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Activity Report / Full Year 2010

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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 Document de Référence 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.

Insurance and Asset Management markets

LIFE & SAVINGS

France[1]. The Life & Savings market increased by 4 % in 2010, and proved resilient in the context of low interest rates, driven by 4% growth of general account participating contracts representing 87% of the market. Unit-linked contracts grew by 7%, representing only 13% of the market. The 2010 growth was driven by bancassurance channels (+8%), whereas sales from traditional insurers decreased by 1%. The market growth was +4% for Health and Accident. Overall, AXA ranked 3rd with a market share of 9.8%.

United States[2]. After a difficult sales environment for Life Insurance and Annuities in 2009, industry sales slightly improved in 2010:

- In the Life insurance market, total sales grew by 4% in 2010 over 2009. Industry Variable Life product sales increased by 4%, after dropping 49% in 2009. Corporate-owned, bank-owned and private placement sales are above the market average increase. Industry Universal Life sales gained 8% from 2009 levels, attributable to growth in products featuring both long-term secondary guarantees as well as non-guaranteed products. Whole Life sales increased by 13% and remain an attractive offer during uncertainty in the marketplace. Term Insurance sales decreased by 10%, most notably due to price increases and withdrawals in product offerings.
- In the Annuity market, total sales decreased by 9% in 2010. Variable Annuity industry sales increased by 8% as guaranteed living benefits continue to drive sales. Although some companies continue to enhance product features, a number of insurers have withdrawn from the marketplace or have reduced benefits or increased charges. Fixed Annuity sales declined by 29% as some companies lowered their production given the low interest rate environment and concerns on new business capital strain.

In Life, AXA ranked 15th with a 2.5% market share. In Variable Annuities, AXA ranked 6th with a 4.8% market share.

United Kingdom & Ireland. The United Kingdom insurance market increased by 6%[3] on an Annual Premium Equivalent (APE) basis[4] recovering partially after the sharp fall in 2009. The United Kingdom Wealth management market[5] has increased by 1%[3] with business through Independent Financial Advisers (IFAs) increasing by 15%[3]. Following the partial sale of its Life & Savings business, AXA's retained business consists mainly in:

- Sun Life Direct Protection business, which had a 3%[3] market share in terms of total protection APE and 41%[3] in terms of the Direct Protection market only,
- Elevate Wrap Platform, which grew its funds under management and reputation strongly in its second year of operation and reached 1.4%[6] market share based of funds under management,
- AXA Wealth Management's IFA business, which had a market share of 10.3%[3] in terms of APE.

Japan[7]. The insurance market grew by 6.1%, mainly due to the recovering economy and bancassurance sourced saving products' sales such as traditional general account savings. However those players started to refrain from selling in the extremely low interest rate environment towards the end of the year. Term products with tax deductibility grew along with the market recovery whereas the Medical segment remained stable but competition intensified. AXA had a market share of 2.2% and ranked 12th based on premium income (8th in Medical business).

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[1] *Source: FFSA based on gross written premiums.*

[2] *Please note that the numbers quoted for market data (life and annuity) are for nine months ended September 30, 2010 vs. 9 months 2009. Source : LIMRA(annualized first year premiums excluding drop-in premiums) and MARC annuity sales (first year and renewal premiums excluding replacements).*

[3] *Source: ABI/MSE ©2010 Association of British Insurers, 9 months to Q3 2010 versus 9 months to Q3 2009.*

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

[5] *Excludes mutual funds and annuities.*

[6] *Platform report Q3 2010 with AXA estimate of advised market (excluding direct and institutional assets).*

[7] *Source: Insurance Research Institute (excluding Kampo Life), and financial statements of the companies. Premiums are for the twelve months ended September 30, 2010.*

Germany.[8] The market increased by 7.3% in 2010 with a 32% increase in single premiums,[9] especially retirement pension insurance up 82% while other collective insurance increased by 64%[10] driven by single premiums. Retirement products with low surrender charges and distributed by banks enjoyed increasing popularity; short-term and medium-term investment products slightly decreased (-3.1%[11]) affected by regulatory volume limits. German Private Health insurance market grew by 5%[12]. In 2009, AXA ranked 5th in the Life market with a 5.2% market share and 4th in the Health market with a 6.9% market share.

Switzerland[13]**.** The market in 2010 benefited from the economic recovery translating into a 1.4% growth. Group Life premiums increased by 4.2% driven by a strong increase in number of newly created companies, revived transfers in pension market, after the standstill in 2009 due to financial crisis and underfunding of pension institutions, as well as higher switches from small and medium enterprise clients to a fully financed foundations set up by Life insurers. AXA achieved a growth rate of 5.1% and confirmed its leader position in Group Life with a market share remaining above 30%. Individual Life market decreased by 4.5% reflecting the current environment of low interest rates level. The trend towards unit-linked products, especially with guarantees, continued but at a moderate level. In this challenging context, AXA achieved a growth of 6.3% thanks to the successful launch of new product "AXA Protect Invest" and ranked second in Individual Life with a market share of 15%.

Belgium. In 2010, the market recovered from the aftermath of the economic and financial crisis. As a result, market[14] increased by 9%. However, full year market growth expectations are lower since competition from short term banking products increased during the last quarter. Market growth in Individual Life & Savings products was more pronounced on unit-linked products (+50%) with customers seeking higher returns in a low interest rates environment and willing to take on more risk. Group Life market volumes kept growing moderately, still limited by legal requirements on pension contracts. AXA maintained its third position with a market share of approximately 13% [15].

Mediterranean and Latin American Region. In **Spain**, the market decreased by 11%[16], mainly explained by the movement from insurance products to banking savings products fostered by bank distribution channels. In **Italy**, spectacular growth at 23%[17] was boosted by the tax amnesty law applicable during the first half of 2010, mainly in saving products. In **Portugal**, strong growth at 29%[18], mainly came from capitalization products. This market is dominated by bancassurance companies which form the top 5 providers. In **Greece**, the economic crisis deeply affected the private insurance market, producing a decrease of 4%[19] with many surrenders and lower new business. In **Turkey**, the market grew by 16%[20] mainly driven by protection, in particular Term products. In **Morocco**, limited growth at 2%[21] has been driven by the financial crisis. In **Mexico**, the market increased by 3%[22] mainly coming from protection business.

In Spain, AXA ranked 12th[16], in Italy 8th[17], in Portugal 9th[18], in Greece 8th[19], in Turkey 10th[20], in Morocco 4th[21] and in Mexico 6th[22].
In Spain, AXA market share was 3%[16], in Italy 5%[17], in Portugal 2%[18], in Greece 4%[19], in Turkey 3%[20], in Morocco 9%[21] and in Mexico 6%[22].

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[8] *Source: http://www.gdv.de.*
[9] *Forecast by GDV in September 2010.*
[10] *Data from 1st quarter to 3rd quarter.*
[11] *Forecast by GDV in November 2010.*
[12] *Forecast by GDV in November 2010.*
[13] *Source : SIA (Swiss Insurance Association) publication "Jahresmedienkonferenz 2011" as per January28, 2011.*
[14] *Source: Assuralia (Belgian Professional Union of Insurance companies). Derived from the nine months ended September 30, 2010 figures based on gross written premiums.*
[15] *Source : AXA Belgium estimates based on Assuralia market figures.*
[16] *Source: Spanish Association of Insurance Companies. ICEA as of September 2010.*
[17] *Source: Istituto per la vigilanza sulle Assicurazioni Private e di Interesse Collettivo (ISVAP) as of September 2010. Ranking as of December 2009 (cross border business not included), source Associazione Nazionale Imprese Assicuratrici (ANIA); considering cross border figures related to AXA MPS Financial (part of AXA MPS Group), the estimated rank of AXA in Italy would raise to the 7th position in 2009.*
[18] *Source: Portuguese Insurance Association as of September 2010.*
[19] *Source: Hellenic Association of Insurance Companies as of September 2010.*
[20] *Source: Turkish Association of Insurance Companies as of September 2010.*
[21] *Source: Moroccan Association of Insurance Companies as of December 2009.*
[22] *Source: AMIS Asociación Mexicana de instituciones de Seguros as of September 2010.*

Australia & New Zealand. In 2010, the total managed funds market increased by 5%[23] to AU$ 1.4 trillion, driven by superannuation funds and life insurance general account's assets. AXA ranked 5th by assets under management[24] and 12th by net new money[25]. The Australian financial protection market was relatively resilient with in-force annual premiums increasing by 11.7%[26]. In Australia, AXA ranked 6th by Annual Premium Equivalent (APE) and in-force annual premiums[26]. The Wealth Management market in New Zealand increased by 22%[27] driven by a continued strong growth of KiwiSaver products. AXA's position in the New Zealand financial protection market remained strong ranking 3rd by in-force annual premiums in a market that grew by 9.3% from the previous year[28].

Hong Kong. The market demonstrated solid growth in 2010, fuelled by a buoyant economy which grew by 7.1% which was the highest since 2007. Inforce premiums increased by 16%[29]. The Life insurance market remained concentrated with the top 10 players, accounting for about 80% market share[29]. AXA ranked 5th by in-force premiums[30] with a 9.1% market share[29].

South East Asia and China. The region continued to record strong positive growth in Life insurance premiums in 2010. **Indonesia[31].** The market was up by 22% in new business premiums, of which over 50% came from unit-linked products. Such increase was mainly attributed to the continuing expansion of the middle-class driven by strong economic growth. AXA ranked 2nd with a market share of 12.4%. **Thailand[32]**. The market recorded a growth of 8% for new business, of which short-term traditional saving products with guarantees were most popular due to the stable interest rate policy. AXA recorded strong growth of 26% in new business and was ranked 5th compared to 6th in 2009, with market share increased to 9.2% compared to 8.1% in 2009. **Singapore[33]**. The Life insurance industry performed strongly with a 17% increase over last year. Due to improved market sentiment, product mix has shifted from regular premium to single premium unit-linked products. AXA grew by 22% and ranked 8th by APE, with a stable market share at 3%. **India[34].** The Life insurance market grew by 35% in APE. As a result of new regulation, insurance players are moving their product mix towards traditional products or unit-linked products bundled with life protection. AXA grew by 36%, with market share increased from 1.0% in December 2009 to 1.3% in November 2010 and ranked 15th amongst private players. **China[35]**. Life insurance market continued to grow by 31% in premiums, driven by strong growth of bancassurance business mainly participating products sales. AXA outperformed the market growing by 44% and ranked 39th amongst all insurers and 16th amongst foreign insurers.

Central and Eastern Europe[36]. The market increased by 4% in Poland, by 6% in Hungary and by 14% in Czech Republic and Slovakia. AXA's market share in the region increased by 0.4 pt to 3.3%. AXA ranked 10th in Hungary, 9th in Czech Republic and 12th in Poland. The Pension Funds market increased by 6% in Czech Republic, by 17% in Hungary, by 23% in Slovakia and by 24% in Poland. AXA's position was stable with a market share of 8% in the region. AXA ranked 2nd in Czech Republic and Slovakia, and 5th in Poland and Hungary. The mandatory Pension Funds in Hungary (Pillar II) have been nationalized by law voted on December 13rd, 2010.

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[23] *ABS Management Funds 565501 September 2010.*
[24] *Plan for Life September 2010.*
[25] *Ambition 2 measure (cumulative NFF since December 2007 and Plan for Life September 2010).*
[26] *Plan for Life September 2010.*
[27] *ISI 2010 Annual Review September 2010.*
[28] *ISI 2010 Annual Review September 2010 Individual risk products.*
[29] *Source: Office of the Commissioner of Insurance, in-force (weighted) business 2009Q3YTD and 2010Q3YTD.*
[30] *Annualized regular premiums of all in-force policies.*
[31] *Source: AAJI statistics report as of September 30, 2010.*
[32] *Source: TLAA statistics report as of November 30, 2010, measured on collected premium basis.*
[33] *Source: LIA statistics report as of September 30, 2010. New business represented annualized regular premium plus 10% single premium (including recurring single premium).*
[34] *Source: IRDA statistics as of November 30, 2010.*
[35] *Source: CIRC statistics as of November 30, 2010.*
[36] *Source : estimate based on September 2010 data from Czech association of insurance companies, "Report of the Association of Hungarian Insurance Companies (Mabisz)" and Polish Financial Supervision Authority site.*

PROPERTY & CASUALTY

France[37]. The market grew by 1.5% in 2010. Commercial and Personal Motor business increased by 2% (after a 0.5% decrease in 2009). Household market increased by 5%, notably driven by the rise of the construction index. In Commercial lines (other than Motor), Property increased by 1.5% whereas Construction declined by 4.5% and Liability by 1%. AXA ranked 2nd with a market share of 14.6%.

United Kingdom & Ireland. AXA ranked 5th in the United Kingdom, and market share increased by 0.4pt to 5.4%[38] driven by substantial growth in the Direct Personal lines business, especially Motor with strong increases in rates and policy count. The United Kingdom Personal lines market started to harden, led by Private Motor, with significant rate increases throughout 2010. AXA improved its ranking to 4th in Personal lines with a market share of 7%[38]. In Commercial lines, the market has contracted each year since 2004, due to soft pricing and a lack of economic growth. The United Kingdom recession further delayed the insurance market recovery, particularly in the SME segment. However, AXA ranked 5th, with an estimated market share of 6%[38]. The United Kingdom Private Medical insurance market continued to be adversely impacted by the recession. AXA's Healthcare revenues declined marginally (c.1%) in 2010 with the largest decline experienced in Large Corporate revenues. AXA remained 2nd in the Healthcare market, with its share further strengthened at 26%[39]. In Ireland, AXA jumped from 5th to 3rd overall with a market share of 11.6% and became 1st in Motor with a market share of 19.1%[40]. AXA's market share has grown steadily in Ireland since 2008 reflecting its competitiveness in the market. Tariffs rose across the Irish market in 2009 and into 2010.

Germany[41]. In 2010, the market increased by 0.7%[42]. Personal and Commercial Motor increased by 0.5%, which was the first increase in six years[42]. Personal and Commercial Liability decreased by 1.0% due to lower sum insured in Commercial business following last years financial crisis[42]. In Personal Non-Motor the situation was positive: with a 2% rise in Property and Personal Accident increasing by 0.5%[42]. Industrial Commercial Property premiums increased by 0.5%, and Engineering was up 3%[42]. AXA ranked 4th in the Property & Casualty market in 2009 with a market share of 5.6%.

Switzerland[43]. The Property & Casualty market grew by 0.4%. The Swiss market is still saturated and very competitive with a continuing pressure on prices, especially in Commercial business. AXA was the market leader in Property & Casualty with a market share of 13.4%.

Belgium. The market increased by 1,5% like in 2009[44]**.** The Motor segment continued its upward trend and grew by 3% mainly as a result of a record number of new car sales even though price competition in this segment remained strong. Other growing segments in 2010 were Liability (+2%) and Health (+3%). The Household & Property market segment declined by 1% while Workers Compensation market decreased by 4%. AXA remained the market leader with a 21%[45] market share.

Mediterranean and Latin American Region. In **Spain**[46] the persistent economic weakness caused the market to decline by 0.5% despite an increase of car sales (+3% in 2010). In **Italy**[47]**,** the market grew by 2% on a comparable

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[37] *Source: FFSA.*
[38] *Source: Based on publicly reported competitor accounts and 2009 FSA Returns, excluding MAT, Home-Foreign Business and Lloyds premiums.*
[39] *Source: Laing & Buisson Health Care & Cover Report 2010.*
[40] *Source: Financial Regulator's "Insurance Statistical Review" (2009).*
[41] *Source: http://www.gdv.de*
[42] *Forecast by GDV in November 2010.*
[43] *Source: SIA (Swiss Insurance Association) publication "Jahresmedienkonferenz 2011" as per January28, 2011.*
[44] *Source : Assuralia (Belgian Professional Union of Insurance companies). Derived from the nine months ended September 30, 2010 figures.*
[45] *Source : AXA Belgium estimates based on Assuralia market figures.*
[46] *Source: Spanish Association of Insurance Companies. ICEA as of September 2010.*
[47] *Sources: Istituto per la vigilanza sulle Assicurazioni Private e di Interesse Collettivo (ISVAP) as of September 2010. Published ISVAP figures excluded cross border business from their scope. Reported basis would show a decrease by 3%. Ranking as of December 2009, source: Associazione Nazionale Imprese Assicuratrici (ANIA).*

basis driven by Motor (+3%). In **Portugal**[48], the market remained stable (+0.3%) notably in the Motor market, only two companies experienced growth among top 5 insurers. In **Greece**[49], the market grew by 4% driven by Motor (7%). Some competitors in the market focused on volumes, capturing customers from collapsed companies. Commercial lines were negatively impacted by the plummeting public and private investments. In **Turkey**[50], the market increased by 11% driven by Motor (14%), remaining unprofitable for many players despite the liberalization of the Third Party Liability tariffs in July 2008. In the **Gulf Region**[51], the market grew in Saudi Arabia driven by mandatory Health insurance, (50% of the whole market with 52% growth), while the insurance market grew by 10% in United Arab Emirates driven by a few players. In **Morocco**[52], the market grew by 8%, mainly driven by Motor (+10%). In **Mexico**[53]**,** the market increased by 7%, excluding one large outsourcing insurance contract.

In Spain, AXA ranked 2nd[46], in Italy 7th[47], in Portugal 2nd[48], in Greece 11th[49], in Turkey 1st[50], in Morocco 2nd[52] in Mexico 1st[53], Saudia Arabia 5th[51] and in United Arab Emirates 6th[51].
In Spain, AXA's market share is 8%[46], in Italy 4%[47], in Portugal 9%[48], in Greece 3%[49], in Turkey 13%[50], in Morocco 18%[52] in Mexico 15%[53] , Saudia Arabia 3%[51] and in United Arab Emirates 3%[51]**.**

Asia. South Korea[54]. The insurance market increased by 18% while the Motor market grew by 9% mainly due to economic recovery and tariff increases. AXA ranked 1st in the direct Motor insurance market or 7th in the total Motor market with a market share of 4%. **Japan**[55]**.** The market declined by 2.5%[56] while Motor insurance declined by 1%. AXA ranked 2nd in the direct insurance market, with a market share of around 17% or 13th among all insurers for Motor insurance. **Singapore**[57]. The insurance market grew by 16%. AXA ranked 3rd in Motor, 2nd in Marine Cargo and 1st in Health. AXA's market share stood at 7%. **Malaysia**[58]**.** The insurance market grew by 9% driven by Motor and Medical. AXA ranked 7th with a 5% market share. **Hong Kong**[59]**.** The insurance market grew by 9% driven by all lines of business. AXA ranked 9th with a 3% market share in 2009.

Canada. In 2010, overall premiums grew by 6%[60], the market continued to be very fragmented and competitive. AXA ranked 7th[61] with a market share of 4.7%.

INTERNATIONAL INSURANCE

The competitors in the global risks market are acting at a worldwide level with multinational clients placing their risks far beyond their countries of origin via international programs or in key global market places. In this market, AXA Corporate Solutions Assurance, AXA's subsidiary dedicated to worldwide Property & Casualty insurance of large national and multinational corporations, and to Aviation, Marine and Space insurance, is amongst the top five players in Europe. After several years of soft underwriting conditions, corporate risks insurance pricing conditions tightened in 2010.

