

Activity report

Full Year 2007



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Insurance and Asset Management markets	3
Market conditions in 2007	9
December 31, 2007 operating highlights	10
Events subsequent to December 31, 2007	14
Life & Savings Segment	25
Property & Casualty Segment	49
International Insurance Segment	65
Asset Management Segment	68
Banking segment	72
Holdings and other companies	74
Outlook	77
Glossary	78

Insurance and Asset Management markets

Life & Savings

France¹. French Life Insurance market declined by 3% in 2007, especially on Individual lines business (-4%) whereas Group Life business increased by 7%. This negative market evolution can be explained by the impact of new law on inheritance tax enacted in 2007 and by some positive regulatory impacts (Fourgous, PEL,...) which explained the exceptional growth in 2006 (+17%). In this context, AXA outperformed the market on individual lines business (+1.5%), in particular with the successful launch of Capital Resources (APE: €23 million). AXA France maintained its market position on Group business with a growth of +1.9% after an exceptional growth in 2006 (especially on retirement). On the total Life market, AXA ranked third.

United States². In the annuity market, variable annuities were the product of choice with industry sales up 15% through the first nine months of the year, primarily driven by the demand for guaranteed living benefit riders. Industry fixed annuity sales continued to decrease (-8%) over the same period as a result of the continued low interest rate and competition from products such as bank certificates of deposit. In the Life insurance market, total Life industry sales were up 7% for the first nine months of 2007. Strong first half equity market performance, higher universal Life prices, greater tax clarity on some Group Life policies and expansion into other distribution channels buoyed variable Life sales (+8%) through the first three quarters of 2007. Life insurance products, such as universal Life, continued their strong sales in the first nine months of 2007, with industry universal Life sales up 10%. For the same period, fixed whole Life insurance sales increased by 1%, and term insurance sales increased by 7%. AXA gained market share, ranking second in the variable annuity market and ninth in the variable Life market for the first nine months of 2007.

United Kingdom³. New annualized business (new regular premiums plus 10% of single premiums) were 16% higher than the same period in 2006. Despite mild stock market instability, and concern over the proposed changes to capital gains tax announced in the Pre Budget Report, “Wealth Management” markets held up. Popularity of open architecture investment vehicles (Wrap and Self-Invested Personal Pensions) continued. Stock market falls commenced at the end of the period. The positive effects from individuals and corporates reviewing existing pension arrangements resulting from ‘A Day’ Pension Simplification changes continued throughout the period. This also influenced increased activity in drawdown and annuity products. Large numbers of final salary scheme restructuring also drove Corporate Personal Pensions growth, although the market fell off at the end of the period. The Protection market remained flat as mortgage sales were depressed by the ongoing credit crunch and the United Kingdom house prices seeing their biggest fall in 12 years. Within AXA, the traditional IFA and multi-tie channels represented collectively 76% of total market new business. AXA’s market share was 7.8% (as of September 2007).

Japan⁴. The Life insurance industry faced two main challenges during 2007: (i) the March 2007 announcement of a substantial reduction in the tax deductibility of the Increasing Term product (a key product for a number of insurers) led to most insurers discontinuing the product, and (ii) the regulator mandated retrospective review of all medical claims paid in the past five years which, following most insurers identifying claims which had been unpaid or underpaid, generated significant negative sentiment in the press for the industry. Whilst these conditions impacted many insurers, individual annuity sales sourced from bancassurance distribution channels continued to generate growth for a number of insurers. Changes in deregulation (notably bancassurance and the postal service privatisation), social infrastructure (including a population that is both ageing & declining) and customer sophistication are expected to continue to influence market dynamics. Being one of the most mature insurance markets, Japan continues to be a highly competitive market. AXA is 10th in the market based on the number of inforce policies (3rd for Medical products).

¹ Source: FFSA.

² Please note that the numbers quoted for the market data (Life and annuity) are for the nine months ended September 30, 2007. Source: LIMRA and VARDS (Morning Star).

³ Please note that the numbers quoted for the market data (Life and annuity) are for the nine months ended September 30, 2007.

⁴ Source: Insurance Research Institute. Statistics of Life Insurance Business in Japan. Fiscal Year 2006.

Germany⁵. In 2007, German Life & Savings market was flat. The trend away from traditional products in favour of unit-linked annuity products (+20% in terms of regular premiums and +75% in terms of single premiums) kept going on. 2007 was impacted by the increase in short-term and medium-term investment products (increase by 26% in terms of single premiums) which competed directly with banking products. The core products of the Retirement Earnings Law (“Alterseinkünftegesetz”), the “Rürup” pensions grew by 100% in terms of regular premiums. “Riester” products decreased by 25% in terms of regular premiums in 2007 due to one-off effect last year as 2006 benefited from fiscal incentives. In the Life market, AXA ranked sixth (2006 figures including DBV-Winterthur in terms of gross revenues). German Private Health insurance market grew by 2.9% impacted by two opposite effects, on the one hand the increases of the premium rates for Public Health insurance which favoured the switch from Public to Private and on the other hand the more stringent rules of the Health reform relating to the income threshold. In the Health market, AXA ranked fifth (2006 figures including DBV-Winterthur in terms of gross revenues).

Switzerland⁶. The Life market was flat. Switzerland was impacted by a low interest rate level with tighter margins and highly competitive re-investment activities of banks and autonomous pension “foundations”. Estimated Group Life market growth in 2007 of +1.5% was mainly caused by intrinsic drivers such as salary increases and favourable economic environment. Customers benefited from increased pricing competition and enhanced customer retention services. The estimated Individual Life market growth of +1.6% derived from significantly increased unit-linked insurance product sales (+12.9%) and good re-investment opportunities due to large portfolio maturities in traditional insurance business. After the AXA Lausanne integration, AXA Winterthur ranked second both in Group Life and Individual Life.

Belgium⁷. The Life market returned to a normal trend in 2007 with a growth of approximately 9%, following a 2006 market downturn in Individual Investment and Savings, due to several tax changes. The growth was mainly attributable to non unit-linked market increase, estimated around +23%, whereas the unit-linked market sharp decline was estimated at around -31%. Corporate Life was expected to grow by nearly 13%. AXA ranked 3rd⁸.

Mediterranean Region. In Spain, the liquidity crisis and the domestic debt levels, along with a new fiscal law which removed tax advantages from insurance, led to a growth of 2.1%⁹. In Italy, 2007 market forecast¹⁰ for new business showed a 7.0% decrease, especially on bankinsurance (-10%) and agents networks (-19%) impacted by the strong drop in corporate contracts (-43%). After the recession started in 2003, the Portuguese economy started to recover, though the unemployment rate remained at high levels. The Life & Savings market grew by 6.9%¹¹. Greece experienced a rapid growth, remaining as one of the European insurance markets with a low penetration rate. In this context, the Life & Savings segment grew in 2007 by 6.6%¹². The Turkish economy maintained a fast growth. However, the competition of Private Protection Plan’s companies led to a decrease of the savings business. In Morocco, the penetration rate remained very low and the market experienced a boost in the Bankinsurance business in the last years focused on capitalization and traditional risk products. In Spain, AXA ranked 9th; in Italy, it ranked 13th in a highly concentrated market; in Portugal, AXA was the 7th player in a market dominated by Bankinsurance channels; in Greece, AXA was ranked 10th; in Turkey, it ranked 3rd; in Morocco, it ranked 3rd (combining both Property & Casualty and Life & Savings segments).

Australia / New Zealand. Regulatory change and complexity, the continuing shift of financial responsibility from government to individuals and the poor savings behaviors of most households drove demand for quality financial advice and, in turn, the need for comprehensive support services for advisers. Growth in the wealth management product markets in Australia and New Zealand continued to be driven by the ageing population, government support for self funded retirement and strong investment markets. Major regulatory changes in both countries in 2006 and 2007 aimed at encouraging retirement savings were expected to maintain momentum with market growth rates

⁵ Source: GDV. Please note that the full year figures are preliminary estimations.

⁶ Source: the Swiss Insurance Association statistics.

⁷ source: Assuralia (Belgian Professional Union of Insurance companies). Derived from the nine months ended September 30, 2007 figures.

⁸ Source: Assuralia (Belgian Professional Union of Insurance companies) (data as of 2006).

⁹ ICEA source.

¹⁰ IAMA source as of November 2007.

¹¹ Source: Portuguese Insurance Association.

¹² Source: Hellenic Association of Insurance Companies as of September 2007.

forecast of 11% per year¹³ for the next five years. Financial protection product markets were underpinned by rising incomes, asset appreciation and widespread under-insurance, with expected growth rates of 10% per annum¹⁴. Both Australia and New Zealand have open, competitive and relatively concentrated markets. The top 10 companies accounted for around 60% of retail funds under management, 75% of net retail funds flow and close to 90% of new and in-force annual premiums in Australia¹⁵. AXA ranked 4th for retail wealth management and 5th in financial protection in Australia. AXA is unique amongst major competitors in operating across the entire wealth management and financial protection value chain – asset management, products, platforms, adviser services and financial advice. With open competition at each stage of the value chain, this end-to-end presence allows AXA to capture more overall margin and be less sensitive to the shifting of margin between different parts of the value chain.

Hong Kong. The economy of Hong Kong continued to be strong in 2007 with GDP growing by 6.2%¹⁶ and the Hang Seng index growing by 39.3% in 2007. Hong Kong remained a very attractive Life insurance market, with high profit margins, high savings ratios and moderate Life insurance penetration. Individual Life market new business sales increased by 30%¹⁷ for the nine months to September 2007. Life insurance premiums increased over the past few years partly because of growing product options, strong growth in unit linked savings plan and the entry of banks and new distribution channels in the market. Hong Kong Life insurance market is relatively concentrated, with 53% of individual Life new business sales stemming from the top 5 companies. Following the acquisition of MLC Hong Kong in May 2006 and Winterthur Life (Hong Kong) in April 2007, and strong organic growth, AXA is now number three for inforce premiums and five for new business.

South East Asia & China. Strong economic growth momentum was observed in South East Asia throughout 2007, as GDP of the four middle-income ASEAN countries¹⁸ grew by 5.7% in the first and 6.2% in the second half of the year. Neighboring **China** expanded its GDP at an even faster pace (+11.5%) on the back of strong investment, solid consumption and resilient exports¹⁹. This strong macroeconomic environment set the stage for continued growth in the South East Asian life insurance markets where AXA is currently present. In particular, **Indonesia's** life insurance market returned to strong growth of 48%, with total premium income of €2.03 billion for the nine months ended 30 September 2007 (2006 – €1.37 billion)²⁰. The **Philippines** remained a similarly attractive market with over €0.75 billion in Life insurance premiums and very low Life insurance penetration of 1%. **Thailand**, a market with a relatively low Life insurance penetration of 2.7%²¹ grew to €3.73 billion²² in annual Life premiums, a 41% increase versus prior year. Last but not least, **Singapore** - a market that can be characterized by large bank deposits and an affluent but underinsured population - recorded gross life premiums of €3.26 billion²³ for the nine months ended September 2007. Likewise, **China** kept its attractiveness, currently being the fourth largest Asian life insurance market (after Japan, Korea and Taiwan) with €36.66 billion²⁴ in annual Life premiums and a low Life insurance penetration rate of 2%.

Central and Eastern Europe. The Life market benefited from a strong development (respectively +9% in Poland²⁵, +13% in Hungary²⁶ and +14% in the Czech republic²⁷). AXA's market share over the Region increased from 1.9% in 2006 to 2.5% in 2007. AXA ranked ninth in Hungary, tenth in Czech Republic and twelfth in Poland. Pension Funds market followed the same trend. AXA ranked second in Czech Republic and Slovakia and fifth in Poland and Hungary with a market share of 7.4% over the region (as compared to 5.0% in 2006).

¹³ Source: Plan for Life as of September 2007.

¹⁴ Source: DEXX&R..

¹⁵ Source: Plan for Life as of September 2007.

¹⁶ 3rd quarter 2007 year-on-year %change in real terms.

¹⁷ Source : OCI statistics, 2006Q3YTD and 2007Q3YTD.

¹⁸ Middle-income countries of the Association of Southeast Asian Nations: Indonesia, Malaysia, Philippines and Thailand.

¹⁹ Asia Development Bank, Asia Economic Monitor, Dec 2007.

²⁰ Indonesia Life Insurance Industry (AAJI).

²¹ Thai Life Assurance Association (TLAA).

²² Thai Life Assurance Association (TLAA).

²³ Singapore Life Insurance Association.

²⁴ CIRC publication, 2006 (www.circ.gov.cn).

²⁵ Polish Financial Supervision Authority site.

²⁶ Q3 2007 report of the Association of Hungarian Insurance Companies (Mabisz).

²⁷ Czech association of insurance companies.

Property & Casualty

France²⁸. In 2007, premiums grew by an estimated 2%. Motor business was estimated to have decreased by 0.5 % in 2007 (-1% in 2006) due to a very competitive market with a continuing pressure on prices. Household business is estimated to have increased by +5% due to the high increase of property index. Commercial business is estimated to have increased by +3% mainly thanks to Liability and Construction lines. In the Property and Casualty market, AXA was the second player.

United Kingdom & Ireland²⁹. Hardening of the United Kingdom market commenced, led by Motor which had modest upward trend throughout 2007. Household and Commercial remained soft, but Property lines were expected to harden following the summer floods. Liability lines were expected to be last to turn, with increases only offsetting claims inflation by 2009-2010. Within AXA, Personal Lines saw significant growth within Motor following the acquisition of Swiftcover and organic growth in household. Commercial lines revenues were flat reflecting difficult market conditions. AXA was up one position to 4th in the market. Overall growth in the Healthcare market remained limited and competition was intense but AXA growth of 12% was driven by new business deals, strong growth in International and product innovation. AXA continued to rank 2nd in the market, with a 1% growth in market share to 25.5%. In Ireland, the Motor market remained soft with intense competition and rates continued to fall. AXA ranked 4th in the Irish market³⁰.

Germany³¹. In 2007, total business decreased by 0.4% (to €55 billion). Personal and Commercial Motor lines fell by 1.8% in 2007 in the context of an intense price competition. Personal and Commercial Liability grew by 0.5%. Personal non-motor lines remained flat (property +0% and Accident +1%) as penetration was already high. Industrial property gross written premiums decreased by 5% due to pressure on prices. In the P&C market, AXA ranked fourth (2006 figures including DBV-Winterthur).

Switzerland³². The Swiss P&C market ranked first worldwide in both premiums per capita and premiums in % of GDP. While the market grew by 2.6% in 2006, mainly due to tariff increases in the Motor and Liability business lines, it started softening in 2007 at an expected 1% due to fierce competition. Motor business (25% of the market) should grow by 1.5%. Both Property and Workers Compensation lines of business slowed growth to about 0.9%. AXA Winterthur ranked first with a market share above 15%.

Belgium³³. The Property & Casualty market 2007 growth rate was still fuelled by the introduction of the natural peril coverage in mid-2006 and tariff increases in Health. The Motor market, which represented 32% of total Property & Casualty market was estimated to have grown by approximately 1.5%, following significant market pressure, while household premiums estimated growth was about 9% (natural peril). The Workers' compensation market should confirm its growth pace in 2007 at around 4%. AXA continued to rank first in the market.

Mediterranean Region. In Spain, the relative slowdown of the economy had an impact on the car sales industry - which showed a slight deceleration- and on the building industry. Price competition continued in the motor insurance market, which registered a 2.7%³⁴ growth. In Italy, 2007 market forecast in P&C³⁵ showed a 1.9% gross written premium increase. In Portugal, insurance activity faced an unfavourable economic environment (+0.1% in P&C³⁶). After the recession started in 2003, the Portuguese economy started to recover, but the unemployment rate remained at high levels. New regulation allowed clients to cancel their policies without mandatory notification, which increased cancellations and new business. Greece remained as one of the European insurance markets with a low penetration

²⁸ Source: FFSA.

