decreased by €74 million to €56 million mainly due to a negative mark-to-market impact driven by interest rates increase.

Life & Savings operations – Mediterranean and Latin American Region

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**2,338**	**4,243**	**6,955**
APE (Group share)	*202*	*322*	*553*
Investment margin	137	124	253
Fees & revenues	155	165	332
Net technical margin	42	49	108
Expenses	(219)	(217)	(455)
Amortization of VBI	(7)	(11)	(21)
Other	-	-	-
Underlying earnings before tax	**108**	**110**	**217**
Income tax expenses / benefits	(30)	(27)	(70)
Minority interests	(22)	(17)	(30)
Underlying earnings Group share	**56**	**67**	**117**
Net capital gains or losses attributable to shareholders net of income tax	4	21	35
Adjusted earnings Group share	**60**	**88**	**152**
Profit or loss on financial assets (under FV option) & derivatives	(6)	(3)	(24)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(4)	(0)	(0)
Integration and restructuring costs	(1)	-	-
Net income Group share	**50**	**85**	**127**

Gross revenues decreased by €1,905 million (-45%) to €2,338 million. On a comparable basis, gross revenues decreased by €1,904 million (-45%) mainly due to mature markets (€-1,896 million or -47%) reflecting a significant decrease in general account savings products (€-1,964 million or -62%) mainly in Italy (€-1,957 million of which AXA MPS €-1,803 million), reflecting a more favorable context in 2010 in Italy notably a tax amnesty. High growth markets decreased by €8 million (-4%) mainly driven by lower Group Protection new business in Mexico.

APE decreased by €120 million (-37%) to €202 million. On a comparable basis, APE decreased by €120 million (-37%) mainly due to mature markets (€-105 million or -37%) reflecting a strong drop in general account savings products (€-119 milllion or -57%) notably in Italy (€-119 million of which €-101 million in AXA MPS) reflecting a more favorable context in 2010 in Italy notably a tax amnesty, slightly offset by an increased focus on unit-linked (€+12 million or +25%) and Individual Protection products (€+4 million or +50%). High growth markets decreased by €15 million (-38%) driven by Group Protection in Mexico (€-14 million) due to less large new contracts as a result of a stricter underwriting policy.

Investment margin increased by €12 million (+10%) to €137 million. On a constant exchange rate basis, investment margin increased by €13 million (+10%) mainly from mature markets driven by a higher average asset base.

Fees & revenues decreased by €10 million (-6%) to €155 million. On a constant exchange rate basis, fees & revenues decreased by €10 million (-6%) due to mature markets (€-7 million or -6%) as a result of lower volumes in general account savings mainly in AXA MPS (€-6 million) and high growth markets (€-3 million or -6%) following lower volumes in Group Protection in Mexico (€-5 million).

Net technical margin decreased by €7 million (-13%) to €42 million. On a constant exchange rate basis, net technical margin decreased by €6 million (-13%) mainly due to a lower mortality margin, notably in Spain (€-8 million).

Expenses remained flat at €-219 million. On a constant exchange rate basis, expenses remained stable mainly driven by:

- €-3 million decrease in high growth markets mainly driven by lower commissions on Group Protection in Mexico,

- €+5 million increase in mature markets driven by higher DAC amortization (€+10 million) mainly due to in-force portfolio growth in Italy offset by lower commissions net of DAC capitalization and lower administrative expenses.

Amortization of VBI decreased by €4 million (-34%) to €-7 million. On a constant exchange rate basis, amortization of VBI decreased by €4 million (-34%) mainly due to the natural decline of VBI balance at AXA MPS.

As a result, the **underlying cost income ratio** increased by 0.2 point to 67.6%.

Income tax expenses increased by €3 million (+11%) to €-30 million. On a constant exchange rate basis, income tax expenses increased by €3 million (+11%) mainly driven by 2011 negative non-recurring impact at AXA MPS (€-4 million), partly offset by lower pre tax underlying earnings.

Underlying earnings decreased by €11 million (-16%) to €56 million. On a constant exchange rate basis, underlying earnings decreased by €10 million (-15%).

Adjusted earnings decreased by €28 million (-31%) to €60 million. On a constant exchange rate basis, adjusted earnings decreased by €27 million (-31%) mainly due to lower realized capital gains as well as lower underlying earnings.

Net income decreased by €35 million (-41%) to €50 million. On a constant exchange rate basis, net income decreased by €34 million (-41%) mainly due to lower adjusted earnings and higher tax rate in Italy.

Life & Savings Operations - Other Countries

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

Consolidated Gross Revenues

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (c)	FY 2010 published	FY 2010 restated (c)
Australia / New Zealand	352	811	811	1,551	1,551
Hong Kong	703	665	665	1,321	1,321
South East Asia (a)	128	111	111	244	244
Central and Eastern Europe (b)	277	239	239	515	515
Other countries	47	112	43	216	84
o/w Canada	-	69	0	132	0
o/w Luxembourg	46	43	43	82	82
o/w AXA Global Distributors	1	0	0	0	0
TOTAL	**1,507**	**1,938**	**1,869**	**3,848**	**3,716**
Intercompany transactions	(2)	(2)	(2)	(3)	(3)
Contribution to consolidated gross revenues	**1,505**	**1,936**	**1,867**	**3,844**	**3,712**

(a) South East Asia revenues include Indonesia and Singapore.
(b) Includes Poland, Hungary, Czech Republic and Slovakia.
(c) Restated means the restatement following classification of Canadian operations as discontinued business.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (c)	FY 2010 published	FY 2010 restated (c)
Australia and New Zealand	12	43	43	82	82
Hong Kong	89	79	79	142	142
South-East Asia, India and China (a)	18	(4)	(4)	3	3
Central Eastern Europe (b)	7	5	5	9	9
Other countries	(11)	(1)	(6)	(8)	(18)
o/w Canada	-	4	-	10	-
o/w AXA Global Distributors	(14)	(8)	(8)	(22)	(22)
o/w Luxembourg	3	3	3	5	5
UNDERLYING EARNINGS	**115**	**122**	**117**	**228**	**218**
Net realized capital gains or losses attributable to shareholders	9	13	10	22	19
ADJUSTED EARNINGS	**124**	**135**	**127**	**250**	**236**
Profit or loss on financial assets (under Fair Value option) & derivatives	5	(5)	(4)	(0)	0
Exceptional operations (including discontinued operations)	(2)	(59)	(52)	(52)	(40)
Goodwill and related intangible impacts	(1)	(1)	(1)	(3)	(3)
Integration and restructuring costs	-	-	0	(0)	(0)
NET INCOME	**125**	**70**	**70**	**194**	**194**

(a) South East Asia earnings include Indonesia, Thailand, Philippines and Singapore.
(b) Includes Poland, Hungary, Czech Republic and Slovakia.
(c) Restated means the restatement following classification of Canadian operations as discontinued business.

HONG-KONG

Gross revenues increased by €38 million (+6%) to €703 million. On a comparable basis, gross revenues increased by €126 million (+20%) mainly due to higher revenues from general account Protection and Health products (€+66 million) and unit-linked products (€+31 million).

APE increased by €95 million (+132%) to €166 million. On a comparable basis, APE increased by €44 million (+33%) mainly driven by the successful launch of unit-linked Investment & Savings products and higher agent productivity.

Investment margin decreased by €15 million (-71%) to €6 million. On a constant exchange rate basis, investment margin decreased by €15 million (-69%) mainly due to higher allocated bonus to policyholders.

Fees & revenues increased by €3 million (+2%) to €170 million. On a constant exchange rate basis, fees & revenues increased by €13 million (+8%) mainly driven by an increase in loadings on premiums and mutual funds (€+8 million) thanks to higher in-force growth and to a lesser extent by unit-linked management fees growth (€+6 million).

Net technical margin decreased by €18 million (-57%) to €14 million. On a constant exchange rate basis, net technical margin decreased by €18 million (-55%) mainly due to the early termination of an internal co-insurance treaty (€-8 million) and GMxB hedge reserve adjustment reflecting better persistency (€-3 million).

Expenses increased by €14 million (+22%) to €-78 million. On a constant exchange rate basis, expenses increased by €18 million (+29%) mainly due to (i) higher acquisition expenses driven by new business growth and (ii) higher administrative expenses reflecting continuing investments in the business infrastructure.

Amortization of VBI decreased from €-5 million to €7 million. On a constant exchange rate basis, amortization of VBI decreased by €12 million mainly reflecting revised projections of future profits (€+7 million) and the early termination of an internal co-insurance treaty (€+6 million).

As a consequence, the **underlying cost income ratio** increased by 6.0 points to 37.3%.

Income tax expenses increased by €1 million (+9%) to €-8 million. On a constant exchange rate basis, income tax expenses increased by €1 million (+16%).

Underlying earnings increased by €10 million (+12%) to €89 million. On a constant exchange rate and scope basis, following the minority interests buy-out, underlying earnings decreased by €26 million.

Adjusted earnings increased by €1 million (+1%) to €93 million. On a constant exchange rate and scope basis, adjusted earnings decreased by €29 million (-17%) mainly reflecting lower underlying earnings and lower net realized capital gains.

Net income was flat at €92 million. On a constant exchange rate and scope basis, net income decreased by €29 million (-17%) mainly due to lower adjusted earnings.

SOUTH EAST ASIA, INDIA AND CHINA

Gross revenues increased by €17 million (+15%) to €128 million. On a comparable basis, gross revenues increased by €14 million (+13%) mainly due to strong unit-linked product sales in Indonesia and Singapore partially offset by a slowdown of Protection business in Singapore.