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[48] *Source: Portuguese Insurance Association as of September 2010.*
[49] *Source: Hellenic Association of Insurance Companies as of September 2010.*
[50] *Source: Turkish Association of Insurance Companies as of September 2010.*
[51] *Sources: KSA Tadawul website, Dubai stock exchange (Abu Dhabi stock exchange), as of December 2009.*
[52] *Source: Moroccan Association of Insurance Companies as of December 2009.*
[53] *Source: AMIS: Asociacion Mexicana de Instituciones de Seguros as of September 2010.*
[54] *GIAK (General Insurance Association of Korea) websiteas as of November 2010.*
[55] *Source: General Insurance Association of Japan as of November 2010.*
[56] *In the year ending March 2010.*
[57] *Source: Monetary Authority of Singapore.*
[58] *Source: ISM: Insurance Services Malaysia Berhad as of December 2009. Ranking AXA Inlcuding BHI.*
[59] *HKSAR (Hong Kong Special Administrative Region) website.*
[60] *Source: IBC – Insurance Bureau of Canada.*
[61] *Source: Canadian Insurance – 2010 annual statistical issue.*

ASSET MANAGEMENT

Throughout 2010, the Asset Management industry continued the recovery path begun in 2009 largely due to the expansionary monetary policies characterized by large scale quantitative easing by central banks.
The most significant inflows went into fixed income and equity products investing in emerging or global markets, corporate high yield bonds and absolute return products. On the other hand, investors flew out of money markets, and a growing fear of inflation combined with the on-going concern on public debt sustainability in Europe has reduced demand for sovereign bonds.
New regulations have already started to create opportunities and challenges for the industry in the aftermath of the crisis. Insurers and banks continued to move towards a more cautious approach to asset allocation in light of Solvency II and Basel III.
In the asset management market, AXA Investment Managers ranked 14th[62] and AllianceBernstein 20th[62] on volume of assets under management basis. On a combined basis, AXA ranked 8th[62].

[62] *AXA assets managers ranking based on company reports as of September 30, 2010.*

Financial market conditions in 2010

GDP growth for 2010 will most likely turn out to have been much stronger than was expected at the beginning at the year, boosted by Emerging Markets, the US and Germany.

First, Emerging Markets growth is expected around 8.5% in 2010, notably as a result of sustained domestic demand, coupled with rising commodity prices.
Second, industrialised countries, in particular the US, reaccelerated after an inventory-induced GDP growth at the beginning of the year. Whilst housing as well as the labour market remained lacklustre, the biggest surprise for US growth was consumption, which came in higher than expected.

In industrialised countries, central banks maintained their accommodative monetary policies. In order to support economic expansion, in the US, the Fed once more showed its flexibility and pragmatism, announcing a second round of quantitative easing in November, 2010.

STOCK MARKETS

The combination of growth gaining traction with ample and even rising liquidity as well as appealing valuation levels, was positive for equities. While not all regions were equal, most of the mature markets had a positive performance, with a significant inflexion in the second half of the year.

Overall, the Dow Jones in New York increased by 11% in 2010, as did the FTSE in London (+9%) and the S&P 500 (+13%), whereas the Nikkei in Japan and the CAC 40 both depreciated by 3%. The MSCI World Index increased by 8% as well as emerging indices gained 12% and MSCI G7 increased by 9% in common currency terms. The S&P 500 implied volatility index decreased from 21.7% to 17.8% between December 31, 2009 and December 31, 2010.

BOND MARKETS

Market concerns regarding economic growth source and sustainability of public debt in Europe combined with monetary policy that remained anchored at very low levels, sent yields for long-dated benchmark bonds to historical lows (around 2.5% and 2.2% for US Treasuries and German Bunds respectively) before a significant rebound in the 4th quarter supported by better than anticipated economic expansion, rise in inflation expectations following the announcement of a second round of quantitative easing measures by the Fed.

The US 10-year T-bond ended the year at 3.32%, a decrease of 52 bps compared to December 31, 2009 and the 10-year Bund yield decreased by 43 bps to 2.96%.
In Europe, the iTRAXX Main spreads widened by 31 bps and moved from 74 bps to 105 bps, while the iTRAXX Crossover slightly increased by 4 bps to 437 bps. In the United States, the CDX Main remained at 85 bps.

EXCHANGE RATES

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

Compared to December 31, 2009, the US Dollar gained 6% against the Euro (closing exchange rate moved from $1.43 at the end of 2009 to $1.34 at the end of 2010). The Yen gained 17% against the Euro (closing exchange rate moved from Yen 131.3 at the end of 2009 to Yen 108.8 at the end of 2010). The Pound Sterling gained 3% against the Euro (closing exchange rate moved from £0.888 at the end of 2009 to £0.857 at the end of 2010). The Swiss Franc gained 16% against the Euro (closing exchange rate moved from CHF 1.48 at the end of 2009 to CHF 1.25 at the end of 2010).

On an average rate basis, the US Dollar gained 4% against the Euro (from $1.39 over 2009 to $ 1.34 over 2010). The Yen gained 6% against the Euro (from Yen 129.6 for the twelve months ending September 2009 to Yen 121.6 for the

twelve months ending September 2010). The Pound Sterling increased by 3% (from £0.891 over 2009 to £0.861 over 2010) and the Swiss Franc gained 8% against the Euro (from CHF 1.51 over 2009 to CHF 1.39 over 2010).

Operating highlights

Significant acquisitions

On January 15, 2010, AXA announced the acquisition of **Omniasig Life**. With this operation, AXA enters the Romanian Life insurance market, in line with its objective of accelerating the development of its activities in the emerging countries, notably in Central and Eastern Europe. Created in 1997, Omniasig Life sells protection products, representing premiums of €5 million in 2010[63], through a network of 1.437 agents[64]. Omniasig Life ranked 11th[65] in the Romanian Life market and holds a 1.1% market share. This transaction closed on July 6, 2010.

On February 10, 2010, AXA and **Banca Monte dei Paschi di Siena (BMPS)** announced the extension of their bancassurance agreement in Italy to the 1,000 branches of former Banca Antonveneta following its acquisition by BMPS for a consideration of €240 million to be paid by AXA. The AXA MPS joint-venture extended its current reach from 2,000 to 3,000 branches in total, providing access to an additional 1.6 million potential customers.

On June 9, 2010, AXA Investment Managers, Barr Rosenberg and Kenneth Reid (AXA Rosenberg co-founders) announced they had reached an agreement whereby AXA Investment Managers will purchase the remaining 25% equity interest in AXA Rosenberg from Barr Rosenberg and Kenneth Reid. This buy-out closed in November 2010.

Following the rejection by the ACCC (Australia's antitrust authority) of a proposed transaction with NAB and reopening of discussion with AMP, AXA announced, on November 15, 2010, a joint proposal ("Proposal") with AMP to AXA APH whereby AXA would dispose of its 54% stake in AXA APH to AMP and would acquire AXA APH Asian operations.
This joint offer would result in AMP acquiring AXA APH's outstanding shares for AU$ 13.3 billion, of which AXA' shares in AXA APH would be paid for AU$ 7.2 billion in cash, while AXA would acquire from AMP 100% of AXA APH's Asian operations for AU$ 9.8 billion in cash. AXA APH's Australia & New Zealand businesses price would be AU$ 3.5 billion.
Under the Proposal, AXA APH shareholders will receive the equivalent of AU$ 6.43 per share, consisting of cash and AMP shares, as well as AXA APH's 2010 final dividend of up to 9.25 cents per share.
The proposal (excluding the above dividend) comprises 0.73 AMP shares (worth AU$ 3.88 per share) and AU$ 2.55 cash per AXA APH share[66]. AXA APH minority shareholders will receive full protection for a decline of AMP's Post Scheme VWAP[67] down to AU$ 4.50 with additional cash to be provided to maintain the offer price equivalent of AU$ 6.43[68]. AXA APH minority shareholders will also participate in 50% of any increase in the AMP Post Scheme VWAP above AU$ 5.60. The offer is designed to give AXA APH shareholders price protection against movements in AMP share price, and will vary depending upon AMP's Post Scheme VWAP measured over a 10-day period (on an ex-dividend basis) immediately after completion of the scheme.
On November 29, 2010, AXA announced that AXA, AMP and AXA APH had signed transaction documents to implement proposal. The transaction documents provide for a two step transaction to allow the merger of AMP and AXA APH, followed by a sale to AXA by AMP of AXA APH's Asian assets. The independent directors of AXA APH have unanimously recommended the transaction to their shareholders who are expected to vote on the transaction by the end of March 2011.
This transaction is subject to shareholder approval, court approvals and regulatory approvals from the Australian Federal Treasurer & the New Zealand Overseas Investments Office as well as other regulators notably in Asia. AMP has already received approval for the acquisition from both the Australian Competition and Consumer Commission ("ACCC") and the New Zealand Commerce Commission.

[63] *Forecasts based on December, 2010 figures.*

[64] *As of November, 2010.*

[65] *As of September, 2010.*

[66] *Based on AMP's 10 day VWAP of AU$ 5.32, as of the close of trading on Friday, November 12, 2010.*

[67] *Calculated as the arithmetic average of the daily volume weighted average prices of AMP ordinary shares traded on ASX in the ordinary course of trading during the period of 10 consecutive trading days immediately prior to the relevant day.*

[68] *Pre any AXA APH 2010 final dividend of up to AU$ 9.25 cents per share.*

On September 7, 2010, AXA finalized the acquisition of the insurance business of Crédit Agricole in Serbia. The new entity, which will operate under the name **AXA zivotno osiguranje a.d.o** is about to launch its activities. It will also benefit from a distribution agreement with Crédit Agricole's network in Serbia.

On October 14, 2010, AXA announced the acquisition of a majority stake (51%) in the Azeri insurance company **MBASK**, one of the country's top 10 insurers, in operation since 1992. With a penetration rate of around 0.5% of the GDP, Azerbaidjan insurance market offers strong potential for growth, leveraging the footprint and market knowledge of its partner MBSK, as well as the experience from AXA Sigorta in Turkey, who will supervise its activities in this new market.

On October 28, 2010, **Industrial and Commercial Bank of China Co. Ltd (ICBC), AXA**, and **China Minmetals Corporation** (Minmetals) have reached agreement on the equity transfer of AXA-Minmetals Assurance Co. Ltd (AXA-MM). According to the agreement, ICBC will assume the majority stake of 60%, AXA will hold 27.5% and Minmetals will hold the remaining 12.5%.
The final completion of the transaction is subject to the relevant regulators' approvals. After the completion of the transaction, AXA-Minmetals Assurance will be renamed ICBC-AXA Life Insurance Co. Ltd.

On December 30, 2010, AXA announced the acquisition of 80% of Belarussian second largest insurer (and 1st private insurer) **B&B Insurance**. With this operation, AXA pursues its expansion in Central & Eastern Europe (CEE).
On the Property & Casualty Belarussian insurance market, B&B Insurance enjoys a 10% market share overall (€29 million revenues in 2009), leveraging a network of ca. 260 exclusive agents. The closing of this operation is subject to regulatory approvals and is expected to take place in the first quarter 2011.

Significant disposals

On June 24, 2010, AXA announced that it had agreed to sell to Resolution Ltd **part of its UK Life operations** including UK-based traditional life and pensions businesses, its IFA protection and corporate pension businesses, and its annuity businesses for a consideration of £2.8 billion (or ca. €3.3 billion).

This sale is consistent with AXA's intention to focus on growing its Wealth management business in the UK Life & Savings market, comprising the AXA wrap platform ("Elevate"), Architas Multi-Manager, AXA Wealth International and the AXA Winterthur Wealth Management specialist pensions and investments operations, as well as its AXA Direct Protection business. The Group also remains committed to all its other UK-based businesses including AXA Insurance, AXA PPP Healthcare, Bluefin and the UK operations of AXA Investment Managers.

This transaction underlines AXA's focus in Life & Savings on further optimizing capital allocation throughout the Group, towards identified business lines (including Health, Protection and unit-linked) and geographies (including high growth markets).
The consideration of £2.8 billion (or ca. €3.3 billion) consists of £2.3 billion (or ca. €2.7 billion) in cash and £0.5 billion (or ca. €0.6 billion) of Resolution Ltd senior Deferred Considerations Notes, which bear an effective interest rate of 6.5% per annum and are repayable in instalments over an 8 year period (4 years duration). The face value of the Notes and consequently the consideration may be reduced by up to £0.2 billion depending on the amount of inherited estate as of December 31, 2010, which is found to be releasable from the AXA Sun Life long term fund following testing aiming first half of 2011.

The purchase price received by AXA corresponds to 0.86x full year 2009 Embedded Value (£3.2 billion) of the sold business adjusted for AXA APH shares. After the buy-back of €0.9 billion of AXA APH shares currently held by AXA Life UK, net cash proceeds are €1.7 billion for the AXA Group. Proceeds are dedicated to funding the further development of the UK Wealth management business and to redeploying capital more efficiently throughout the AXA Group, while maintaining a strong balance sheet.
This transaction had an impact on AXA Group of €-1.6 billion exceptional capital loss accounted for in net income.
On September 15, 2010 AXA announced that this sale had been successfully completed.

Capital operations

On April 14, 2010, AXA announced the issuance of €1.3 billion subordinated debt (maturity 2040, 5.25% annual coupon, spread of 205 bps over Euribor 3M), to anticipate the reimbursement before the end of 2010 of maturing subordinated debts. The transaction has been structured to comply with the latest Solvency II advice for Tier 2 capital treatment.

For several years, the AXA Group has been offering its employees in and outside France, the opportunity to subscribe to shares issued by way of a capital increase reserved for employees. In 2010, employees invested a total of €0.3 billion leading to a total of 30 million newly issued shares. Employee shareholders represented 6.5% of the outstanding share capital as of December 3, 2010.

As of December 31, 2010, AXA total share capital amounted to 2.320.105.237 shares.

On November 2, 2010, AXA Global P&C (formerly AXA Cessions) announced the successful placement of €275 million catastrophe bonds due January 2014 (the "Bonds") to institutional investors. The Bonds are issued by Calypso Capital Limited, an Irish special purpose company, under a €1.5 billion catastrophe bond program set up by AXA Global P&C. The Bonds represented the largest Euro denominated catastrophe bond issuance.
This structure provides AXA Global P&C with €275 million of collateralized, 3 years protection against European windstorms in Belgium, France (excluding French overseas territories), Germany, Ireland, Luxembourg, Switzerland and the United Kingdom.

Other

On January 25, 2010, AXA announced its intention to voluntarily delist its ADSs from the New York Stock Exchange ("NYSE") and to voluntarily deregister with the U.S. Securities and Exchange Commission ("SEC"). AXA's delisting from the NYSE became effective on March 26, 2010. AXA filed its Form 15-F to deregister with the SEC on March 26, 2010 and its deregistration with the SEC became effective on June 25, 2010. Following its delisting from the NYSE and deregistration (i) AXA's ADRs trade in the United States on the OTCQX International Premier market and (ii) AXA intends to maintain its financial reporting discipline through an annual program to test the effectiveness of its internal financial controls going forward.

On August 6, 2010, **AXA** announced the renewal of the 2005 agreement with **BNP Paribas** consistent with their long-standing relationship over many years through various industrial projects. In this context, a new agreement has been concluded on August 5, 2010 for a period of 3 years, and it includes the principal terms of the December 15, 2005 agreement. However, in order to take into account the anticipated regulatory developments for financial institutions, BNP Paribas and AXA have not extended their respective commitments to maintain minimum cross shareholding participations, even though they currently do not contemplate unwinding them.

Events subsequent to December 31, 2010

On February 3, 2011, AXA announced that it does not expect the administrative order approved by the United States Securities and Exchange Commission settling charges against three AXA Rosenberg units and requiring payment of client compensation and penalty amounts, to have any additional material impact in AXA's 2010 full year accounts based on reserves already reflected in AXA's half year 2010.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in Euro million)

	2010	2009	2010/ 2009
Life & Savings	**56,923**	**57,620**	**-1.2%**
of which Gross written premiums	*54,962*	*55,899*	*-1.7%*
of which Fees and revenues from investment contracts with no participating feature	*518*	*547*	*-5.2%*
Property & Casualty	**27,413**	**26,174**	**4.7%**
International Insurance	**2,847**	**2,860**	**-0.4%**
Asset Management	**3,328**	**3,074**	**8.2%**
Banking (b)	**459**	**395**	**16.3%**
Holdings and other companies (c)	**0**	**0**	**-67.3%**
TOTAL	**90,972**	**90,124**	**0.9%**

(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 €444 million and €90,964 million for the period ending December 31, 2010, €392 million and €90,128 million for the period ending December 31, 2009.
(c) Includes notably CDOs and real estate companies.

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[69] 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, 2010 APE[69] is based on retained business only.

Consolidated gross revenues for full year 2010 reached €90,972 million, up 1% compared to 2009.

The restatements to a comparable basis were mainly driven by the evolution of Euro against other currencies (€-2,605 million or -3 points) and the impact of partial UK Life & Savings operations disposal (€+801 million or +1point). **On a comparable basis, gross consolidated revenues were down 1%.**

Total Life & Savings gross revenues were down 1% to €56,923 million, or down 3% on a comparable basis mainly due to France, the United States, Japan and Australia & New Zealand partly offset by Mediterranean & Latin American Region and Switzerland.

Total Life & Savings New Business APE[69] amounted to €5,780 million, down 7% compared to 2009. On a comparable basis, APE decreased by 2%, mainly driven by France, Japan and Belgium partly offset by Mediterranean & Latin American Region and South-East Asia & China.

France APE decreased by €217 million (-14%) to €1,384 million, mainly due to (i) lower volumes in Group Retirement (€-88 million or -69%) following last year high level of large contracts, (ii) a decrease in Individual Savings (€-69 million or -8%) in a context of aggressive competition on rates and a more selective approach focused on profitability, and (iii) a decrease in Protection and Health business (€-30 million or -5%) due to a decrease in Individual Health (€-32 million or -22%) partly offset by an increase in Individual Protection (€+11 million or +49%).

The United States APE decreased by €48 million (-5%) to €986 million driven by (i) Variable Annuities APE down 22% primarily in the Wholesale channel, reflecting repricing and redesign actions in 2009, (ii) Life up 3% reflecting

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

increased Term Insurance sales partly offset by the removal of certain Universal Life guaranteed features in the first quarter of 2009, and (iii) mutual funds increased by 26% reflecting higher sales under improved market conditions.

Japan APE decreased by €96 million (-18%) to €465 million. Excluding the Cancer product discontinuation impact (€-85 million), APE decreased by €11 million (-3%). This was mainly driven by a €13 million decrease (-8%) in Health following lower Medical Whole Life products new business partly offset by a €4 million increase (+5%) in Investment & Savings mainly due to Variable Annuity products.

Belgium APE decreased by €45 million (-17%) to €218 million mainly due to the decrease both in (i) Individual Life & Savings sales (€-41 million or -18%) mainly driven by general accounts products following a decrease in guaranteed rates in the second half of 2010 and in (ii) Group Life & Savings products (€-4 million or -15%).

Mediterranean & Latin American Region APE increased by €49 million (+10%) to €553 million mainly due to (i) higher contribution of general account savings products (€+26 million or +9%) mainly in AXA MPS in Italy (€+22 million or +13%) in a favorable environment, (ii) higher sales of Group Life business (€+11 million or +27%) mainly in Mexico, and (iii) Variable Annuity products (€+6 million or +35%) mainly in AXA MPS.

United Kingdom APE[70] increased by €140 million (+36%) to €545 million driven by mutual funds sales with the success of the Elevate wrap platform (€+71 million) and Investment and Savings products (€+69 million), mainly offshore bonds (€+38 million) and Individual pensions (€+50 million).

South-East Asia & China APE increased by €52 million (+58%) to €166 million, primarily (i) in Indonesia (€+30 million) mainly due to new unit-linked products in bancassurance (€+19 million), (ii) strong growth in bancassurance (€+7 million) and Group Life business (€+3 million) in Thailand as well as (iii) growth across all channels in China (€+8 million).