²⁹ The ranking figures are based on publicly available Interim Reported Results presentations, and are generally on an IFRS basis. They are reported on a different basis to statutory reporting through FSA Returns (which are (UKGAAP).

³⁰ Based on data from Irish Insurance Federation 2006 fact files.

³¹ Please note that the full year figures are preliminary estimations. Source: GDV.

³² Based on a report by Swiss Re.

³³ Derived from the nine months ended September 30, 2007 figures (source: Assuralia (Belgian Professional Union of Insurance companies).

³⁴ ICEA source.

³⁵ IAMA source.

³⁶ Portuguese Insurance Association source.

rate, and its P&C segment grew in 2007 by 8.5%³⁷. The Turkish economy maintained a fast growth. Thus, Turkish P&C segment increased by 17%³⁸. In Morocco, the penetration rate was still very low. In Spain, AXA ranked 2nd in the non-life market; in Italy, it ranked 8th in the market; in Portugal, AXA ranked 2nd; in Greece, it ranked 10th; in Turkey, AXA ranked 2nd; in Morocco, AXA ranked 3rd (combining both Property & Casualty and Life & Segment segments).

Asia (excluding Japan). Singapore. The insurance market grew by 12% in gross written premiums in the first three quarters of 2007 as compared to the same period last year. Underwriting results remained profitable but declined due to higher incurred loss ratios particularly in motor class of business. AXA ranked 4th with 7.2%³⁹ of market share (3rd for motor and 2nd for Marine cargo). **Hong Kong.** The P&C industry grew by 4.7% in Gross written premiums for the first three quarters of 2007). However, Motor business contracted by 3.9% despite the increase in number of insured vehicles due to the soft market. Underwriting results remained profitable although lower than prior year, which was mainly due to higher claims and management expenses. AXA ranked 8th with 3.1%⁴⁰ of market share. The company was the 1st for Motor in 2006. **Malaysia.** The P&C industry grew by 3.9% in gross written premiums for the first three quarters of 2007. However, underwriting results showed a slight decrease in the same period, attributable to higher claims ratio particularly in Motor. AXA Malaysia ranked 18th with 2.6%⁴¹ of market share.

Korea⁴². The Property & Casualty market increased by 16.5% in 2007. Motor premiums increased by 13%, following tariff rises after several years of continuing pressure on prices. Premiums for Long-term products (which include all contracts with a maturity above 3 years, in particular Health, Medical and Accident) grew significantly by 21.4%. They are now representing 54% of the total Property & Casualty market. Kyobo AXA ranked 1st in the Direct Motor insurance market, or 6th (up from 8th in 2006) in the total Motor market with a 4.4% market share. In the total P&C market, Kyobo AXA ranked 12th.

International Insurance

AXA Corporate Solutions Assurance is the AXA Group subsidiary dedicated to Property and Casualty insurance of large multinational corporations, and to Aviation, Marine and Space insurance worldwide. After several years of rate increases and programs restructuring, the market experienced soft underwriting conditions on these lines of business from 2005 onwards. 2007 confirmed this trend on rates, which is to some extent due to low occurrence of major natural disasters in the recent years. AXA corporate Solutions is among the top five large corporate risks insurers in Europe⁴³.

Asset Management

Starting in mid-2007, increasing subprime mortgage delinquencies led to recessionary fears in the US, resulting in a pronounced decline in residential construction and consumer confidence. Reimbursement defaults notably in structured products used to re-fund the loans hit the financial market which faced significant outflows as the institutional investors needed cash to back losses or wanted to shift away from risky corporate debt. This liquidity crisis led numerous European investors to sell “dynamic” monetary funds while underlying assets were not liquid.

These developments generated concerns that global economic growth would slow, which in turn, had caused volatility in global equity markets as headlines about subprime losses, credit tightening and reduced liquidity persisted. In this context, the credit market registered a major spread widening due to assets illiquidity. Financial institutions became also increasingly cautious about extending credit, as they sought to maintain sufficient collateral coverage and capital to absorb potential losses, causing global growth to decelerate. The coordinated response of the central banks through rate cuts or increased liquidity were an important factor in addressing this crisis. In this environment, global asset

³⁷ Hellenic Association of Insurance Companies as of September 2007.

³⁸ Association of the Insurance and Reinsurance Companies of Turkey source as of September.

³⁹ Source: Monetary Authority of Singapore.

⁴⁰ Source: Office of the Commissioner of Insurance.

⁴¹ Source: Insurance Services Malaysia Bhd.

⁴² Source: General Insurance Association of Korea.

⁴³ Sources : Lehman Brothers, Merrill Lynch, JP Morgan, KBW, Annual Reports.

managers continued to face near-term challenges such as deteriorated investment returns and heightened volatility. However, offsetting this threat are positive long-term demographic trends reflecting the continuing shift of retirement assets from corporate and government programs to defined contribution and individual plans. This social transfer and the increasing number of global baby boomers approaching retirement represent tremendous opportunities for asset management firms. Global investors shifted increasingly their focus, raising demand for outcome-oriented advice and services, such as lifecycle and lifestyle funds designed to ensure the preservation of retirement assets. In Europe, in particular the continuing shift to open architecture provided opportunities for asset managers to grasp some of the current captive pools of assets. In addition, a dramatic widening of risk premiums provided the basis for enhanced absolute and relative investment returns, benefiting investors worldwide. The rise in demand for more sophisticated global investment solutions, including alternative investments such as hedge funds and private equity, created expanded opportunities and a distinct advantage for large, globally-diversified asset managers.

Market conditions in 2007

Financial markets

2007 was a year of contrasts. Activity in the financial sphere was robust, fuelled by abundant sources of liquidity. Credit expansion was continuing apace, and mergers/acquisitions were at record levels, with more than US\$1.5 trillion transacted in the first quarter alone. However, the US real estate correction that began in 2006 gradually revealed the fragility of the so-called subprime market. By the time summer rolled around, it had already begun to dawn on most observers that the subprime loans granted (worth around US\$1.5 trillion, nearly 15% of the total mortgage market) could be in real trouble. Hence, a financial crisis was born. In the first half of August, the ECB (European Central Bank) had to step in and put a halt to the liquidity crisis that was forming. The Fed injected US\$88 billion, and the ECB added €228 billion, between the 9th and the 16th of August. In addition, the central banks took steps intended to make it easier for banks to get cash, in particular by broadening the spectrum of securities eligible to be used as collateral for repos. At the end of the year, it became necessary to take yet other steps, including massive injections of liquidities, in order to prevent the substantial liquidity needs that emerged in late December from creating further tensions. Stateside, the Fed lowered its key rates three times, bringing the Fed Funds rate to 4.25%. The Bank of England also lowered its rates, while the ECB and the Bank of Japan left theirs untouched.

STOCK MARKETS

Looking at the major global stock market indices, the MSCI global gained nearly 10%, including dividends. The MSCI emerging gained close to 40%, after adding 33% in 2006. The Dow Jones and the DJ Euro Stoxx appreciated by 8.9% and 7.3% respectively, while in Japan, the Nikkei lost 11% on the year.

BOND MARKETS

After a difficult start to the year for government bonds, the mounting worries and the change in monetary policy created the conditions for a much more positive situation. In fact, US government bonds were one of the year's big winners, outperforming their European counterparts. The US 10-year T-bond ended the year at 4%, a decline of nearly 70bps compared with the beginning of the year, while the Bund yield rose by nearly 30bps to 4.33%. The yield curve underwent a major steepening, with the spread between the yield on 2 and 10 year bonds surpassing 90bps in the United States. A similar phenomenon was observed in the United Kingdom. Credit spreads widened with the iTRAXX Main (Investment Grade) moving from 23.4bps to 50.0bps in 2007 while the iTRAXX Crossover (Below Investment Grade) increased from 219.5bps to 338.8bps.

EXCHANGE RATES

Compared to December 31, 2006, the Dollar lost nearly 11% against the Euro (Closing exchange rate moved from 1.32\$ at the end of 2006 to 1.47\$ at the end of December 2007). The same was true for the yen at September 2007 but to a lesser extent (Closing exchange rate moved from 149.3 yens at the end of September 2006 used for Full Year accounts to 163.6 yens at the end of September 2007). The Pound Sterling lost nearly 9% against the Euro (Closing exchange rate moved from 0.672£ at the end of 2006 to 0.733£ at the end of December 2007). The Swiss Franc lost 3% against the Euro (Closing exchange rate moved from 1.61CHF at the end of 2006 to 1.66CHF at the end of December 2007).

On an average rate basis, the Dollar lost 9% against the Euro (from 1.26\$ over 2006 to 1.37\$ over 2007), whereas the yen lost 11 % against the Euro at September 2007 (from 142.9 yens for the twelve months to September 2006 used for Full Year accounts to 158.3 yens for the twelve months to September 2007). The Pound Sterling lost 0.3% against the Euro (from 0.682£ over 2006 to 0.684£ at the end of December 2007). The Swiss Franc lost 4% against the Euro (from 1.57CHF over 2006 to 1.64CHF at the end of December 2007).

December 31, 2007 operating highlights

Significant acquisitions and disposals

ACQUISITIONS

On January 12, 2007 (closing date), AXA U.K. announced that it had reached an agreement with **insurance brokers Stuart Alexander and Layton Blackham** to acquire both businesses. AXA U.K. acquired both firms through its subsidiary Venture Preference Ltd, (VPL) which already owned 38.9% of Layton Blackham. The two companies are to be combined and will have considerable autonomy to develop the business and will maintain independent broking status. Quality accounts with current insurers will be maintained and grown. The total cash consideration paid for 61.1% of Layton Blackham and 100% of Stuart Alexander amounted to £58.5 million.

On February 7, 2007, AXA U.K. announced that it was to acquire the U.K.'s only 100% online insurer, **Swiftcover**, jointly owned by international insurer Primary Group and Swiftcover's management. The transaction was closed on March 22, 2007. Swiftcover is a business on the U.K. Personal direct market, with net inflows of 120,000 policies in 2006. The upfront cash consideration for Swiftcover amounted to £75 million, with an additional potential earn-out of £195 million maximum over the next 4 years, based on policy volume and combined ratio level.

In connection with **AllianceBernstein's** acquisition of the business of Sanford C. Bernstein, Inc. in 2000, AXA Financial Inc. entered into a purchase agreement under which certain former shareholders of Sanford C. Bernstein have the right to sell ("Put") to AXA Financial, subject to certain restrictions set forth in the agreement, limited partnership interests in AllianceBernstein L.P. ("AllianceBernstein Units") issued at the time of the acquisition.

As of the end of 2006, AXA Financial, either directly or indirectly through wholly owned subsidiaries, had acquired a total of 24.5 million AllianceBernstein Units for an aggregate price of approximately \$885.4 million through several purchases made pursuant to the Put. AXA Financial completed the purchase of another tranche of 8.16 million AllianceBernstein Units pursuant to the Put on February 23, 2007 for a total price of approximately \$746 million. This purchase increased the consolidated economic interest of AXA Financial, Inc. and its subsidiaries in AllianceBernstein L.P. by approximately 3% from 60.3% to 63.2%.

On March 17, 2007, AXA Holdings Belgium SA reached an agreement with ELLA Holdings S.A. and its main shareholder Royalton Capital Investors to acquire 100% of the Hungarian retail bank **ELLA** and its affiliates. Originally specialized in on-line banking and today the fastest growing bank in Hungary, ELLA is the 6th largest supplier of mortgage loans in the country with total assets of €375 million at the end of 2006. The combination of AXA Hungary's operations, the 5th largest company in the pensions market, with those of ELLA Bank is intended to emulate the successful business model of AXA in Belgium. The transaction was closed on July 27, 2007 and the purchase price amounted to €123 million.

On March 23, 2007, **AXA and Banca Monte dei Paschi di Siena (BMPS)** reached an agreement for the establishment of a long-term strategic partnership in Life and non-Life bancassurance as well as pensions business. AXA acquired 50% of MPS Vita (Life and savings) and MPS Danni (P&C), as well as 50% of BMPS open pension funds business. AXA will also manage the insurance companies' assets (€11.9 billion as of year-end 2007) and open pension funds assets (€0.3 billion as of year-end 2007). The partnership is a platform for developing AXA's and BMPS's operations in the Italian bancassurance and pensions market including any new distribution channel. Total cash consideration paid by AXA in this transaction was €1,150 million and was financed with internal resources. The transaction was closed on October 19, 2007.

On April 23, 2007 (closing date), AXA U.K. announced the acquisition of a leading independent commercial broker, **Smart & Cook**. The purchase of Smart & Cook completed a trio of acquisitions in recent months by AXA as it realized a strategic intent to become a national force in commercial broking.

AXA U.K. bought the entire share capital of Smart & Cook through its subsidiary Venture Preference Ltd, (VPL) which also houses recently acquired Stuart Alexander and Layton Blackham, purchased in January 2007. The three companies will operate under the same structure, retaining independent broking status. The enlarged business will operate from 40 offices employing some 1,200 people.

On May 22, 2007, AXA acquired 75% of **Kyobo Auto** for an amount of KRW 88 billion (€70 million). The company has a leading position in the South Korean direct Motor insurance market with annual revenues of KRW 476 billion (€374 million) in 2007 and a market share above 30%. The group ownership reached 90% as of the end of December 2007 following the buyback of minority interests. Thanks to this acquisition, the AXA Group will serve over 2 million clients through its direct distribution P&C operations worldwide.

On June 8, 2007, AXA and BNP Paribas announced they had reached an agreement for the establishment of a partnership on the Ukrainian Property & Casualty insurance market. AXA was to acquire from BNP Paribas' subsidiary UkrSibbank, a 50% stake in its insurance subsidiary: **Ukrainian Insurance Alliance (UIA)**. AXA will have management control of the joint company, which will benefit from an exclusive bancassurance distribution agreement with UkrSibbank for an initial period of 10 years. The transaction was closed on November 23, 2007. The purchase price amounted to €12 million.

On July 5, 2007, AXA finalized definitive settlements with all claimants in litigations seeking nullity and avoidance (Nichtigkeits- und Anfechtungsklagen) of **the squeeze-out resolutions** adopted by the general meetings of **AXA Konzern AG** and **Kölnische Verwaltungs-AG für Versicherungswerte** on July 20 and July 21, 2006, respectively. Following the completion of these settlements, the squeeze-out resolutions have been registered in the commercial register of AXA Konzern AG and Kölnische Verwaltungs-AG für Versicherungswerte on July 5, 2007. Thus, these squeeze-out resolutions are now effective and AXA holds 100% of the shares of these two subsidiaries.

Following registration of these squeeze-outs, further litigation with minority shareholders on valuation issues is expected in a compensation review procedure (Spruchverfahren) under German law.

On July 27, 2007, AXA and UkrSibbank, the Ukrainian banking subsidiary of BNP Paribas, announced that they reached an agreement to acquire 99% of the share capital of **Vesko**, Ukraine's 6th largest P&C insurer. Vesko's revenues for 2006 of \$28 million were well balanced between individual and Commercial lines and between proprietary and non-proprietary distribution. The transaction was closed on November 13, 2007. The combination of Vesko with Ukrainian Insurance Alliance will form the 3rd largest Property & Casualty insurer in Ukraine. The purchase price amounted to €17 million.

On September 12, 2007, AXA and **Bao Minh Insurance Corporation ("Bao Minh")** announced that they reached an agreement to establish a strategic partnership in the Vietnamese insurance market. As part of this agreement, AXA would acquire a 16.6% stake of the share capital of Bao Minh for a total amount of VND 1,194 billion (€54 million). Bao Minh is the 2nd largest player in the Vietnamese non-Life insurance market with a 21% market share. It is well positioned in all business lines and has a strong and diversified distribution network. As part of the partnership, and in order to fully benefit from the growth prospects of the Vietnamese market, Bao Minh would have access to the technical expertise of AXA's global and regional platforms. The transaction was closed on September 26, 2007.