APE increased by €83 million (+106%) to €162 million. On a comparable basis APE increased by €26 million (+19%) mainly driven by:

- Indonesia (€+19 million) with strong sales of unit-linked products through the bancassurance channel,
- China (€+8 million) primarily from higher sales of Group Protection and Health and Individual savings products,
- Thailand (€+3 million) mainly from higher sales of short term Savings products.

These increases were partly offset by lower sales in India (€-4 million), mainly from unit-linked business following regulatory changes in September 2010.

Underlying earnings increased by €22 million to €18 million. On a constant exchange rate and scope basis, underlying earnings increased by €23 million reflecting earnings improvement in India (€+7 million), Indonesia (€+6 million), Thailand (€+5 million) and Singapore (€+4 million).

Adjusted earnings increased by €23 million to €19 million. On a constant exchange rate and scope basis, adjusted earnings increased by €23 million primarily driven by growth in underlying earnings.

Net income increased by €79 million to €16 million. On a constant exchange rate basis, net income increased by €96 million mainly reflecting growth in adjusted earnings and the non-repeat of residual past losses in India.

CENTRAL AND EASTERN EUROPE

Gross revenues increased by €38 million (+16%) to €277 million. On a constant exchange rate and scope basis, gross revenues increased by €28 million (+12%) mainly driven by sustained developments in Life business.

APE increased by €19 million (+18%) to €129 million. On a comparable basis, APE decreased by €5 million (-4%) due to the progressive run-off of the Pension Funds business (€-23 million or -30%) following regulatory changes in Hungary and Poland partly offset by Life & Savings APE (€+19 million or +37%) stemming from unit-linked product sales acceleration (€+17 million or +45%).

Underlying earnings increased by €2 million (+30%) to €7 million. On a constant exchange rate basis, despite the quasi nationalization of the Mandatory Pension Funds in Hungary and regulatory reform in Poland, underlying earnings increased by €1 million (+22%) mainly driven by higher fees & revenues and net technical margin partly offset by higher administrative expenses.

As a result, the **underlying cost income ratio** improved by 1.0 points to 90.4%.

Adjusted earnings increased by €3 million to €8 million. On a constant exchange rate basis, adjusted earnings increased by €3 million mainly as a result of higher underlying earnings and €2 million higher net realized capital gains.

Net income increased by €4 million to €7 million. On a constant exchange rate basis, net income increased by €3 million driven by higher adjusted earnings.

AXA GLOBAL DISTRIBUTORS[10]

Underlying earnings as well as **adjusted earnings** and **net income** decreased by €5 million (-66%) to €-14 million mainly due to higher administrative expenses reflecting business development in Europe.

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

Property & Casualty Segment

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

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

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

The total gross revenues, combined ratio and earnings are not impacted by these two changes in presentation.

The presentation between current and prior year loss ratio have been harmonized throughout the Group. Half year 2010 current accident year loss ratios by country presented hereafter incorporate such change[11] to ensure sufficient comparability. The all accident year loss ratio, combined ratio, earnings and reserves are not impacted by this change in presentation.

Property and Casualty Segment (a)

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (b)	FY 2010 published	FY 2010 restated (b)
Gross revenues	**15,540**	**15,609**	**14,898**	**27,656**	**26,219**
Current accident year loss ratio (net) (c)	72.4%	75.0%	75.6%	74.4%	74.8%
All accident year loss ratio (net)	70.4%	70.4%	71.1%	71.1%	71.7%
Net technical result before expenses	**3,887**	**3,969**	**3,685**	**7,932**	**7,382**
Expense ratio	26.8%	27.7%	27.5%	28.0%	27.8%
Net investment result	1,025	1,059	1,020	2,115	2,035
Underlying earnings before tax	**1,392**	**1,308**	**1,196**	**2,357**	**2,165**
Income tax expenses / benefits	(404)	(378)	(346)	(658)	(604)
Net income from investments in affiliates and associates	21	11	11	33	32
Minority interests	(20)	(18)	(18)	(40)	(40)
Underlying earnings Group share	**989**	**923**	**843**	**1,692**	**1,553**
Net capital gains or losses attributable to shareholders net of income tax	111	207	198	111	96
Adjusted earnings Group share	**1,100**	**1,130**	**1,041**	**1,803**	**1,649**
Profit or loss on financial assets (under FV option) & derivatives	82	(31)	(28)	27	29
Exceptional operations (including discontinued operations)	93	5	88	6	153
Goodwill and other related intangibles impacts	(35)	(32)	(29)	(64)	(59)
Integration and restructuring costs	(29)	-	-	(22)	(22)
Net income Group share	**1,212**	**1,072**	**1,072**	**1,750**	**1,750**

(a) Before intercompany transactions.
(b) Restated means the restatement following classification of Canadian operations as discontinued business.
(c) The half year 2010 published current accident year loss ratio was 76.9%.

[11] *Mainly current accident year loss ratios in Germany, Belgium, Switzerland and Mediterranean & Latin American Region.*

Consolidated Gross Revenues

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (a)	FY 2010 published	FY 2010 restated (a)
France	3,078	3,229	3,026	5,896	5,531
United Kingdom & Ireland	1,975	2,183	1,928	4,229	3,687
Germany	2,271	2,205	2,205	3,489	3,489
Belgium	1,138	1,154	1,119	2,118	2,049
Mediterranean & Latin American Region (b)	3,402	3,478	3,348	6,928	6,661
Switzerland	2,309	2,030	2,030	2,336	2,336
Direct (c)	1,059	n.a	962	n.a	1,928
Other countries	308	1,330	281	2,661	539
TOTAL	**15,540**	**15,609**	**14,898**	**27,656**	**26,219**
Intercompany transactions	(190)	(215)	(207)	(242)	(234)
Contribution to consolidated gross revenues	**15,350**	**15,394**	**14,691**	**27,413**	**25,986**
of which High growth markets	**1,564**	1,417	1,417	2,990	2,990
of which Direct	**1,059**	962	962	1,928	1,928
of which Mature markets	**12,726**	13,015	12,313	22,495	21,067

(a) Direct P&C operations are now reported as a separate business. Half year 2010 and full year 2010 restated figures as reported were modified accordingly. Restated means also the restatement following classification of Canadian operation as discontinued business.
(b) Mediterranean & Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.
(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.

(in Euro million)

Combined Ratio Total	HY 2011	HY 2010 published	HY 2010 restated (a)	FY 2010 published	FY 2010 restated (a)
	97.2%	**98.1%**	**98.6%**	**99.1%**	**99.5%**
France	96.5%	99.1%	99.0%	99.1%	98.9%
United Kingdom & Ireland	100.0%	101.1%	100.5%	103.9%	102.1%
Germany	99.3%	101.3%	101.3%	104.6%	104.6%
Belgium	100.2%	98.5%	98.9%	98.5%	98.8%
Mediterranean & Latin American Region (b)	96.5%	97.9%	97.5%	97.7%	97.2%
Switzerland	87.4%	88.7%	88.7%	88.8%	88.8%
Central Eastern Europe	103.1%	120.3%	112.1%	115.9%	106.8%
Direct (c)	102.0%	n.a	104.0%	n.a	108.3%
Other countries	97.2%	94.3%	99.9%	96.6%	100.6%
Mature	97.0%	97.4%	97.9%	98.4%	98.8%
Direct	102.0%	n.a	104.0%	n.a	108.3%
High Growth	96.0%	100.3%	100.3%	99.3%	99.3%

(a) Direct P&C operations are now reported as a separate business. Half year 2010 and full year 2010 restated figures as reported were modified accordingly. Restated means also the restatement following classification of Canadian operation as discontinued business.
(b) Mediterranean & Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region and Mexico.
(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, United Kingdom, South Korea and Japan.

Underlying earnings

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (a)	FY 2010 published	FY 2010 restated (a)
France	240	212	208	432	424
United Kingdom & Ireland	78	72	75	50	98
Germany	145	111	111	177	177
Belgium	72	75	72	159	153
Mediterranean & Latin American Region (b)	202	180	185	358	368
Switzerland	209	180	180	359	359
Direct (c)	14	n.a	(3)	n.a	(62)
Other countries	29	92	15	157	36
UNDERLYING EARNINGS	**989**	**923**	**843**	**1,692**	**1,553**
of which High growth markets	**112**	**67**	**67**	**147**	**147**
of which Direct	**14**	**(3)**	**(3)**	**(62)**	**(62)**
of which Mature markets	**863**	**859**	**779**	**1,606**	**1,468**

(a) Direct P&C operations are now reported as a separate business. Half year 2010 and full year 2010 restated figures as reported were modified accordingly. Restated means also the restatement following classification of Canadian operations as discontinued business.
(b) Mediterranean & Latin American Region includes other than Direct operations in Italy, Spain, Portugal, Greece, Turkey, Morocco, Gulf Region, and Mexico.
(c) Direct business in France, Belgium, Spain, Portugal, Italy, Poland, the United Kingdom, South Korea and Japan.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (a)	FY 2010 published	FY 2010 restated (a)
UNDERLYING EARNINGS	**989**	**923**	**843**	**1,692**	**1,553**
Net realized capital gains or losses attributable to shareholders	111	207	198	111	96
ADJUSTED EARNINGS	**1,100**	**1,130**	**1,041**	**1,803**	**1,649**
Profit or loss on financial assets (under Fair Value option) & derivatives	82	(31)	(28)	27	29
Exceptional operations (including discontinued operations)	93	5	88	6	153
Goodwill and related intangibles impacts	(35)	(32)	(29)	(64)	(59)
Integration and restructuring costs	(29)	-	0	(22)	(22)
NET INCOME	**1,212**	**1,072**	**1,072**	**1,750**	**1,750**

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

Property & Casualty Operations – France

(in Euro million)

	HY 2011	HY 2010 restated (a)	FY 2010 restated (a)
Gross revenues	**3,078**	**3,026**	**5,531**
Current accident year loss ratio (net) (b)	74.0%	80.0%	76.2%
All accident year loss ratio (net)	71.8%	73.5%	73.6%
Net technical result before expenses	**759**	**702**	**1,453**
Expense ratio	24.7%	25.4%	25.3%
Net investment result	282	296	589
Underlying earnings before tax	**378**	**323**	**649**
Income tax expenses / benefits	(138)	(115)	(224)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**240**	**208**	**424**
Net capital gains or losses attributable to shareholders net of income tax	10	71	34
Adjusted earnings Group share	**250**	**280**	**459**
Profit or loss on financial assets (under FV option) & derivatives	37	(23)	(7)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**287**	**256**	**452**

(a) Restated in full year 2010 and in half year 2010 means the figures as reported were modified accordingly the Direct P&C operations reported as a separate reporting unit.
(b) The half year and full year 2010 published current year loss ratio were respectively 80.2 % and 76.5 %.