Central Eastern Europe APE increased by €35 million (+16%) to €274 million driven by (i) Poland (€+34 million) mainly due to an increase in Pension funds (€+32 million), (ii) Hungary (€+5 million) mainly driven by Pension funds partly offset by (iii) Czech republic (€-5 million) mainly due to Pension funds.

Hong Kong APE increased by €30 million (+25%) to €159 million due to higher sales of Protection products driven by the launch of new products and improved productivity in the agents channel.

Property & Casualty gross revenues were up 5% to €27,413 million, or up 1% on a comparable basis mainly driven by Personal lines (+4%) mainly driven by the United Kingdom & Ireland and France, partly offset by Germany. Commercial lines decreased by 3% especially in Non Motor (-4%) mainly driven by the United Kingdom & Ireland, the Mediterranean & Latin American Region and Belgium, partly offset by Canada.

Personal lines (62% of P&C gross revenues) were up 4% on a comparable basis, stemming from both Motor (+5%) and Non-Motor (+3%), reflecting the strength of the AXA brand as well as the ability of AXA proprietary networks to retain their customers in a rising pricing environment.

Motor revenues grew by 5% mainly driven by (i) the United Kingdom & Ireland (+34%), due to the combination of tariff increases and an increase in volumes on both UK Direct and intermediaries channels, (ii) France (+3%) mostly due to tariff increases, (iii) Canada with increased average premium (+4%) and (iv) Asia (+4%) mainly due to net new inflows in Japan and tariff increases in Singapore and Malaysia as well as an increase in Health in South Korea, partly offset by (v) Germany (-1%) as a result of a strong market price competition.

Non-Motor revenues increased by 3% mainly driven by (i) the Mediterranean & Latin American Region (+6%) mainly due to Health following tariff increases in Mexico and Spain as well as Property notably benefiting from the rebound on bank mortgage loan activity in Italy and tariff increases in Spain, (ii) France (+6%) in Property lines mainly reflecting tariff increases, and (iii) Belgium (+3%) mainly due to Property mainly due to tariff increases, partly offset by (iv) Germany (-3%) following restructuring of Medical Liability leading to cancellations.

[70] *On retained business only.*

Commercial lines (38% of P&C gross revenues) decreased by 3% on a comparable basis with Non-Motor down 3% while Motor remained stable.

Non-Motor revenues were down 3%, with notably (i) the United Kingdom & Ireland down 11% in a soft market environment and the strategy to exit from unprofitable schemes, (ii) the Mediterranean & Latin American Region down 4% reflecting the current economic context, (iii) Belgium down 7% resulting from the economic slowdown and (iv) Switzerland (-3%) mainly resulting from a focus on profitability.

Motor revenues remained stable, with (i) the United Kingdom & Ireland (+10%) reflecting new business and tariff increases, (ii) France (+2%) mainly as a result of tariff increases in a context of focus on profitability, partly offset by (iii) the Mediterranean & Latin American Region (-7%) reflecting the exit from unprofitable business.

International Insurance revenues remained stable at €2,847 million or were down 3% on a comparable basis mainly driven by (i) **AXA Corporate Solutions Assurance** (down 3% to €1,931 million) driven by portfolio selection focused on profitability (Aviation (-15%), Financial lines (-30%), Property (-4%) and Liability (-3%)) partly offset by positive developments in Motor (+11%), Construction (+6%) and Marine (+1%), and (ii) **AXA Assistance** down 2% to €772 million.

Asset management revenues increased by 8% or 5% on a comparable basis to €3,328 million mainly driven by management fees (+5%) due to higher average assets under management (AUM) up 3% and higher average fees up +0.4 bp.

AllianceBernstein revenues were up 7% to €2,109 million due to management fees up 8% in line with 6% higher average AUM, distribution fees up 22% following higher Retail AUM.
AUM increased by €16 billion from year-end 2009 to €362 billion at December 31, 2010 driven by market appreciation of €31 billion, positive exchange rate impact of €24 billion, partly offset by net outflows of €44 billion (€37 billion from Institutional clients, €6 billion from Retail and €1 billion from Private Clients).

AXA Investment Managers revenues increased by €18 million (+1%) to €1,219 million. Excluding distribution fees (retroceded to distributors), net revenues increased by €13 million (+1%) mainly due to higher performance fees (€+11 million) while management fees remained stable.
AUM increased by €17 billion from year-end 2009 to €516 billion at the end of December 31, 2010 mainly as a result of €18 billion positive exchange rate impact and a €22 billion positive market effect partly offset by €20 billion net outflows, mostly driven by net outflows at AXA Rosenberg (€29 billion) partly offset by €9 billion net inflows mainly on AXA Fixed Income and AXA Framlington expertises.

Net banking revenues were up 16% both on reported and comparable basis to €459 million, mainly driven by Belgium (+15% mainly due to higher interest margin driven by mortgage and consumer loans portfolio growth), Hungary (+25% mainly due to loans and deposits portfolio growth) and France (+13% mainly due to higher interest margin).

Consolidated underlying, adjusted earnings and net income

(in Euro million)

	2010	2009
Gross written premiums	84,946	84,646
Fees and revenues from investment contracts with no participating feature	518	547
Revenues from insurance activities	***85,464***	***85,193***
Net revenues from banking activities	***444***	***392***
Revenues from other activities	***5,055***	***4,544***
TOTAL REVENUES	**90,964**	**90,128**
Change in unearned premium reserves net of unearned revenues and fees	***(510)***	***(238)***
Net investment result excluding financing expenses (a)	***30,576***	***35,081***
Technical charges relating to insurance activities (a)	(94,351)	(98,458)
Net result of reinsurance ceded	(819)	(919)
Bank operating expenses	(96)	(89)
Insurance acquisition expenses	(8,699)	(9,166)
Amortization of value of purchased life business in force	(250)	(365)
Administrative expenses	(10,783)	(10,006)
Valuation allowances on tangibles assets	(9)	(2)
Change in value of goodwill	(3)	(3)
Other	(62)	(151)
Other operating income and expenses	**(115,071)**	**(119,159)**
OPERATING EARNINGS BEFORE TAX	**5,959**	**5,812**
Net income from investments in affiliates and associates	71	20
Financing expenses	(488)	(569)
UNDERLYING EARNINGS BEFORE TAX	**5,542**	**5,262**
Income tax expenses	***(1,296)***	***(1,033)***
Minority interests	***(366)***	***(375)***
UNDERLYING EARNINGS	**3,880**	**3,854**
Net realized capital gains or losses attributable to shareholders	437	(386)
ADJUSTED EARNINGS	**4,317**	**3,468**
Profit or loss on financial assets (under fair value option) & derivatives	210	485
Exceptional operations (including discontinued operations)	(1,616)	(202)
Goodwill and other related intangible impacts	(87)	(85)
Integration and restructuring costs	(76)	(60)
NET INCOME	**2,749**	**3,606**

(a) For the periods ended December 31, 2010 and December 31, 2009 , the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €+13,788 million, and €+23,861 million, and benefits and claims by the offsetting amounts respectively.

NB: Line items of this income statement are on an underlying earnings basis, and not on a net income basis.

Underlying, Adjusted earnings and Net Income

	2010	2009
Life & Savings	2,455	2,336
Property & Casualty	1,692	1,670
International Insurance	290	286
Asset Management	269	355
Banking	9	(2)
Holdings and other companies (a)	(836)	(793)
UNDERLYING EARNINGS	**3,880**	**3,854**
Net realized capital gains or losses attributable to shareholders	437	(386)
ADJUSTED EARNINGS	**4,317**	**3,468**
Profit or loss on financial assets (under Fair Value option) & derivatives	210	485
Exceptional operations (including discontinued operations)	(1,616)	(202)
Goodwill and related intangibles impacts	(87)	(85)
Integration and restructuring costs	(76)	(60)
NET INCOME	**2,749**	**3,606**

(a) Includes notably CDOs and real estate companies.

Group underlying earnings amounted to €3,880 million. On a constant exchange rate basis, underlying earnings decreased by €112 million (-3%), driven by Asset Management, Holdings and Property & Casualty, partly offset by an increase in Life & Savings.

All comparative figures mentioned in the below paragraphs are presented at constant exchange rate basis and adjusted for reclassifications between margins including the reclassification from net technical margin to commissions in 2009 reflecting contractual changes in Group Protection contracts in France (€125 million). The impact from the partial disposal of the United Kingdom Life & Savings operations was not restated.

Life & Savings underlying earnings amounted to €2,455 million. On a constant exchange rate basis, Life & Savings underlying earnings were up €34 million (+1%) mainly attributable to France (€+137 million), Japan (€+103 million), partly offset by the United States (€-86 million), Belgium (€-61 million), the United Kingdom (€-57 million), and Switzerland (€-31 million) mainly resulting from:

(i) **Higher investment margin** (€+312 million or up 14%) primarly as a result of higher asset base in Belgium (€+33 million) and the Mediterranean & Latin American Region (€+26 million), a lower investment income allocated to policyholders, notably in the United States (€+35 million) and a combination of both effects in France (€+221 million).

(ii) **Higher fees & revenues** (€205 million or up 3%) mainly driven by:

a. ***Unit-linked management fees*** up €161 million (+9%), mainly driven by the United States (€+149 million) with higher fees following equity market appreciation and France (€+15 million) partly offset by the United Kingdom (€-45 million) as a result of the partial business disposal in September 2010,

b. ***Other fees*** were up €53 million driven by the United States (€+42 million) following financial market improvement impact on mutual funds assets under management and Australia & New Zealand (€+17 million),

c. ***Loadings on premiums and mutual funds*** was down €9 million mainly driven by France (€+68 million) with higher loadings on premiums on Group Protection in line with higher gross revenues, offset by the United Kingdom (€-65 million).

(iii) **Net technical margin** was down €1,116 million (-56%) mainly driven by (i) €702 million deterioration of the Variable Annuity products hedging margin, primarily as a result of the non-repeat of interest hedging gains and the impact of credit spread tightening, additional reserve adjustment following lower lapse assumptions in the United States partly offset by lower volatility cost, (ii) non-recurring prior year gain from the internal

restructuring of an annuity portfolio in the United Kingdom (€165 million), and (iii) €68 million non-repeat of 2009 positive prior year reserve developments in Group Retirement in France.

(iv) **Lower expenses** decreased by €625 million driven by:

a. €197 million in the United Kingdom mainly as a result of the partial business disposal in September 2010,

b. acquisition expenses down €422 million (-11%) mainly driven by lower DAC amortization notably following lower technical margin in the United States,

c. administrative expenses remained stable (down €7 million or 0%).

(v) **Higher tax expenses and minority interests** (up €144 million or +17%) driven by both higher pre-tax earnings and lower positive tax one-offs (€76 million in the United States and €13 million in Australia & New Zealand in 2010 compared to €129 million in 2009).

Property & Casualty underlying earnings amounted to €1,692 million. On a constant exchange rate basis, Property & Casualty underlying earnings decreased by €31 million (-2%) mainly due to:

(i) **Lower net technical result (including expenses)** down €49 million (or -18%) due to :

a. **An all year loss ratio** up 0.3 point to 71.1% mainly due to (i) 1.9 points lower current year loss ratio driven by 2.0 points reduction following tariff increases and lower Nat Cat charge (-0.2 point) more than offset by (ii) lower positive prior year developments (+2.2 points),

b. **An expense ratio** slightly down 0.1 point to 28.0%,

c. As a result, **the combined ratio** was up 0.2 point to 99.1%.

(ii) **Stable investment result** (€+9 million or 0%) mainly reflecting higher dividend yield on equities and higher distribution from alternative assets partly offset by the negative impact of lower interest rates,

(iii) **Lower income tax expense and minority interests** (down €9 million) mainly driven by lower pre-tax underlying earnings partly offset by lower positive tax one-offs (€6 million in Belgium and €7 million in Germany compared to €61 million in 2009).

International Insurance underlying earnings amounted to €290 million. On a constant exchange rate basis, underlying earnings remained stable (€+1 million or 0%) mainly driven by (i) improved combined ratio following lower attritional claims charge mainly as a result of a more selective underwriting at AXA Corporate Solutions Assurance, (ii) higher earnings from Group reinsurance operations, partly offset by (iii) less favorable results in run-off Property & Casualty activities.

Asset Management underlying earnings amounted to €269 million. On a constant exchange rate basis, underlying earnings decreased by €93 million (-26%). Excluding both €62 million last year tax one-off at AllianceBernstein and €66 million net provision related to AXA Rosenberg coding error at AXA IM, underlying earnings increased by €34 million (+12%) mainly due to (i) higher revenues (€148 million or +5%) mainly driven by increasing management fees (€101 million) following higher average AUM and higher distribution fees (€49 million) mainly driven by higher Retail AUM at AllianceBernstein, partly offset by (ii) €127 million higher general expenses at (i) AllianceBernstein (€-105 million) following higher compensation expenses and higher distribution fees and (ii) AXA IM (€-22 million), notably reflecting external fees related to AXA Rosenberg coding error.

Banking segment's underlying earnings amounted to €9 million. On a constant exchange rate basis, banking underlying earnings increased by €13 million, mainly driven by Belgium (€+40 million) benefiting from a €22 million non-recurring tax benefit, partly offset by Hungary (€-17 million) and Czech Republic (€-10 million).

Holdings and other companies' underlying earnings amounted to €-836 million. On a constant exchange rate basis, holdings underlying earnings decreased by €36 million (-5%) mainly due to higher taxes on higher dividends upstream

to the parent company and lower positive tax one-offs notably in Germany partly offset by lower financial charge mainly driven by lower interest rates.

Group net capital gains attributable to shareholders amounted to €437 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders were up €819 million mainly due to:

(i) €+662 million lower **impairments**, to €-379 million in 2010 mainly driven by lower impairments on equity and fixed income,
(ii) €+177 million higher **realized capital gains,** to €+920 million in 2010, mainly driven by €+247 million higher realized gains on equities, €+190 million following the change in French tax regulation on the "réserve de capitalisation" partly offset by lower realized gains on fixed income €-274 million.
(iii) €-104 million related to an unfavorable impact of equity derivatives hedging programs.

As a result, **adjusted earnings** amounted to €4,317 million. On a constant exchange rate basis, adjusted earnings increased by €707 million (+20%).

Net Income amounted to €2,749 million. Excluding the €1,642 million loss related to the partial disposal of the United Kingdom Life & Savings business and on a constant exchange rate basis, net income increased by €645 million (+18%) mainly as a result of:

(i) Higher adjusted earnings: €+707 million to €4,317 million,

(ii) Less favorable change in fair value of financial assets and derivatives: €-288 million to €+210 million. These €+210 million can be analyzed as follows:

a. positive change in fair value mainly from Asset Backed Securities (€+131 million mainly in France and Belgium) have been offset by negative impact from lower interest rates and credit spread evolution on other fixed income assets and derivatives (€-131 million),
b. €+194 million positive performance from private equity, equity and hedge funds, net of derivatives,
c. €-19 million foreign exchange negative impact mainly in Switzerland and the United States,
d. €+35 million in the United Kingdom reflecting an undiscounted tax adjustment on lower unrealized gains attributable to policyholders in unit-linked life funds,

(iii) Higher other exceptional operations results for €+236 million, from €-202 million in 2009 to €+34 million.

Consolidated Shareholders' Equity

As of December 31, 2010, consolidated shareholders' equity totaled €49,7 billion. The movements in shareholders' equity since December 31, 2009 are presented in the table below:

(in Euro million)

	Shareholders' Equity
At December 31, 2009	**46,229**
Share Capital	**69**
Capital in excess of nominal value	**247**
Equity-share based compensation	**59**
Treasury shares sold or bought in open market	**10**
Deeply subordinated debt (including accrued interests)	**(333)**
Fair value recorded in shareholders' equity	**1,463**
Impact of currency fluctuations	**1,000**
Cash dividend	**(1,259)**
Other	**(85)**
Net income for the period	**2,749**
Actuarial gains and losses on pension benefits	**(450)**
At December 31, 2010	**49,698**

Shareholder Value

EARNINGS PER SHARE ("EPS")

(in Euro million except ordinary shares in million)

	2010		2009 Restated (b)		2009 Published		Var. 2010 versus 2009 Restated	
	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)
Weighted average number of shares	**2,266.3**	**2,274.6**	**2,127.0**	**2,133.3**	**2,127.0**	**2,133.3**		
Net income (Euro per Ordinary Share)	1.08	1.08	1.56	1.56	1.51	1.51	***-31%***	***-31%***
Adjusted earnings (Euro per Ordinary Share)	1.77	1.77	1.50	1.49	1.50	1.49	***19%***	***18%***
Underlying earnings (Euro per Ordinary Share)	1.58	1.57	1.68	1.67	1.68	1.67	***-6%***	***-6%***

(a) EPS calculation takes into account interest payments related to undated debts classified in shareholders equity with retrospective application.
(b) Revised net income EPS takes into account interest payments related to undated subordinated debts classified in equity, excluding foreign exchange impacts. Previously disclosed EPS included foreign exchange adjustments and, as at December 31, 2009, basic net income EPS amounted to €1.51 and fully diluted net income EPS to €1.51. Excluding foreign exchange impact reflects implemented hedges which would qualify as net investment hedges with related changes in fair values recognised through translation reserves.

RETURN ON EQUITY ("ROE")

(in Euro million)

	Period ended , December 31, 2010	Period ended , December 31, 2009	Change in % points
ROE	**5.9%**	**9.3%**	**-3.3 pts**
Net income group share	2,749	3,606	
Average shareholders' equity	46,225	38,857	
Adjusted ROE	**12.0%**	**11.0%**	**1.0 pts**
Adjusted earnings (a)	4,018	3,180	
Average shareholders' equity (b)	33,552	28,887	
Underlying ROE	**10.7%**	**12.3%**	**-1.7 pts**
Underlying earnings (a)	3,580	3,566	
Average shareholders' equity (b)	33,552	28,887	

(a) Including adjustement to reflect net financial charges related to perpetual debt (recorded through shareholders' equity).
(b) Excluding fair value of invested assets and derivatives and perpetual debt (both recorded through shareholders' equity).

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)

	2010	2009
Gross written premiums	55,023	55,954
Fees and revenues from investment contracts without participating feature	518	547
Revenues from insurance activities	**55,541**	**56,501**
Net revenues from banking activities	**-**	**-**
Revenues from other activities	***1,447***	***1,176***
TOTAL REVENUES	**56,988**	**57,677**
Change in unearned premium reserves net of unearned revenues and fees	***(331)***	***(162)***
Net investment result excluding financing expenses (b)	***28,384***	***33,058***
Technical charges relating to insurance activities (b)	(73,993)	(79,000)
Net result of reinsurance ceded	197	(74)
Bank operating expenses	-	-
Insurance acquisition expenses	(3,388)	(4,007)
Amortization of value of purchased life business in force	(250)	(365)
Administrative expenses	(3,991)	(3,685)
Valuation allowances on tangible assets	0	(1)
Change in value of goodwill	(0)	-
Other	(67)	(145)
Other operating income and expenses	**(81,491)**	**(87,277)**
OPERATING EARNINGS BEFORE TAX	**3,550**	**3,295**
Net income from investments in affiliates and associates	39	3
Financing expenses	(90)	(98)
UNDERLYING EARNINGS BEFORE TAX	**3,500**	**3,201**
Income tax expenses	(807)	(670)
Minority interests	(238)	(195)
UNDERLYING EARNINGS	**2,455**	**2,336**
Net realized capital gains or losses attributable to shareholders	279	(73)
ADJUSTED EARNINGS	**2,734**	**2,263**
Profit or loss on financial assets (under fair value option) & derivatives	347	(52)
Exceptional operations (including discontinued operations)	(1,646)	(105)
Goodwill and other related intangible impacts	(23)	(21)
Integration and restructuring costs	(16)	(11)
NET INCOME	**1,396**	**2,075**

(a) Before intercompany transactions.
(b) For the periods ended December 31, 2010 and December 31, 2009 the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €+13,788 million and €+23,861 million, and benefits and claims by the offsetting amounts respectively.