On November 9, 2007, in the context of its strategic partnership with **BMPS**, AXA announced that it held a strategic interest equal to 2.052% of BMPS's total outstanding share capital. The acquisition of this interest was designed to reinforce the long-term relationship between the two companies and to demonstrate AXA's full support for BMPS's proposed acquisition of Banca Antonveneta. AXA would subscribe to its full allocation of BMPS shares as part of the rights issue contemplated by BMPS in connection with this acquisition. In line with the agreement between AXA and BMPS announced in March 2007, the bancassurance agreement between BMPS and AXA-MPS should be extended to Banca Antonveneta, significantly reinforcing AXA-MPS's competitive position on the Italian insurance market. The legal and financial conditions for this extension of the bancassurance agreement are subject to the closing of the acquisition of Banca Antonveneta by BMPS.

On December 21, 2007, AXA announced that it had reached an agreement with **Reso Garantia's ('RESO')** shareholders to acquire a 36.7% stake in the company for a total cash consideration of around €810 million. As part of this agreement, AXA will have the option to buy out the remaining stake through calls exercisable in 2010 and 2011. AXA and RESO's shareholders also agreed to form a joint venture to develop an operation on Russia's emerging Life & savings market. Founded in 1991, RESO has built one of the leading P&C insurance franchises in Russia (7% market share), notably focused on retail Motor, and supported by a network of 18,000 agents, the 2nd largest in Russia. Under the terms of the agreement, RESO's current management team will continue to run the company and roll-out its successful strategy. AXA will have management control of the Life joint venture. With this acquisition, AXA will further reinforce its growth profile and increase its exposure to emerging insurance markets. This

transaction is expected to be completed during the first half of 2008. As part of the agreement, AXA granted a 6-year \$1 billion credit facility to RESO's main shareholder, fully secured by its shareholding in the company.

DISPOSALS

On January 4, 2007, AXA reached an agreement with QBE Insurance Group for the sale of **Winterthur's U.S. operations** for US\$1,156 million (€920 million taking into account hedges put in place by AXA for this transaction at 1 Euro = 1.26 US\$), and successfully completed the sale on May 31, 2007.

In addition, Winterthur U.S. repaid US\$636 million, of which US\$79 million had already been repaid in Q4 2006 (€506 million taking into account hedges put in place by AXA for this transaction at 1 Euro = 1.26 US\$) of intercompany loans to Winterthur Group. This transaction followed AXA's decision to put Winterthur U.S. operations under strategic review, as initially announced on June 14, 2006.

On June 4, 2007, AXA announced that it had entered into a memorandum of understanding with SNS Reaal with a view to finalizing discussions on the sale of its Dutch insurance operations, comprising 100% of **AXA Netherlands, Winterthur Netherlands and DBV Netherlands**, for a total cash consideration of €1,750 million, after consultation with trade unions and workers' councils.

AXA contemplated exiting the Dutch insurance market given the limited possibilities to reach a leading position through organic growth in the foreseeable future as this market is highly competitive and dominated by large local players.

AXA's Dutch operations concerned by this proposed transaction were treated as discontinued operations (held for sale) in AXA's 2007 consolidated financial statements. As a consequence, their earnings until closing were accounted for in net income for all reported years. Their contribution in 2007 amounted to €480 million (of which €406 million gains on disposal and €74 million result up to the closing date), which was accounted in net income. The transaction was closed on September 5, 2007.

On July 25, 2007, AXA announced it had reached an agreement with China Life Insurance Co Ltd., a Life insurance company incorporated in Taiwan, for the sale of **Winterthur Life Taiwan Branch (WLTB)**. In 2006, WLTB had a premium volume of circa €100 million (US GAAP) and a 0.35% market share. The transaction was closed on October 31, 2007.

Capital and financing operations

CAPITAL OPERATIONS

On January 11, 2007, meetings of holders of **AXA's 2014 and 2017 convertible bonds** were held to vote on an amendment of the final conversion dates of the bonds to January 26, 2007 in exchange for a cash payment in respect of the value of the conversion option.

The meeting of holders of the 2014 convertible bonds approved the amendment. Consequently, holders who did not convert their bonds by January 26, 2007, received €16.23 per bond on January 31, 2007.

The meeting of holders of the 2017 convertible bonds did not approve the amendment. Consequently, to fully neutralize the dilutive impact of the 2017 convertible bonds, AXA has purchased from a banking counterparty, for a total cash amount equivalent to the payment proposed to bondholders, call options on the AXA share with an automatic exercise feature. This feature is such that one option is automatically exercised upon each conversion of a convertible bond.

Consequently, each issuance of a new share resulting from the conversion of the bond will be offset by the delivery by the bank to AXA (and subsequent cancellation) of an AXA share; the issuance of a share in respect of the conversion of the bond and the cancellation by AXA of the AXA share received will offset each other.

As a result of this transaction, there will no longer be a change to the outstanding number of AXA shares created by the convertible bond conversion.

For AXA shareholders, these transactions resulted in the elimination, from an economic point of view, of the potential dilutive impact of the 2014 and 2017 convertible bonds (i.e. a maximum of 65.8 million shares). The total cash consideration paid by AXA amounted to €245 million.

On July 1, 2007, 50 free shares were allocated to each AXA employee worldwide. More than 100,000 AXA Group employees in 54 countries, will become shareholders and – depending on the country – will own the shares after two years (with a two year holding period) or after four years (without any holding period), providing they are still employed by AXA. Approved by AXA's shareholders during the annual shareholders' meeting on May 14, 2007, the resolution pertaining to the **“AXA Miles” program** allowed the Management Board to distribute free AXA shares to all AXA employees, representing up to 0.7% of AXA's share capital. This allocation of 50 free shares constitutes the first step in the “AXA Miles” program which is one of several key human resources initiatives of AXA's company-wide project “Ambition 2012”.

During 2007, AXA pursued its share purchase program to control dilution arising from share-based compensation and employee Shareplan program and AXA Miles, and purchased 70.4 million shares for a total amount of €2,126 million.

For several years, the AXA Group has been offering to its employees in and outside of France, the opportunity to subscribe for shares issued by way of a capital increase reserved for employees. In 2007, employees invested a total of €552 million leading to a total of 22.1 million newly issued shares. Employee (including agents) shareholders represented 5.23% of the outstanding share capital as of the end of 2007.

Other

On July 6, 2007, AXA announced the closing of the €450 million **securitization of its pan-European Motor insurance portfolio**. This transaction aimed at transferring to the financial markets the deviation above a certain level of the cost of claims on the underlying liabilities: over 6 million individual Motor contracts underwritten through multi-distribution channels and representing €2.6 billion of premiums in 2006, spread across a diversified portfolio covering 4 countries (Belgium, Germany, Italy and Spain).

On September 19, 2007, the AXA Group announced its integration into the **Dow Jones Sustainability Indexes**, which select the top 10% most advanced companies in terms of sustainable development in the world. This evolution was an independent confirmation of the relevance of the Group's sustainable development strategy since 2005.

On October 10, 2007, AXA announced the creation of a €100 million global **AXA RESEARCH FUND** to be launched in early 2008. AXA believes that the private sector can, and should, play an important role in promoting meaningful academic research consistent with its larger social responsibilities. In this context, the AXA Group decided to launch the AXA RESEARCH FUND managed by a Scientific Board chaired by Ezra Suleiman professor of political science at Princeton University and independent member of the AXA Supervisory Board. AXA committed a total of €100 million to the Fund over 5 years. The Fund will support academic research institutions and individuals involved in post doctorate research programs and will support academic research projects in different areas associated with AXA's business of Financial Protection.

On December 3, 2007, AXA has decided to coordinate its **European retail banking operations** through AXA Bank Europe, in close cooperation with its local insurance operations. The objective of these banking operations is to complement the Financial Protection offering with a range of retail banking products, while ensuring adequate development, control and risk management throughout Europe. AXA currently operates banking in Belgium, France, Germany and Hungary.

Events subsequent to December 31, 2007

In the United Kingdom, from January 31, 2008, a temporary deferral period of up to six months was introduced for certain transactions involving the **AXA Life Property Fund** (£1.2 billion or €1.7 billion) and **AXA Pension Property Fund** (£0.9 billion or €1.3 billion), which is allowed under the terms of the customer's policy. The transactions affected by the deferral are fund switches out, surrenders and transfers out of the fund. The deferral period runs from the date the request is received by AXA. The imposition of this deferral period, consistent with policy terms, comes at a time when the demand for commercial property investment in the United Kingdom has been declining in recent months and when AXA has seen a significant increase in the level of withdrawals from these two Funds which invest in the United Kingdom commercial property. The contractual deferral period is designed to provide the funds' managers with sufficient time to liquidate properties in an orderly fashion and at fair prices in order to protect the interests of all investors in the fund. Customers invested in the funds have been notified along with their advisers. AXA is monitoring the liquidity situation of these funds closely. In the event that sufficient liquidity to honor all outstanding withdrawal requests by the end of the deferral period cannot be generated through sale of properties held by the funds' and other sources of liquidity available to the funds, AXA UK, as sponsor of the funds, will be required to provide the funds with sufficient liquidity to honor these withdrawal requests.

On February 6, 2008, AXA announced it had entered into an agreement to acquire OYAK's (50%) share in **AXA OYAK Holding A.Ş.** («AXA OYAK»), a company established by AXA and OYAK in 1999. Under the terms of the agreement, AXA will pay a purchase price of \$525 million (approximately €355 million) in cash for OYAK's 50% share in AXA OYAK (in addition, according to the same agreement, AXA OYAK Holding will be buying, for \$15 million (approximately €10 million), the 1.5% share that Mais Motors, an OYAK joint venture company, holds in AXA OYAK's non-life subsidiary). AXA OYAK enjoys a leading position (10% total market share⁴⁴) on the fast-growing Turkish insurance market. Mainly focused on non-life, especially motor and property, the company experienced strong top-line growth in the past years and is one of the most profitable players in the market. The transaction, which was subject to local regulatory approval, is expected to close by early spring of 2008. Following closing, the parties have agreed that AXA OYAK and its subsidiaries will no longer use the OYAK name or trademark.

On February 12, AXA announced it had reached an agreement with ING for the acquisition of 100% of the share capital of its Mexican insurance subsidiary **ING Seguros**, for a consideration of US\$1.5 billion (approximately €1.0 billion). ING Seguros is the third largest Mexican insurer (12% total market share, 5.5 million clients), with leading positions in key markets such as Motor (2nd largest player with a 17% market share) and Health (2nd largest player with a 19% market share). AXA intends to accelerate and complete the initiated turnaround of ING Seguros by dedicating seasoned management capabilities and leveraging the Group's global platforms and expertise, notably in IT and reinsurance. Upon completion of the transaction, ING Seguros will be integrated to AXA's Mediterranean Region unit and benefit from its know-how in underwriting, claims management, client segmentation, service and brand management. AXA will finance the transaction with internal resources. Completion of the transaction was subject to customary regulatory approvals and is expected to take place in the course of 2008.

⁴⁴ As of June 30, 2007 - Source: Association of the Insurance and Reinsurance Companies of Turkey.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in euro million)

	FY 2007	FY 2006 Restated (c)	FY 2006 Published	FY 2005 Restated (c)	FY 2005 Published	2007/2006
Life & Savings	59,845	49,952	50,479	44,585	45,116	19.8%
of which Gross written premiums	57,773	48,268	48,786	42,972	43,496	19.7%
of which Fees and revenues from investment contracts with no participating feature	740	608	608	509	509	21.8%
Property & Casualty	25,016	19,510	19,793	18,600	18,874	28.2%
International Insurance	3,568	3,716	3,716	3,813	3,813	-4.0%
Asset Management	4,863	4,406	4,406	3,440	3,440	10.4%
Banking (b)	339	377	377	424	424	-10.1%
Holdings and other companies (d)	2	4	4	4	4	-39.0%
TOTAL	93,633	77,966	78,775	70,865	71,671	20.1%

(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 €320 million and €93,617 million for the period of December 31, 2007.

(c) Restated means the restatement of The Netherlands' activities as discontinued businesses.

(d) 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 in this document means including Winterthur and net of intercompany transactions in both periods.

Consolidated gross revenues for full year 2007 reached €93,633 million, up 20% compared to 2006.

Taking into account the restatements to comparable basis, mainly the impact of restating 2006 for Winterthur (€13,401 million or -18.1 points) and the appreciation of the Euro against other currencies (€2,830 million or +3.6 points, mainly from the Japanese Yen and US Dollar), **gross consolidated revenues were up 5% on a comparable basis.**

Total Life & Savings New Business APE⁴⁵ reached €7,694 million, up 24% compared to 2006. On a comparable basis, New Business APE increased by 8%, mainly driven by the United States and the United Kingdom, partly offset by Japan and the Mediterranean Region.

The United States APE increased by 19% to €2,099 million due to strong growth in sales of Variable Annuities (up 20%) as well as in Life products. Variable Annuities growth was primarily driven by the continued expansion in the third party distribution networks, especially independent financial advisory firms. The addition of certain new product features also contributed to the increase in sales. The Universal Life product range was enhanced by the launch of an updated product in 2007 (Athena).

France APE increased by 3% to €1,360 million driven by both Individual lines and Group business despite a contracting insurance market. In Individual lines, the Accumulator-type product “Capital Ressources” launched in March 2007 recorded €23 million of APE. Group business growth was largely driven by Life & Health while Group retirement remained stable following a strong 2006 performance. Unit linked share of total APE was stable at 25%.

Japan APE decreased by 17% to €567 million as certain Term products no longer benefit from a favorable tax environment. The lower Term product sales were partly offset by strong performance from medical and cancer

⁴⁵ Annual premium equivalent is New regular premiums, plus one tenth of Single premium, in line with Group EEV methodology. APE is Group Share.

product sales as part of the company's strategy to focus on these more profitable products (€+76 million) and the sales of US Dollar and Yen denominated variable annuity products (€+52 million) resulting in AXA increasing its bancassurance market share and becoming one of the top ten players. Unit linked share of total APE increased to 21%.

United Kingdom APE was up 6% to €1,588 million. Wealth management was up 7% due to (i) individual pension business (up 14%) reflecting the strength of the combined AXA/Winterthur Individual pension offering as well as (ii) strong performance in the Offshore Estate Planning Bond (up 68%), partly offset by (iii) a drop in Offshore Bonds cash sales (-36%) resulting from a change in the tax environment for these products in 1Q07 and affecting negatively AXA UK's APE growth momentum in 2H07. Protection business was up 27% driven by new distribution contracts and improved propositions to IFAs as well as effective direct marketing campaigns. Group pension was up 2%.

Germany APE was stable at €457 million principally due to (i) a strong growth in Investment & Savings (+12%), with notably the "TwinStar" Accumulator-type product (€84 million), (ii) the non recurrence of 2006 large cases in Life Group business and (iii) the negative impact of traditional Riester products (notably in Winterthur's portfolio) which had benefited in 2006 from strong inflows as a result of a fiscal incentive. Unit linked share of total APE was 38%.

Switzerland APE increased by 2% to €222 million with (i) Individual Life & Savings up 16% reflecting the continuous increase in sales of new Unit Linked products (+148%) which were launched in October 2006 (WinLife Variant) and May 2007 (AXA Comfort), partly offset by (ii) Group Life down 3%. Unit linked share of total APE increased to 8%.

Belgium APE was up 8% to €340 million due to (i) Individual Life (+5% to €307 million) driven by both non unit linked (largely Crest 40) and unit linked products (Twinstar launched in September 2007), and (ii) Group business (+60% to €33 million including €6 million from a 2007 large contract). Unit linked share of total APE was 14%.