Gross revenues increased by €52 million (+2%) to €3,078 million[12]:

- *Personal lines* (58% of gross revenues) were up by 2% to €1,766 million mainly as a result of tariff increases in both Motor and Household, partly offset by negative net new contracts.
- *Commercial lines* (42% of gross revenues) were up by 2% to €1,271 million driven by tariff increases in a context of selective underwriting.

Net technical result increased by €57 million (+8%) to €759 million:

- *Current accident year loss ratio* decreased by 6.0 points to 74.0% reflecting lower impact of Nat Cat events (3.5 points attributable to Xynthia in 2010) and a lower attritional claims ratio linked to tariff increases and more favorable claims frequency,
- *All accident year loss ratio* decreased by 1.7 points to 71.8% as a result of the decrease in current accident year loss ratio, partly offset by lower positive prior year reserve developments.

Expense ratio decreased by 0.7 point to 24.7% mainly driven by a contained cost base and by non-recurring positive impacts on tax contributions (€+10 million).

Enlarged expense ratio was down 0.5 point to 32.8%.

As a result, the **combined ratio** was down 2.4 points to 96.5%.

Net investment result decreased by €14 million (-5%) to €282 million mainly due to lower yields on fixed income assets.

Income tax expenses increased by €23 million (+20%) to €-138 million mainly reflecting higher pre-tax underlying earnings.

[12] *€3,037 million after intercompany eliminations.*

Underlying earnings increased by €32 million (+15%) to €240 million.

Adjusted earnings decreased by €29 million (-10%) to €250 million as a consequence of lower net realized capital gains (€-61 million) mostly on equities partly offset by higher underlying earnings.

Net income increased by €30 million (+12%) to €287 million mainly due to €+51 million favorable foreign exchange impact driven by an accounting mismatch on derivatives hedging foreign denominated assets and €+14 million more favorable change in fair value of mutual funds. This was partly offset by the decrease in adjusted earnings.

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	HY 2011	HY 2010 restated (a)	FY 2010 restated (a)
Gross revenues	**1,975**	**1,928**	**3,687**
Current accident year loss ratio (net) (b)	69.2%	70.1%	72.5%
All accident year loss ratio (net)	68.8%	68.7%	69.9%
Net technical result before expenses	**567**	**576**	**1,129**
Expense ratio	31.1%	31.7%	32.2%
Net investment result	108	95	196
Underlying earnings before tax	**109**	**87**	**118**
Income tax expenses / benefits	(30)	(11)	(20)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**78**	**75**	**98**
Net capital gains or losses attributable to shareholders net of income tax	(2)	19	(9)
Adjusted earnings Group share	**77**	**95**	**89**
Profit or loss on financial assets (under FV option) & derivatives	(11)	(13)	5
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	(1)	(1)
Integration and restructuring costs	(7)	-	(10)
Net income Group share	**58**	**80**	**83**
Average exchange rate : 1.00 € = £	*0.8686*	*0.8705*	*0.8615*

(a) Restated in full year 2010 and in half year 2010 means the figures as reported were modified accordingly to report the Direct P&C operations as a separate reporting unit.
(b) The half year and full year 2010 published current accident year loss ratio were respectively 71.6 % and 74.4 %.

Gross revenues increased by €47 million (+2%) to €1,975 million[13]. On a comparable basis, gross revenues increased by €34 million (+2%):

- *Personal lines* (51% of the total premiums) were stable at €1,013 million. **Motor** was up 10% to €293 million primarily due to tariff increases within the UK and Ireland. **Non-Motor** was down 3% to €720 million. Property was down 1% to €247 million principally due to a reduction in new business within Ireland following significant tariff increases applied in 2010. Health was stable at €300 million. Other lines of business were down 9% to €173 million mainly reflecting selective underwriting within Travel and Warranty lines,
- *Commercial lines* (47% of the total premiums) were up 5% to €924 million. **Motor** was up 16% to €163 million driven by renewal and new business tariff increases in the UK. **Non-Motor** was up 2% to €761 million driven by (i) Health, up 10% to €392 million following volume growth in large corporate schemes and international, partly offset by (ii) a 5% decline within Property reflecting continuing soft market conditions.

Net technical result decreased by €9 million (-2%) to €567 million. On a constant exchange rate basis, net technical result decreased by €10 million (-2%):

- *Current accident year loss ratio* decreased by 0.9 point to 69.2% reflecting tariff increases in the UK and Ireland across Personal Motor and Property and the absence of Nat Cat events, partly offset by the continuing difficult trading conditions in Commercial lines,
- *All accident year loss ratio* increased by 0.1 point to 68.8% reflecting the improvement in current year loss ratio offset by lower positive prior year reserve developments.

Expense ratio decreased by 0.6 point to 31.1% with an **acquisition expense ratio** down 1.4 points to 21.6%, reflecting a decrease in commissions (-1.7 points) driven by renegotiation of broker commission rates and reduced exposure to highly commissioned Delegated Authority business, partly offset by a slight increase in other acquisition

[13] *€1,908 million after intercompany eliminations.*

costs reflecting increased marketing activity. The **administrative expense ratio** increased by 0.8 point to 9.5% following the decommissioning of an IT platform (+0.7 point), inflationary pressure following VAT increases in the UK (+0.4 point), international expansion in Health (+0.3 point), partly offset by a reduction in Ireland (-0.5 point) reflecting a cost containment program.

Enlarged expense ratio was down by 0.9 point to 34.2%.

As a result, **the combined ratio** was down by 0.5 point to 100.0%.

Net investment result increased by €13 million (+13%) to €108 million. On a constant exchange rate basis, net investment result increased by €12 million (+13%) mainly reflecting higher equity income (€+3 million), higher bond yields (€+5 million) and increased loan interest and other income (€+5 million).

Income tax expenses increased by €19 million (+168%) to €-30 million. On a constant exchange rate basis, income tax expenses increased by €19 million (+167%) reflecting higher pre-tax underlying earnings and a combination of the non repeat of last year tax benefit (€-8 million) and a negative tax adjustment in the first half of 2011 following a corporate tax rate decrease (€-9 million).

Underlying earnings increased by €3 million (+4%) to €78 million. On a constant exchange rate basis, underlying earnings increased by €3 million (+4%).

Adjusted earnings decreased by €18 million (-19%) to €77 million. On a constant exchange rate basis, adjusted earnings decreased by €18 million (-19%) with €22 million lower realized capital gains net of impairment partly offset by higher underlying earnings.

Net income decreased by €22 million (-28%) to €58 million. On a constant exchange rate basis, net income decreased by €20 million (-26%) mainly reflecting lower adjusted earnings combined with 2011 restructuring costs (€-7 million).

Property & Casualty Operations – Germany

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**2,271**	**2,205**	**3,489**
Current accident year loss ratio (net) (a)	70.5%	72.6%	74.3%
All accident year loss ratio (net)	71.0%	70.4%	73.3%
Net technical result before expenses	**518**	**519**	**930**
Expense ratio	28.4%	30.9%	31.3%
Net investment result	185	174	375
Underlying earnings before tax	**197**	**152**	**213**
Income tax expenses / benefits	(53)	(42)	(38)
Net income from investments in affiliates and associates	2	1	2
Minority interests	(0)	(0)	(0)
Underlying earnings Group share	**145**	**111**	**177**
Net capital gains or losses attributable to shareholders net of income tax	19	8	8
Adjusted earnings Group share	**164**	**119**	**185**
Profit or loss on financial assets (under FV option) & derivatives	43	29	7
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(2)	-	(0)
Integration and restructuring costs	-	-	(3)
Net income Group share	**206**	**148**	**190**

(a) The half year and full year 2010 published current accident year loss ratio were respectively 76.9% and 74.3%.

Gross revenues increased by €66 million (+3%) to € 2,271 million[14]:

- *Personal lines* (56% of gross revenues) increased by 6% to € 1,265 million[15] driven by the successful development in Motor (€+60 million or +9%) following higher year-end renewal business and higher new business resulting from the improved price positioning in the market,
- *Commercial lines* (38% of gross revenues) were down 1% to €850 million due to higher cancellations in Property and Liability, partly offset by premium indexation and larger fleets in Motor,
- *Other lines* (6% of the gross revenues) grew by 7% to € 133 million driven by higher assumed Legal Protection business.