Consolidated Gross Revenues

(in Euro million)

	2010	2009
France	14,650	16,353
United States	9,460	9,386
United Kingdom	2,040	2,783
Japan	5,560	5,438
Germany	6,880	6,715
Switzerland	5,090	4,442
Belgium	2,506	2,519
Mediterranean & Latin American Region (a)	6,955	6,483
Other countries	3,848	3,557
TOTAL	**56,988**	**57,677**
Intercompany transactions	(64)	(57)
Contribution to consolidated gross revenues	**56,923**	**57,620**

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

Underlying, Adjusted earnings and Net Income

	2010	2009
France	607	470
United States	478	545
United Kingdom	134	186
Japan	335	211
Germany	174	157
Switzerland	212	226
Belgium	170	231
Mediterranean & Latin American Region (a)	117	115
Other countries	228	195
UNDERLYING EARNINGS	**2,455**	**2,336**
Net realized capital gains or losses attributable to shareholders	279	(73)
ADJUSTED EARNINGS	**2,734**	**2,263**
Profit or loss on financial assets (under Fair Value option) & derivatives	347	(52)
Exceptional operations (including discontinued operations)	(1,646)	(105)
Goodwill and related intangible impacts	(23)	(21)
Integration and restructuring costs	(16)	(11)
NET INCOME	**1,396**	**2,075**

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

Life & Savings operations – France

(in Euro million)

	2010	2009
Gross revenues	**14,650**	**16,353**
APE (Group share)	*1,384*	*1,602*
Investment margin	1,105	884
Fees & revenues	1,513	1,430
Net technical margin	561	762
Expenses	(2,296)	(2,318)
Amortization of VBI	(13)	(77)
Other	6	(0)
Underlying earnings before tax	**875**	**680**
Income tax expenses / benefits	(266)	(208)
Minority interests	(2)	(1)
Underlying earnings Group share	**607**	**470**
Net capital gains or losses attributable to shareholders net of income tax	247	91
Adjusted earnings Group share	**854**	**561**
Profit or loss on financial assets (under FV option) & derivatives	63	281
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	**917**	**842**

Gross revenues decreased by €1,704 million (-10%) to €14,650 million[71]. On a comparable basis, gross revenues decreased by €1,717 million (-11%) mainly due to:

- *Group retirement* decreasing by €1,103 million (–54%), due to much lower sales of large contracts compared to 2009,
- *Individual Savings* decreasing by €783 million (-9%) explained by a lower volume of large contracts notably on corporate clients as well as on banking partnerships, resulting from selective underwriting in the context of fierce competition,
- Partly offset by a rise in both *Individual and Group Protection business* (€+170 million or +3%).

APE decreased by €217 million (-14%) to €1,384 million:

- *Group Retirement* decreased by 64% or €-120 million due to a non-recurring level of new business in 2009 on both general accounts and unit-linked contracts,
- *Individual Savings* decreased by 8% or €-69 million, due to lower volumes of large contracts, driven by a selective underwriting. General accounts decreased by 13% or €-100 million while unit-linked contracts increased by 27% or €31 million,
- *Protection and Health* decreased by 5% or €-30 million due to a decrease in new business (-22% or €-32 million) in Individual Health, partly offset by an increase in Individual Protection (+49% or €+11 million), due to a very strong increase in new contracts.

Investment margin increased by €221 million (+25%) to €1,105 million mainly as a result of a higher asset base as well as lower investment income allocated to policyholders.

Fees & revenues increased by €83 million (+6%) to €1,513 million mainly due to higher loadings on premiums on Group Protection in line with higher gross revenues, and higher management fees on unit-linked products.

Net technical margin decreased by €201 million (-26%) to €561 million mainly as a result of (i) €-101 million impact of the change in Retirement regulation in Group Protection offset by non-recurring positive prior year reserve

[71] *€14,624 million after intercompany eliminations.*

developments, (ii) €-125 million from a charge reclassified from technical margin to commissions, reflecting some contractual changes in Group Protection, (iii) €-68 million non-repeat of 2009 positive prior year reserve developments in Group Retirement.

Expenses decreased by €21 million (-1%) to €-2,296 million driven by (i) €+49 million lower volume of commissions as the positive impact of the reclassification between technical margin and commissions partly offset by the effect of a change in product mix towards Protection business, and (ii) €-27 million higher general expenses mainly due to higher salaried salesforce costs.

Amortization of VBI decreased by €64 million (-83%) to €-13 million due to the non-repeat of a 2009 actuarial assumptions update.

As a result, the **underlying cost income ratio** decreased by 5.2 points to 72.7%.

Income tax expenses increased by €59 million (+28%) to €-266 million mainly driven by higher pre-tax underlying earnings.

Underlying earnings increased by €137 million (+29%) to €607 million.

Adjusted earnings increased by €292 million (+52%) to €854 million mainly driven by higher underlying earnings, lower impairments (€+92 million) and the change in the French tax regulation on the "réserve de capitalisation" balance (€+112 million), and higher realized capital gains (€+11 million) partly offset by an unfavorable change in intrinsic value of equity hedging positions (€-59 million).

Net income increased by €74 million (+9%) to €917 million reflecting higher adjusted earnings, €+16 million higher foreign exchange impact partly offset by a less favorable change in fair value of mutual funds.

Life & Savings operations - United States

(in Euro million)

	2010	2009
Gross revenues	**9,460**	**9,386**
APE (Group share)	*986*	*994*
Investment margin	505	450
Fees & revenues	1,804	1,554
Net technical margin	(426)	500
Expenses	(1,278)	(1,735)
Amortization of VBI	(52)	(39)
Other	-	-
Underlying earnings before tax	**553**	**729**
Income tax expenses / benefits	(75)	(184)
Minority interests	-	(0)
Underlying earnings Group share	**478**	**545**
Net capital gains or losses attributable to shareholders net of income tax	(138)	(16)
Adjusted earnings Group share	**340**	**529**
Profit or loss on financial assets (under FV option) & derivatives	73	(555)
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(1)	(1)
Integration and restructuring costs	(3)	-
Net income Group share	**410**	**(28)**
Average exchange rate : 1.00 € = $	*1.3370*	*1.3945*

Gross revenues increased by €74 million (+1%) to €9,460 million. On a comparable basis, gross revenues decreased by €316 million (-3%):

- *Variable Annuity premiums* (53% of gross revenues) decreased by 13% reflecting repricing and redesign actions in 2009 of Variable Annuity products, partially offset by the impact of the progressive launch of Retirement Cornerstone and Structured Capital Strategies products in 2010. Retirement Cornerstone was introduced in proprietary channels in January, and was released within third-party channels beginning of March, 2010,
- *Life premiums* (29% of gross revenues) increased by 6% primarily reflecting stronger Term Insurance and Interest Sensitive Life sales, as well as the impact of the new Indexed unit-linked product launched in August, partially offset by the impact from the removal of certain Universal Life guaranteed features in the first quarter of 2009,
- *Fees on Asset Management business* (7% of gross revenues) increased by 16% driven by higher average separate account balances resulting from equity market increases over the past year,
- *Mutual Funds gross revenues* (1% of gross revenues) increased by 20% driven by improved equity market conditions compared to last year.

APE decreased by €8 million (-1%) to €986 million. On a comparable basis, APE decreased by €48 million (-5%):

- *Variable Annuity* APE decreased by 22% primarily in the Wholesale channel, reflecting repricing and redesign actions in 2009 partially offset by the introduction of Retirement Cornerstone,
- *Life* APE increased by 3% reflecting increased Term Insurance and Interest Sensitive Life sales partly offset by the removal of certain Universal Life guaranteed features in the first quarter of 2009,
- *Mutual funds* APE increased by 26% reflecting higher sales under improved market conditions.

Investment margin increased by €56 million (+12%) to €505 million. On a constant exchange rate basis, investment margin increased by €35 million (+8%). Investment income decreased by €12 million reflecting lower yields on fixed income assets partly offset by higher distribution from alternative investments. Interests and bonus credited decreased by €46 million primarily reflecting lower balances.

Fees & revenues increased by €250 million (+16%) to €1,804 million. On a constant exchange rate basis, fees & revenues increased by €176 million (+11%) primarily due to higher fees on unit-linked balances following equity market appreciation compared to last year.

Net technical margin decreased by €925 million from €500 million to €-426 million. On a constant exchange rate basis, net technical margin decreased by €908 million, primarily due to lower Variable Annuity GMxB margins, reflecting additional GMxB reserve adjustment for lower lapse assumptions, the non-repeat of 2009 interest hedging gains and credit spread tightening partly offset by lower volatility cost in 2010.

Expenses decreased by €457 million (-26%) to €-1,278 million. On a constant exchange rate basis, expenses decreased by €510 million (-29%):

- Expenses, net of capitalization (including commissions and DAC capitalization) increased by €47 million (+5%) to €-1,102 million mainly due to higher asset based commission expenses,
- DAC amortization decreased by €557 million (-77%) to €-176 million, primarily due to the decrease in GMxB margins, and the non-repeat of higher lapses rate adjustment on Variable Life products, partly offset by the impact of a change in general account investment return assumption (€-70 million).

Amortization of VBI increased by €13 million (+34%) to €-52 million. On a constant exchange rate basis, amortization of VBI increased by €11 million (+28%) reflecting revised projections of future profits on MONY in-force contracts.

As a result, the **underlying cost income ratio** decreased by 0.3 point to 70.6%.

Income tax expenses decreased by €109 million (-59%) to €-75 million. On a constant exchange rate basis, income tax expenses decreased by €112 million (-61%). The tax expense decrease reflects the impact of favorable tax settlements in 2010 (€76 million) and lower pre-tax underlying earnings.

Underlying earnings decreased by €66 million (-12%) to €478 million. On a constant exchange rate basis, underlying earnings decreased by €86 million (-16%).

Adjusted earnings decreased by €188 million (-36%) to €340 million. On a constant exchange rate basis, adjusted earnings decreased by €202 million (-38%) mainly reflecting the decrease in underlying earnings and €117 million higher impairments on CMBS portfolio.

Net income increased by €438 million to €410 million. On a constant exchange rate basis, net income increased by €421 million. Net income improved due to an increase in the fair value of interest rate derivatives (€+178 million) and alternative investments (€+90 million) as well as a favorable change in the fair value of equity derivatives related to a statutory liability hedge (€+358 million) mostly expired in March 2010, partly offset by the decrease in adjusted earnings (€-202 million).

Life & Savings operations - United Kingdom

(in Euro million)

	2010	2009
Gross revenues	**2,040**	**2,783**
APE (Group share)	*545*	*926*
Investment margin	122	133
Fees & revenues	506	609
Net technical margin	65	243
Expenses	(577)	(754)
Amortization of VBI	(3)	(5)
Other	-	-
Underlying earnings before tax	**113**	**225**
Income tax expenses / benefits	21	(39)
Minority interests	(0)	(0)
Underlying earnings Group share	**134**	**186**
Net capital gains or losses attributable to shareholders net of income tax	(6)	(38)
Adjusted earnings Group share	**128**	**148**
Profit or loss on financial assets (under FV option) & derivatives	59	(165)
Exceptional operations (including discontinued operations)	(1,642)	(3)
Goodwill and other related intangibles impacts	(12)	(13)
Integration and restructuring costs	(1)	0
Net income Group share	**(1,468)**	**(33)**
Average exchange rate : 1.00 € = £	*0.8615*	*0.8913*

As a consequence of the partial disposal of the Life & Savings business, 2010 gross revenues, underlying earnings, adjusted earnings and net income only include 8 months of the sold business. For consistency, 2010 figures have been compared to the same scope for 2009, i.e. 8 months for sold business and 12 months for retained business; this is referred to as a 'comparable scope basis' in the commentary below.
2010 APE is based on retained business only.

Gross revenues decreased by €744 million (-27%) to €2,040 million. On a constant exchange rate and comparable scope basis, gross revenues decreased by €1 million.

APE decreased by €381 million (-41%) to €545 million. On a constant exchange rate basis and for the retained business only, APE increased by €140 million (+36%), driven by mutual funds sales through the Elevate platform (€+71 million) and Investment and Savings products (€+69 million), mainly offshore bonds (€+38 million) and Individual pensions (€+ 50 million).

Investment margin decreased by €11 million (-8%) to €122 million. On a constant exchange rate and comparable scope basis, the investment margin increased by €26 million (28%) mainly due to:

- a €8 million increase in shareholder participation in with-profit bonuses of the sold business, as a result of improved market conditions,
- a €11 million increase in the investment income on shareholder assets,
- a €12 million increase as a result of a non-recurring reclassification into fees and revenues in 2009.

Fees & revenues decreased by €103 million (-17%) to €506 million. On a constant exchange rate and comparable scope basis, fees & revenues increased by €4 million (1%) mainly due to:

- a €24 million increase as a result of higher fees on account balance driven by positive market conditions,
- a decrease in loadings of €10 million as a result of lower volumes of Creditor business, fully offset in expenses,
- a €12 million decrease as a result of a non-recurring reclassification from investments in 2009.

Net technical margin decreased by €177 million (-73%) to €65 million. On a constant exchange rate and comparable scope basis, net technical margin decreased by €166 million (-72%), mainly driven by the non repeat of 2009 one-off items of the sold business, notably as a result of the internal restructuring of an annuity portfolio.

Expenses decreased by €178 million (-24%) to €-577 million. On a constant exchange rate and comparable scope basis, the expense margin decreased by €35 million (-6%) mainly due to:

- a €46 million decrease due to a non-recurring release of policyholder tax reserve,
- a €10 million decrease due to lower commissions from lower volumes of Creditor business,
- partly offset by €35 million non-recurring employee pension scheme curtailment last year.

Amortization of VBI decreased by €2 million (-34%) to €-3 million.

Income tax expenses decreased by €59 million to €21 million. On a constant exchange rate and comparable scope basis, income tax expenses decreased by €70 million largely driven by lower pre-tax underlying earnings and lower tax rate.

As a consequence, the **underlying cost income ratio** increased by 6.5 points to 83.6%.

Underlying earnings decreased by €52 million (-28%) to €134 million. On a constant exchange rate and comparable scope basis, underlying earnings decreased by €37 million (-22%).

Adjusted earnings decreased by €20 million (-13%) to €128 million. On a constant exchange rate basis, adjusted earnings decreased by €24 million (-16%) largely due to the underlying earnings movement, partly offset by €28 million lower net impairments.

Net income decreased by €1,435 million to €-1,468 million. On a constant exchange rate basis, net income decreased by €1,386 million. In addition to the changes in adjusted earnings, the year on year movement in net income included:

- €1,642 million loss related to the partial sale of the Life & Savings business, partly offset by,
- a €123 million favorable adjustment for undiscounting tax on unrealised gains attributable to policyholders in unit-linked life funds,
- a €71 million favorable change in fair value of fixed income and equity derivatives,
- a €29 million increase in relation to foreign exchange movements.

Life & Savings operations – Japan

(in Euro million)

	2010	2009
Gross revenues	**5,560**	**5,438**
APE (Group share)	*465*	*532*
Investment margin	(0)	(0)
Fees & revenues	1,356	1,326
Net technical margin	43	16
Expenses	(782)	(851)
Amortization of VBI	(66)	(178)
Other	-	(2)
Underlying earnings before tax	**550**	**311**
Income tax expenses / benefits	(211)	(97)
Minority interests	(4)	(4)
Underlying earnings Group share	**335**	**211**
Net capital gains or losses attributable to shareholders net of income tax	5	20
Adjusted earnings Group share	**340**	**231**
Profit or loss on financial assets (under FV option) & derivatives	46	191
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(9)	(2)
Net income Group share	**377**	**420**
Average exchange rate : 1.00 € = Yen	*121.5997*	*129.6333*

Gross revenues increased by €122 million (+2%) to €5,560 million. On a comparable basis, revenues decreased by €222 million (-4%):

- *Protection revenues* (39% of gross revenues) decreased by €157 million (-7%) negatively impacted by products not actively promoted (Endowment and Whole Life) and lower premiums from Increasing Term and Group Life products,
- *Investment & Savings revenues* (31% of gross revenues) decreased by €74 million (-4%) mainly due to declining revenues of Group Pension partly offset by increased sales of Variable Annuity products (€+58 million),
- *Health revenues* (31% of gross revenues) increased by €9 million (+1%) mainly resulting from higher regular premiums of Nursing Care and Medical Whole Life products following improved retention (€+75 million), partly offset by Cancer product discontinuation (€-34 million) and lower Medical Term and Medical rider sales (€-34 million).

APE decreased by €67 million (-13%) to €465 million. On a comparable basis and excluding the Cancer products' discontinuation impact (€85 million), APE decreased by €11 million (-3%). This was driven by (i) €13 million (-8%) decrease in Health mainly as a result of lower new business of Medical Whole Life products, (ii) €2 million (-1%) decrease in Protection due to lower sales of Group Life and Increasing Term products partly offset by higher sales of other Term Products, and (iii) €4 million (+5%) increase in Investment & Savings driven by Variable Annuity products.

Investment margin remained stable at €0 million.

Fees & revenues increased by €30 million (+2%) to €1,356 million. On a constant exchange rate basis, fees & revenues declined by €54 million (-4%) mainly due to €23 million lower URR (Unearned Revenue Reserve) amortization on Variable Annuity products (partly offset by lower amortization of deferred acquisition costs) notably reflecting improved market conditions and higher margins. Excluding this impact, fees and revenues declined by €31 million mainly due to lower revenues from products not actively promoted (Endowment and Whole Life) partly offset

by higher fees from Health.

Net technical margin increased by €27 million to €43 million. On a constant exchange rate basis, net technical margin increased by €24 million mainly driven by:

- Change in assumptions €+89 million following the change in investment assumptions on the legacy book of business in 2009,
- Surrender margin down €-43 million mainly driven by independent agent LINA's shock lapses in 2009 and improved client retention,
- Mortality margin down €-23 million mainly driven by less favorable mortality experience in Protection and Savings products.

Expenses decreased by €69 million (-8%) to €-782 million. On a constant exchange rate basis, expenses decreased by €117 million (-14%) mainly driven by (i) €83 million lower DAC amortization mainly due to non-repeat of 2009 negative impact of assumption and model changes and LINA shock lapses, (ii) €30 million lower staff expenses as a result of last year's early retirement plan, (iii) €29 million cost savings from other cost reduction initiatives partly offset by (iv) €21 million higher investments to support future growth.

Amortization of VBI decreased by €112 million (-63%) to €-66 million. On a constant exchange rate basis, VBI amortization decreased by €116 million (-65%) mainly driven by the non-repeat of 2009 negative impact of assumption and model changes (€96 million) and better client retention (€20 million).

As a result, the **underlying cost income ratio** improved by 16 points to 60.6%.

Income tax expenses increased by €114 million to €-211 million. On a constant exchange rate basis, income tax expenses increased by €101 million due to higher pre-tax underlying earnings and a non-recurring positive tax one-off in 2009 (€30 million).

Underlying earnings increased by €124 million (+59%) to €335 million or increased by €103 million (+49%) on a constant exchange rate basis.