Mediterranean Region APE decreased by 5% to €206 million as a result of a drop in Group business (down 28%) due to the non recurrence of a 2006 outsourcing of pension fund contract in Spain. This was partly offset by the increase in Individual business (+2%) notably driven by the contribution of the Accumulator product (€13 million)⁴⁶. Unit linked share of total APE was 18%.

Central & Eastern Europe APE was up 59% to €107 million, mainly driven by Life and Savings business (+128% to €48 million), benefiting from strong unit linked sales (+128% to €44 million) and gains in market share in the Pension Fund business (+27% to €59 million). Main countries contributing to the growth were Czech Republic (+82% to €37 million) and Poland (+56% to €49 million).

Australia/New-Zealand APE was up 25% to €545 million mainly driven by continued strong inflows into Global Equity Value fund and ipac wholesale products, in addition to strong Personal superannuation flows into Summit & Generations platforms.

Hong Kong APE was up 12% to €139 million, reflecting strong growth in individual unit linked regular premiums and group retirement sales and encouraging results from the new Citibank bancassurance agreement (signed in July 2007).

South East Asia & China APE was up 75% to €63 million. Philippines was up 126% to €8 million due to strong unit linked sales notably in the bancassurance channel, Indonesia was up 112% to €21 million as clients moved to unit linked products due to reduced local bank deposit rates, Thailand was up 70% to €14 million due to successful agent recruitment and improvements in bancassurance, Singapore was up 25% to €14 million and China was up 93% to €5 million.

Property & Casualty gross revenues were up 28% to €25,016 million, or +4% on a comparable basis mainly driven by United Kingdom & Ireland (+8% to €5,076 million), Mediterranean region (+5% to €5,276 million), France (+3% to 5,330 million), and Germany (+2% to €3,506 million).

⁴⁶ AXA Spain and AXA Assicurazioni. AXA-MPS sales were not consolidated in Full Year 2007.

Personal lines (60% of P&C premiums) were up 5% on a comparable basis, stemming from both Motor (+5%) and Non-Motor (+5%).

Motor revenues grew by 5% mainly driven by (i) the Mediterranean Region up 8%, following new product launches in 2006 and 2007 (mainly “Protezione al volante” in Italy and “Dynamic 2” in Spain) and new segmented tariffs notably in Turkey, (ii) the United Kingdom & Ireland up 21%, largely as a result of the new business written through its Internet company, Swiftcover, which benefited from increased volumes through aggregator websites, (iii) Asia up 15% which confirmed its strong momentum, and partly offset by (iv) Germany (+1%), France (+0%) and Switzerland (-1%), recording positive net new contracts in a context of softening markets.

Non-Motor revenues increased by 5% mainly driven by (i) the United Kingdom & Ireland (+9%) as a result of strong performance in both Health and Travel businesses, (ii) Mediterranean Region (+6%) with positive contribution of all business lines and (iii) France and Germany, both up 2%.

Commercial lines (38% of P&C premiums) recorded a +2% growth on a comparable basis mainly driven by both Non-Motor (+2%) and Motor (+2%).

Motor revenues were up 2%, with strong growth (i) in Germany (+5%) due to a higher number of vehicles in the existing fleets, (ii) in France (+2%) following increase in tariffs and (iii) in the United Kingdom (+5%), partly offset by (iv) Mediterranean Region (-4%) due to a lower contribution from former Winterthur fleet rental business further to a strategic decision, and Belgium (-2%).

Non-Motor revenues were up 2%, with France (+7%) mainly driven by Construction and the United Kingdom (+3%) largely driven by Health, partly offset by Belgium (-4%) due to the non-renewal of some less profitable contracts.

International Insurance revenues were down 4% or up 7% on a comparable basis to €3,568 million attributable to both AXA Corporate Solutions Assurance and AXA Assistance.

AXA Corporate Solutions Assurance revenues were up 7% both on reported and comparable bases to €1,805 million, driven by portfolio developments in Marine, Property, Motor and Construction.

AXA Assistance revenues were up 13% both on reported and comparable bases to €699 million mainly due to Home Serve business in the United Kingdom, and increased premiums in Travel business in Germany.

Asset management revenues increased by 10% or +17% on a comparable basis to €4,863 million driven by higher average Assets under Management (+21% on a comparable basis) and business mix improvement.

AllianceBernstein revenues were up 6% or 15% on a comparable basis to €3,130 million largely due to higher base fees (+25%, with +28% in institutional clients, +20% in retail clients and +24% in private clients) driven by higher average assets under management (+21%) partly offset by lower performance fees (-66%), especially on hedge funds. Other revenues (mainly distribution fees, institutional research and other fees) were up 10%.

AllianceBernstein net inflows of €23 billion were strong across all client categories (€13 billion from institutional, €4 billion from retail and €6 billion from private clients).

AXA Investment Managers revenues increased by 20% or +21% on a comparable basis to €1,732 million mainly due to higher average assets under management. The favorable client and product mix evolution was offset by a slight decrease in performance fees.

AXA Investment Managers net inflows of €5 billion were driven by Institutional clients (€5 billion) and Main Fund (€1 billion) partly offset by retail segment (€-2 billion).

Net banking revenues in Banking segment were down 10% or -4% on a comparable basis to €339 million, mainly attributable to AXA Bank Belgium (-15% on a comparable basis to €216 million) in the context of an unfavourable yield curve and higher refinancing costs following higher short term interest rates.

Consolidated underlying, adjusted earnings and net income

(in euro million)

	FY 2007	FY 2006 Restated (c)	FY 2006 Published	FY 2005 Restated (b)	FY 2005 Published
Gross written premiums	86,116	71,299	72,099	65,196	65,995
Fees and revenues from investment contracts with no participating feature	740	608	608	509	509
Revenues from insurance activities	86,857	71,907	72,707	65,705	66,504
Net revenues from banking activities	320	393	393	408	408
Revenues from other activities	6,441	5,684	5,693	4,725	4,733
TOTAL REVENUES	93,617	77,984	78,793	70,838	71,645
Change in unearned premium reserves net of unearned revenues and fees	(609)	(474)	(498)	(491)	(502)
Net investment result excluding financing expenses (a)	24,572	30,286	30,774	30,268	30,928
Technical charges relating to insurance activities (a)	(88,961)	(83,115)	(84,074)	(79,657)	(80,827)
Net result of reinsurance ceded	(1,050)	(1,450)	(1,455)	(125)	(141)
Bank operating expenses	(57)	(78)	(78)	(61)	(61)
Insurance acquisition expenses	(8,669)	(7,079)	(7,162)	(6,424)	(6,509)
Amortization of value of purchased life business in force	(357)	(232)	(241)	(528)	(529)
Administrative expenses	(10,089)	(8,668)	(8,751)	(8,475)	(8,570)
Valuation allowances on tangibles assets	4	18	18	(3)	(3)
Change in value of goodwill	(1)	-	-	-	-
Other	(419)	(448)	(451)	(194)	(197)
Other operating income and expenses	(109,597)	(101,052)	(102,193)	(95,467)	(96,838)
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	7,983	6,745	6,876	5,149	5,233
Net income from investments in affiliates and associates	29	21	21	20	20
Financing expenses	(467)	(473)	(474)	(480)	(602)
OPERATING INCOME GROSS OF TAX EXPENSE	7,545	6,293	6,423	4,688	4,651
Income tax expenses	(1,941)	(1,754)	(1,793)	(922)	(900)
Minority interests in income or loss	(642)	(620)	(620)	(492)	(492)
UNDERLYING EARNINGS	4,963	3,919	4,010	3,274	3,258
Net realized capital gains or losses attributable to shareholders	1,175	1,107	1,130	910	850
ADJUSTED EARNINGS	6,138	5,026	5,140	4,184	4,108
Profit or loss on financial assets (under fair value option) & derivatives	(596)	(228)	(226)	121	149
Exceptional operations (including discontinued operations)	482	311	196	25	(72)
Goodwill and other related intangible impacts	(106)	(24)	(24)	(13)	(13)
Integration costs	(252)	-	-	-	-
NET INCOME	5,666	5,085	5,085	4,318	4,173

(a) For the periods ended December 31, 2007, December 31, 2006, and December 31, 2005, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €7,476 million, €15,158 million and €13,589 million, and benefits and claims by the offsetting amounts respectively.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA has reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity for all periods presented with impact on net income, (iii) in line with new accounting FRS27, the reclassification in the United Kingdom of some With-Profit technical reserves to allow for all future terminal bonuses payable to With-Profit policyholders within the allocated policyholder reserves, previously held in the unallocated policyholder bonus reserve, without any impact on earnings, and (iv) the restatement of The Netherlands' activities as discontinued businesses.

(c) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(in euro million)

	FY 2005 Published	Transfer of foreign exchange impact from adjusted earnings to net income	TSDI reclassification impact	The Netherlands Restatement	FY 2005 Restated (a)
Underlying earnings	3,258	-	79	(63)	3,274
Net realized capital gains or losses attributable to shareholders (b)	850	94	-	(34)	910
Adjusted earnings	4,108	94	79	(97)	4,184
Profit or loss on financial assets (under Fair Value option) & derivatives	149	(94)	66	(0)	121
Exceptional operations (including discontinued operations)	(72)	-	-	97	25
Goodwill and related intangibles	(13)	-	-	-	(13)
Net Income	4,173	-	145	-	4,318

(a) Restated means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA has reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity for all periods presented with impact on net income, and (iii) the restatement of The Netherlands' activities as discontinued businesses. Please note that FRS 27 impact on the statement of income (underlying basis) are not detailed as they are not significant.

(b) €-94 million includes €-66 million related to foreign exchange impact on TSDI.

(in euro million)

	FY 2006 Published	The Netherlands Restatement	FY 2006 Restated (a)
Underlying earnings	4,010	(91)	3,919
Net realized capital gains or losses attributable to shareholders	1,130	(23)	1,107
Adjusted earnings	5,140	(114)	5,026
Profit or loss on financial assets (under Fair Value option) & derivatives	(226)	(1)	(228)
Exceptional operations (including discontinued operations)	196	115	311
Goodwill and related intangibles	(24)	-	(24)
Net Income	5,085	-	5,085

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (b)	FY 2005 Published
Life & Savings	2,670	2,270	2,325	1,887	1,931
Property & Casualty	1,863	1,417	1,453	1,327	1,346
International Insurance	218	131	131	68	68
Asset Management	590	508	508	396	396
Banking	36	18	18	44	44
Holdings and other companies (c)	(414)	(424)	(424)	(448)	(527)
UNDERLYING EARNINGS	4,963	3,919	4,010	3,274	3,258
Net realized capital gains or losses attributable to shareholders	1,175	1,107	1,130	910	850
ADJUSTED EARNINGS	6,138	5,026	5,140	4,184	4,108
Profit or loss on financial assets (under Fair Value option) & derivatives	(596)	(228)	(226)	121	149
Exceptional operations (including discontinued operations)	482	311	196	25	(72)
Goodwill and related intangibles impacts	(106)	(24)	(24)	(13)	(13)
Integration costs	(252)	-	-	-	-
NET INCOME	5,666	5,085	5,085	4,318	4,173

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA has reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity for all periods presented with impact on net income, and (iii) the restatement of The Netherlands' activities as discontinued businesses.

(c) Includes notably CDOs and real estate companies.

Group underlying earnings amounted to €4,963 million. Excluding the contribution of Winterthur in 2007 (€623 million) and on a constant exchange rate basis, underlying earnings grew by €572 million (+15%), attributable mainly to Life & Savings, Property & Casualty and Asset Management.

Life & Savings underlying earnings amounted to €2,670 million. Excluding the contribution of Winterthur (€286 million) and on a constant exchange rate basis, Life & Savings underlying earnings were up €+230 million (+10%) mainly attributable to the United Kingdom (€+78 million), France (€+69 million), Germany (€+50 million), Belgium (€+22 million), partly offset by the United States (€-37 million).

Excluding the contribution of Winterthur and on a constant exchange rate basis, **underlying earnings** increased by €230 million mainly resulting from:

- (i). An **improved investment margin** (€+84 million), primarily in France (€+48 million broadly in line with asset base evolution), the United Kingdom (€+46 million largely driven by Shareholders' participation in higher With Profit bonuses as a result of high levels of With Profit surrenders in 2007), Belgium (€+43 million mainly due to a decrease of the credited rates driven by the increased share of lower guaranteed rate products while the average rate of return of the assets increased slightly), partly compensated by the United States (€-90 million primarily driven by lower net investment income reflecting lower General Account asset levels and lower prepayments from mortgages and fixed maturity refinancing).
- (ii). **Higher Fees and Revenues** (€+927 million) principally pulled up by the United States (€+322 million mainly due to higher fees earned on separate account business resulting from positive net cash flows, the impact of the market appreciation on separate account balances and higher fee structure), the United Kingdom (€+222 million principally due to the Thinc Group fees and revenues, an increase in Loadings on account balances, and an increase in deferred loadings amortization related to previously deferred income on short term offshore cash deals business largely written in Q4 2006 and Q1 2007, which is offset in the expense margin by amortization of previously deferred commissions), France (€+118 million mainly resulting from higher revenues on unit-linked account balance and higher sales on Life & Health products), Australia / New Zealand (€+98 million reflecting higher inflows and growth of funds under management and administration, following strong domestic market performance fuelled by changes in superannuation legislation), and Japan (€+66 million mainly driven by loadings on higher medical premiums).
- (iii). **Lower tax and minority interests** (€+10 million) as the €25 million reduction in income tax expense mainly attributable to the United Kingdom (€+159 million due primarily to the non recurring 2006 net negative impact of €107 million due to reassessment of the likelihood of a future distribution from the attributed Inherited Estate), partly offset by France (€-67 million reflecting notably the increase of taxable income) and the United States (€-63 million principally due to the non recurrence of a €92 million favorable tax settlement in 2006, partially offset by a €36 million release of tax reserves in 2007), was offset by the €15 million increase in minority interests (€14 million attributable to Hong Kong following the increase in earnings).

This was partly offset by:

- (iv) **Lower net technical margin** (€-16 million) mainly driven by the United States (€-126 million mainly due to lower GMDB/IB margins mainly due to residual interest rate risk and higher volatility, as well as higher Fixed Life's no lapse guarantee reserves resulting from increased sales of Universal Life to older clients), and the United Kingdom (€-71 million mainly as 2006 included favorable non recurring items including the reduction of possible endowment misselling provision and favorable movements in Unit Linked reserves following the finalization of compensation amounts to policyholders), partly offset by France (€+177 million mainly due to charges reclassified from technical margin to commission expenses in the context of the renewal of some group Life contracts, and the non recurrence of 2006 negative additional annuity reserves in Savings following change in regulatory mortality tables and additional reserves in individual disability business).
- (v) **Higher expenses including Deferred Acquisition Costs** (€-742 million impact), mainly in the United Kingdom (€-241 million mainly driven by the inclusion of the Thinc Group expenses, and amortization of previously deferred expenses on short term offshore cash deals largely written in Q4 2006 and Q1 2007 which is offset by an increase in deferred loadings amortization in fees and revenues), France (€-230 million notably from the impact of charges that were reclassified from technical items to commissions in the context of the renewal of some Group Life contracts, and increased general expenses mainly due to IT Costs and building lease), the United States (€-71 million mainly driven by DAC amortization increase reflecting lower DAC unlockings in 2007 and higher revenues from separate account fees), Japan (€-57 million mainly due to higher commissions as a result of variable annuity and medical sales growth, and higher non-commission expenses),

and Australia / New Zealand (€-55 million reflecting higher commissions associated with increased fees and revenues).

- (vi) **A higher level of VBI amortization** (€-32 million) mainly attributable to the United Kingdom (€-38 million mainly as a result of higher lapses on Pension business).