Net technical result decreased by € 2 million to €518 million:

- *Current accident year loss ratio* decreased by 2.1 points to 70.5%, mainly driven by lower Nat Cat charge.
- *All accident year loss ratio* increased by 0.6 point to 71.0% due to negative prior year reserve developments partly offset by improvement of current accident year loss ratio.

Expense ratio decreased by 2.5 points to 28.4%, driven by 1.6 points mainly due to a decrease in general expenses resulting partly from productivity programs and 1.2 point from one-off benefits in 2011.

Enlarged expense ratio was down by 2.6 points to 32.2%.

As a result, **the combined ratio** was down by 1.8 points to 99.3%.

Net investment result increased by €11 million (+6%) to €185 million mainly driven by higher revenues on fixed income assets partly offset by lower equity dividends.

Income tax expenses increased by €12 million (+28%) to €-53 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €34 million (+31%) to €145 million.

[14] *€ 2,245 million after intercompany eliminations.*

[15] *On a comparable basis, after reclassification of small and medium enterprises from Commercial lines to Personal lines.*

Adjusted earnings increased by €46 million (+38%) to €164 million driven by higher underlying earnings and higher realized capital gains net of impairments.

Net income increased by €57 million (+39%) to €206 million mainly driven by higher adjusted earnings and more favorable change in fair value mainly on alternative funds.

Property & Casualty Operations – Belgium

(in Euro million)

	HY 2011	HY 2010 restated (a)	FY 2010 restated (a)
Gross revenues	**1,138**	**1,119**	**2,049**
Current accident year loss ratio (net) (b)	73.6%	77.8%	77.5%
All accident year loss ratio (net)	70.2%	67.1%	67.3%
Net technical result before expenses	**307**	**336**	**672**
Expense ratio	30.1%	31.8%	31.5%
Net investment result	99	100	198
Underlying earnings before tax	**96**	**110**	**220**
Income tax expenses / benefits	(24)	(39)	(67)
Net income from investments in affiliates and associates	-	-	-
Minority interests	0	0	0
Underlying earnings Group share	**72**	**72**	**153**
Net capital gains or losses attributable to shareholders net of income tax	42	5	(15)
Adjusted earnings Group share	**114**	**77**	**137**
Profit or loss on financial assets (under FV option) & derivatives	7	2	20
Exceptional operations (including discontinued operations)	-	(2)	(2)
Goodwill and other related intangibles impacts	(1)	(1)	(2)
Integration and restructuring costs	(7)	-	(9)
Net income Group share	**112**	**76**	**145**

(a) Restated in full year 2010 and in half year 2010 means the figures as reported were modified accordingly to report the Direct P&C operations as a separate reporting unit.
(b) The half year and full year 2010 published current accident year loss ratio were respectively 81.2% and 77.2%.

Gross revenues increased by €19 million (+2%) to €1,138 million[(16)]:
- *Personal lines* (47% of the gross revenues) were up 2% to €537 million following tariff increases partly offset by negative net new contracts,
- *Commercial lines* (51% of the gross revenues) were up 1% to €590 million with Motor up 4% reflecting tariff increases and new business.

Net technical result decreased by €29 million (-9%) to €307 million:
- *Current accident year loss ratio* decreased by 4.2 points to 73.6% mainly driven by lower frequency in Personal Motor (-2.1 points) and tariff increases (-1.4 point),
- *All accident year loss ratio* increased by 3.1 points to 70.2% due to lower positive prior year reserve developments (mainly in Workers' Compensation) partly offset by the improvement of current accident year loss ratio.

Expense ratio decreased by 1.8 points to 30.1%. Excluding the reclassification of 2011 restructuring costs (€-7 million) to net income, expense ratio decreased by 1.2 point reflecting the decrease in commission rates in Commercial lines and lower staff costs.

Enlarged expense ratio decreased by 2.6 points to 36.9%. Excluding the reclassification of 2011 restructuring costs (€-7 million) to net income, enlarged expense ratio decreased by 1.7 points.

As a result, the **combined ratio** was up by 1.4 point to 100.2%.

Net investment result slightly decreased by €1 million (-1%) to €99 million.

Income tax expenses decreased by €14 million (-37%) to €-24 million mainly due to a positive non recurring tax impact in 2011 (€+6 million) and lower pre-tax underlying earnings.

Underlying earnings remained stable at €72 million.

[16] *€1,124 million after intercompany eliminations.*

Adjusted earnings increased by €37 million (+48%) to €114 million mainly driven by higher net realized capital gains on equities and real estate.

Net income increased by €36 million (+47%) to €112 million reflecting higher adjusted earnings.

Property & Casualty Operations – Mediterranean and Latin American Region

(in Euro million)

	HY 2011	HY 2010 restated (a)	FY 2010 restated (a)
Gross revenues	**3,402**	**3,348**	**6,661**
Current accident year loss ratio (net) (b)	73.4%	76.5%	74.8%
All accident year loss ratio (net)	70.7%	72.4%	71.5%
Net technical result before expenses	**957**	**898**	**1,883**
Expense ratio	25.8%	25.1%	25.7%
Net investment result	192	204	384
Underlying earnings before tax	**306**	**286**	**567**
Income tax expenses / benefits	(88)	(86)	(166)
Net income from investments in affiliates and associates	0	-	-
Minority interests	(16)	(15)	(33)
Underlying earnings Group share	**202**	**185**	**368**
Net capital gains or losses attributable to shareholders net of income tax	34	68	23
Adjusted earnings Group share	**235**	**253**	**391**
Profit or loss on financial assets (under FV option) & derivatives	12	(7)	13
Exceptional operations (including discontinued operations)	-	(1)	(1)
Goodwill and other related intangibles impacts	(14)	(12)	(24)
Integration and restructuring costs	(14)	-	-
Net income Group share	**220**	**232**	**379**

(a) Restated in full year 2010 and in half year 2010 means the figures as reported were modified accordingly to report the Direct P&C operations as a separate reporting unit.
(b) The half year and full year 2010 published current year loss ratio were respectively 78.0% and 75.2%.

Gross revenues increased by €54 million (+2%) to €3,402 million[17]. On a comparable basis, gross revenues increased by €107 million (+3%) driven by the positive performance in high growth markets (+14% or €+165 million) offset by the difficult economic environment in mature markets (-3% or €-58 million) mainly in Spain (-5%):

- *Personal lines* (63% of gross revenues) were up 4% to €2,142 million owing to Motor lines (+7% or €+89 million) primarily driven by positive volume effects. Overall, Turkey was up 35% (or €+77 million) in a context of growth in car sales, Mexico was up 21% (or €+14 million) supported by advertizing campaigns and Italy was up 9% (or €+35 million) also benefiting from 2010 and 2011 tariff increases, whilst Spain was down 8% (or €-41 million) still suffering from negative volume effect. Non-Motor lines revenues were stable (€+1 million),
- *Commercial lines* (36% of gross revenues) were up 1% to €1,232 million driven by Non-Motor (+4% or €+39 million) mainly on large accounts in high growth markets with Property in Turkey (+23% or €+14 million) and Mexico (+11% or €+6 million), and Health in Gulf (+29% or €+16 million, mostly in Qatar). Motor was down 6% (or €-22 million) mainly in the Gulf (-41% or €-12 million), Italy (-75% or €-6 million) and Spain (-7% or €-6 million) as a result of selective underwriting, partly offset by Mexico (+2% or €+5 million) mainly driven by public sector new business.

Net technical result increased by €59 million (+7%) to €957 million. On a constant exchange rate basis, net technical result grew by €68 million (+8%) driven by an increase in high growth markets (+32% or €+95 million) partly offset by a decrease in mature markets (-5% or €-27 million).

- *Current year loss ratio* decreased by 3.1 points to 73.4%, in both mature markets (-3.6 points to 72.8%) and high growth markets (-2.3 points to 74.4%). The decrease was driven by a lower Nat Cat charge (-0.7 point), tariff increases (-1.9 points), portfolio cleansing and lower amount of large losses,

[17] *€3,371 million after intercompany eliminations.*

- *All accident year loss ratio* decreased by 1.6 points to 70.7% as a result of improvement in the current year loss ratio partly offset by lower positive prior year reserve developments.

Expense ratio increased by 0.6 point to 25.8% (with acquisition ratio up 0.3 point and administrative expense ratio up 0.3 point) due to an increase in commission ratio in Italy and Portugal reflecting changes in product and distribution channels mix, as well as higher investments in high growth markets to support future growth.

Enlarged expense ratio was up 0.8 point to 28.9%.

As a result, the **combined ratio** was down 0.9 point to 96.5%.

Net investment result decreased by €12 million (-6%) to €192 million. On a constant exchange rate basis, net investment result decreased by €10 million (-5%) due to a lower asset base in Spain (€-4 million) and a decrease in interest rates in high growth markets (€-7 million, mainly in Turkey and Mexico).

Income tax expenses increased by €3 million (+3%) to €-88 million. On a constant exchange rate basis, income tax expenses increased by €3 million (+3%) reflecting higher pre-tax underlying earnings and a negative country mix.

Underlying earnings increased by €17 million (+9%) to €202 million. On a constant exchange rate basis, underlying earnings increased by €18 million (+10%).

Adjusted earnings decreased by €17 million (-7%) to €235 million. On a constant exchange rate basis, adjusted earnings decreased by €16 million (-6%) reflecting higher impairment mainly on real estate funds combined with the less favorable change in intrinsic value of the equity hedging strategy, partly offset by higher underlying earnings.