Adjusted earnings increased by €109 million (+47%) to €340 million or increased by €88 million (+38%) on a constant exchange rate basis, driven by €103 million higher underlying earnings and €56 million lower impairment, partly offset by €71 million lower realized capital gains.

Net income decreased by €44 million to €377 million. As a reminder, AXA Japan closes its full year accounts at the end of September. According to IFRS principles, full year 2008 accounts were adjusted with a €106 million provisional loss reflecting the increase in credit spreads from October to December 2008. This adjustment was reversed in 2009. The 2010 full year accounts were not adjusted.
On a constant exchange rate basis and excluding the €+106 million reversal in 2009, net income increased by €39 million, mainly due to (i) €88 million higher adjusted earnings, (ii) favorable change in fair value of alternative assets partly offset by lower favorable change in mark-to-market of corporate bonds and CDS investments.

Life & Savings operations – Germany

(in Euro million)

	2010	2009
Gross revenues	**6,880**	**6,715**
APE (Group share)	*464*	*469*
Investment margin	84	118
Fees & revenues	306	302
Net technical margin	98	37
Expenses	(225)	(228)
Amortization of VBI	(14)	(11)
Other	-	-
Underlying earnings before tax	**249**	**218**
Income tax expenses / benefits	(75)	(61)
Minority interests	(0)	(0)
Underlying earnings Group share	**174**	**157**
Net capital gains or losses attributable to shareholders net of income tax	11	(145)
Adjusted earnings Group share	**185**	**12**
Profit or loss on financial assets (under FV option) & derivatives	29	25
Exceptional operations (including discontinued operations)	1	(84)
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(0)	(3)
Net income Group share	**214**	**(50)**

Gross revenues increased by €164 million (+2%) to €6,880 million[72]:

- *Life* (67% of gross revenues) increased by €88 million (+2%) driven by higher single premiums from co-insured Pension business, general account and unit-linked Annuities partly offset by lower single premiums from general account short term investment products and lower Protection with savings components in regular premiums,
- *Health* (33% of gross revenues) increased by €84 million (+4%) mainly deriving from premium indexation.

APE decreased by €5 million (-1%) to €464 million due to:

- *Life* increased by €2 million (+1%) driven by higher new business from annuities partly offset by declining single premiums from general account short term investment products and lower Variable Annuities with secondary guarantee ("Twinstar"),
- *Health* decreased by €8 million (-6%) due to an insolvency of a major broker at the end of 2009 partly compensated by the launch of long term care products.

Investment margin decreased by €34 million (-29%) to €84 million due to higher investment income allocated to policyholders partly offset by an increasing investment income as a result of a change in asset allocation towards fixed income assets and higher asset base.

Fees & revenues increased by €5 million (+2%) to €306 million due to lower fees and revenues allocated to policyholders partly offset by lower loadings on general account premiums and on unit-linked regular premiums in line with the new business development.

Net technical margin rose by €61 million to €98 million mainly due to improved hedging margin on GMxB products (€+56 million) including a non-recurring change in lapse assumptions (€+16 million).

Expenses remained stable at €-225 million.

[72] *€6,867 million after intercompany eliminations.*

Amortization of VBI increased by €3 million to €-14 million.

As a result, the **underlying cost income ratio** decreased by 3.3 points to 49.0%.

Income tax expenses increased by €15 million (+24%) to €-75 million due to higher pre-tax underlying earnings and non-recurring positive items in 2009.

Underlying earnings increased by €17 million (+11%) to €174 million.

Adjusted earnings increased by €173 million to €185 million due to lower impairments (€+145 million) mainly on fixed income assets, higher underlying earnings and higher capital gains (€+13 million).

Net income increased by €264 million to €214 million mainly driven by higher adjusted earnings and the non-recurring policyholder bonus allocation related to the share transfer of the Health company from the Life company to the German holding in 2009.

Life & Savings operations – Switzerland

(in Euro million)

	2010	2009
Gross revenues	**5,090**	**4,442**
APE (Group share)	*283*	*255*
Investment margin	113	92
Fees & revenues	231	208
Net technical margin	169	163
Expenses	(194)	(179)
Amortization of VBI	(43)	(28)
Other	-	-
Underlying earnings before tax	**275**	**256**
Income tax expenses / benefits	(63)	(30)
Minority interests	-	-
Underlying earnings Group share	**212**	**226**
Net capital gains or losses attributable to shareholders net of income tax	34	(1)
Adjusted earnings Group share	**247**	**225**
Profit or loss on financial assets (under FV option) & derivatives	69	(19)
Exceptional operations (including discontinued operations)	51	(16)
Goodwill and other related intangibles impacts	(6)	(5)
Integration and restructuring costs	-	-
Net income Group share	**361**	**185**
Average exchange rate : 1.00 € = Swiss Franc	*1.3910*	*1.5096*

Gross revenues increased by €649 million (+15%) to €5,090 million[73]. On a comparable basis, gross revenues increased by €246 million (+6%):

- *Group Life* increased by €192 million (+5%) to €4,318 million mainly due to higher single premiums (€+122 million) and higher regular premiums (€+70 million) following low level of cancellations in 2009,
- *Individual Life* increased by €57 million (+9%) to €773 million as a consequence of higher single premiums (€+49 million) mainly driven by the success of new general account product "AXA Protect Invest".

APE increased by €28 million (+11%) to €283 million. On a comparable basis, APE increased by €6 million (+2%) mainly due to Group Life (€+9 million) driven by higher demand for full-protection insurance schemes.

Investment margin increased by €21 million (+23%) to €113 million. On a constant exchange rate basis, investment margin increased by €12 million (+13%) due to lower investment income more than offset by lower allocation to policyholders.

Fees & revenues increased by €24 million (+11%) to €231 million. On a constant exchange rate basis, fees & revenues increased by €5 million (+3%) mainly reflecting the increase in gross revenues in Group Life.

Net technical margin rose by €6 million (+4%) to €169 million. On a constant exchange rate basis, net technical margin decreased by €7 million (-4%) mainly due to higher bonus allocated to policyholders.

Expenses increased by €16 million (+9%) to €-194 million. On a constant exchange rate basis, expenses remained flat resulting from acquisition expenses up €8 million (+19%) reflecting volume increase and
higher amortization of deferred acquisition costs due to higher profits, fully offset by administrative expenses down

[73] *€5,082 million after intercompany eliminations.*

€8 million (-6%) reflecting a tight expense management.

Amortization of VBI increased by €16 million (+56%) to €-43 million. On a constant exchange rate basis, amortization of VBI increased by €12 million (+44%) mainly resulting from assumptions unlocking in Group Life in 2010 (€-7 million).

As a result, the **underlying cost income ratio** increased by 1.7 points to 46.4%.

Income tax expenses increased by €33 million to €-63 million. On a constant exchange rate basis, income tax expenses increased by €28 million (+94%) mainly driven by €21 million positive one-off impact in 2009.

Underlying earnings decreased by €14 million (-6%) to €212 million. On a constant exchange rate basis, underlying earnings decreased by €31 million (-14%).

Adjusted earnings increased by €21 million (+10%) to €247 million. On a constant exchange rate basis, adjusted earnings increased by €2 million (+1%) mainly driven by lower impairments mainly on alternative investments, partly offset by lower underlying earnings.

Net income increased by €176 million (+95%) to €361 million. On a constant exchange rate basis, net income increased by €148 million (+80%) mainly due to favorable changes in fair value of interest rate derivatives as well as positive one-off tax impact in 2010 (€54 million).

Life & Savings operations – Belgium

(in Euro million)

	2010	2009
Gross revenues	**2,506**	**2,519**
APE (Group share)	*218*	*264*
Investment margin	262	228
Fees & revenues	153	159
Net technical margin	67	95
Expenses	(250)	(256)
Amortization of VBI	(4)	(0)
Other	-	-
Underlying earnings before tax	**227**	**225**
Income tax expenses / benefits	(57)	6
Minority interests	(0)	(0)
Underlying earnings Group share	**170**	**231**
Net capital gains or losses attributable to shareholders net of income tax	69	24
Adjusted earnings Group share	**239**	**256**
Profit or loss on financial assets (under FV option) & derivatives	33	188
Exceptional operations (including discontinued operations)	(4)	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(3)	(4)
Net income Group share	**265**	**439**

Gross revenues decreased by €14 million (-1%) to €2,506 million[74]:

- *Individual Life & Savings revenues* increased by 3% (or €+50 million) mainly driven by the strong increase in unit-linked investment and savings products by €61 million (+47%) while Crest products remained stable,
- *Group Life & Savings revenues* decreased by 10% (or €-64 million) to €589 million due to an exceptional premium on a large existing contract in 2009. Excluding this non-recurring item, Group Life revenues were stable (+1%).

APE decreased by €45 million (-17%) to €218 million. Individual Life & Savings APE decreased by 18 % (or €-41 million) mainly driven by Crest products following the lowering of guaranteed rates in the second half of 2010 and an increasing competition from banks. Group Life & Savings APE decreased by 15% (or €-4 million).

Investment margin increased by €33 million (+15%) to €262 million mainly as a result of a decrease of the average crediting rate, a higher asset base and a change of asset allocation towards fixed income partly offset by interest arrears received on a tax benefit in 2009 (€-14 million).

Fees & revenues decreased by €6 million (-4%) to €153 million mainly due to lower URR (Unearned Revenues Reserves) amortization (€-4 million) and lower loadings on general accounts products (€-2 million).

Net technical margin decreased by €28 million (-29%) to €67 million mainly explained by the 2009 non-recurring positive prior year reserve developments in Individual Life (€-47 million) partly offset by a more favorable mortality and disability experience (€+14 million).

Expenses decreased by €6 million (-2%) to €-250 million mainly driven by lower deferred acquisition cost amortization (€-18 million) partly offset by higher investments to further improve the quality of service.

Amortization of VBI increased by €4 million to €-4 million.

[74] *€2,504 million after intercompany eliminations.*

As a result the **underlying cost income ratio** decreased by 0.5 point to 52.8%.

Income tax expenses increased by €64 million to €-57 million explained by the 2009 non-recurring impact of the favorable court decision for insurance companies on RDT (Revenus Définitivement Taxés: €-66 million).

Underlying earnings decreased by €61 million (-27%) to €170 million.

Adjusted earnings decreased by €17 million (-6%) to €239 million as a result of lower underlying earnings and lower net realized capital gains mainly on fixed income partly offset by lower impairments mainly on equities and a less unfavorable impact of hedging equity derivatives.

Net income decreased by €174 million (-40%) to €265 million mainly driven by a less favorable change in fair value of fixed income mutual funds mainly due to credit spreads.

Life & Savings operations – Mediterranean and Latin American Region

(in Euro million)

	2010	2009
Gross revenues	**6,955**	**6,483**
APE (Group share)	*553*	*497*
Investment margin	253	225
Fees & revenues	332	303
Net technical margin	108	98
Expenses	(455)	(406)
Amortization of VBI	(21)	(30)
Other	-	-
Underlying earnings before tax	**217**	**189**
Income tax expenses / benefits	(70)	(48)
Minority interests	(30)	(27)
Underlying earnings Group share	**117**	**115**
Net capital gains or losses attributable to shareholders net of income tax	35	4
Adjusted earnings Group share	**152**	**119**
Profit or loss on financial assets (under FV option) & derivatives	(24)	20
Exceptional operations (including discontinued operations)	-	1
Goodwill and other related intangibles impacts	(0)	(0)
Integration and restructuring costs	-	(1)
Net income Group share	**127**	**139**

Gross revenues increased by €472 million (+7%) to €6,955 million. On a comparable basis, gross revenues increased by €454 million (+7%) mainly driven by a strong growth in general account savings products (€+432 million or +10%) mainly in Italy (€+479 million or +13%, of which AXA MPS (€+331 million or +10%), reinforced by Antonveneta and a favorable context, notably tax amnesty until April 2010, and by higher sales of Variable Annuity products (€+95 million or +52%) mainly driven by AXA MPS.

APE increased by €55 million (+11%) to €553 million. On a comparable basis, APE increased by €49 million (+10%) mainly driven by (i) higher contribution of general account savings products (€+26 million or +9%) mainly in AXA MPS (€+22 million or +13%) reinforced by Antonveneta, (ii) higher sales of Group Life business (€+11 million or +27%) mainly in Mexico, and (iii) Variable Annuity products (€+6 million or +35%) mainly in AXA MPS.

Investment margin increased by €29 million (+13%) to €253 million. On a constant exchange rate basis, investment margin increased by €26 million (+12%) mainly due to higher asset base while maintaining a stable average investment spread.

Fees & revenues increased by €29 million (+10%) to €332 million. On a constant exchange rate basis, fees & revenues increased by €20 million (+7%) as a result of volume growth mainly in AXA MPS.

Net technical margin rose by €10 million (+10%) to €108 million. On a constant exchange rate basis, net technical margin increased by €8 million (+8%) mainly due to a higher mortality margin partly offset by the release of a risk reserve in Spain in 2009.

Expenses increased by €49 million (+12%) to €-455 million. On a constant exchange rate basis, expenses increased by €37 million (+9%) mainly to support business development in AXA MPS and in Mexico Protection business.

Amortization of VBI decreased by €8 million (-28%) to €-21 million. On a constant exchange rate basis, amortization of VBI decreased by €9 million (-29%) mainly due to the natural decline of VBI balance in AXA MPS.

As a result, the **underlying cost income ratio** decreased by 1.0 point to 68.7%. On a constant exchange rate basis, underlying cost income ratio decreased by 1.5 points.

Income tax expenses increased by €22 million (+46%) to €-70 million, on both a reported and constant exchange rate basis, mainly due to new tax on reserves in Italy (€12 million), higher pre-tax underlying earnings and a negative country mix impact.

Underlying earnings increased by €2 million (+2%) to €117 million. On a constant exchange rate basis, underlying earnings increased by €1 million (+1%).

Adjusted earnings increased by €33 million (+28%) to €152 million. On a constant exchange rate basis, adjusted earnings increased by €32 million (+27%) mainly due to higher realized capital gains on fixed income and equities as well as higher underlying earnings.

Net income decreased by €11 million (-8%) to €127 million. On a constant exchange rate basis, net income decreased by €12 million (-9%) mainly due to a negative change in fair value of mutual funds, partly offset by higher adjusted earnings.

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)

	2010	2009
Australia / New Zealand	1,551	1,532
Hong Kong	1,321	1,203
Central and Eastern Europe (a)	515	470
Other countries	460	352
o/w Canada	132	115
o/w Luxembourg	82	72
o/w South East Asia (b)	244	164
TOTAL	**3,848**	**3,557**
Intercompany transactions	(3)	(2)
Contribution to consolidated gross revenues	**3,844**	**3,555**

(a) Includes Poland, Hungary, Czech Republic and Slovakia.
(b) South East Asia earnings include Indonesia and Singapore.

Underlying, Adjusted earnings and Net Income

	2010	2009
Australia & New Zealand	82	46
Hong Kong	142	135
Central & Eastern Europe (a)	9	16
Other countries	(4)	(2)
o/w Canada	10	5
o/w Luxembourg	5	5
o/w South-East Asia and China (b)	3	(2)
o/w AXA Global Distributors	(22)	(9)
UNDERLYING EARNINGS	**228**	**195**
Net realized capital gains or losses attributable to shareholders	22	(12)
ADJUSTED EARNINGS	**250**	**183**
Profit or loss on financial assets (under Fair Value option) & derivatives	(0)	(17)
Exceptional operations (including discontinued operations)	(52)	(3)
Goodwill and related intangible impacts	(3)	(2)
Integration and restructuring costs	(0)	-
NET INCOME	**194**	**161**

(a) Includes Poland, Hungary, Czech Republic and Slovakia.
(b) South East Asia earnings include Indonesia, Thailand, Philippines, Singapore and India.

AUSTRALIA & NEW ZEALAND [75]

Gross revenues increased by €19 million (+1%) to €1,551 million. On a comparable basis, gross revenues decreased by €262 million (-17%):

- *Gross written premium and fees* (70% of gross revenue) decreased by €277 million (-24%) to €1,090 million, as a result of lower sales in Guaranteed Savings Account product (€-259 million) due to lower demand for conservative investment products than last year,
- *Revenues from mutual funds and advice business* (30% of gross revenues) increased by €15 million (+4%) to €461 million due to higher assets under management levels mainly resulting from improved financial market conditions.

APE increased by €13 million (+5%) to €283 million. On a comparable basis, APE decreased by €38 million (-14%) mainly due to a drop in Guaranteed Savings Account and mutual funds sales of €-13 million and €-20 million respectively.

Underlying earnings increased by €36 million (+77%) to €82 million. On a constant exchange rate basis, underlying earnings increased by €21 million (+46%). On a 100% share basis, the evolution of underlying earnings was as follows:

- **Investment margin** increased by €41 million to €32 million. On a constant exchange rate basis, investment margin increased by €36 million due to higher fixed income yield and higher average asset base, as well as the restructuring of inter-company loans.

- **Fees & revenues** increased by €188 million (+29%) to €840 million. On a constant exchange rate basis, fees & revenues increased by €39 million (+6%) driven by growth in average asset balances within mutual funds businesses and higher fees from Protection products.

- **Net technical margin** fell by €23 million to €-25 million. On a constant exchange rate basis, net technical margin decreased by €18 million due to unfavorable claims experience in Individual Protection products (€-5 million) and the subsequent non-recurring strengthening of Individual Protection reserves (€-16 million) in 2010.

- **Expenses** increased by €144 million (+26%) to €-690 million. On a constant exchange rate basis, expenses increased by €21 million (+4%) following evolution of fees and higher staff costs.

- **Amortization of VBI** increased by €10 million (+93%) to €-22 million. On a constant exchange rate basis, amortization of VBI increased by €7 million (+58%) due to a strong recovery in financial markets in second half of 2009 which significantly reduced the 2009 amortization.

- As a consequence, the **underlying cost income ratio** decreased by 3.0 points to 83.9%.

- **Income tax** benefits increased by €13 million to €15 million. On a constant exchange rate basis, income tax benefits increased by €11 million, due to one-off tax benefits in 2010 (€13 million) partly offset by an increase in pre-tax underlying earnings.

Adjusted earnings increased by €48 million (+164%) to €77 million. On a constant exchange rate basis, adjusted earnings increased by €34 million (+117%) due to the improvement in underlying earnings and higher realized capital gains following improved markets conditions.

Net income increased by €49 million (+182%) to €76 million. On a constant exchange rate basis, net income increased by €36 million (+132%), broadly in line with adjusted earnings.

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[75] *AXA interest in AXA Asia Pacific Group is 54.03% broken down into 53.93% direct interest holding and an additional 0.10% owned by the AAPH Executive plan trust.*

HONG-KONG[76]

Gross revenues increased by €118 million (+10%) to €1,321 million. On a comparable basis, gross revenues increased by €149 million (+13%) mainly due to higher revenues from both Protection & Savings (€+86 million) and Investment & Savings products (€+43 million).

APE increased by €37 million (+30%) to €159 million. On a comparable basis, APE increased by €30 million (+25%) due to higher sales of Protection products driven by the successful launch of new products and improved productivity in the agents channel.

Underlying earnings increased by €8 million (+6%) to €142 million. On a constant exchange rate basis, underlying earnings increased by €2 million (+1%). On a 100% share basis, the evolution of underlying earnings was as follows:

- **Investment margin** increased by €3 million (+16%) to €24 million. On a constant exchange rate basis, investment margin increased by €2 million (+11%) mainly due to higher average investment spread.

- **Fees & revenues** increased by €53 million (+19%) to €332 million. On a constant exchange rate basis, fees & revenues increased by €40 million (+14%) mainly as a result of higher gross revenues.