Property & Casualty underlying earnings amounted to €1,863 million. Excluding the contribution of Winterthur (€340 million) and on a constant exchange rate basis, Property and Casualty underlying earnings increased by €111 million (+8%) driven by almost all countries except the United Kingdom (€-124 million):

- (i) **Higher net technical result** (€+135 million), with **an all year loss ratio** increasing by 1.0 point to 69.5% of which 2.3 points related to major losses.
- (ii) **Higher investment result** (€+159 million) mainly driven by the United Kingdom (€+43 million), the Mediterranean Region (€+43 million), and France (€+32 million).
- (iii) **Lower income tax expense and minority interests** (€+124 million) mainly due to Germany (€+82 million mainly reflecting the €42 million positive outcome of a tax audit on the ex-Albingia portfolio, and the €31 million favourable impact of the new income tax rate on the deferred tax liabilities), the United Kingdom (€+65 million notably reflecting the deterioration in the pre-tax result, and a benefit from a settlement on prior years), and Belgium (€+61 million including the €10 million positive contribution resulting from the favorable court decision from insurance companies on RDT (“Revenus Définitivement Taxés”)), partly offset by the Mediterranean Region (€-44 million in line with pre-tax earnings evolution).

Partly compensated by:

- (iv) **Higher expenses** (€-306 million) with a stable **expense ratio** at 28.4 % (offsetting impacts between the acquisition ratio (+0.3 point) and the administrative expense ratio (-0.3 point)) driven by Germany (-1 point), and the Mediterranean Region (-0.1 point), partly offset by Belgium (+0.9 point) and the United Kingdom (+0.3 point).

As a consequence, excluding Winterthur, the **combined ratio** increased by 1.0 point to 97.9%.

International Insurance underlying earnings amounted to €218 million. Excluding the contribution of Winterthur (€19 million) and on a constant exchange rate basis, International Insurance underlying earnings increased by €70 million (+54%) mainly attributable to Other international activities (€+61 million), primarily due to the continuous favourable loss reserve development on some run-off portfolios in 2007.

Asset Management underlying earnings amounted to €590 million. Excluding the contribution of Winterthur (€14 million) and on a constant exchange rate basis, asset management underlying earnings increased by €105 million (+21%) attributable to both AllianceBernstein (€+41 million) and AXA Investment Managers (€+64 million), following:

- (i) higher average assets under management (+21% both at AllianceBernstein and AXA Investment Managers),
- (ii) improved business mix, and
- (iii) better underlying cost income ratio by 0.5 point to 67.1%.

Banking segment's underlying earnings increased by €18 million (+100%) to €36 million, mainly attributable to AXA Bank Belgium (notably due to an increase in commercial margin)

Holdings and other companies' underlying earnings amounted to €-414 million. Excluding the contribution of Winterthur (€-36 million) and on a constant exchange rate basis, holdings underlying earnings increased by €36 million due to:

- (i) The United Kingdom Holding (€+84 million) mainly due to the non recurring release in 2007 of a €66 million deferred tax provision held against un-remitted earnings.
Partly offset by,
- (ii) German Holding (€-29 million) primarily as a result of the absence of positive one off impact related to the recognition of the corporate tax refund of €30 million in 2006.
- (iii) AXA SA (€-11 million) as the €+77 million profit linked to foreign currency options hedging AXA Group underlying earnings denominated in foreign currencies, and €+59 million due to a lower financial charge mostly related to a strengthening of the Euro, were partly offset by €-36 million higher expenses including

higher AXA trademark support further to Winterthur acquisition, and €-108 million due to the non recurrence of 2006 positive items, mostly linked to Winterthur acquisition financing.

- (iv) AXA France Assurance (€-10 million) as a result of mainly due to higher tax expenses resulting from higher dividends (eliminated in consolidation) received from operational entities.

Group net capital gains attributable to shareholders amounted to €1,175 million (of which €-400 million net related to impairments, or €-927 million gross related to impairments compared to €-192 million gross in 2006). Excluding the contribution of Winterthur (€-48 million) and on a constant exchange rate basis, group net capital gains attributable to shareholders were up €+124 million mainly due to the Mediterranean Region (€+115 million to €177 million, of which €+104 million in Property & Casualty and €+11 million in Life & Savings), France (€+88 million to €362 million, of which €+65 million in Life & Savings and €+24 million in Property & Casualty), partly offset by the United States (€-65 million to €-32 million in Life & Savings), and Belgium (€-59 million to €338 million, of which €-43 million in Life & Savings and €-16 million in Property & Casualty).

Adjusted earnings amounted to €6,138 million. Excluding the contribution of Winterthur (€575 million) and on a constant exchange rate basis, adjusted earnings were up €695 million (+14%) as a result of higher underlying earnings and higher net capital gains.

Net Income amounted to €5,666 million. Excluding the contribution of Winterthur (€392 million) and on a constant exchange rate basis, net income increased by €335 million (+7%). This growth was the result of:

- (i) **Higher adjusted earnings** (€+695 million excluding Winterthur and on a constant exchange rate basis)
- (ii) **lower result on financial assets accounted for under Fair Value Option and derivatives including foreign exchange impact:** €-368 million to €-596 million. These €-596 million can be analyzed as follows (a) a change in Fair Value and realized gains on mutual funds & others assets of €-205 million mainly driven by €-138 million in Belgium Life & Savings and Property & Casualty, €-75 million in France Life & Savings, and €-45 million in Japan Life & Savings, partly offset by Switzerland Life & Savings and Property & Casualty (€+28 million) and Germany Property & Casualty (€+36 million), and (b) a change in Fair Value on derivatives, Forex and Tax of €-391 million, mainly driven by €-303 million in AXA SA, €-51 million in Japan Life & Savings and €-48 million in Switzerland Life & Savings and Property & Casualty.
- (iii) **Higher charges on goodwill and other related intangible:** €-82 million (or €-30 million excluding Winterthur and on a constant exchange rate basis) to €-106 million, of which €-54 million at Winterthur related to amortization of customer intangible and €-52 million at AXA mainly attributable to the United Kingdom of customer intangible amortization related to brokers' acquisition and the United States following impairment of intangibles related to the wind down of USFL.
- (iv) **Higher exceptional operations result including discontinued operations:** €+171 million (or €+166 million excluding Winterthur and on a constant exchange rate basis) to €482 million:
 - Following the June 4, 2007 announcement of the Dutch activities' sale to SNS REAAL, the Group has classified The Netherlands as **a discontinued operation**, i.e. impacting net income only with a retroactive application. The contribution of The Netherlands in 2007 amounted to €480 million (of which €406 million gains on disposal and €74 million result up to the closing date).
 - **Full year 2007 Exceptional operations (€+2 million).**
 - **Full year 2006 exceptional operations (€+189 million)** mainly related to (i) €86 million dilution gains in AllianceBernstein and €4 million related to sale of Alliance Cash Management business, (ii) Tax refund related to the sale of DLJ (€43 million), release of contingency provision related to the sale of Advest (€3 million) and dilution gains (€9 million) in the US holdings, and (iii) €66 million related to the gain on the sale of AXA RE's business.
- (v) **Integration costs of €-252 million** of which €-163 million at AXA (of which €-148 million related to Winterthur integration) and €-89 million at Winterthur.

Consolidated Shareholders' Equity

As of December 31, 2007, consolidated shareholders' equity totaled €45.6 billion. The movement in shareholders' equity since December 31, 2006 is presented in the table below:

	(in euro million)
	Shareholders' Equity
At December 31, 2006	47,226
Share Capital	(74)
Capital in excess of nominal value	(1,126)
Equity-share based compensation	92
Treasury shares sold or bought in open market	(195)
Change in equity component of compound financial instruments	(109)
Super subordinated debt and perpetual debts (including accrued interests)	238
Fair value recorded in shareholders' equity	(2,983)
Impact of currency fluctuations	(1,392)
Cash dividend	(2,218)
Other	(93)
Net income for the period	5,666
Actuarial gains and losses on pension benefits	612
At December 31, 2007	45,642

Shareholder Value

EARNINGS PER SHARE (“EPS”)

	(in euro million except ordinary shares in millions)											
	FY 2007		FY 2006 Restated (a)		FY 2006 Published		FY 2005 Restated (b)		FY 2005 Published		Var. FY 2007 versus FY 2006 Restated	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted numbers of shares (c)	2,042.7	2,060.8	1,947.8	2,031.7	1,947.8	2,031.7	1,917.5	1,991.0	1,880.9	1,954.4		
Net income	5,666	5,666	5,085	5,199	5,085	5,199	4,318	4,428	4,173	4,283		
Net income (Euro per Ordinary Share)	2.77	2.75	2.61	2.56	2.61	2.56	2.25	2.22	2.22	2.19	6.2%	7.4%
Adjusted earnings	6,138	6,138	5,026	5,140	5,140	5,254	4,184	4,294	4,108	4,218		
Adjusted earnings (Euro per Ordinary Share)	3.01	2.98	2.58	2.53	2.64	2.59	2.18	2.16	2.18	2.16	16.5%	17.7%
Underlying earnings	4,963	4,963	3,919	4,032	4,010	4,124	3,274	3,383	3,258	3,368		
Underlying earnings (Euro per Ordinary Share)	2.43	2.41	2.01	1.98	2.06	2.03	1.71	1.70	1.73	1.72	20.8%	21.3%

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA has reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity for all periods presented in the 2006 financial statements with impact on net income, and (iii) the restatement of The Netherlands' activities as discontinued businesses.

(c) Following the capital increase related to Winterthur acquisition, the weighted average number of shares has been restated (IAS 33 §26) in 2006 and 2005 by using an adjustment factor of 1,019.

RETURN ON EQUITY (“ROE”)

A new calculation has been implemented since the first half year 2007 closing, 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.

(in euro million)

	Period ended , December 31, 2007	Period ended , December 31, 2006	Change in % points
ROE	13.1%	13.2%	0.0%
Net income	5,666	5,085	
Average shareholders' equity	43,096	38,644	
Adjusted ROE	19.7%	19.2%	0.4%
Adjusted earnings (a)	5,848	4,866	
Average shareholders' equity (b)	29,744	25,294	
Underlying ROE	15.7%	14.9%	0.8%
Underlying earnings (a)	4,673	3,759	
Average shareholders' equity (b)	29,744	25,294	

(a) Including adjustment to reflect financial charges related to perpetual debt (recorded through shareholders' equity).

(b) Excluding change in fair value on invested assets and derivatives (recorded through shareholders equity), and excluding perpetual debt (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)

	FY 2007	FY 2006 Restated (c)	FY 2006 Published	FY 2005 Restated (d)	FY 2005 Published
Gross written premiums	57,807	48,275	48,793	42,978	43,502
Fees and revenues from investment contracts without participating feature	740	608	608	509	509
Revenues from insurance activities	58,548	48,883	49,401	43,487	44,011
Net revenues from banking activities	-	-	-	-	-
Revenues from other activities	1,332	1,076	1,084	1,107	1,115
TOTAL REVENUES	59,879	49,959	50,485	44,595	45,126
Change in unearned premium reserves net of unearned revenues and fees	(275)	(250)	(271)	(183)	(197)
Net investment result excluding financing expenses (b)	21,857	28,198	28,656	28,315	28,946
Technical charges relating to insurance activities (b)	(69,987)	(68,236)	(69,052)	(63,710)	(64,721)
Net result of reinsurance ceded	33	(27)	(28)	(6)	(7)
Bank operating expenses	-	-	-	-	-
Insurance acquisition expenses	(3,726)	(3,065)	(3,073)	(2,798)	(2,827)
Amortization of value of purchased life business in force	(357)	(232)	(241)	(528)	(529)
Administrative expenses	(3,382)	(2,814)	(2,863)	(2,967)	(3,017)
Valuation allowances on tangible assets	1	7	7	(4)	(4)
Change in value of goodwill	0	-	-	-	-
Other	(189)	(110)	(111)	(155)	(156)
Other operating income and expenses	(77,607)	(74,477)	(75,361)	(70,169)	(71,262)
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	3,855	3,430	3,509	2,558	2,613
Net income from investments in affiliates and associates	22	12	12	10	10
Financing expenses	(69)	(76)	(76)	(119)	(119)
OPERATING INCOME GROSS OF TAX EXPENSE	3,808	3,366	3,445	2,449	2,504
Income tax expenses	(924)	(903)	(928)	(413)	(424)
Minority interests in income or loss	(213)	(193)	(193)	(149)	(149)
UNDERLYING EARNINGS	2,670	2,270	2,325	1,887	1,931
Net realized capital gains or losses attributable to shareholders	567	575	597	437	432
ADJUSTED EARNINGS	3,238	2,845	2,921	2,323	2,362
Profit or loss on financial assets (under fair value option) & derivatives	(237)	48	49	18	50
Exceptional operations (including discontinued operations)	(1)	74	(3)	71	(0)
Goodwill and other related intangible impacts	(39)	(10)	(10)	(8)	(8)
Integration costs	(63)	-	-	-	-
NET INCOME	2,899	2,957	2,957	2,404	2,404

(a) before intercompany transactions

(b) For the periods ended December 31, 2007, December 31, 2006, and December 31, 2005, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €7,468 million, €15,158 million and €13,589 million, and benefits and claims by the offsetting amounts respectively.

(c) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(d) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) in line with new accounting FRS27, the reclassification in the United Kingdom of some With-Profit technical reserves to allow for all future terminal bonuses payable to With-Profit policyholders within the allocated policyholder reserves, previously held in the unallocated policyholder bonus reserve, without any impact on earnings, and (iii) the restatement of The Netherlands' activities as discontinued businesses.

Consolidated Gross Revenues

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
France	15,052	14,802	14,802	13,237	13,237
United States	16,244	15,390	15,390	13,940	13,940
United Kingdom	4,628	4,292	4,292	2,395	2,395
Japan	5,116	5,027	5,027	4,735	4,735
Germany	6,201	3,681	3,681	3,585	3,585
Switzerland	4,133	141	141	116	116
Belgium	3,075	2,512	2,512	2,734	2,734
Mediterranean Region (b)	1,924	1,476	1,476	1,562	1,562
Other countries	3,507	2,637	3,164	2,290	2,822
TOTAL	59,879	49,959	50,485	44,595	45,126
Intercompany transactions	(35)	(7)	(7)	(10)	(10)
Contribution to consolidated gross revenues	59,845	49,952	50,479	44,585	45,116

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.

(b) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (b)	FY 2005 Published
France	531	462	462	387	387
United States	883	1,000	1,000	866	866
United Kingdom	255	155	155	85	85
Japan	254	256	256	266	266
Germany	182	69	69	30	30
Switzerland	165	3	3	2	2
Belgium	90	65	65	56	56
Mediterranean Region (c)	73	57	57	50	50
Other countries	237	203	258	146	190
UNDERLYING EARNINGS	2,670	2,270	2,325	1,887	1,931
Net realized capital gains or losses attributable to shareholders	567	575	597	437	432
ADJUSTED EARNINGS	3,238	2,845	2,921	2,323	2,362
Profit or loss on financial assets (under Fair Value option) & derivatives	(237)	48	49	18	50
Exceptional operations (including discontinued operations)	(1)	74	(3)	71	(0)
Goodwill and related intangible impacts	(39)	(10)	(10)	(8)	(8)
Integration costs	(63)	0	0	0	0
NET INCOME	2,899	2,957	2,957	2,404	2,404

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.

(c) Mediterranean Region includes Italy, Spain, Portugal, Greece, Morocco and Turkey.