Net income decreased by €12 million (-5%) to €220 million. On a constant exchange rate basis, net income decreased by €11 million (-5%) reflecting lower adjusted earnings and 2011 restructuring costs (€-14 million), partly offset by a favorable change in fair value on both mutual funds and derivatives (€+15 million).

Property & Casualty Operations – Switzerland

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**2,309**	**2,030**	**2,336**
Current accident year loss ratio (net) (a)	69.4%	71.3%	68.5%
All accident year loss ratio (net)	62.1%	63.0%	61.9%
Net technical result before expenses	**486**	**415**	**892**
Expense ratio	25.4%	25.7%	26.9%
Net investment result	104	103	195
Underlying earnings before tax	**266**	**230**	**457**
Income tax expenses / benefits	(55)	(48)	(95)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(2)	(1)	(2)
Underlying earnings Group share	**209**	**180**	**359**
Net capital gains or losses attributable to shareholders net of income tax	18	25	40
Adjusted earnings Group share	**227**	**206**	**400**
Profit or loss on financial assets (under FV option) & derivatives	(5)	(15)	(12)
Exceptional operations (including discontinued operations)	-	8	9
Goodwill and other related intangibles impacts	(14)	(13)	(26)
Integration and restructuring costs	-	-	-
Net income Group share	**207**	**186**	**370**
Average exchange rate : 1.00 € = Swiss Franc	*1.2700*	*1.4357*	*1.3910*

(a) The half year and full year 2010 published current accident year loss ratio were respectively 75.7% and 68.5%.

Gross revenues increased by €280 million (+14%) to €2,309 million[18]. On a comparable basis, gross revenues increased by €17 million (+1%):

- *Personal lines* (51% of gross revenues) increased by 2% to €1,188 million driven by growth in Personal Motor and Property mainly as a result of positive net new contracts,
- *Commercial lines* (49% of gross revenues) decreased by 1% to €1,128 million mainly resulting from a focus on profitability.

Net technical result increased by €71 million (+17%) to €486 million. On a constant exchange rate basis, net technical result increased by €15 million (+4%):

- *Current accident year loss ratio* decreased by 1.9 points to 69.4% mainly driven by Commercial lines reflecting selective underwriting,
- *All accident year loss ratio* decreased by 0.9 point to 62.1% reflecting the improvement of the current accident year loss ratio partly offset by lower positive prior year reserve developments.

Expense ratio decreased by 0.4 point to 25.4% mainly driven by administrative expense ratio following the ongoing strict cost management.

Enlarged expense ratio was down by 0.6 point to 29.2%.

As a result, the **combined ratio** was down by 1.3 point to 87.4%.

Net investment result increased by €1 million (+1%) to €104 million. On a constant exchange rate basis, net investment result decreased by €11 million (-10%) mainly from lower yields on fixed income assets.

Income tax expenses increased by €7 million (+15%) to €-55 million. On a constant exchange rate basis, income tax expenses increased by €1 million (+2%) driven by higher pre-tax underlying earnings.

[18] *€2,304 million after intercompany eliminations.*

Underlying earnings increased by €28 million (+16%) to €209 million. On a constant exchange rate basis, underlying earnings increased by €4 million (+2%).

Adjusted earnings increased by €21 million (+10%) to €227 million. On a constant exchange rate basis, adjusted earnings decreased by €5 million (-3%) due to lower net realized capital gains (€-18 million) mainly on equities partly offset by lower impairments (€+8 million) and higher underlying earnings.

Net income increased by €21 million (+11%) to €207 million. On a constant exchange rate basis, net income decreased by €3 million (-2%) mainly driven by lower adjusted earnings.

Property & Casualty Operations – Direct business

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**1,059**	**962**	**1,928**
Current accident year loss ratio (net)	78.7%	81.3%	83.3%
All accident year loss ratio (net)	80.0%	80.8%	85.5%
Net technical result before expenses	**197**	**163**	**260**
Expense ratio	21.9%	23.1%	22.8%
Net investment result	43	33	71
Underlying earnings before tax	**23**	**(1)**	**(79)**
Income tax expenses / benefits	(10)	(2)	16
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	0	1
Underlying earnings Group share	**14**	**(3)**	**(62)**
Net capital gains or losses attributable to shareholders net of income tax	3	0	(0)
Adjusted earnings Group share	**16**	**(3)**	**(62)**
Profit or loss on financial assets (under FV option) & derivatives	(2)	(0)	2
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(2)	(3)	(5)
Integration and restructuring costs	-	-	-
Net income Group share	**13**	**(6)**	**(65)**

Direct business includes operations in France, Belgium, Spain, Portugal, Italy, Poland, the UK, South Korea and Japan.

Gross revenues increased by €98 million (+10%) to €1,059 million[19]. On a comparable basis, gross revenues increased by €89 million (+9%):

- *Personal Motor* (90% of gross revenues) was up €65 million (+7%) to €951 million driven by €+43 million in the UK as a result of higher volumes and tariffs increases, €+27 million in continental Europe with strong growth in Italy and Poland as well as €+8 million in Japan driven by higher volumes partly offset by €-13 million decrease in South Korea as a result of a difficult market environment,
- *Personal Non-Motor* (10% of gross revenues) was up €24 million (+30%) to €107 million mainly supported by Property products launched in 2010 in the UK.

Net technical result increased by €35 million (+21%) to €197 million. On a constant exchange rate basis, net technical result increased by €32 million (+20%):

- *Current accident year loss ratio* decreased by 2.5 points to 78.7% mainly driven by tariffs increases in Motor in the UK and continental Europe and better weather conditions in the UK,
- *All accident year loss ratio* decreased by 0.7 point to 80.0% reflecting the improvement in the current accident year loss ratio partly offset by unfavorable prior year reserve developments in the UK.

Expense ratio decreased by 1.4 points to 21.9% (with an acquisition ratio down 0.7 point and an administrative expense ratio down 0.6 point) reflecting lower commissions and operational leverage following portfolio growth.

Enlarged expense ratio was down by 1.7 points to 27.4%.

As a result, the **combined ratio** was down by 2.0 points to 102.0%.

[19] *€1,059 million after intercompany eliminations.*

Net investment result increased by €10 million (+31%) to €43 million. On a constant exchange rate basis, net investment result increased by €10 million (+31%) mainly reflecting a higher asset base.

Income tax expenses increased by €8 million to €10 million. On a constant exchange rate basis, income tax expenses increased by €7 million reflecting higher pre-tax underlying earnings and a negative tax adjustment in the first half of 2011 following a corporate tax rate decrease in the UK.

Underlying earnings increased by €17 million to €14 million. On a constant exchange rate basis, underlying earnings increased by €17 million.

Adjusted earnings increased by €19 million to €16 million. On a constant exchange rate basis, adjusted earnings increased by €19 million mainly due to higher underlying earnings and €3 million higher net realized capital gains mainly on equities.

Net income increased by €19 million to €13 million. On a constant exchange rate basis, net income increased by €19 million due to higher adusted earnings.

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (c)	FY 2010 published	FY 2010 restated (c)
Canada	-	711	-	1,436	-
Asia (a)	218	508	190	1,023	379
Luxembourg	61	59	59	93	93
Central and Eastern Europe (b)	28	52	32	109	67
TOTAL	**308**	**1,330**	**281**	**2,661**	**539**
Intercompany transactions	(6)	(16)	(8)	(16)	(7)
Contribution to consolidated gross revenues	**302**	**1,314**	**273**	**2,645**	**532**

(a) Includes Hong Kong, Singapore and Malaysia.
(b) Includes Ukraine.
(c) Restated means the restatement following classification of Canadian operations as discontinued business. Following the classification of the Direct P&C operations as a separate reporting unit, "restated" means also South Korea, Japan and Poland are not included anymore in P&C other countries scope.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010 published	HY 2010 restated (c)	FY 2010 published	FY 2010 restated (c)
Canada	-	80	-	139	-
Asia (a)	5	3	2	(13)	(4)
Luxembourg	4	3	3	10	10
Central and Eastern Europe (b)	0	(4)	0	(8)	0
Reso (Russia)	19	10	10	30	30
UNDERLYING EARNINGS	**29**	**92**	**15**	**157**	**36**
Net realized capital gains or losses attributable to shareholders	(12)	10	1	28	13
ADJUSTED EARNINGS	**17**	**102**	**16**	**185**	**49**
Profit or loss on financial assets (under Fair Value option) & derivatives	1	(3)	(0)	(1)	(0)
Exceptional operations (including discontinued operations)	93	-	83	-	147
Goodwill and related intangibles impacts	(2)	(4)	0	(7)	(0)
Integration and restructuring costs	-	-	0	(0)	(0)
NET INCOME	**109**	**95**	**99**	**177**	**196**

(a) Includes Hong Kong, Singapore and Malaysia.
(b) Includes Ukraine.
(c) Restated means the restatement following classification of Canadian operations as discontinued business. Following the classification of the Direct P&C operations as a separate reporting unit, "restated" means also South Korea, Japan and Poland are not included anymore in P&C other countries scope.

ASIA[20]

Gross revenues increased by €28 million (+15%) to €218 million[21]. On a comparable basis, gross revenues decreased by €4 million (-2%):

- *Personal lines* (45% of gross revenues) were up 5% mainly due to growth in Private Motor mainly contributed by Hong Kong resulting from increase in third party cover policies partly offset by a slowdown in Singapore due to intensified competitive pressure on pricing,
- *Commercial lines* (55% of gross revenues) were down 8% mainly due to a shortfall in Property resulting from more stringent underwriting process in Singapore, loss of some corporate accounts in Malaysia and a decrease in Motor due to the tightening of underwriting policy in Malaysia.