- **Net technical margin** increased by €5 million (+10%) to €53 million. On a constant exchange rate basis, net technical margin increased by €3 million (+5%) mainly due to favorable claims experience partially offset by lower surrender margin due to improved persistency.

- **Expenses** increased by €15 million (+13%) to €-128 million. On a constant exchange rate basis, expenses increased by €10 million (+8%) mainly due to increased investments in distribution channels.

- **Amortization of VBI** increased by €26 million to €-8 million. On a constant exchange rate basis, amortization of VBI increased by €26 million mainly due to a one-off adjustment on VBI amortization in 2009.

- As a consequence, the **underlying cost income ratio** increased by 6.0 points to 33.3%.

- **Income tax** expenses increased by €8 million to €-14 million. On a constant exchange rate basis, income tax expenses increased by €7 million mainly driven by higher pre-tax underlying earnings.

Adjusted earnings increased by €25 million (+18%) to €161 million. On a constant exchange rate basis, adjusted earnings increased by €18 million (+14%) mainly reflecting higher underlying earnings and lower equity hedging costs.

Net income increased by €30 million (+22%) to €162 million. On a constant exchange rate basis, net income increased by €23 million (+18%) mainly due to higher adjusted earnings and non-repeat of 2009 losses on credit derivatives strategies.

CENTRAL AND EASTERN EUROPE

Gross revenues increased by €45 million (+10%) to €515 million. On a comparable basis, gross revenues increased by €21 million (+5%) mainly driven by Life business in Poland and Hungary, partly offset by lower Pension Funds revenues in Czech Republic.

APE increased by €106 million (+63%) to €274 million. On a comparable basis, APE increased by €35 million (+16%) driven by Pension Funds (€+26 million or +21%) and Life and Savings (€+9 million or +9%) benefiting from unit-linked products sales acceleration. The main countries contributing to growth were Poland (€+34 million or +30%), and to a lower extent Hungary (€+5 million) whereas Czech Republic declined (€-5 million).

[76] *AXA interest in AXA Asia Pacific Group is 54.03% broken down into 53.93% direct interest holding and an additional 0.10% owned by the AAPH Executive plan trust.*

Underlying earnings decreased by €8 million (-48%) to €9 million. On a constant exchange rate basis, underlying earnings decreased by €8 million (-51%) due to higher volume-related costs and administrative expenses partly offset by higher fees and revenues and net technical margin.

As a result, the **underlying cost income ratio** increased by 6.6 points to 91.8%.

Adjusted earnings decreased by €6 million to €10 million. On a constant exchange rate basis, adjusted earnings decreased by €7 million mainly as a result of lower underlying earnings.

Net income decreased by €8 million to €6 million. On a constant exchange rate basis, net income decreased by €8 million mainly driven by lower adjusted earnings.

CANADA

Gross revenues increased by €16 million (+14%) to €132 million. On a constant exchange rate basis, gross revenues remained stable.

Underlying earnings increased by €5 million to €10 million. On a constant exchange rate basis, underlying earnings increased by €4 million (+86%) as result of improved morbidity experience in 2010.

Adjusted earnings increased by €6 million (+83%) to €13 million. On a constant exchange rate basis, adjusted earnings increased by €4 million (+60%) driven by higher underlying earnings.

Net income increased by €5 million (+68%) to €12 million. On a constant exchange rate basis, net income increased by €3 million (+46%) mainly driven by higher adjusted earnings.

SOUTH EAST ASIA AND CHINA

Gross revenues increased by €80 million (+48%) to €244 million. On a comparable basis, gross revenues increased by €50 million (+30%) mainly due to overall higher level of new business sales (mainly in unit-linked products) resulting from the improved market conditions in Indonesia and Singapore.

APE increased by €78 million (+88%) to €166 million. On a comparable basis, APE increased by €52 million (+58%) primarily in Indonesia (€+30 million) mainly driven by new unit-linked products launched through the joint-venture with Mandiri Bank (€+19 million), and in Thailand (€+10 million) with strong growth in the bancassurance channel (€+7 million) and Group Life business (€+3 million), as well as growth across all channels in China (€+8 million) partly due to continuing increased geographical coverage.

Underlying earnings increased by €5 million to €3 million. On a constant exchange rate basis, underlying earnings increased by €4 million mainly driven by earnings improvement in Indonesia (€+5 million) and Thailand (€+5 million), partly offset by higher operational losses in India (€-6 million) and non-recurring adjustments in Singapore (€-1 million).

Adjusted earnings increased by €5 million to €6 million. On a constant exchange rate basis, adjusted earnings increased by €5 million primarily driven by growth in underlying earnings.

Net income decreased by €31 million to €-45 million. On a constant exchange rate basis, net income decreased by €23 million mainly reflecting residual past losses in India (€-28 million) partly offset by growth in adjusted earnings.

AXA GLOBAL DISTRIBUTORS[77]

Underlying earnings as well as **adjusted earnings** and **net income** decreased by €13 million to €-22 million due to the build-up of the infrastructure due to geographic expansion in Europe.

[77] *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.

The presentation between current and prior year loss ratio have been harmonized throughout the Group. 2009 current year loss ratios by country presented hereafter incorporate such change[78] 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)

	2010	2009
Gross written premiums	27,578	26,291
Fees and revenues from investment contracts without participating feature	-	-
Revenues from insurance activities	**27,578**	**26,291**
Net revenues from banking activities	**-**	**-**
Revenues from other activities	***78***	***77***
TOTAL REVENUES	**27,656**	**26,368**
Change in unearned premium reserves net of unearned revenues and fees	***(209)***	***(103)***
Net investment result excluding financing expenses	***2,121***	***2,068***
Technical charges relating to insurance activities	(18,629)	(17,901)
Net result of reinsurance ceded	(885)	(710)
Bank operating expenses	-	-
Insurance acquisition expenses	(4,985)	(4,863)
Amortization of value of purchased life business in force	-	-
Administrative expenses	(2,694)	(2,517)
Valuation allowances on tangible assets	(8)	(1)
Other	(3)	(7)
Other operating income and expenses	**(27,204)**	**(25,999)**
OPERATING EARNINGS BEFORE TAX	**2,364**	**2,334**
Net income from investments in affiliates and associates	33	18
Financing expenses	(6)	(5)
OPERATING INCOME GROSS OF TAX EXPENSE	**2,390**	**2,347**
Income tax expense	(658)	(638)
Minority interests	(40)	(39)
UNDERLYING EARNINGS	**1,692**	**1,670**
Net realized capital gains or losses attributable to shareholders	111	(264)
ADJUSTED EARNINGS	**1,803**	**1,406**
Profit or loss on financial assets (under fair value option) & derivatives	27	187
Exceptional operations (including discontinued operations)	6	32
Goodwill and other related intangible impacts	(64)	(64)
Integration and restructuring costs	(22)	(46)
NET INCOME	**1,750**	**1,516**

(a) Before intercompany transactions.

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

Consolidated Gross Revenues

(in Euro million)

	2010	2009
France	5,896	5,724
United Kingdom & Ireland	4,229	3,976
Germany	3,489	3,527
Belgium	2,118	2,145
Mediterranean & Latin American Region (a)	6,928	6,721
Switzerland	2,336	2,161
Other countries	2,661	2,116
TOTAL	**27,656**	**26,368**
Intercompany transactions	(242)	(194)
Contribution to consolidated gross revenues	**27,413**	**26,174**

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

Underlying, Adjusted earnings and Net Income

	2010	2009
France	432	406
United Kingdom & Ireland	50	100
Germany	177	283
Belgium	159	168
Mediterranean & Latin American Region (a)	358	326
Switzerland	359	260
Other countries	157	126
UNDERLYING EARNINGS	**1,692**	**1,670**
Net realized capital gains or losses attributable to shareholders	111	(264)
ADJUSTED EARNINGS	**1,803**	**1,406**
Profit or loss on financial assets (under Fair Value option) & derivatives	27	187
Exceptional operations (including discontinued operations)	6	32
Goodwill and related intangibles impacts	(64)	(64)
Integration and restructuring costs	(22)	(46)
NET INCOME	**1,750**	**1,516**

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

Property & Casualty Operations – France

(in Euro million)

	2010	2009
Gross revenues	**5,896**	**5,724**
Current accident year loss ratio (net)	76.5%	81.5%
All accident year loss ratio (net)	74.0%	74.2%
Net technical result before expenses	**1,524**	**1,473**
Expense ratio	25.1%	24.9%
Net investment result	609	600
Underlying earnings before tax	**661**	**652**
Income tax expenses / benefits	(229)	(245)
Net income from investments in affiliates and associates	-	-
Minority interests	(0)	(1)
Underlying earnings Group share	**432**	**406**
Net capital gains or losses attributable to shareholders net of income tax	36	(26)
Adjusted earnings Group share	**468**	**380**
Profit or loss on financial assets (under FV option) & derivatives	(6)	65
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	**462**	**445**

Gross revenues increased by €172 million (+3%) to €5,896 million[79]:

- *Personal lines* (62% of gross revenues) increased by 4% to €3,617 million mainly as a result of tariff increases.
- *Commercial lines* (38% of gross revenues) increased by 1% to €2,233 million mainly as a result of tariff increases in all lines of business in a context of focus on profitability with a limited negative portfolio development except in Construction negatively impacted by the economic context.

Net technical result increased by €51 million (+3%) to €1,524 million:

- *Current accident year loss ratio* decreased by 5.0 points to 76.5% reflecting lower impact of Nat Cat charge (-1.4 points, Klaus storm in 2009 and Xynthia in 2010) and mainly a positive impact of tariff increases notably in Motor.
- *All accident year loss ratio* decreased by 0.2 point to 74.0% as a result of the decrease in current accident year loss ratio mostly offset by lower positive prior year reserve developments.

Expense ratio rose by 0.2 point to 25.1% as a consequence of higher IT investments in order to improve operational efficiency.

As a result, the **combined ratio** remained stable at 99.1%.

Net investment result increased by €9 million (+2%) to €609 million mainly explained by a higher income from inflation linked securities.

Income tax expenses decreased by €17 million (-7%) to €-229 million mainly explained by higher level of non taxable revenues.

Underlying earnings increased by €25 million (+6%) to €432 million.

Adjusted earnings increased by €88 million to €468 million mainly due to lower impairments (€+26 million), higher realized capital gains (€+36 million) mainly on equities, including €+10 million positive impact following a change in the French tax regulation on the "réserve de capitalisation" balance, combined with higher underlying earnings.

[79] *€5,849 million after intercompany eliminations.*

Net income increased by €17 million (+4%) to €462 million driven by the increase in adjusted earnings partly offset by less favorable change in fair value of mutual funds and derivatives (€-50 million) driven by credit spread evolution and €-20 million foreign exchange impact.

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	2010	2009
Gross revenues	**4,229**	**3,976**
Current accident year loss ratio (net)	74.4%	74.1%
All accident year loss ratio (net)	73.0%	70.0%
Net technical result before expenses	**1,129**	**1,202**
Expense ratio	30.9%	32.3%
Net investment result	218	216
Underlying earnings before tax	**54**	**127**
Income tax expenses / benefits	(3)	(26)
Net income from investments in affiliates and associates	-	-
Minority interests	(0)	(0)
Underlying earnings Group share	**50**	**100**
Net capital gains or losses attributable to shareholders net of income tax	(9)	(58)
Adjusted earnings Group share	**42**	**42**
Profit or loss on financial assets (under FV option) & derivatives	5	7
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	(5)	(6)
Integration and restructuring costs	(10)	-
Net income Group share	**32**	**44**
Average exchange rate : 1.00 € = £	*0.8615*	*0.8913*

Gross revenues increased by €254 million (+6%) to €4,229 million[80]. On a comparable basis, gross revenues increased by €119 million (+3%):

- *Personal lines* (61% of gross revenues) were up 12% to €2,547 million. **Motor** was up 34% to €1,061 million due to the combination of tariff increases in a hardening market and an increase in volumes on both UK Direct and intermediaries channels, together with a strong performance in Ireland. **Non-Motor** was up 1% to €1,486 million. Property was up 6% to €619 million following growth in UK Direct, new affinity schemes as well as the implementation of tariff increases. Health was up 1% to €565 million. Other Personal lines were down 9% to €302 million mainly reflecting selective underwriting within Travel and Warranty lines,

- *Commercial lines* (39% of gross revenues) were down 8% to €1,606 million. **Motor** was up 10% to €276 million reflecting new business and tariff increases within the United Kingdom and Ireland. **Non-Motor** was down 11% to €1,330 million following the strategy to exit unprofitable schemes and the continuing impact of the soft market conditions. Health was down 3% to €636 million reflecting the focus on margins in a competitive environment on large corporate schemes partially offset by growth in the SME business.

Net technical result decreased by €73 million (-6%) to €1,129 million. On a constant exchange rate basis, net technical result decreased by €106 million (-9%):

- *Current accident year loss* ratio increased by 0.4 point to 74.4% reflecting severe Nat Cat charge in 2010 partly offset by lower large losses notably in Property,
- *All accident year loss* ratio increased by 3.1 points to 73.0% reflecting the deterioration in current year loss ratio combined with lower positive prior year reserve developments.

Expense ratio decreased by 1.4 point to 30.9% with an **acquisition ratio** down 2.8 points to 22.1%, largely reflecting a decrease in commissions (-2.4 points) driven by renegotiation of broker commission rates, reduced exposure to highly commissioned Delegated Authority business and an increase in UK Direct business share. The **administrative**

[80] *€4,147 million after intercompany eliminations.*

expense ratio increased by 1.3 point to 8.8% due to the non-repeat of a 2009 positive one-off impact on employee pension scheme (+0.9 point) together with IT investments in UK Direct (+0.4 point) and Health (+0.2 point).

As a result, the **combined ratio** was up 1.6 points to 103.9%.

Net investment result increased by €1 million (+1%) to €218 million. On a constant exchange rate basis, net investment result decreased by €4 million (-2%) mainly resulting from lower cash yields.

Income tax expenses decreased by €23 million (-88%) to €-3 million. On a constant exchange rate basis, income tax expenses decreased by €23 million (-88%) mainly reflecting lower pre-tax underlying earnings and the geographical mix between the United Kingdom and Ireland.

Underlying earnings decreased by €50 million (-50%) to €50 million. On a constant exchange rate basis, underlying earnings decreased by €49 million (-49%).

Adjusted earnings decreased by €1 million (-1%) to €42 million. On a constant exchange rate basis, adjusted earnings were stable. The decrease in underlying earnings, combined with €7 million lower realized capital gains, was offset by €57 million lower impairment charges mainly due to fixed income (€22 million) and equities (€19 million).

Net income decreased by €11 million (-25%) to €32 million. On a constant exchange rate basis, net income decreased by €10 million (-23%) reflecting stable adjusted earnings combined with higher restructuring costs (€-10 million).

Property & Casualty Operations – Germany

(in Euro million)

	2010	2009
Gross revenues	**3,489**	**3,527**
Current accident year loss ratio (net) (a)	74.3%	72.1%
All accident year loss ratio (net)	73.3%	67.4%
Net technical result before expenses	**930**	**1,148**
Expense ratio	31.3%	31.4%
Net investment result	375	352
Underlying earnings before tax	**213**	**397**
Income tax expenses / benefits	(38)	(112)
Net income from investments in affiliates and associates	2	(0)
Minority interests	(0)	(1)
Underlying earnings Group share	**177**	**283**
Net capital gains or losses attributable to shareholders net of income tax	8	(105)
Adjusted earnings Group share	**185**	**179**
Profit or loss on financial assets (under FV option) & derivatives	7	23
Exceptional operations (including discontinued operations)	-	26
Goodwill and other related intangibles impacts	(0)	-
Integration and restructuring costs	(3)	(21)
Net income Group share	**190**	**207**

(a) The 2009 published current year loss ratio was 76.4%

Gross revenues decreased by €38 million (-1%) to €3,489 million[81]:

- *Personal lines* (64% of gross revenues) decreased by 2% to €2,221 million due to a negative price impact in Motor as a result of market price pressure and cancellations in Medical Liability, partly offset by higher new business in Property, supported by the bundled product Box Plus,
- *Commercial lines* (29% of gross revenues) decreased by 0.3% resulting from cancellations and lower sum insured in Industrial Liability and Marine insurance,
- *Other lines* (7% of gross revenues) increased by 3% to €249 million mainly due to a higher quota share in assumed Legal Protection business.

Net technical result decreased by €218 million (-19%) to €930 million:

- *Current accident year loss ratio* increased by 2.2 points to 74.3% due to higher attritional losses as a consequence of the severe winter, as well as higher Nat Cat charge (+0.6 point),
- *All accident year loss ratio* increased by 6.0 points to 73.3% due to higher current accident year loss ratio and lower positive prior year reserve developments.

Expense ratio decreased by 0.1 points to 31.3%.

As a result, the **combined ratio** increased by 5.9 points to 104.6%.

Net investment result increased by €22 million (+6%) to €375 million. Excluding €21 million non-recurring reversal of interest arrears, net investment result remained stable as higher alternative funds distributions was offset by lower income on fixed income assets.

Income tax expenses decreased by €74 million (-66%) to €-38 million due to lower pre-tax underlying earnings and lower positive tax one-offs (€7 million in 2010 compared to €13 million in 2009).

Underlying earnings decreased by €107 million (-38%) to €177 million.

[81] *€3,458 million after intercompany eliminations.*

Adjusted earnings increased by €6 million (+4%) to €185 million mainly due to lower underlying earnings, more than offset by lower level of impairments on fixed income assets and higher realized capital gains on equities.

Net income decreased by €17 million (-8%) to €190 million, mainly due to less favorable change in fair value following credit spreads evolution partly offset by non-repeat of unfavorable change in fair value of alternative funds in 2009.

Property & Casualty Operations – Belgium

(in Euro million)

	2010	2009
Gross revenues	**2,118**	**2,145**
Current accident year loss ratio (net) (a)	77.2%	78.4%
All accident year loss ratio (net)	67.2%	69.7%
Net technical result before expenses	**696**	**651**
Expense ratio	31.3%	30.1%
Net investment result	199	196
Underlying earnings before tax	**229**	**197**
Income tax expenses / benefits	(70)	(29)
Net income from investments in affiliates and associates	-	-
Minority interests	0	0
Underlying earnings Group share	**159**	**168**
Net capital gains or losses attributable to shareholders net of income tax	(15)	(25)
Adjusted earnings Group share	**144**	**143**
Profit or loss on financial assets (under FV option) & derivatives	20	62
Exceptional operations (including discontinued operations)	(2)	-
Goodwill and other related intangibles impacts	(2)	(2)
Integration and restructuring costs	(9)	(18)
Net income Group share	**151**	**186**

(a) The 2009 published current year loss ratio was 82.1%

Gross revenues decreased by €27 million (-1%) to €2,118 million[82]:

- *Personal lines* (51% of gross revenues) were up 2% driven by **Non-Motor** (+3%) and **Motor** (+2%) following tariff increases partly offset by portfolio decrease,
- *Commercial lines* (49% of gross revenues) were down 5% with **Motor** down 1% and **Non-Motor** down 7% negatively impacted by the economic context and the focus on profitability most notably in Workers' compensation and Liability.

Net technical result increased by €44 million (+7%) to €696 million:

- *Current accident year loss ratio* decreased by 1.2 point to 77.2%, mainly due to fewer losses (-2.6 points or €-57 million), price increases (-0.7 point) partly offset by a Nat Cat charge increase (+2.0 points or €42 million),
- *All accident year loss ratio* decreased by 2.5 points to 67.2% reflecting the improvement of current loss ratio and increase in prior year reserve developments (mainly in Workers' Compensation).