Life & Savings operations – France

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	15,052	14,802	13,237	13,237
<i>APE (group share)</i>	<i>1,360</i>	<i>1,231</i>	<i>1,075</i>	<i>1,075</i>
Investment margin	937	890	938	938
Fees & revenues	1,463	1,345	1,196	1,196
Net technical margin	265	88	70	70
Expenses	-1,911	-1,680	-1,590	(1,590)
Amortization of VBI	-43	-68	-48	(48)
Underlying operating earnings before tax	711	575	565	565
Income tax expenses / benefits	-178	-111	-176	(176)
Minority interests	-2	-2	-3	(3)
Underlying earnings group share	531	462	387	387
Net capital gains or losses attributable to shareholders net of income tax	269	204	191	154
Adjusted earnings group share	800	666	578	540
Profit or loss on financial assets (under FV option) & derivatives	-91	110	52	90
Exceptional operations (including discontinued operations)	-	-	-	-
Goodwill and other related intangibles impacts	-	-	-	-
Integration costs	-	-	-	-
Net income group share	709	776	630	630

(a) Restated means : transfer of the forex impact from adjusted earnings to net income.

Gross revenues increased by €250 million (+2%) to €15,052 million with positive contribution of both Individual and Group businesses.

APE increased by €129 million to €1,360 million or 3% on a comparable basis driven by both Individual lines and Group business despite a contracting insurance market. In Individual lines, the Accumulator-type product “Capital Resources” launched in March 2007 recorded €23 million of APE. Group business growth was largely driven by Life & Health while Group retirement remained stable following a strong 2006 performance. Unit linked share in total APE was stable at 25%.

Investment margin increased by €48 million (+5%) to €937 million broadly in line with the increase in asset base.

Fees & revenues were up €+118 million (+9%) to €1,463 million mainly resulting from higher revenues on unit-linked account balance (€+61 million) and higher sales of Life & Health products (€+43 million).

Net technical margin rose by €177 million to €265 million due to (i) €97 million charges reclassified from technical margin to commission expenses in the context of the renewal of some group Life contracts, (ii) the positive impact resulting from higher discount rates used for Life and Health Group Annuity reserves (€+23 million), and (iii) the non recurrence of 2006 negative additional annuity reserves in Savings following change in regulatory mortality tables (€+21 million) and additional reserves in individual disability business (€+24 million).

Expenses increased by €230 million to €-1,911 million due to (i) the €97 million impact of charges that were reclassified from technical items to commissions in the context of the renewal of some Group Life contracts, (ii) higher commissions (€+49 million to €-799 million) resulting from a volume effect, (iii) a €52 million increased general expenses mainly due to IT Costs and building lease, and (iv) higher amortization net of capitalization of deferred acquisition costs (€+32 million).

Amortization of VBI decreased by €25 million (-37%) to €-43 million mainly due to a 2006 exceptional impact of UAP portfolio segment amortization (acquired in 1999).

Underlying cost income ratio improved by 2.0 points to 73.3%.

Income tax expenses increased by €67 million to €-178 million reflecting the increase of taxable income and an exceptionally low tax rate (€+15 million) in 2006.

As a consequence, **underlying earnings** increased by €69 million (+15%) to €531 million.

Adjusted earnings increased by €134 million (+20%) to €800 million, resulting from the improvement in the underlying earnings (€69 million) and a €65 million higher increase in net realized gains to €269 million, mainly driven by important gains on real estate disposals.

Net income decreased by €67 million (-9%) to €709 million mainly due to the adjusted earnings evolution and a €-201 million lower contribution of assets under fair value option and derivatives (mainly due to (i) €-91 million on real estate funds designated at market value (lower market reevaluation coupled with a €-51 million impact on deferred tax liabilities linked to an increased taxation of such real estate investments), as well as (ii) to the negative change in fair value in 2007 of some equities and some mutual funds exposed to credit and asset backed securities (versus positive change in fair value of such assets in 2006)).

Life & Savings operations - United States

(in euro million)

	FY 2007	FY 2006	FY 2005
Gross revenues	16,244	15,390	13,940
<i>APE (group share)</i>	<i>2,099</i>	<i>1,922</i>	<i>1,700</i>
Investment margin	704	858	807
Fees & revenues	1,792	1,632	1,404
Net technical margin	466	634	632
Expenses	(1,647)	(1,725)	(1,572)
Amortization of VBI	(69)	(65)	(51)
Underlying operating earnings before tax	1,247	1,333	1,220
Income tax expenses / benefits	(363)	(334)	(354)
Minority interests	(0)	(0)	(0)
Underlying earnings group share	883	1,000	866
Net capital gains or losses attributable to shareholders net of income tax	(32)	30	5
Adjusted earnings group share	851	1,029	871
Profit or loss on financial assets (under FV option) & derivatives	40	0	9
Exceptional operations (including discontinued operations)	(7)	-	-
Goodwill and other related intangibles impacts	(21)	(10)	(8)
Integration costs	-	-	-
Net income group share	863	1,020	872
<i>Average exchange rate : 1.00 € = \$</i>	<i>1.3699</i>	<i>1.2563</i>	<i>1.2453</i>

Gross revenues increased by €854 million (+6%) to €16,244 million on a reported basis. On a comparable basis, gross revenues increased by €2,323 million (+15%).

- *Variable Annuity premiums* increased by 19%. First year Variable Annuity premiums increased by 22%, with Wholesale channel Variable Annuity sales up 27%.

- *Life premiums* increased by 7%, including a 34% increase in first year Life premiums driven by strong Wholesale channel growth due to strong Fixed Universal Life sales.

- *Other revenues* (mainly from mutual funds) were up 18% due primarily to higher Asset Management fees.

APE increased by €177 million (+9%) to €2,099 million on a reported basis, or +19% on a comparable basis due to strong growth in sales of Variable Annuities (up 20%) as well as in Life products. Variable Annuities growth was primarily driven by the continued expansion in the third party distribution networks, especially independent financial advisory firms. The addition of product features also contributed to the increase in sales. Universal Life product range was enhanced by the launch of an updated product for 2007 (Athena).

Investment margin decreased by €154 million to €704 million. On a constant exchange rate basis, investment margin decreased by €90 million (-11%). Investment income decreased by €68 million reflecting lower General Account asset levels and lower prepayments from mortgages and fixed maturity refinancing, partially offset by higher income from Alternative Investments. Interest and bonus credited increased by €23 million as lower account asset levels were more than offset by the non recurrence of a 2006 reserve release on discontinued operations as well as higher interest credited on pre-demutualization participating annuity business.

Fees & revenues increased by €160 million to €1,792 million. On a constant exchange rate basis, fees & revenues increased by €322 million (+20%), mainly due to higher fees earned on separate account business resulting from positive net cash flows, the impact of the market appreciation on separate account balances and higher fee structure.

Net technical margin decreased by €168 million to €466 million. On a constant exchange rate basis, net technical margin decreased by €126 million (-20%) primarily due to lower GMDB/IB margins mainly due to residual interest rate risk and higher volatility, as well as €37 million higher Fixed Life's no lapse guarantee reserves resulting from increased sales of Universal Life to older clients.

Expenses (including commissions and DAC) decreased by €78 million to €-1,647 million. On a constant exchange rate basis, expenses increased by €71 million (+4%) due to:

- Expenses, net of capitalization (including commissions), increased by €31 million on a constant exchange rate basis principally due to higher commissions and a 3% increase in general expenses partially offset by increased DAC capitalization.

- DAC amortization increased by €40 million on a constant exchange rate basis reflecting lower DAC unlockings in 2007 and higher revenues from separate account fees.

VBI amortization increased by €3 million to €-69 million. On a constant exchange rate basis, VBI amortization increased by €9 million (+14%).

Underlying cost income ratio increased to 57.9% versus 57.3% in 2006, notably due to a lower technical margin.

Income tax expense increased by €30 million to €-363 million. On a constant exchange rate basis, income tax expense increased by €63 million (+19%) principally due to the non recurrence of a €92 million favorable tax settlement in 2006, partially offset by a €36 million release of tax reserves in 2007.

Underlying earnings decreased by €116 million to €883 million. On a constant exchange rate basis, underlying earnings decreased by €37 million (-4%).

Adjusted earnings decreased by €179 million to €851 million. On a constant exchange rate basis, adjusted earnings decreased by €102 million (-10%), primarily due to lower underlying earnings, impairment charges on fixed maturities (€82 million gross of which €31 million on Northern Rock) and lower capital gains net of DAC/VBI reactivity.

Net income decreased by €157 million to €863 million. On a constant exchange rate basis, net income decreased by €79 million (-8%), primarily due to the decrease in adjusted earnings, a €13 million impairment of intangibles related to the wind down of USFL and €8 million in restructuring charges associated with the transfer of the Enterprise retail mutual funds to Goldman Sachs, partially offset by a €44 million increase in the mark to market impact mainly on derivatives not eligible to hedge accounting due to lower interest rates in the US.

Life & Savings operations - United Kingdom

	(in euro million)			
	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	4,628	4,292	2,395	2,395
<i>APE (group share)</i>	<i>1,588</i>	<i>1,134</i>	<i>817</i>	<i>817</i>
Investment margin	258	198	181	181
Fees & revenues	889	591	457	457
Net technical margin	90	160	94	94
Expenses	(967)	(645)	(657)	(657)
Amortization of VBI	(46)	(7)	(22)	(22)
Underlying operating earnings before tax	224	297	54	54
Income tax expenses / benefits	31	(142)	31	31
Minority interests	(0)	(0)	-	-
Underlying earnings group share	255	155	85	85
Net capital gains or losses attributable to shareholders net of income tax	(26)	10	7	14
Adjusted earnings group share	229	165	92	98
Profit or loss on financial assets (under FV option) & derivatives	21	(27)	(48)	(54)
Exceptional operations (including discontinued operations)	-	-	-	-
Goodwill and other related intangibles impacts	(11)	-	-	-
Integration costs	(23)	-	-	-
Net income group share	216	138	44	44
<i>Average exchange rate : 1.00 € = £</i>	<i>0.6845</i>	<i>0.6817</i>	<i>0.6840</i>	<i>0.6840</i>

(a) Restated means : transfer of the forex impact from adjusted earnings to net income.

Gross Revenues increased by €336 million (+8%) to €4,628 million on a reported basis, of which €73 million was due to the inclusion of Thinc Group (formerly Thinc Destini, a financial intermediary business). On a comparable basis, including Winterthur in both periods and excluding Thinc Group in 2007, gross revenues increased by €26 million (+1%):

- *Investment & Savings (80% of gross revenues)* were down 2% largely due to lower volumes of Onshore Bond business and Offshore cash sales.
- *Life Insurance Premiums (20% of gross revenues)* increased by 13% due to increased volumes of Creditor Insurance single premiums and higher AXA Protection Account and direct business volumes.

APE increased by €454 million (+40%) to €1,588 million on a reported basis or +6% on a comparable basis. Wealth management was up 7% due to (i) individual pension business (up 14%) reflecting the strength of the combined AXA/Winterthur Individual pension offering as well as (ii) strong performance in the Offshore Estate Planning Bond (up 68%), partly offset by (iii) a drop in Offshore Bonds cash sales (-36%) resulting from a change in the tax environment of these products in 1Q07. Protection business was up 27% driven by new deals and improved propositions to IFAs as well as effective direct marketing campaigns. Group pension was up 2%.

Investment Margin increased by €59 million on a reported basis to €258 million. Excluding Winterthur and on a constant exchange rate basis, investment margin increased by €46 million (+23%) largely driven by Shareholders' participation in higher With Profit bonuses (annual and Terminal bonuses) as a result of high levels of With Profit surrenders in 2007.

Winterthur contribution amounted to €15 million.

Fees & Revenues increased by €297 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, Fees & Revenues increased by €222 million (+38%) driven by:

- the Thinc Group fees & revenues of €73 million;
- an increase of €82 million in Loadings on account balances, largely due to positive net new money into unit linked funds;
- a decrease of €13 million in Loadings on premiums reflecting lower initial margins on unit linked new business
- an increase of €91 million in deferred loadings amortization related to previously deferred income on short term offshore cash deals business largely written in Q4 2006 and Q1 2007, which is offset in the expense margin by the amortization of previously deferred commissions.

Winterthur contribution amounted to €78 million.

Net Technical Margin decreased by €69 million to €90 million on a reported basis. Excluding Winterthur and on constant exchange rate basis, net technical margin decreased by €71 million (-45%) as 2006 included favorable non recurring items (€88 million which notably included the reduction of possible endowment misselling provision and favorable movements in Unit Linked reserves following the finalization of compensation amounts to policyholders), partly offset by various reserves releases (€+29 million) including a further 2007 release of possible endowment misselling provision.

Winterthur contribution amounted to €2 million.

Expenses net of policyholder allocation⁴⁷ increased by €322 million to €-967 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, expenses increased by €241 million (+37%) as a result of (i) the inclusion of the Thinc Group expenses (€92 million), (ii) amortization of €91 million of previously deferred expenses on short term offshore cash deals largely written in Q4 2006 and Q1 2007, (iii) higher administrative expenses (€54 million) including costs of direct marketing campaigns and the development of a new Wrap platform and (iv) higher commissions net of DAC/DOC capitalization (€12 million) reflecting growth in new business.

Winterthur contribution amounted to €-85 million.

VBI Amortization increased by €39 million to €-46 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, VBI amortization increased by €38 million mainly as a result of higher lapses on Pension business.

Winterthur contribution amounted to €-2 million.

The **underlying cost income ratio** increased from 68.7% to 81.9%. Excluding Winterthur, underlying cost income ratio increased by 12.5 points from 68.7% to 81.2% primarily due to the 2006 net technical margin positive one offs (7 points), the inclusion of Thinc Group (2 points), and the impact of the Wrap platform proposition (1.6 point).

Income Tax Expenses decreased by €173 million to a benefit of €31 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, the reduction of €159 million was due primarily to a 2007 one off gain of €29 million due to a reduction in the rate of UK Corporation Tax applied to deferred tax balances, and the non recurring 2006 net negative impact of €107 million due to the reassessment of the likelihood of a future distribution from the attributed Inherited Estate.

Winterthur contribution amounted to €14 million.

Underlying Earnings increased by €99 million to €255 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, underlying earnings improved by €78 million (+50%).

Winterthur contribution amounted to €23 million.

Adjusted Earnings increased by €64 million to €229 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by €42 million (+26%) reflecting the increase in underlying earnings reduced by impairments (€10 million) mainly attributable to Northern Rock depreciation (€9 million) and net realized losses on corporate bonds (€19 million) in 2007.

⁴⁷ Part of these expenses are located in the With-Profit funds and therefore are borne by policyholders.

Winterthur contribution amounted to €23 million.

Net Income increased by €78 million to €216 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, net income increased by €61 million (+44%) including a €+51 million favorable impact due to the decrease in undiscounted tax adjustment on unrealized gains attributable to policyholders in Unit Linked Life funds⁴⁸ offset by €22 million of costs in respect of the integration of Winterthur and Thinc Group, and €11 million of Thinc Group customer intangible amortization.

Winterthur contribution amounted to €18 million.

⁴⁸ The deferred policyholder tax on unrealized gains is undiscounted when provided on Life unit linked assets and discounted when provided on unit linked liabilities. The IFRS restatement between discounted deferred tax provision and undiscounted amount flows through net income.