Net technical result increased by €14 million (+28%) to €63 million. On a constant exchange rate basis, net technical result increased by €12 million (+25%):

[20] *Includes Hong Kong, Singapore and Malaysia.*
[21] *€212 million after intercompany eliminations.*

- *Current accident year loss ratio* increased by 2.6 points to 68.3% mainly due to large motor claims arising from floods in June in Singapore as well as deterioration in claims experience for travel and Workers Compensation as a result of an increase in both frequency and severity,
- *All accident year loss ratio* decreased by 2.7 points to 68.1% mainly driven by more favorable prior year reserve developments in Singapore.

Expense ratio decreased by 0.2 point to 29.5% reflecting expenses containment measures.

Enlarged expense ratio was down by 0.6 point to 32.0%.

As a result, the **combined ratio** was down by 2.8 points to 97.7%.

Net investment result remained stable at €5 million. On a constant exchange rate basis, net investment result increased 1% driven by an increased assets base in Malaysia.

Income tax expenses increased by €2 million to €-2 million due to higher taxable pre-tax underlying earnings.

Underlying earnings increased by €4 million to €5 million. On a constant exchange rate basis, underlying earnings increased by €3 million.

Adjusted earnings increased by €4 million to €7 million. On a constant exchange rate basis, adjusted earnings increased by €4 million driven by higher underlying earnings and higher net realized capital gains, mainly on equity.

Net income increased by €4 million to €7 million.

CENTRAL AND EASTERN EUROPE (UKRAINE)

Gross revenues decreased by €4 million (-12%) to €28 million. On a constant exchange rate basis, gross revenues decreased by €2 million (-7%) mainly due to defavorable market conditions.

Underlying earnings, adjusted earnings and **net income** at break-even remained stable.

RESO GARANTIA (RUSSIA)

Underlying earnings increased by €9 million to €19 million. On a constant exchange rate basis, underlying earnings increased by €10 million driven by higher investment income and lower administrative expenses in a strong portfolio growth context, partly offset by a higher all accident year loss ratio. As a result, the combined ratio was down by 2.3 points to 98.7%.

Adjusted earnings decreased by €4 million to €6 million driven by higher underlying earnings (€+10 million) more than offset by higher net realized capital losses (€-14 million) mainly on fixed income assets.

Net income decreased by €6 million to €4 million mainly due to lower adjusted earnings.

International Insurance Segment

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

Consolidated Gross Revenues

(in Euro million)

	HY 2011	HY 2010	FY 2010
AXA Corporate Solutions Assurance	1,286	1,291	1,951
AXA Global Life and AXA Global P&C (a)	51	47	50
AXA Assistance	460	459	929
Other (b)	34	53	95
TOTAL	**1,831**	**1,850**	**3,025**
Intercompany transactions	(92)	(88)	(178)
Contribution to consolidated gross revenues	**1,739**	**1,762**	**2,847**

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010	FY 2010
AXA Corporate Solutions Assurance	81	84	161
AXA Global Life and AXA Global P&C (a)	10	13	17
AXA Assistance	11	10	16
Other (b)	42	38	95
UNDERLYING EARNINGS	**143**	**144**	**290**
Net realized capital gains or losses attributable to shareholders	3	(0)	53
ADJUSTED EARNINGS	**146**	**144**	**343**
Profit or loss on financial assets (under Fair Value option) & derivatives	(7)	14	32
Exceptional operations (including discontinued operations)	0	3	3
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
NET INCOME	**139**	**161**	**378**

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

AXA Corporate Solutions Assurance

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**1,286**	**1,291**	**1,951**
Current accident year loss ratio (net)	85.9%	85.3%	85.6%
All accident year loss ratio (net)	82.9%	81.8%	81.5%
Net technical result before expenses	**183**	**195**	**364**
Expense ratio	14.5%	14.8%	15.4%
Net investment result	99	95	184
Underlying earnings before tax	**128**	**132**	**245**
Income tax expenses / benefits	(46)	(47)	(81)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(2)
Underlying earnings Group share	**81**	**84**	**161**
Net capital gains or losses attributable to shareholders net of income tax	(1)	(2)	5
Adjusted earnings Group share	**79**	**82**	**166**
Profit or loss on financial assets (under FV option) & derivatives	(4)	11	26
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration and restructuring costs	-	-	-
Net income Group share	**75**	**92**	**192**

Gross revenues decreased by €5 million to € 1,286 million[22]. On a constant exchange rate basis, gross revenues increased by €26 million (+2%) mainly driven by positive developments in Aviation & Space (+ 24%) and Motor (+10%) partly offset by a decrease in Property (-7%) and Liability (-3%).

Net technical result decreased by €12 million (-6%) to €183 million:

- *Current accident year loss ratio* increased by 0.6 point to 85.9%. On a comparable basis, current accident year loss ratio increased by 1.0 point mainly due to a higher level of major losses on Property (€+20 million notably Tohoku earthquake in Japan for €25 million), partly offset by tariff increases in several lines of business,
- *All accident year loss ratio* increased by 1.1 point to 82.9%.

Expense ratio decreased by 0.3 point to 14.5% mainly due to an unfavorable change in mix product on commissions.

Enlarged expense ratio was down 0.4 point to 19.2%.

As a result, the **combined ratio** was up 0.7 point to 97.3%.

Net investment result increased by €4 million (+4%) to €99 million mainly due to a higher income from fixed income assets.

Income tax expenses decreased by € 1 million (-1%) to €-46 million, mainly reflecting lower pre-tax underlying earnings.

Underlying earnings decreased by €3 million (-4%) to € 81 million.

Adjusted earnings decreased by €2 million (-3%) to €79 million in line with underlying earnings.

Net income decreased by €17 million (-19%) to €75 million mainly due to a €-8 million foreign exchange impact, a €7 million less favorable change in fair value on mutual funds and lower adjusted earnings.

[22] *€1,271 million after intercompany eliminations.*

AXA Global Life and AXA Global P&C[23]

Underlying earnings decreased by €3 million to €10 million mainly due to lower technical results in AXA Motor Liability cover and in AXA Life pool as well as higher administrative expenses partly offset by positive prior year developments on Nat Cat events.

Adjusted earnings decreased by €3 million to €10 million mainly due to lower underlying earnings.

Net income decreased by €6 million to €9 million mainly due to €3 million lower adjusted earnings and a €2 million unfavorable impact of foreign exchange movements.

AXA Assistance

Gross revenues increased by €1 million to €460 million[24]. On a comparable basis, gross revenues decreased by €8 million (-2%) mainly due to the end of a large contract partly offset by growth in the US and Mexico.

Underlying earnings increased by €1 million (+10%) to €11 million mainly driven by positive developments in Italy and Turkey partly offset by deterioration on Travel business following the end of a large contract.

Adjusted earnings increased by €1 million (+10%) to €11 million mainly driven by higher underlying earnings.

Net income decreased by €2 million (-18%) mainly due to €1 million higher adjusted earnings more than offset by €3 million exceptional capital gain recorded in 2010 following the end of a joint venture in Japan.

Other international activities

Underlying earnings increased by €3 million (+9%) to €42 million. On a constant exchange basis, underlying earnings increased by €2 million (+6%) driven by lower losses on Life run-off portfolio.

Adjusted earnings increased by €6 million (+16%) to €45 million. On a constant exchange basis, adjusted earnings increased by €5 million (+13%) as a result of €2 million higher underlying earnings, €1 million higher realized capital gains and €1 million lower impairment.

Net income increased by €3 million (+8%) to €45 million. On a constant exchange basis, net income increased by €2 million (+5%) as a result of €5 million higher adjusted earnings partly offset by a €3 million unfavorable impact of foreign exchange movements.

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

[24] *€384 million after intercompany eliminations.*

Asset Management Segment

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

Consolidated Gross Revenues

(in Euro million)

	HY 2011	HY 2010	FY 2010
AllianceBernstein	1,064	1,111	2,203
AXA Investment Managers	759	742	1,482
TOTAL	**1,823**	**1,854**	**3,685**
Intercompany transactions	(165)	(183)	(357)
Contribution to consolidated gross revenues	**1,658**	**1,670**	**3,328**

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010	FY 2010
AllianceBernstein	57	71	143
AXA Investment Managers	99	78	125
UNDERLYING EARNINGS	**157**	**150**	**269**
Net realized capital gains or losses attributable to shareholders	(2)	(5)	(5)
ADJUSTED EARNINGS	**154**	**145**	**264**
Profit or loss on financial assets (under Fair Value option) & derivatives	6	(25)	21
Exceptional operations (including discontinued operations)	(0)	2	2
Goodwill and related intangibles impacts	-	-	-
Integration and restructuring costs	(0)	-	(31)
NET INCOME	**160**	**122**	**255**

AllianceBernstein

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**1,064**	**1,111**	**2,203**
Net investment result	(6)	(18)	(3)
General expenses	(892)	(896)	(1,821)
Underlying earnings before tax	**166**	**198**	**379**
Income tax expenses / benefits	(44)	(53)	(93)
Minority interests	(64)	(73)	(142)
Underlying earnings Group share	**57**	**71**	**143**
Net capital gains or losses attributable to shareholders net of income tax	0	-	-
Adjusted earnings Group share	**57**	**71**	**143**
Profit or loss on financial assets (under FV option) & derivatives	(0)	(7)	0
Exceptional operations (including discontinued operations)	0	2	2
Goodwill and other related intangibles impacts	0	-	-
Integration and restructuring costs	0	-	(29)
Net income Group share	**57**	**66**	**116**
Average exchange rate : 1.00 € = $	*1.4042*	*1.3278*	*1.3370*

Assets under Management ("AUM") decreased by €39 billion from year end 2010 to €323 billion at the end of June, 2011 driven by net outflows of €24 billion (€-20 billion from Institutional clients, €-2 billion from Retail clients and €-2 billion from Private clients) and negative exchange rate impact of €27 billion, partly offset by €11 billion market appreciation.