Expense ratio rose by 1.2 point to 31.3% mainly driven by higher administrative expenses (+1.3 point) notably reflecting investments to further improve quality of service.

As a result, the **combined ratio** decreased by 1.3 point to 98.5%.

Net investment result increased by €3 million (+2%) to €199 million mainly as a result of a higher asset base.

Income tax expenses increased by €42 million to €70 million resulting from the 2009 non-recurring impact of the favorable court decision for insurance companies on RDT (Revenus Définitivement Taxés : €39 million) and higher pre-tax underlying earnings partly offset by a non-recurring tax benefit in 2010 (€+6 million).

Underlying earnings decreased by €9 million (-6%) to €159 million.

Adjusted earnings remained stable at €144 million as a result of lower impairments mainly on equities partly offset by lower capital gains on fixed income and lower underlying earnings.

[82] *€2,099 million after intercompany eliminations.*

Net income decreased by €35 million (-19%) to €151 million mainly driven by an unfavorable change in fair value on inflation derivatives and by a less favorable change in fair value on fixed income mutual funds mainly due to credit spreads.

Property & Casualty Operations – Mediterranean and Latin American Region

(in Euro million)

	2010	2009
Gross revenues	**6,928**	**6,721**
Current accident year loss ratio (net) (a)	75.2%	77.7%
All accident year loss ratio (net)	72.0%	73.3%
Net technical result before expenses	**1,924**	**1,796**
Expense ratio	25.7%	25.7%
Net investment result	396	415
Underlying earnings before tax	**553**	**482**
Income tax expenses / benefits	(162)	(124)
Net income from investments in affiliates and associates	-	-
Minority interests	(33)	(32)
Underlying earnings Group share	**358**	**326**
Net capital gains or losses attributable to shareholders net of income tax	22	(44)
Adjusted earnings Group share	**380**	**281**
Profit or loss on financial assets (under FV option) & derivatives	13	22
Exceptional operations (including discontinued operations)	(1)	7
Goodwill and other related intangibles impacts	(24)	(25)
Integration and restructuring costs	-	(7)
Net income Group share	**368**	**277**

(a) The 2009 published current year loss ratio was 79.2%

Gross revenues increased by €207 million (+3%) to €6,928 million[83]. On a comparable basis, gross revenues were stable or driven by the difficult economic environment in mature markets (-3%) fully offset by positive performance in high growth markets (+5%):

- *Personal lines* (64% of gross revenues) were up +3% to €4,416 million increasing in all lines of business driven by (i) Health (+8% or €+43 million) with tariff increases across the region and positive volume impact in Turkey and Spain, (ii) Property (+4% or €+26 million) benefiting from the rebound on bank mortgage activity in AXA MPS and from tariff increases in Spain and (iii) Motor (up 1% or €+37 million) reflecting strong performance in Turkey due to the competitive Third Party Liability products partly offset by Spain where tariff increases drove negative volume evolution,
- *Commercial lines* (36% of gross revenues) were down -5% to €2,476 million mainly driven by Non-Motor (-4% or €-68 million) reflecting the economic context notably in Liability and Construction, as well as lower new business in Property mainly due to selective underwriting in Mexico. Motor decreased by 7% reflecting the focus on profitable business.

Net technical result increased by €128 million (+7%) to €1,924 million. On a constant exchange rate basis, net technical result increased by €80 million (+4%):

- *Current accident year loss ratio* decreased by 2.5 points to 75.2%, mainly driven by (i) the focus on profitability through pricing actions notably on Personal lines and selective underwriting on Commercial lines combined with (ii) lower Nat Cat charge (-0.4 point), partly offset by (iii) higher severity in Commercial lines due to large claims,
- *All accident year loss ratio* decreased by 1.4 point to 72.0% driven by the decrease of current accident year loss partly offset by lower prior year reserve developments mainly on Motor and Health.

Expense ratio was stable at 25.7%.

[83] *€6,888 million after intercompany eliminations.*

As a result, the **combined ratio** down by 1.4 point to 97.7%.

Net investment result decreased by €19 million (-5%) to €396 million. On a constant exchange rate basis, net investment result decreased by €28 million (-7%) mainly driven by lower asset base and equity dividend yield in Spain as well as lower fixed income yield notably in Turkey and Mexico.

Income tax expenses increased by €38 million (+31%) to €-162 million. On a constant exchange rate basis, income tax expenses increased by €36 million (+29%) reflecting higher pre-tax underlying earnings and a negative country mix.

Underlying earnings increased by €33 million (+10%) to €358 million. On a constant exchange rate basis, underlying earnings increased by €26 million (+8%).

Adjusted earnings increased by €99 million (+35%) to €380 million. On a constant exchange rate basis, adjusted earnings increased by €93 million (+33%) reflecting the increase in underlying earnings combined with higher realized capital gains (€26 million) notably on equities and lower impairments (€43 million).

Net income increased by €91 million (+33%) to €368 million. On a constant exchange rate basis, net income increased by €86 million (+31%) reflecting adjusted earnings evolution partly offset by less favorable change in fair value of mutual funds.

Property & Casualty Operations – Switzerland

(in Euro million)

	2010	2009
Gross revenues	**2,336**	**2,161**
Current accident year loss ratio (net) (a)	68.5%	73.2%
All accident year loss ratio (net)	61.9%	66.3%
Net technical result before expenses	**892**	**726**
Expense ratio	26.9%	27.6%
Net investment result	195	186
Underlying earnings before tax	**457**	**316**
Income tax expenses / benefits	(95)	(54)
Net income from investments in affiliates and associates	-	-
Minority interests	(2)	(2)
Underlying earnings Group share	**359**	**260**
Net capital gains or losses attributable to shareholders net of income tax	40	(13)
Adjusted earnings Group share	**400**	**247**
Profit or loss on financial assets (under FV option) & derivatives	(12)	5
Exceptional operations (including discontinued operations)	9	(1)
Goodwill and other related intangibles impacts	(26)	(25)
Integration and restructuring costs	-	-
Net income Group share	**370**	**227**
Average exchange rate : 1.00 € = Swiss Franc	*1.3910*	*1.5096*

(a) The 2009 published current year loss ratio was 76.8%

Gross revenues increased by €175 million (+8%) to €2,336 million[84]. On a comparable basis, gross revenues decreased by €9 million (0%) mainly due to:

- *Personal lines* (52% of gross revenues) were up 1% to €1,220 million mainly driven by positive net inflows in Motor and Property and higher insured sums in Property,
- *Commercial lines* (48% of gross revenues) were down 2% to €1,122 million mainly resulting from a focus on profitability.

Net technical result increased by €166 million (+23%) to €892 million. On a constant exchange rate basis, net technical result increased by €96 million (+13%):

- *Current accident year loss ratio* decreased by 4.7 points to 68.5% mainly driven by lower Nat Cat charge (-1.8 points) and improvements in Commercial lines (-2.6 points) reflecting a selective underwriting policy,
- *All accident year loss ratio* decreased by 4.4 points to 61.9% primarily reflecting the current year loss ratio improvement.

Expense ratio decreased by 0.7 point to 26.9% mainly driven by acquisition cost decrease mainly as a result of a change in agents' commission structure.

As a result, the **combined ratio** decreased by 5.1 points to 88.8%.

Net investment result increased by €9 million (+5%) to €195 million. On a constant exchange rate basis, net investment result decreased by €6 million (-3%) mainly due to lower interest rates partly offset by a change in asset allocation towards fixed income.

Income tax expenses increased by €41 million (+77%) to €-95 million. On a constant exchange rate basis, income tax expenses increased by €34 million (+63%) mainly driven by higher pre-tax underlying earnings and a €9 million positive tax one-off in 2009.

[84] *€2,327 million after intercompany eliminations.*

Underlying earnings increased by €99 million (+38%) to €359 million. On a constant exchange rate basis, underlying earnings increased by €71 million (+27%).

Adjusted earnings increased by €152 million (+61%) to €400 million. On a constant exchange rate basis, adjusted earnings increased by €121 million (+49%) mainly driven by higher underlying earnings, higher realized capital gains mainly on equity securities (€+29 million) and lower impairments (€+16 million).

Net income increased by €143 million (+63%) to €370 million. On a constant exchange rate basis, net income increased by €114 million (+50%) mainly driven by higher adjusted earnings.

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

(in Euro million)

	2010	2009
Canada	1,436	1,174
Others	1,224	941
o/w Asia (a)	1,023	819
o/w Luxembourg	93	91
o/w Central and Eastern Europe (b)	109	31
TOTAL	**2,661**	**2,116**
Intercompany transactions	(16)	(13)
Contribution to consolidated gross revenues	**2,645**	**2,103**

(a) Includes Hong Kong, Singapore, South Korea, Malaysia and Japan.
(b) Includes Poland and Ukraine.

Underlying, Adjusted earnings and Net Income

	2010	2009
Canada	139	87
Others	18	40
o/w Asia (a)	(13)	20
o/w Luxembourg	10	12
o/w Central and Eastern Europe (b)	(8)	(10)
o/w Reso (Russia)	30	18
UNDERLYING EARNINGS	**157**	**126**
Net realized capital gains or losses attributable to shareholders	28	7
ADJUSTED EARNINGS	**185**	**133**
Profit or loss on financial assets (under Fair Value option) & derivatives	(1)	3
Exceptional operations (including discontinued operations)	-	-
Goodwill and related intangibles impacts	(7)	(6)
Integration and restructuring costs	(0)	-
NET INCOME	**177**	**130**

(a) Includes Hong Kong, Singapore, South Korea, Malaysia and Japan.
(b) Includes Poland and Ukraine.

CANADA

Gross revenues increased by €262 million (+22%) to €1,436 million[85]. On a comparable basis, gross revenues increased by €75 million (+6%) as a result of higher volumes and tariffs increases in both Motor and Property lines.

Underlying earnings increased by €52 million (+60%) to €139 million. On a constant exchange rate basis, underlying earnings increased by €34 million (+39%) reflecting a 2.7 points improvement of combined ratio to 91.8% as a result of better weather conditions, tariffs increases in Personal lines (mainly in Property) and a lower effective income tax rate.

[85] *€1,428 million after intercompany eliminations.*

Adjusted earnings increased by €63 million (+69%) to €154 million. On a constant exchange rate basis, adjusted earnings increased by €43 million (+47%) due to €34 million higher underlying earnings, €6 million lower impairment on equities and €3 million higher realized capital gains.

Net income increased by €60 million (+69%) to €147 million. On a constant exchange rate basis, net income increased by €41 million (+47%) mainly due to higher adjusted earnings.

ASIA[86]

Gross revenues increased by €203 million (+25%) to €1,023 million[87]. On a comparable basis, gross revenues increased by €55 million (+7%):

- *Personal lines* (80% of gross revenues) were up 6% or €+39 million due to €26 million in Motor benefiting from net new inflows in Japan (+61 000), tariffs increases in Singapore and Malaysia as well as €8 million increase in Health in South Korea,
- *Commercial lines* (20% of gross revenues) were up +4% or €6 million attributable to Motor in Singapore and Hong Kong.

Net technical result increased by €4 million (+2%) to €212 million. On a constant exchange rate basis, net technical result decreased by €17 million (-8%):

- *Current accident year loss ratio* increased by 1.4 point to 75.6% mainly as a result of a deterioration in Motor in South Korea due to a higher claims frequency, partly offset by an improvement in Singapore and Hong Kong in Motor,
- *All accident year loss ratio* increased by 4.8 points to 78.9% attributable to unfavorable prior year reserve developments in Singapore and Malaysia (€22 million) as well as €6 million reserve strengthening in South Korea and Japan.

Expense ratio decreased by 0.7 point to 24.6% with the administrative expense ratio down 0.8 point reflecting a tight management of administrative expenses.

As a result, the **combined ratio** was up by 4.0 points to 103.6%.

Net investment result increased by €2 million (+9%) to €23 million. On a constant exchange rate basis, net investment result decreased by €1 million (-3%).

Income tax expenses decreased by €5 million to €2 million. On a constant exchange rate basis, income tax expenses decreased by €4 million mainly due to lower pre-tax underlying earnings.

Underlying earnings decreased by €34 million to €-13 million. On a constant exchange rate basis, underlying earnings decreased by €32 million.

Adjusted earnings decreased by €25 million to €-1 million. On a constant exchange rate basis, adjusted earnings decreased by €24 million mainly due to lower underlying earnings partly offset by €8 million higher realized capital gains.

Net income decreased by €24 million to €-4 million. On a constant exchange rate basis, net income decreased by €23 million mainly due to lower adjusted earnings.

CENTRAL AND EASTERN EUROPE (POLAND AND UKRAINE)

Gross revenues increased by €78 million to €109 million. On a comparable basis, gross revenues increased by €9 million driven by Poland (+26% or €+8 million) with significant net new inflows in Personal Motor (+45,000) and Ukraine (+2% or €+1 million) mainly in Commercial Health.

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[86] *Includes Honk Kong, Singapore, South Korea, Malaysia and Japan.*

[87] *€1,016 million after intercompany eliminations.*

Underlying earnings and **adjusted earnings** increased by €2 million to €-8 million mainly reflecting higher net technical result mainly driven by operational leverage in Poland.

Net income remained stable at €-8 million.

RESO GARANTIA (RUSSIA)

Underlying earnings, **adjusted earnings** and **net income** increased by €13 million (+71%) to €30 million. On a constant exchange rate basis, underlying earnings, adjusted earnings and net income increased by €10 million mainly driven by a decrease in loss ratio and to a lower extent a lower expense ratio.

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)

	2010	2009
AXA Corporate Solutions Assurance	1,951	1,946
AXA Global Life and Global P&C (a)	50	59
AXA Assistance	929	883
Other (b)	95	108
TOTAL	**3,025**	**2,996**
Intercompany transactions	(178)	(136)
Contribution to consolidated gross revenues	**2,847**	**2,860**

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

Underlying, Adjusted earnings and Net Income

	2010	2009
AXA Corporate Solutions Assurance	161	132
AXA Global Life and Global P&C (a)	17	(3)
AXA Assistance	16	16
Other (b)	95	141
UNDERLYING EARNINGS	**290**	**286**
Net realized capital gains or losses attributable to shareholders	53	19
ADJUSTED EARNINGS	**343**	**306**
Profit or loss on financial assets (under Fair Value option) & derivatives	32	20
Exceptional operations (including discontinued operations)	3	1
Goodwill and related intangibles impacts	-	(1)
Integration and restructuring costs	-	-
NET INCOME	**378**	**326**

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

AXA Corporate Solutions Assurance

(in Euro million)

	2010	2009
Gross revenues	**1,951**	**1,946**
Current accident year loss ratio (net)	85.6%	87.2%
All accident year loss ratio (net)	81.5%	84.0%
Net technical result before expenses	**364**	**311**
Expense ratio	15.4%	15.0%
Net investment result	184	186
Underlying earnings before tax	**245**	**205**
Income tax expenses / benefits	(81)	(71)
Net income from investments in affiliates and associates	-	-
Minority interests	(2)	(2)
Underlying earnings Group share	**161**	**132**
Net capital gains or losses attributable to shareholders net of income tax	5	12
Adjusted earnings Group share	**166**	**144**
Profit or loss on financial assets (under FV option) & derivatives	26	16
Exceptional operations (including discontinued operations)	-	-
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	-	-
Net income Group share	**192**	**160**

Gross revenues increased by €5 million to €1,951 million[88]. On a comparable basis, gross revenues decreased by €55 million (-3%) mainly due to portfolio selection focused on profitability (Aviation (-15%), Financial lines (-30%), Property (-4%), Liability (-3%)) partly offset by positive developments in Motor (+11%), Construction (+6%) and Marine (+1%).

Net technical result increased by €53 million (+17%) to €364 million. On a constant exchange rate basis, net technical result increased by €52 million (+17%):

- *Current accident year loss ratio* decreased by 1.6 points to 85.6% explained by a lower level of attritional claims charge, reflecting the impact of portfolio selection focused on profitability and tariff increases,
- Prior year technical result increased by €19 million (from €72 million to €91 million) as a result of positive prior year reserve and premium developments.

As a consequence, the all accident year loss ratio decreased by 2.5 points to 81.5%.

Expense ratio increased by 0.4 point to 15.4% mainly due to higher staff costs related to the development of new foreign branches and a negative exchange rate impact (0.1 point).

As a result, the **combined ratio** decreased by 2.2 points to 96.9%.

Net investment result slightly decreased by €2 million (-1%) to €184 million. On a constant exchange rate basis, net investment result decreased by €3 million (-2%).

Income tax expenses increased by €11 million (+15%) to €-81 million. On a constant exchange rate basis, income tax increased by €10 million (+15%) mainly due to higher pre-tax underlying earnings partly offset by €5 million non-recurring tax benefit.

Underlying earnings increased by €29 million (+22%) to €161 million. On a constant exchange rate basis, underlying earnings increased by €28 million (+21%).

[88] *€1,931 after intercompany eliminations.*

Adjusted earnings increased by €22 million (+15%) to €166 million on a constant exchange rate basis, driven by the increase in underlying earnings partly offset by €7 million lower realized capital gains net of impairments notably in equities.

Net income increased by €32 million (+20%) to €192 million. On a constant exchange rate basis, net income increased by €31 million (+20%) reflecting higher adjusted earnings and a more favorable change in fair value on mutual funds (€+9 million) mainly in private equity funds.

AXA Global Life and Global P&C[89]

Underlying earnings increased by €20 million to €17 million as a result of improved technical results in AXA Motor Liability cover and lower Nat Cat charge impacting AXA Property pool results.

Adjusted earnings increased by €21 million to €18 million reflecting higher underlying earnings.

Net income increased by €19 million to €22 million reflecting higher adjusted earnings, positive impact of unrealized capital gains mainly on equities partly offset by negative impact of foreign exchange rates.

AXA Assistance

Gross revenues increased by €46 million (+5%) to €929 million[90]. On a comparable basis, gross revenues decreased by €15 million (-2%) mainly due to the end of a joint-venture in Japan and portfolio selection in Legal Protection partly offset by Travel business development.

Underlying earnings increased by €1 million (+3%) to €16 million mainly driven by Travel activity development.

Adjusted earnings increased by €3 million (+25%) to €17 million mainly reflecting higher underlying earnings and €3 million higher realized capital gains net of impairment.

Net income increased by €8 million to €20 million mainly reflecting higher adjusted earnings and capital gain following the end of a joint-venture in Japan.

Other international activities

Underlying earnings decreased by €45 million (-32%) to €95 million. On a constant exchange basis, underlying earnings decreased by €48 million (-34%) driven by lower results on Property & Casualty run-off portfolio partly offset by lower losses on Life run-off portfolio.

Adjusted earnings decreased by €8 million (-6%) to €142 million. On a constant exchange basis, adjusted earnings decreased by €11 million (-7%) as a result of €48 million lower underlying earnings and lower realized capital gains partly offset by a €+45 million positive impact following a change in the French tax regulation on the "réserve de capitalisation" balance in French entities.

Net income decreased by €7 million (-4%) to €144 million. On a constant exchange basis, net income decreased by €9 million (-6%), mainly as a result of lower adjusted earnings.