Life & Savings operations – Japan

(in euro million)

	FY 2007	FY 2006	FY 2005
Gross revenues	5,116	5,027	4,735
APE (group share)	567	651	589
Investment margin	3	(0)	0
Fees & revenues	992	931	889
Net technical margin	135	130	175
Expenses	(641)	(604)	(635)
Amortization of VBI	(76)	(31)	(351)
Underlying operating earnings before tax	413	426	78
Income tax expenses / benefits	(154)	(164)	195
Minority interests	(5)	(6)	(7)
Underlying earnings group share	254	256	266
Net capital gains or losses attributable to shareholders net of income tax	65	38	120
Adjusted earnings group share	319	293	385
Profit or loss on financial assets (under FV option) & derivatives	(96)	(37)	6
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(4)	-	-
Net income group share	219	256	392
Average exchange rate : 1.00 € = Yen	158.255	142.949	136.286

Gross Revenues increased by 2% to €5,116 million on a reported basis. On a comparable basis, and excluding group pension transfers (€51 million versus €299 million last year), revenues increased by €254 million (+5%) to €5,070 million, driven by:

- Life (42% of gross revenues): Revenues decreased by 4% (€-88 million) to €2,140 million driven by lower Endowment, Whole Life, Group Life and LTPA regular premiums (€-120 million), partially offset by higher Increasing Term revenue (€+35 million) reflecting the inforce block growth following strong sales until its discontinuation in March 2007;
- Health (26% of gross revenues): Revenues increased by 18% (€+215 million) to €1,299 million due to higher conversions following a one time 1Q07 program which upgraded selected old Medical Whole Life policies to more recent product generations (€+78 million), and the move from lower margin Term products to more profitable medical products (€+68 million). Winterthur's revenues increased by €68 million mainly driven by Cancer sales;
- Investment & Savings (32% of gross revenues excluding group pension transfers): Revenues increased by 8% (€+127 million) to €1,631 million with higher revenues from the launch of the Accumulator type products (€+540 million) and strong sales of other variable annuity products (€+55 million) being partially offset by (i) €-316 million lower SPA revenues (US dollar-denominated variable annuity product) following strong “post-launch” salaried salesforce sales in Q1-2006 and (ii) lower regular premium individual fixed annuities (€-132 million), this product being no longer actively promoted as part of Bancassurance's transition to higher margin variable annuity products.

APE declined by 13% to €567 million on a reported basis. On a comparable basis, APE decreased by 18% (€-134 million) mainly driven by individual business which decreased by 18% (€-123 million), notably:

- Life: APE decreased by -47% (€-213 million) to €220 million mainly due to (i) €-182 million lower Increasing Term & LTPA sales following the announcement of tax regulation changes in March 2007 and April 2006 respectively, (ii) €-50 million Term Rider sales following the strategy to rebalance the non-proprietary portfolio to

- more profitable medical products, (iii) €-17 million lower Whole Life and Endowment sales (products not actively sold), partially offset by (iv) €+36 million higher LTTP sales and the newly launched universal Life product;
- Health: APE increased by 39% (€+76 million) to €245 million driven by €+48 million higher sales of Cancer product and €+27 million reflecting the successful implementation of the strategy to rebalance the portfolio towards more profitable medical products;
 - Investments & Savings: APE increased by 15% (€+13 million) to €91 million due mainly to the €+52 million contribution of Accumulator-type products and €+7 million other variable annuity sales, partially offset by €-34 million lower SPA sales and €-12 million lower Fixed Annuity sales.
- Unit linked share in total APE was 21%.

Investment margin increased by €3 million on a reported basis to €3 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, investment margin remained constant at €0 million, with higher investment income (€+77 million) driven by higher income from fixed maturities and stronger returns from alternative investments being fully allocated to policyholders' credited interests (€-77 million). Winterthur contribution amounted to €3 million.

Fees & revenues increased by €61 million (+7%) on a reported basis to €992 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, fees & revenues were up €+66 million (+7%) mainly driven by loadings on higher medical premiums. Winterthur contribution amounted to €91 million.

Net technical margin increased by €5 million (+4%) on a reported basis to €135 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, net technical margin decreased by €2 million (-2%):

- Mortality margin increased by €41 million to €121 million mainly due to the change in assumptions on the annuity portfolio (€-14 million in 2006 compared to €+31 million in 2007);
- Surrender margin decreased by €44 million to €-6 million predominantly due to the combined impacts of the 1Q07 medical whole Life conversion program (€-20 million) and normalized Safety-Plus surrenders from high 2006 levels (€-22 million).

Winterthur contribution amounted to €20 million.

Expenses increased by €37 million (+6%) on a reported basis to €-641 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, expenses increased by €57 million (+9%) driven mainly by:

- €26 million (+7%) higher commissions as a result of variable annuity and medical sales growth combined with the business mix shift towards more profitable and higher commission-paying medical products;
- €22 million (+6%) higher non-commission expenses following increases in advertising spend, outsourcing expenses and payroll costs (including increased overtime & temp staff resulting from industry claim checking);
- €8 million higher net DAC expenses.

Winterthur contribution amounted to €-44 million.

VBI amortization increased by €46 million on a reported basis to €-76 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, VBI amortization increased by €15 million (+50%) driven by the combination of the one time 1Q07 old Medical Whole Life policies upgrade program (€9 million), higher Term & Whole Life surrenders and, to a lesser extent, differences between the positive impact of actuarial assumption changes (€33 million in 2007 versus €36 million in 2006). Winterthur contribution amounted to €-35 million.

The Underlying cost income ratio increased from 59.9% to 63.4% on a reported basis. Excluding the contribution of Winterthur, the underlying cost income ratio increased from 59.9% to 62.9% as higher fees & revenues were more than offset by higher expenses, lower technical margin, and higher VBI amortization.

Income tax expenses declined by €10 million on a reported basis to €-154 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, income tax expense declined by €9 million (-5%) following a decline in taxable income. Winterthur contribution amounted to €-14 million reflecting taxable income of €36 million.

Underlying Earnings declined slightly by €2 million (-1%) on a reported basis to €254 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, underlying earnings remained flat.

Winterthur contribution amounted to €22 million.

Adjusted earnings increased by €25 million (+9%) on a reported basis to €319 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, adjusted earnings increased by €36 million or 12% mainly driven by (i) higher net capital gains (€+18 million) mainly on Euro governments bonds following the asset portfolio rebalancing towards Japanese bonds and (ii) lower credited interests funded with capital gains (€+37 million), partially offset by (iii) the related tax & DAC/VBI reactivity (€-21 million).

Winterthur contribution amounted to €21 million.

Net income declined by €38 million (-15%) on a reported basis to €219 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, net income declined by €35 million (-13%) as the €+36 million higher adjusted earnings were more than offset by losses arising from derivatives notably following the adverse yen to Euro/US dollar exchange rate movement (€-38 million) and the change of fair value of assets designated at fair value through P&L mostly invested in fixed income (€-32 million).

Winterthur contribution amounted to €18 million including €-2 million integration costs.

Life & Savings operations – Germany

(in euro million)

	FY 2007	FY 2006	FY 2005
Gross revenues	6,201	3,681	3,585
<i>APE (group share)</i>	<i>457</i>	<i>287</i>	<i>270</i>
Investment margin	139	96	66
Fees & revenues	229	127	88
Net technical margin	112	50	44
Expenses	(136)	(92)	(82)
Amortization of VBI	(23)	(9)	(11)
Underlying operating earnings before tax	321	171	105
Income tax expenses / benefits	(134)	(99)	(72)
Minority interests	(4)	(3)	(3)
Underlying earnings group share	182	69	30
Net capital gains or losses attributable to shareholders net of income tax	(1)	6	2
Adjusted earnings group share	182	75	32
Profit or loss on financial assets (under FV option) & derivatives	3	6	4
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(6)	-	-
Net income group share	179	81	36

Gross revenues increased by €2,520 million (+68%) to €6,201 million on a reported basis. On a comparable basis, revenues decreased by €51 million (-1%) mainly due to lower traditional endowment business and lower Group business resulting from reduced share in medical councils as well as high single premium business in 2006. The decline was partly offset by Investment & Savings both unit-linked (especially “Twinstar” products) and non unit-linked premiums (“WinCash” product) as well as continuous growth in Health.

APE increased by €170 million on a reported basis to €457 million. On comparable basis, APE was stable as the strong growth in Investment & Savings (+12%), with notably the “TwinStar” Accumulator-type product (€84 million) was offset by (i) the non recurrence of 2006 large cases in Life Group business as well as (ii) the negative impact of traditional Riester products (notably in Winterthur’s portfolio) which had benefited last year from strong inflows as a result of a 2006 fiscal incentive. Unit linked share in total APE was 38%.

Investment margin increased by €43 million to €139 million. Excluding Winterthur, investment margin increased by €17 million (+18%) mainly driven by higher investment income due to equity dividends and fixed income yields (increases in duration and spread) as well as higher asset base mainly due to portfolio growth in Health, supported by lower policyholder participation rate. Winterthur contribution amounted to €26 million.

Fees & revenues increased strongly by €102 million to €229 million. Excluding Winterthur, fees & revenues increased by €31 million (+24%), driven by the growth in Health business and lower policyholder participation in Life and Health. Winterthur contribution amounted to €71 million.

Net technical margin increased by €62 million to €112 million. Excluding Winterthur, net technical margin was up €+26 million (+53%) due to improved technical result combined with lower policyholder participation in Life and Health.

Winterthur contribution amounted to €36 million.

Expenses increased by €44 million to €-136 million. Excluding Winterthur, expenses increased by €18 million (+19%) mainly due to higher DAC amortization as well as lower policyholders' participation rates on expenses.

Winterthur contribution amounted to €-26 million.

VBI amortization increased by €14 million to €-23 million. Excluding Winterthur, VBI amortization increased by €3 million (+34%).

Winterthur contribution amounted to €-11 million.

Underlying cost income ratio amounted to 33.1%. Excluding Winterthur, the ratio improved to 35.2% from 37.2% due to higher gross margin.

Income tax expenses increased by €35 million to €-134 million. Excluding Winterthur, income tax expenses increased by €3 million (+3%) as a €28 million favourable impact of the new income tax rate (32% versus 40%, applicable on current income from 2008) on deferred tax liabilities partly offset the higher taxable income.

Winterthur contribution amounted to €-31 million, benefiting from an additional €28 million positive impact of the new income tax rate on the deferred tax liabilities.

Underlying Earnings increased by €113 million to €182 million. Excluding Winterthur, underlying earnings increased by €50 million (+73%).

Winterthur contribution amounted to €63 million.

Adjusted Earnings increased by €106 million to €182 million. Excluding Winterthur, adjusted earnings increased by €58 million (+77%) including €7 million higher net capital gains (mainly on equities).

Winterthur contributed €48 million.

Net Income increased by €97 million to €179 million. Excluding Winterthur, net income increased by €47 million (+58%) including integration costs (€-3 million) and the change in fair value on financial assets and derivatives under fair value option (€-7 million).

Winterthur contribution amounted to €50 million including integration costs (€-2 million).

Life & Savings operations – Switzerland

(in euro million)

	FY 2007	FY 2006	FY 2005
Gross revenues	4,133	141	116
<i>APE (group share) (a)</i>	222		
Investment margin	61	3	2
Fees & revenues	212	11	10
Net technical margin	137	2	3
Expenses	(167)	(13)	(12)
Amortization of VBI	(29)	-	-
Underlying operating earnings before tax	214	3	3
Income tax expenses / benefits	(49)	(0)	(0)
Minority interests	-	-	-
Underlying earnings group share	165	3	2
Net capital gains and losses attributable to shareholders net of income tax	(15)	4	2
Adjusted earnings group share	149	7	4
Profit or loss on financial assets (under FV option) & derivatives	(10)	-	-
Exceptional operations (including discontinued operations)	7	-	-
Goodwill and other related intangibles impacts	(5)	-	-
Integration costs	(7)	-	-
Net income group share	135	7	4

(a) AXA Switzerland was not in the scope of APE in 2006 nor in 2005. Starting 2007, and as a result of Winterthur acquisition AXA Switzerland is in the scope of APE.

Gross revenues reached €4,133 million. On a comparable basis, gross revenues decreased by €40 million (-1%):

- *Group Life* decreased by €37 million (-1%) to €3,423 million as 2006 recorded a non-recurring high level of premiums related to the transfer of vested benefits on new contracts.

- *Individual Life* increased by €22 million (+3%) to €693 million, due to strong growth in unit-linked business of €74 million (+190%) to €108 million whereas traditional business decreased by €52 million (-8%) to €585 million.

APE increased by €4 million (+2%) on a comparable basis to €222 million with Individual Life & Savings up 16% reflecting the continuous increase in sales of new Unit Linked products (+148%) which were launched in October 2006 (WinLife Variant) and May 2007 (AXA Comfort), partly offset by Group Life down 3%. Unit linked share of total APE increased to 8%.

2006 and 2005 numbers are related to AXA Switzerland before the Winterthur acquisition. As this acquisition increased dramatically the size of AXA in Switzerland, the following comments focus only on overall Switzerland numbers in 2007, without comparison to 2006.

Investment margin amounted to €61 million of which €55 million in Group Life favoured by increasing yields on bonds as well as equity dividends, partly offset by policyholders bonus distributed under the Swiss legal quote rule.

Fees & revenues (mainly loadings on premiums) amounted to €212 million, including €100 million in Group Life and €112 million in Individual Life (of which €11 million on Unit-Linked products).

Net technical margin reached €137 million, showing a strong contribution of mortality and disability technical result. Individual Life technical margin amounted to €81 million and Group Life technical margin amounted to €57 million net of policyholder bonus distributed under the Swiss legal quote rule.

Expenses amounted to €-167 million, of which €-107 million in Group Life (mainly non-commissions expenses reflecting the predominance of direct distribution). Other expenses (mainly related to Individual Life) amounted to €-60 million.

As a result and taking into account a **VBI amortization** of €-29 million (of which €-12 million in Group Life and €-17 million in Individual Life), **Underlying cost income ratio** was 47.8%.

Underlying earnings reached €165 million, taking into account **Income tax expenses** of €-49 million.

Adjusted earnings reached €149 million as the underlying earnings contribution was partly offset by €-15 million net capital losses on equities and bond securities.

Net income amounted to €135 million including adjusted earnings of €149 million and realized gains resulting from the sale of Winplan (€+7 million), offset by a change in fair value of assets under fair value option and derivatives (€-10 million), amortization of Winterthur customer intangible (€-5 million), and Winterthur integration costs (€-7 million).

Life & Savings operations – Belgium

(in euro million)

	FY 2007	FY 2006	FY 2005
Gross revenues	3,075	2,512	2,734
<i>APE (group share)</i>	<i>340</i>	<i>300</i>	<i>336</i>
Investment margin	143	86	74
Fees & revenues	162	146	143
Net technical margin	57	56	49
Expenses	(252)	(194)	(183)
Amortization of VBI	(3)	(7)	(2)
Underlying operating earnings before tax	107	87	81
Income tax expenses / benefits	(17)	(22)	(25)
Minority interests	(0)	(0)	(0)
Underlying earnings group share	90	65	56
Net capital gains or losses attributable to shareholders net of income tax	206	255	85
Adjusted earnings group share	297	320	141
Profit or loss on financial assets (under FV option) & derivatives	(93)	(10)	(11)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(13)	-	-
Net income group share	191	310	131

Gross revenues increased by €563 million (+22%) to €3,075 million on a reported basis. On a comparable basis, gross revenues increased by €315 million (+11%) due to the increase in both Individual Life (+9%) and Group Life (+22%).

- *Individual Life and Savings revenues* increased by 9% to €2,453 million driven by the growth of unit-linked products (+48% to €432 million) with the reclassification of AXA Life Invest products from investment to insurance products and the launch of Twinstar in September 2007, and non unit-linked products (mainly Crest 40) by 5% to €1,707 million. Traditional Life products decreased by 4% to €313 million.
- *Group Life and Savings revenues* increased by 22% to €619 million due to exceptional 2007 high production (including a €63 million single premium contract).

APE increased by €40 million to €340 million on a reported basis. On a comparable basis, APE was up 8% to €340 million due to (i) individual life (+5% to €307 million) driven by both non unit-linked (largely Crest 40) and unit-linked products (Twinstar launched in September 2007), and (ii) Group business (+60% to €33 million including €6 million from a 2007 large case). Unit linked share in total APE was 14%.

Investment margin increased by €57 million to €143 million on a reported basis. Excluding Winterthur, investment margin increased by €43 million (+50%) mainly due to a decrease of the credited rate driven by the increased share of lower guaranteed rate products (Crest 30 and Crest 40) while the average rate of return of the assets increased slightly. Winterthur Investment margin amounted to €13 million.