Gross revenues decreased by €47 million (-4%) to €1,064 million[25]. On a comparable basis, gross revenues increased by €18 million (+2%) driven by higher distribution fees (+11%) from higher Retail AUM. Management fees were flat driven by higher Retail and Private clients fees offset by lower Institutional clients fees.

Net investment result increased by €12 million (+67%) to €-6 million. On a constant exchange rate basis, net investment result increased by €12 million (+65%) due to higher realized and unrealized gains related to deferred compensation obligations, offset in general expenses.

General expenses decreased by €3 million (0%) to €-892 million. On a constant exchange rate basis, general expenses increased by €48 million (+5%) mainly due to (i) higher compensation expenses (5% or €28 million) due to higher deferred compensation obligations and (ii) higher promotion and servicing expenses (12% or € 23 million) from higher average Retail AUM.

As a result, the **underlying cost income** ratio increased by 2.6 points to 82.2%.

Income tax expenses decreased by €9 million (-16%) to €-44 million. On a constant exchange rate basis, income tax expenses decreased by €6 million (-12%) due to lower pre-tax underlying earnings.

Underlying and **adjusted earnings** decreased by €14 million (-20%) to €57 million. On a constant exchange rate basis, underlying and adjusted earnings decreased by €11 million (-15%).

AXA ownership as of June 30, 2011 is 62.4% up by 0.9% due to repurchases of Alliance units as of June 30, 2011 vs. December 31, 2011.

Net income decreased by €9 million (-14%) to €57 million. On a constant exchange rate basis, net income decreased by €6 million (-9%) as a result of lower adjusted earnings partly offset by less defavorable change in fair value of financial assets.

[25] *€1,024 million after intercompany eliminations.*

AXA Investment Managers ("AXA IM")

(in Euro million)

	HY 2011	HY 2010	FY 2010
Gross revenues	**759**	**742**	**1,482**
Net investment result	(7)	(4)	18
General expenses	(601)	(601)	(1,375)
Underlying earnings before tax	**150**	**137**	**124**
Income tax expenses / benefits	(46)	(51)	(38)
Minority interests	(5)	(8)	39
Underlying earnings Group share	**99**	**78**	**125**
Net capital gains or losses attributable to shareholders net of income tax	(2)	(5)	(5)
Adjusted earnings Group share	**97**	**74**	**120**
Profit or loss on financial assets (under FV option) & derivatives	6	(18)	20
Exceptional operations (including discontinued operations)	(0)	-	0
Goodwill and other related intangibles impacts	0	-	-
Integration and restructuring costs	(0)	-	(2)
Net income Group share	**103**	**56**	**139**

Assets under Management ("AUM") decreased by €2 billion from year-end 2010 to €514 billion at the end of June, 2011 as a result of €5 billion unfavorable foreign exchange impact and €2 billion change in scope related to the partial sale of the UK Life & Savings operations, partly offset by €4 billion favorable market impact and €1 billion net inflows. Net inflows amounted to €1 billion in the first half of 2011 mainly driven by AXA Fixed Income, AXA Framlington, and AXA Private Equity, despite outflows on AXA Rosenberg products (€-3 billion) and the voluntary exit from unprofitable employee shareholding plans schemes (€-2 billion).

Gross revenues increased by €17 million (+2%) to €759 million[26]. On a constant exchange rate basis and excluding distribution fees (retroceded to distributors), net revenues increased by €23 million (+4%) to €562 million mainly due to higher performance fees (€+15 million), driven by AXA Private Equity, and higher real estate transaction fees (€+7 million), while management fees remained flat as a drop in AXA Rosenberg management fees was compensated by an increase in management fees from other expertises.

Net investment result decreased by €3 million to €-7 million. On a constant exchange rate basis, net investment result decreased by €2 million mainly driven by a higher interest charges.

General expenses remained flat at €-601 million. On a constant exchange rate basis and excluding distribution fees, general expenses increased by €10 million (+3%) as €-3 million decrease in general expenses excluding variable compensation, mainly driven by downsizing at AXA Rosenberg, was more than offset by €+13 million higher variable compensation triggered by higher profits.

As a result, the **underlying cost income ratio** improved by 1.3 points to 72.8%.

Income tax expenses decreased by €5 million (-9%) to €-46 million or by €5 million (-10%) on a constant exchange rate basis driven by a decrease in effective tax rate due to a different country mix contributing to pre-tax underlying earnings.

Minority interests decreased by €3 million to €-5 million due to AXA Rosenberg minority shareholders' buyout in second half of 2010.

Underlying earnings increased by €21 million (+27%) to €99 million. On a constant exchange rate basis, underlying earnings increased by €+19 million (+25%).

Adjusted earnings increased by €23 million (+31%) to €97 million. On a constant exchange rate basis, adjusted earnings increased by €21 million (+29%) due to higher underlying earnings and €2 million lower impairment charge.

[26] *€634 million after intercompany eliminations.*

Net income increased by €47 million (+83%) to €103 million. On constant exchange rate basis, net income increased by €45 million (+80%), mainly due to higher adjusted earnings and the non repeat of the 2010 unfavorable foreign exchange impact on USD-denominated inter-company debt (€+35 million).

Banking

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

Consolidated Gross Revenues

(in Euro million)

	HY 2011	HY 2010	FY 2010
AXA Banks (a)	**272**	**237**	**496**
o/w Belgium (b)	169	139	311
o/w France	63	66	116
o/w Hungary	27	29	59
o/w Germany	12	7	15
o/w Switzerland	(0)	(2)	(2)
o/w Others (c)	1	(1)	(3)
Others	**3**	**3**	**7**
TOTAL	**275**	**241**	**504**
Intercompany transactions	(26)	(23)	(44)
Contribution to consolidated gross revenues	**248**	**218**	**459**

(a) Of which AXA Bank Europe and its branches: €197 million.
(b) Includes commercial activities in Belgium and shared services of AXA Bank Europe (treasury and support functions).
(c) Includes Slovakia and Czech Republic.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010	FY 2010
AXA Banks (a)	**10**	**(19)**	**15**
o/w Belgium (b)	27	(5)	64
o/w France	(0)	1	1
o/w Hungary	(9)	(0)	(19)
o/w Germany	2	(1)	(0)
o/w Switzerland	(5)	(5)	(14)
o/w Others (c)	(5)	(8)	(16)
Others	**(2)**	**(3)**	**(6)**
UNDERLYING EARNINGS	**8**	**(22)**	**9**
Net realized capital gains or losses attributable to shareholders	(3)	1	(3)
ADJUSTED EARNINGS	**5**	**(22)**	**7**
Profit or loss on financial assets (under Fair Value option) & derivatives	1	2	9
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and related intangibles impacts	(0)	(0)	(0)
Integration and restructuring costs	(7)	-	(6)
NET INCOME	**(1)**	**(20)**	**9**

(a) of which AXA Bank Europe and its branches: €9 million.
(b) Includes commercial activities in Belgium for €17 million and shared services of AXA Bank Europe (treasury and support functions) for €10 million.
(c) Includes Slovakia and Czech Republic.

AXA Banks

BELGIUM

Net banking revenues increased by €30 million (+22%) to €169 million. On a comparable basis[27], net banking revenues increased by €16 million (+13%) mainly driven by higher revenues on mortgage and consumer loans (€+7 million) and lower interest paid on deposit account (€+8 million).

Underlying earnings increased by €33 million to €27 million. On a comparable basis[28], underlying earnings increased by €35 million mainly due to higher interest and commission margin (€+36 million), stable administrative expenses considering the reclassification of restructuring costs in net income in 2011 (€+3 million) partly offset by higher distribution commissions (€-4 million) and an increase of provision for loan losses (€-3 million).

Adjusted earnings increased by €29 million to €24 million driven by the underlying earnings increase and higher impairments on fixed income assets (€-4 million).

Net income increased by €26 million to €20 million driven by the increase of adjusted earnings and favorable change in mark-to-market on hedging instruments (€+4 million) partly offset by higher restructuring costs.

FRANCE

Net banking revenues decreased by €3 million to €63 million. On a comparable basis[27], net banking revenues increased by €3 million (+6%) to €63 million mainly driven by (i) higher loan interest margin on mortgages mainly due to higher credit production, (ii) higher fees on current accounts partly offset by (iii) a negative change in fair value of macro-hedge derivatives on interest rates (€-10 million).

Underlying and adjusted earnings decreased by €1 million to €0 million, revenue growth being more than offset by higher expenses (€-7 million) mainly due to higher marketing expenses to support growth.

Net income decreased by €8 million to € -2 million mainly due to lower adjusted earnings and unfavorable change in mark-to-market on hedging instruments stemming from interest rates increase (€-7 million).

HUNGARY

Net banking revenues decreased by €2 million to €27 million. On a comparable basis[27], net banking revenues increased by €9 million (-27%) mainly due to deposits portfolio growth partly offset by lower fees received from lower new credit production.