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

[90] *€772 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)	2010	2009
AllianceBernstein	2,203	1,973
AXA Investment Managers	1,482	1,445
TOTAL	**3,685**	**3,419**
Intercompany transactions	(357)	(344)
Contribution to consolidated gross revenues	**3,328**	**3,074**

Underlying, Adjusted earnings and Net Income

(in Euro million)	2010	2009
AllianceBernstein	143	185
AXA Investment Managers	125	171
UNDERLYING EARNINGS	**269**	**355**
Net realized capital gains or losses attributable to shareholders	(5)	-
ADJUSTED EARNINGS	**264**	**355**
Profit or loss on financial assets (under Fair Value option) & derivatives	21	49
Exceptional operations (including discontinued operations)	2	5
Goodwill and related intangibles impacts	-	-
Integration and restructuring costs	(31)	-
NET INCOME	**255**	**409**

AllianceBernstein

(in Euro million)

	2010	2009
Gross revenues	**2,203**	**1,973**
Net investment result	(3)	22
General expenses	(1,821)	(1,665)
Underlying earnings before tax	**379**	**331**
Income tax expenses / benefits	(93)	(26)
Minority interests	(142)	(120)
Underlying earnings Group share	**143**	**185**
Net capital gains or losses attributable to shareholders net of income tax	-	-
Adjusted earnings Group share	**143**	**185**
Profit or loss on financial assets (under FV option) & derivatives	0	20
Exceptional operations (including discontinued operations)	2	0
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(29)	-
Net income Group share	**116**	**205**
Average exchange rate : 1.00 € = $	*1.3370*	*1.3945*

Assets under management ("AUM") increased by €16 billion from year-end 2009 to €362 billion at the end of 2010 driven by market appreciation of €31 billion, positive exchange rate impact of €24 billion and €6 billion change in scope from the acquisition of SunAmerica Alternative Investment Group, partly offset by net outflows of €44 billion (€37 billion from Institutional clients, €6 billion from Retail and €1 billion from Private Clients).

Gross revenues increased by €230 million (+12%) to €2,203 million[91]. On a comparable basis, gross revenues increased by €135 million (+7%) driven by higher management fees (+8%) due to 6% higher average AUM and higher distribution fees (+22%) from higher Retail AUM.

Net investment result decreased by €25 million to €-3 million. On a constant exchange rate basis, net investment result decreased by €25 million due to lower realized and unrealized gains on investments related to deferred compensation obligations, offset in general expenses.

General expenses increased by €157 million (+9%) to €1,821 million. On a constant exchange rate basis, general expenses increased by €81 million (+5%) mainly due to (i) higher compensation expenses (6% or €55 million) due to higher deferred compensation obligations and (ii) higher promotion and servicing expenses (13% or €43 million) due to higher distribution fees (from higher average Retail AUM).

As a result, the **underlying cost income ratio** improved by 1.0 point to 80.6%.

Income tax expenses increased by €67 million to €-93 million. On a constant exchange rate basis, income tax expenses increased by €63 million due to the non-repeated 2009 one-time tax benefit of €62 million primarily due to the release of reserves relating to the tax treatment of compensation plans.

Underlying and **adjusted earnings** decreased by €41 million (-22%) to €143 million. On a constant exchange rate basis, underlying earnings decreased by €47 million (-25%).

AXA ownership of AllianceBernstein as of December 31, 2010 was 61.4%, down by 0.7% largely due to the issuance of 13 million restricted units to fund deferred compensation awards mostly offset by repurchases of AllianceBernstein units in 2010.

[91] *€2,109 after intercompany eliminations.*

Net income decreased by €89 million (-43%) to €116 million. On a constant exchange rate basis, net income decreased by €94 million (-46%) as a result of lower adjusted earnings combined with €20 million less favorable change in fair value of financial assets, together with €-29 million lease write-off following restructuring plans implemented in previous years.

AXA Investment Managers ("AXA IM")

(in Euro million)

	2010	2009
Gross revenues	**1,482**	**1,445**
Net investment result	18	(3)
General expenses	(1,375)	(1,158)
Underlying earnings before tax	**124**	**284**
Income tax expenses / benefits	(38)	(87)
Minority interests	39	(26)
Underlying earnings Group share	**125**	**171**
Net capital gains or losses attributable to shareholders net of income tax	(5)	-
Adjusted earnings Group share	**120**	**171**
Profit or loss on financial assets (under FV option) & derivatives	20	29
Exceptional operations (including discontinued operations)	0	5
Goodwill and other related intangibles impacts	-	-
Integration and restructuring costs	(2)	-
Net income Group share	**139**	**204**

Assets under management ("AUM") increased by €17 billion from year-end 2009 to €516 billion at the end of 2010 mainly as a result of €22 billion favorable market impact and €18 billion favorable foreign exchange impact, partly offset by €20 billion negative net outflows, of which €29 billion net outflows at AXA Rosenberg, partly offset by €9 billion net inflows mainly on AXA Fixed Income and AXA Framlington expertises.

Gross revenues increased by €36 million (+2%) to €1,482 million[92]. On a comparable basis and excluding distribution fees (retroceded to distributors), net revenues increased by €13 million (+1%) to €1,090 million mainly due to higher performance fees (€+11 million) while management fees remained flat.

Net investment result increased by €21 million to €18 million. On a constant exchange rate basis, net investment result increased by €19 million mainly driven by higher realized carried interests and lower interests paid.

General expenses increased by €218 million (+19%) to €1,375 million. On a constant exchange rate basis and excluding distribution fees, general expenses increased by €190 million (+25%). Excluding the €168 million provision related to the AXA Rosenberg coding error[93], general expenses increased by €22 million (+3%) mainly driven by non-recurring €17 million external fees at AXA Rosenberg and higher IT costs.

As a result, the **underlying cost income ratio** increased by 15.6 points to 88.8%. Excluding the provision related to the AXA Rosenberg coding error, the underlying cost income ratio would have increased by 0.5 point to 73.6%.

Income tax expenses decreased by €49 million (-56%) to €-38 million or by €48 million (-55%) on a constant exchange rate basis. Excluding the €49 million net tax credit arising from the provision related to the AXA Rosenberg coding error[93], income tax expenses would have increased by €1 million.

Minority interests decreased by €65 million to €39 million, or by €63 million on a constant exchange rate basis. Excluding the €53 million minority interests in the provision related to the AXA Rosenberg coding error[93], minority interests decreased by €11 million mainly as a result of a lower contribution from AXA Rosenberg.

[92] *€1,219 million after intercompany eliminations.*

[93] *The provision related to AXA Rosenberg coding error was reported in AXA SA underlying earnings in half year 2010.*

Underlying earnings decreased by €46 million (-27%) to €125 million at both current and constant exchange rate bases. Excluding the €66 million net provision related to the AXA Rosenberg coding error[93], underlying earnings increased by €19 million (+11%) as lower contribution from AXA Rosenberg (€-29 million or -87%) was more than offset by €49 million higher underlying earnings (+35%) from other expertises of AXA IM.

Adjusted earnings decreased by €50 million (-29%) to €120 million. On a constant exchange rate basis, adjusted earnings decreased by €51 million (-30%). Excluding the €66 million net provision related to the AXA Rosenberg coding error[93], adjusted earnings increased by €15 million (+9%) as the higher underlying earnings were partly offset by a €-5 million impairment charge.

Net income decreased by €66 million (-32%) to €139 million on both current and constant exchange rate bases. Excluding the €66 million net provision related to the AXA Rosenberg coding error[93], net income was flat, as higher adjusted earnings were offset notably by an unfavorable foreign exchange impact on USD-denominated inter-company debt (€-15 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)

	2010	2009
AXA Banks (a)	**496**	**472**
o/w Belgium (b)	311	301
o/w France	116	112
o/w Hungary	59	45
o/w Germany	15	15
o/w Switzerland	(2)	(1)
o/w Others (c)	(3)	(0)
Others	**7**	**8**
TOTAL	**504**	**480**
Intercompany transactions	(44)	(85)
Contribution to consolidated gross revenues	**459**	**395**

(a) Of which AXA Bank Europe and its branches: €365 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)

	2010	2009
AXA Banks (a)	**15**	**3**
o/w Belgium (b)	64	24
o/w France	1	0
o/w Hungary	(19)	(2)
o/w Germany	(0)	(4)
o/w Switzerland	(14)	(11)
o/w Others (c)	(16)	(3)
Others	**(6)**	**(5)**
UNDERLYING EARNINGS	**9**	**(2)**
Net realized capital gains or losses attributable to shareholders	(3)	(4)
ADJUSTED EARNINGS	**7**	**(6)**
Profit or loss on financial assets (under Fair Value option) & derivatives	9	(8)
Exceptional operations (including discontinued operations)	-	-
Goodwill and related intangibles impacts	(0)	(0)
Integration and restructuring costs	(6)	(4)
NET INCOME	**9**	**(17)**

(a) of which AXA Bank Europe and its branches: €14 million.
(b) Includes commercial activities in Belgium for €32 million and shared services of AXA Bank Europe (treasury and support functions) for €32 million.
(c) Includes Slovakia and Czech Republic.

AXA Banks

BELGIUM

Net banking revenues increased by €11 million (+4%) to €311 million. On a comparable basis[94], net banking revenues increased by €34 million (+15%) mainly due to higher interest margin driven by mortgage and consumer loans portfolio growth and an increase in fee income following higher volumes.

Underlying earnings increased by €40 million (+170%) to €64 million. On a comparable basis[95], underlying earnings increased by €50 million to €64 million mainly due to a 2010 non-recurring tax benefit (€22 million), lower distribution commissions (€+10 million mainly following lower net new money), a higher interest and commission margin (€+16 million), and a decrease in provision on loan losses (€+3 million) partly offset by higher administrative expenses (€-7 million) mostly resulting from a new deposits protection scheme.

Adjusted earnings increased by €42 million to €61 million mainly due to the increase in underlying earnings and lower impairments on fixed income (€+2 million).

Net income increased by €60 million to €66 million mainly driven by the increase in adjusted earnings and following an improvement of hedging efficiency.

FRANCE

Net banking revenues increased by €3 million (+3%) to €116 million. On a comparable basis[94], net banking revenues increased by €12 million (+13%) to €103 million mainly led by interest margin improvement and higher fees on current account activity.

Underlying and **adjusted earnings** increased by €1 million to €1 million, revenue growth being partly offset by higher expenses (€-6 million) following an investment program to support growth.

Net income decreased by €1 million to €2 million, reflecting less favorable change in fair value of macro-hedge derivatives instruments following lower interest rates decrease.

HUNGARY

Net banking revenues increased by €14 million (+32%) to €59 million. On a comparable basis[94], net banking revenues increased by €14 million (+25%) due to loans and deposits portfolio growth.

Underlying earnings and **adjusted earnings** decreased by €17 million to €-19 million. On a comparable basis[96], underlying earnings and adjusted earnings decreased by €27 million to €-19 million mainly due to higher provision for loan losses following depressed real estate market and unfavorable macro-economic environment as well as a new tax on the financial sector (€6 million).

Net income decreased by €20 million to €-23 million due to decrease of adjusted earnings and exchange rates impact (€-2 million).

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

[95] *In banking segment, for underlying earnings, "on a comparable basis" means after allocation of central treasury results to the various branches of AXA Bank Europe in 2009.*

[96] *In banking segment, for underlying earnings, "on a comparable basis" means after allocation of central treasury results in 2009.*

GERMANY

Net banking revenues remained stable at €15 million. On a comparable basis[94], net banking revenues increased by €6 million (+78%) driven by the increase of the interest margin due to lower interest paid as well as higher fees on mutual funds activities.

Underlying earnings as well as **adjusted earnings** and **net income** increased by €4 million to €0 million driven by lower expenses due to lower mortgage new business.

CZECH REPUBLIC

Underlying earnings as well as **adjusted earnings** and **net income** decreased by €10 million to €-13 million on a constant exchange rate basis mainly driven by higher expenses following the launch of the banking activity in 2009**.**

SWITZERLAND

Underlying earnings as well as **adjusted earnings** and **net income** decreased by €2 million to €-14 million on a constant exchange rate basis.

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 Belgium Holdings, CDOs and real estate companies.

Underlying, Adjusted earnings and Net Income

(in Euro million)	2010	2009
AXA	(553)	(602)
Other French holdings companies	(40)	(24)
Foreign holdings companies	(251)	(194)
Others (a)	9	28
UNDERLYING EARNINGS	**(836)**	**(793)**
Net realized capital gains or losses attributable to shareholders	2	(64)
ADJUSTED EARNINGS	**(834)**	**(857)**
Profit or loss on financial assets (under Fair Value option) & derivatives	(226)	288
Exceptional operations (including discontinued operations)	20	(135)
Goodwill and related intangibles impacts	0	0
Integration and restructuring costs	(0)	0
NET INCOME	**(1,040)**	**(703)**

(a) Includes notably CDOs and real estate entities.

AXA[97]

Underlying earnings[98] increased by €49 million to €-553 million mainly due to a decrease of financial charges by €102 million mainly driven by lower interest rates partly offset by higher €-38 million tax expenses resulting from higher dividends received from consolidated foreign subsidiaries.

Adjusted earnings increased by €83 million to €-549 million mainly driven by underlying earnings evolution and net higher realized capital gains by €34 million, including €-18 million premium amortization on equity calls option.

Net income decreased by €149 million to €-691 million mainly driven by:

- €-379 million unfavorable change in fair value of interest rates and foreign exchange derivatives instruments which are not eligible to hedge accounting mainly due to interest rates decrease,
- €-61 million on time value related to equity derivatives,
- partly offset by the adjusted earnings evolution of €+83 million, and a partial release by €92 million of deferred tax liability due to a more favorable tax rate (short term to long term tax regime) related to the potential sale of the Australia & New Zealand business, compared to €141 million allowance in 2009.

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

[98] *In half year 2010, net reserve related to AXA Rosenberg coding error was presented in AXA SA earnings and booked in full year 2010 at AXA IM.*

Other French holding companies

AXA France Assurance.

Underlying earnings, adjusted earnings and net income increased by €14 million to €-9 million mainly due to lower tax expenses (€13 million) resulting from lower inter-company dividends received.

Other French holdings.

Underlying earnings decreased by €30 million to €-32 million mainly reflecting a €-17 million operational losses in India related to the Property & Casualty activity which is not consolidated and an increase in financial charges.

Adjusted earnings decreased by €21 million to €-35 million mainly driven by underlying earnings evolution partly offset by lower impairments.

Net income decreased by €32 million to €-47 million driven by adjusted earnings evolution and residual past losses in India Property & Casualty operations (€-10 million).

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings decreased by €50 million (-43%) to €-165 million. On a constant exchange rate basis, underlying earnings decreased by €43 million (-37%) primarily due to a €53 million increase in financial charges related to internal debt restructuring at the end of 2009 and a €11 million increase in equity based compensation reflecting an increase in performance unit expense.

Adjusted earnings decreased by €50 million (-43%) to €-165 million. On a constant exchange rate basis, adjusted earnings decreased by €43 million (-37%), in line with underlying earnings evolution.

Net income decreased by €102 million (-83%) to €-225 million. On a constant exchange rate basis, net income decreased by €93 million (-75%) due to lower adjusted earnings and an unfavorable fair value of a cross currency swap.

AXA Asia Pacific Holdings [99]

Underlying earnings decreased by €12 million to €-23 million. On a constant exchange rate basis, underlying earnings decreased by €8 million due to the restructuring of inter-company loans, higher Asian corporate expenses offset by lower financial charges on lower debt levels.

[99] *AXA interest in AXA Asia Pacific Group is 54.03% broken down into 53.93% direct interest holding and an additional 0.10% owned by the AAPH Executive plan trust.*

Adjusted earnings decreased by €17 million to €-23 million. On a constant exchange rate basis, adjusted earnings decreased by €12 million mainly due to the decrease in underlying earnings.

Net income decreased by €45 million to €-32 million. On a constant exchange rate basis, net income decreased by €39 million due to the decrease in adjusted earnings combined with lower foreign exchange gains on USD denominated inter-company debt, costs associated with the probable sale of the Australia & New Zealand operations.

AXA UK Holdings

Underlying earnings decreased by €9 million (-37%) to €-32 million. On a constant exchange rate basis, underlying earnings decreased by €8 million (-32%) mainly due to lower tax one-offs (€-18 million), partially offset by €17 million lower financial charges reflecting lower interest rates and repayment of a Euro-denominated inter-company debt in July 2009.

Adjusted earnings decreased by €10 million (-43%) to €-34 million. On a constant exchange rate basis, adjusted earnings decreased by €9 million in line with underlying earnings.

Net income decreased by €40 million (-130%) to €-9 million. On a constant exchange rate basis, net income decreased by €40 million (-129%) reflecting adjusted earnings evolution together with a significant decrease of €43 million on exchange rate gains following the repayment of a Euro-denominated inter-company debt partially offset by the unwind of interest rate swaps (€+11 million) following the redemption of subordinated debt.

German Holding companies

Underlying earnings increased by €7 million to €16 million mainly due to non-recurring provision releases (€+21 million) partly offset by lower non-recurring positive tax impacts.

Adjusted earnings increased by €36 million to €18 million mainly driven by the increase of underlying earnings and lower impairments on equities.

Net income increased by €21 million to €9 million due to higher adjusted earnings partly offset by unrealized losses on derivatives in 2010 and a non-recurring gain on the sale of a stake in a sales company in 2009.

Belgium Holding companies

Underlying earnings decreased by €3 million (-70%) to €1 million mainly due to the lower net investment result following the anticipated reimbursement of a subordinated loan granted to AXA Belgium partly compensated by lower financial charges.

Adjusted earnings decreased by €2 million (-66%) to €1 million following the underlying earnings evolution.

Net income increased by €6 million to €1 million mainly due to the price adjustment on Dutch activities sale in 2009.

Mediterranean and Latin American Region Holdings

Underlying earnings increased by €9 million to €-63 million. On a comparable exchange rate basis, underlying earnings increased by €9 million due to lower financial charges on floating rate loans.

Adjusted earnings increased by €9 million to €-63 million. On a comparable exchange rate basis, adjusted earnings increased by €9 million in line with underlying earnings.

Net income increased by €6 million to €-65 million. On a comparable exchange rate basis, underlying earnings increased by €6 million following adjusted earnings partly offset by litigation fees related to the acquisition in Mexico.

Other

CFP

Underlying earnings, adjusted earnings and **net income** decreased by €-19 million (-67%) to €9 million driven by less favorable run-off developments.

Outlook

Global economic growth should remain robust in 2011 and monetary policies could gradually become less accommodative, leading to higher interest rates.
While insurance premium growth should remain modest in Western countries and Japan, it should continue at a fast pace in high growth countries.
In Life & Savings, the financial markets should be slightly more favourable for both volumes and margins on new business, as well as for the overall value of our inforce portfolio.
In Property & Casualty, the underwriting cycle should continue to gradually improve which, combined with our pricing actions, should lead to better current year loss ratios, allowing our current year combined ratio to converge to 100% in 2011.
In Asset Management, improved recent investment performance and increased risk appetite should lead to lower outflows and our cost income ratio should come down.
Our operational agility should deliver productivity gains across business lines which, combined with a continued strong focus on capital management, should support value creation and the improvement of the Group operating free cash flows.

Glossary

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 :
  - All perpetual debts (TSS / TSDI) are treated as financing debt, thus excluded from shareholders' equity
  - Interest charges on TSS / TSDI are deducted from earnings
  - OCI is excluded from the average shareholders' equity.

LIFE & SAVINGS MARGIN ANALYSIS

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

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

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

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

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

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

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

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

- For investment contracts without DPF:

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

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

Underlying Investment margin includes the following items:

(i) Net investment income

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

Underlying Fees & Revenues include:

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

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

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

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

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

Underlying Net Technical margin includes the following components:

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

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

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

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

(v) Ceded reinsurance result,

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

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 **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 including distribution revenues) / (gross revenues excluding distribution revenues).

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.