Underlying and adjusted earnings decreased by €9 million to €-9 million. On a comparable basis, underlying and adjusted earnings decreased by €11 million mainly due to lower fee income (€-5 million) stemming from a lower new credit production, a new tax on financial sector (€-4 million) and a slightly higher provision for loan losses (€-1 million).

Net income decreased by €7 million to €-9 million.

GERMANY

Net banking revenues increased by €5 million (+74%) to €12 million. On a comparable basis[27], net banking revenues increased by €3 million mainly due to an improved interest margin stemming from higher interest received from bonds and money market investments and a higher commission margin.

Underlying earnings as well as **adjusted earnings** and **net income** increased by €3 million to €2 million mainly driven by higher net banking revenues as well as lower expenses and lower allowance on provision for loan losses.

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[27] *In banking segment, for net banking revenues, "on a comparable basis" means after intercompany eliminations.*

[28] *In banking segment, for underlying earnings, adjusted earnings and net income, "on a comparable basis" means after allocation of central treasury results to the various branches of AXA Bank Europe in 2010.*

CZECH REPUBLIC

Underlying earnings, adjusted earnings and **net income** increased by €4 million to €-3 million mainly driven by an increase of commercial margin and a decrease in administrative expenses.

SWITZERLAND

Underlying earnings as well as **adjusted earnings** and **net income** were stable at €-5 million mainly driven by an increase of commercial margin offset by higher administrative expenses.

Holdings and other companies

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2011	HY 2010	FY 2010
AXA	(214)	(251)	(553)
Other French holdings companies	(38)	(23)	(40)
Foreign holdings companies	(134)	(164)	(251)
Others (a)	1	1	9
UNDERLYING EARNINGS	**(384)**	**(438)**	**(836)**
Net realized capital gains or losses attributable to shareholders	(180)	(9)	2
ADJUSTED EARNINGS	**(565)**	**(447)**	**(834)**
Profit or loss on financial assets (under Fair Value option) & derivatives	(89)	3	(226)
Exceptional operations (including discontinued operations)	687	(15)	20
Goodwill and related intangibles impacts	0	0	0
Integration and restructuring costs	(1)	0	(0)
NET INCOME	**33**	**(458)**	**(1,040)**

(a) Includes notably CDOs and real estate entities.

AXA[29]

Underlying earnings increased by €37 million to €-214 million. Excluding a €64 million net provision related to the AXA Rosenberg coding error booked in the parent company's segment in June 2010, underlying earnings decreased by €27 million mainly due to:

- an increase in general expenses by €26 million linked to investments to deploy shared systems and support to the AXA Brand,
- a higher €13 million tax expense resulting from higher dividends received from consolidated foreign subsidiaries,
- partly offset by higher result (€+15 million) on hedging of earnings denominated in foreign currencies.

Adjusted earnings decreased by €110 million to €-364 million mainly driven by €92 million net impairment charge on Greece government bonds held by operational entities and subject to a global plan (bonds with maturities below 2020), a €-52 million premium amortization on equity call options and by underlying earnings evolution.

Net income increased by €365 million mainly driven by:

- €+682 million exceptional gain related to the disposal of the Australia & New Zealand operations, (€+691 million for the Group),
- €-194 million change on the mark-to-market on interest rate and foreign exchange derivatives instruments which are not eligible to hedge accounting mainly due to Euro interest rates movements and adjusted earnings evolution.

The foreign currency hedging policy has been amended balancing various objectives between net asset value protection, financial charge, liquidity and Solvency positions.
This new policy is implemented for US dollar hedging and is currently being implemented for other currencies hedging (mainly CHF and JPY). The impact was €-24 million after tax in net income.

[29] *All the figures are after tax.*

Other French holding companies

AXA France Assurance.

Underlying earnings, adjusted earnings and net income decreased by €-9 million to €-18 million mainly due to higher tax expenses (€-8 million) resulting from higher inter-company dividends received.

Other French holdings.

Underlying earnings decreased by €5million to €-19 million mainly due to an increase in financial charges.

Adjusted earnings decreased by €2 million to €-19 million mainly driven by underlying earnings evolution and lower impairments.

Net income increased by €4 million to €-19 million and included a €9 million exceptional gain related to the disposal of the Australia & New Zealand operations.

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings increased by €23 million (+24%) to €-72 million. On a constant exchange rate basis, underlying earnings increased by €19 million (+20%) driven by a €10 million decrease in interest financial charges related to the repayment of public debt in the first half of 2010 and a €7 million increase in income earned on a cross currency swap.

Adjusted earnings increased by €23 million (+24%) to €-72 million. On a constant exchange rate basis, adjusted earnings increased by €19 million (+20%), in line with underlying earnings evolution.

Net income increased by €106 million (+63%) to €-63 million. On a constant exchange rate basis, net income increased by €102 million (+61%) driven by higher adjusted earnings and a favorable change in fair value of a cross currency swap.

AXA UK Holdings

Underlying earnings increased by €20 million (+117%) to €3 million. On a constant exchange rate basis, underlying earnings increased by €20 million (+117%) mainly due to the reallocation of the proceeds from the partial sale of the UK Life & Savings business in 2010 into intercompany loans (€18 million) and reimbursement of intercompany debts (€7 million) partly offset by increased pension costs (€4 million).

Adjusted earnings increased by €23 million (+115%) to €3 million. On a constant exchange rate basis, adjusted earnings increased by €23 million reflecting the improvement in underlying earnings and lower realized capital losses.

Net income increased by €4 million (+24%) to €-11 million. On a constant exchange rate basis, net income increased by €4 million (+25%) reflecting adjusted earnings evolution offset by a negative tax one-off (€-15 million) and lower foreign exchange gains (€-2 million).

German Holding companies

Underlying earnings remained stable at €-18 million.

Adjusted earnings decreased by € 30 million to €-47 million mainly due to a higher impairment charge.

Net income decreased by € 26 million to €-43 million due to decrease in adjusted earnings by € 30 million partly compensated by a favorable change in fair value of derivatives.

Belgian Holding company

Underlying earnings and **adjusted earnings** decreased by €12 million to €-8 million mainly due to the lower net investment result following the early reimbursement of a subordinated loan granted to AXA Belgium.

Net income decreased by €11 million to €-6 million mainly due to the adjusted earnings evolution.

Mediterranean and Latin American Region Holdings

Underlying earnings, adjusted earnings and **net income** increased by €1 million to €-35 million. On a comparable exchange rate basis, underlying earnings, adjusted earnings and net income increased by €1 million due to lower financial charges.

Other

CFP

Underlying earnings, adjusted earnings and **net income** were stable at €1 million driven by stable positive run-off developments.

Outlook

In a macro-environment which remains uncertain, we should continue to benefit from our selective approach in mature markets, an increased exposure to high growth markets and the ongoing efficiency programs which started to deliver. These three strategic priorities form the backbone of our company-wide plan Ambition AXA which was launched in 2011.

In Life & Savings, new business should continue to be oriented towards selected profitable segments, notably Protection & Health and unit-linked products, and combined with ongoing efforts to maintain the administrative expenses stable, this should help achieve €1.7 billion of operating free cash flow generation for the year 2011.

In Property & Casualty, we should maintain strong sales momentum in Direct business and high growth markets. Overall, the combination of our pricing actions and productivity gains should allow the current year combined ratio to remain below 100% for the full year.

In Asset Management, the efforts will be on continuing to improve investment performance and broaden our distribution reach.

Glossary

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

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

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

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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

ADJUSTED EARNINGS

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

(i) Exceptional operations (primarily change in scope and discontinued operations)

(ii) Integration and restructuring costs related to material newly acquired companies as well as restructuring and associated costs related to productivity improvement plans

(iii) Goodwill and other related intangibles, and

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

Derivatives related to invested assets:

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

UNDERLYING EARNINGS

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

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

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

EARNINGS PER SHARE

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

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

RETURN ON EQUITY ("ROE")

The calculation is prepared with the following principles:

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

LIFE & SAVINGS MARGIN ANALYSIS

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

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

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

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

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

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

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

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

o For investment contracts without DPF:

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

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

Underlying Investment margin includes the following items:

(i) Net investment income

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

Underlying Fees & Revenues include:

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

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

(iii) Loading on (or contractual charges included in) premiums / deposits received on all general account product lines,

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

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

Underlying Net Technical margin includes the following components:

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

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

(iii) GMxB (Variable Annuity guarantees) Active Financial Risk Management is the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedge. It also includes the unhedged business result,

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

(v) Ceded reinsurance result,

(vi) Other changes in insurance reserves are all the reserves strengthening or release coming from changes in valuation assumptions, additional reserves for mortality risk and other technical impacts such as premium deficiency.

Underlying Expenses are:

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

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

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

(iv) Administrative expenses,

(v) Claims handling costs,

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

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

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

Property & Casualty (including AXA Corporate Solutions Assurance)

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

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

(i) Earned premiums, gross of reinsurance,

(ii) Claims charges, gross of reinsurance,

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

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

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

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

(ii) Earned revenues, gross of reinsurance.

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

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

(ii) Earned revenues, gross of reinsurance.

Underlying expense ratio is the ratio of:

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

(ii) Earned revenues, gross of reinsurance.

Underlying expenses include two components: expenses (including commissions) related to acquisition of contracts (with the related **acquisition ratio**) and all other expenses (with the related **administrative expense ratio**). Underlying expenses exclude customer intangible amortization and integration costs related to material newly acquired companies.

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

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

Asset Management

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

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

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

Banking

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