Fees & revenues increased by €16 million to €162 million on a reported basis. Excluding the contribution of Winterthur, fees and revenues increased by €3 million (+2%). Winterthur contribution amounted to €13 million.

Net technical margin increased by €1 million to €57 million on a reported basis. Excluding the contribution of Winterthur, the net technical margin slightly decreased by €3 million (-5%) mainly due to a less favorable mortality experience in 2007.

Winterthur contribution amounted to €4 million.

Expenses increased by €58 million to €-252 million on a reported basis. Excluding the contribution of Winterthur, expenses increased by €32 million (+17%) mainly due to override commissions (€+19 million or +20%), acquisition costs (€+9 million or +17%), and administrative expenses (€+5 million or +8%).

Winterthur contribution amounted to €-25 million.

VBI amortization decreased by €4 million to €-3 million.

Underlying cost income ratio increased from 69.8% to 70.5% on a reported basis. Excluding Winterthur contribution, Underlying cost income ratio improved by 0.6 point to 69.2% due to the strong increase of underlying investment margin.

Income tax expense decreased by €5 million to €-17 million on a reported basis. Excluding the contribution of Winterthur, Income tax expense decreased by €7 million (-32%) including the €26 million positive contribution resulting from the favorable court decision from insurance companies on RDT (“Revenus Définitivement Taxés”: tax exemption on 95% of dividends on equities newly extended to insurance companies).

Winterthur contribution amounted to €-2 million.

Underlying earnings increased by €25 million to €90 million on a reported basis. Excluding the contribution of Winterthur, underlying earnings increased by €22 million (+34%). This increase reflected higher investment margin partly offset by higher expenses.

Winterthur contribution amounted to €3 million.

Adjusted earnings decreased by €24 million (-7%) to €297 million on a reported basis. Excluding the contribution of Winterthur, adjusted earnings decreased by €21 million (-6%) due to lower net realized capital gains following a high level in 2006 (€255 million) partly offset by the increase in underlying earnings (€+22 million).

Winterthur contribution amounted to €-3 million.

Net income decreased by €120 million to €191 million on a reported basis. Excluding the contribution of Winterthur, net income decreased by €91 million (-29%), including €-9 million integration costs and unfavourable change in fair value on fixed income mutual funds under fair value option due to interest rate increase.

Winterthur contribution amounted to €-28 million including €-4 million integration costs.

Life & Savings operations – Mediterranean Region

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	1,924	1,476	1,562	1,562
<i>APE (group share)</i>	<i>206</i>	<i>143</i>	<i>140</i>	<i>140</i>
Investment margin	91	73	56	56
Fees & revenues	172	108	109	109
Net technical margin	52	42	45	45
Expenses	(205)	(129)	(123)	(123)
Amortization of VBI	(9)	(5)	(6)	(6)
Underlying operating earnings before tax	100	88	81	81
Income tax expenses / benefits	(21)	(24)	(25)	(25)
Minority interests	(6)	(7)	(6)	(6)
Underlying earnings group share	73	57	50	50
Net capital gains or losses attributable to shareholders net of income tax	19	7	10	10
Adjusted earnings group share	92	64	60	60
Profit or loss on financial assets (under FV option) & derivatives	(0)	(0)	3	3
Exceptional operations (including discontinued operations)	-	-	-	-
Goodwill and other related intangibles impacts	(0)	-	-	-
Integration costs	(8)	-	-	-
Net income group share	84	63	63	63

(a) Restated means : transfer of the forex impact from adjusted earnings to net income.

The scope of the following analysis includes Italy (AXA alone), Spain (Winterthur+AXA), Portugal, Greece (Alpha Insurance, consolidated as of 01/01/2007), Turkey and Morocco. For volume indicators the comparable basis reflects this scope, for both 2006 and 2007. For earnings, Winterthur Spain is excluded from the comparable basis. MPS (Italy) P&L will be consolidated from 2008 on (full consolidation with an opening balance sheet as of 31/12/2007).

Gross revenues increased by 30% on a reported basis to €1,924 million. On a comparable basis (including Winterthur in Spain and Alpha Insurance in Greece for both periods), revenues were down 5% (€-87 million) mainly due to (i) a non recurring single premium in Spain, related to the outsourcing of pension funds, in 2006 (€-116 million), (ii) a lower amount of activity with institutional clients (€-43 million), as well as (iii) a decrease on other non unit linked individual saving products (€-84 million) -such as *Protezione Patrimonio* or *Flexiplus*- driven by the current market interest rate trend, which reduced the commercial attractiveness of these products, and due to a switch of new business towards a more profitable business. These were partially offset by the higher sales of individual unit-linked products - mainly driven by the new Accumulator product launched mid March in Spain and early June in Italy, increasing by €+151 million.

APE increased by 44% to €206 million on a reported basis. On a comparable basis, APE decreased by 5% as a result of a drop in Group business (down 28%) due to the non recurrence of a 2006 outsourcing of pension fund contract in Winterthur. This was partly offset by the increase in individual business (+2%) notably driven by the contribution of Accumulator product (€13 million). Unit linked share in total APE was 18%.

Investment margin increased by €18 million on reported basis to €91 million. Excluding Winterthur and on a constant exchange rate basis, investment margin increased by €3 million (+4%). Winterthur contribution amounted to €15 million.

Fees & revenues increased by €64 million on a reported basis to €172 million. Excluding Winterthur and on a constant exchange rate basis, fees & revenues increased by €38 million, or +35%. Excluding the contribution of Alpha Insurance (€26 million), fees & revenues increased by €13 million (+12%) due to new business mix with higher loadings, especially index linked and unit linked products.

Winterthur contribution amounted to €25 million.

Net technical margin rose by €10 million on a reported basis to €52 million. Excluding Winterthur and on a constant exchange rate basis, net technical margin increased by €3 million, due to the €3 million contribution of Alpha Insurance.

Winterthur contribution amounted to €7 million.

Expenses increased by €76 million on a reported basis to €-205 million. Excluding Winterthur and on a constant exchange rate basis, expenses increased by €40 million or 31%. Excluding the contribution of Alpha Insurance (€27 million), expenses increased by €13 million (+10%) due to higher non-commission general expenses (€+6 million), mainly driven by the launch of Accumulator, and higher commissions driven by a more profitable business mix (€+5 million)

Winterthur contribution amounted to €36 million.

VBI amortization increased by €4 million on a reported basis to €-9 million. Excluding Winterthur and on a constant exchange rate basis, VBI amortization was down €-2 million.

Winterthur contribution amounted to €-5 million.

Underlying cost income ratio increased by 7.9 points on a reported basis to 68.2%. Excluding Winterthur and on a constant exchange rate basis, underlying cost income ratio increased by 4.7 points to 64.9% of which +3.2 points impact of Alpha Insurance.

Income tax expenses decreased by €3 million on a reported basis to €-21 million. Excluding Winterthur and on a constant exchange rate basis, income tax expenses decreased by €3 million, despite the €5 million increase on pre-tax earnings, following lower tax rate in the main countries.

Winterthur contribution amounted to zero.

Underlying earnings increased by €16 million (+29%) on a reported basis to €73 million. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €10 million. Excluding Alpha Insurance's contribution (€+2 million) and the acquisition of the minority shares in Morocco (€+4 million), underlying earnings increased by €4 million.

Winterthur contribution amounted to €7 million.

Adjusted earnings increased by €29 million on a reported basis to €92 million. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by 20 million (or €+32%) including €10 million net capital gains.

Winterthur contribution amounted to €8 million.

Net income increased by €21 million on a reported basis to €84 million. Excluding Winterthur and on a constant exchange rate basis, net income increased by 16 million (+26%) with €-4 million integration costs.

Winterthur contribution amounted to €4 million including €-4 million integration costs.

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)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Australia / New Zealand	1,384	1,254	1,254	1,225	1,225
Hong Kong	1,257	1,041	1,041	832	832
The Netherlands	-	-	527	-	531
Central and Eastern Europe	423	-	-	-	-
Other countries	443	343	343	233	233
Canada	122	115	115	71	71
Luxembourg	64	48	48	38	38
South East Asia (b)	257	180	180	124	124
TOTAL	3,507	2,637	3,164	2,290	2,822
Intercompany transactions	-	-	-	(1)	(1)
Contribution to consolidated gross revenues	3,507	2,637	3,164	2,289	2,820

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.

(b) Includes Indonesia and Singapore.

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (b)	FY 2005 Published
Australia / New Zealand	99	83	83	64	64
Hong Kong	126	111	111	84	84
The Netherlands	-	-	55	-	44
Central and Eastern Europe	(0)	-	-	-	-
Other countries	12	9	9	(1)	(1)
Canada	2	4	4	(3)	(3)
Luxembourg	4	5	5	2	2
South East Asia (c)	6	(0)	(0)	(0)	(0)
China	(1)	-	-	-	-
UNDERLYING EARNINGS	237	203	258	146	190
Net realized capital gains or losses attributable to shareholders	83	22	43	13	40
ADJUSTED EARNINGS	319	225	301	159	230
Profit or loss on financial assets (under Fair Value option) & derivatives	(10)	6	7	2	3
Exceptional operations (including discontinued operations)	(0)	74	(3)	72	-
Goodwill and related intangibles impacts	(2)	-	-	-	-
Integration costs	(3)	-	-	-	-
NET INCOME	304	304	304	232	232

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.

(c) Includes Indonesia, Thailand, Philippines and Singapore.

AUSTRALIA AND NEW ZEALAND ⁴⁹

Mutual fund retail net sales increased by €750 million (+38% on a comparable basis) to €2,609 million. This is a key area of growth in Australia and reflects continued strong inflows into the mezzanine ‘global equity fund’ as well as into Personal superannuation sold through Summit and Generations platforms. Furthermore, recent legislative changes in Australia led to a one-time spike in superannuation contributions in Q2 and Q3 2007 as clients took advantage of transitional superannuation concessions.

Gross revenues were up €131 million to €1,384 million (+7% on a comparable basis), given:

- *Revenues from mutual fund and advice business* increased by €94 million (+23% on a comparable basis) to €367 million due to continuing growth in funds under management.
- *Gross written premiums and fees* increased by €37 million to €1,018 million (+2% on a comparable basis), reflecting the impact of a shift from old to new style superannuation products that offset the growth in individual Life & savings. As a reminder, new superannuation products are now predominantly sold through the Summit and Generations platforms and are thus accounted for on a fee basis - in contrast to old style superannuation products that were treated as insurance contracts.

APE was up 25% to €545 million mainly driven by continued strong inflows into Global Equity Value fund and ipac wholesale products, in addition to strong Personal superannuation flows into Summit & Generations platforms.

Underlying earnings were up €14 million (+17%) on a constant exchange rate basis to €99 million. On a 100% ownership basis, the evolution of underlying earnings was as follows:

- **Investment margin** was up €6 million to €29 million mainly due to increasing bond yields and higher dividend income on assets backing policy liabilities.
- **Fees & revenues** were up €98 million to €732 million, reflecting higher inflows and growth of funds under management and administration, following strong domestic market performance.
- **Net technical margin** was down €17 million to €6 million, due to less favourable claims termination experience in individual Life as well as non-recurring refinements in the group risk business.
- **Expenses** (including amortization of VBI) were up €51 million to €561 million, reflecting higher commissions associated with increased fees & revenues.
- **Tax expense** was up €13 million to €23 million mainly due to the increase in underlying earnings.

Overall, **the underlying cost to income ratio** improved from 74.9% to 73.1% as a result of higher fees & revenues.

Adjusted earnings were up €63 million (+66%) on a constant exchange rate basis to €162 million, reflecting the increase in underlying earnings and higher capital gains.

Net income was up €59 million (+59%) on a constant exchange rate basis to €162 million, in line with the adjusted earnings increase.

HONG-KONG ⁵⁰

Gross revenues were up €216 million (+21%) to €1,257 million on a reported basis. This included €110 million from MLC and €236 million from Winterthur. On a comparable basis - excluding the impact of MLC but including Winterthur in both periods and at constant exchange rates - gross revenues were up 4% reflecting the successful launch of a new unit-linked investment & savings type product for which only fee income rather than premium contributions are accounted for in gross revenues.

⁴⁹ AXA interest in AXA Asia Pacific Group is 53.86% broken down into 53.00% direct interest holding and an additional 0.86% owned by the AAPH Executive plan trust

⁵⁰ AXA interest in AXA Asia Pacific Group is 53.86% broken down into 53.00% direct interest holding and an additional 0.86% owned by the AAPH Executive plan trust

APE was up 39% to €139 million on a reported basis, with a contribution of the Winterthur business of €28 million and a full year impact of former MLC agents (€+3 million; company acquired in May and consolidated only 8 months in 2006). On a comparable basis, APE grew by 12%, reflecting strong growth in individual unit linked regular premiums and group retirement sales and encouraging results from the new Citibank bancassurance agreement (signed in July 2007). Unit linked share increased to 53%.

Underlying earnings increased by €15 million to €126 million. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €22 million (+20%) mainly due to an increase in the investment margin driven by higher income, an increase in fees and revenues as a consequence of strong sales and in-force portfolio growth as well as a full year of earnings from former MLC business.

MLC and Winterthur contributions amounted to €14 million and €5 million, respectively.

The **underlying cost income ratio** improved from 38.7% to 35.9%, or to 34.4% excluding Winterthur. This improvement reflected higher underlying earnings and lower expenses driven by a one-off recovery for a final settlement of a legal case as well as lower VBI amortization.

Adjusted earnings increased by €24 million to €143 million. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by €32 million (+27%), driven by the increase in underlying earnings and higher net capital gains as a result of strong equity markets.

MLC and Winterthur contributions amounted to €13 million and €5 million, respectively.

Net income increased by €25 million to €141 million. Excluding Winterthur and on a constant exchange rate basis, net income increased by €36 million (+31%) in line with adjusted earnings.

MLC and Winterthur contributions amounted to €13 million and €3 million (including €-2 million of integration costs), respectively.

CENTRAL AND EASTERN EUROPE

Gross revenues increased by 13% on a comparable basis to €423 million driven by positive contribution of all countries.

APE was up 59% on a comparable basis to €107 million, mainly driven by Life and Savings business (+128% to €48 million), benefiting from strong unit-linked sales (+128% to €44 million) and gains in market share in the Pension Fund business (+27% to €59 million). Main countries contributing to the growth were Czech Republic (+82% to €37 million) and Poland (+56% to €49 million).

Underlying earnings amounted to €0 million, as the positive investment margin, fees & revenues, and net technical margins (respectively €18 million, €80 million and €13 million, on a 100% basis), were offset by expenses (€-111 million on a 100% basis including €-12 million VBI amortization and €-16 million investments to accelerate growth and to develop AXA brand) and income tax (€-3 million).

Overall, the **underlying cost income ratio** was 98.5% in 2007.

Adjusted earnings amounted to €1 million, driven by underlying earnings and €2 million capital gains attributable to shareholders.

Net income amounted to €-1 million, as the adjusted earnings were offset by €-1 million integration costs of Winterthur (mainly rebranding costs) and €-2 million amortization of customer intangible assets.

CANADA

Gross revenues increased by €11 million to €122 million on a constant exchange rate basis mainly due to growth in Group Health (€6 million) and Individual Life & Savings (€4 million).

Underlying earnings, adjusted earnings and net income decreased by €2 million to €2 million on a constant exchange rate basis mainly due to the negative impact of a change in tax regulation.

SOUTH EAST ASIA AND CHINA

APE of *South East Asia* entities⁵¹ increased by 73% on a comparable basis⁵² to €58 million, reflecting the strong relationships with bancassurance partners and an expanding agency footprint. APE in *China* was up 93% on a comparable basis to €5 million due to a buoyant investment market, the launch of the new AXA Adviser channel and continued growth in bancassurance.

Underlying earnings of *South East Asia* were up €6 million to €6 million as a consequence of an increase in sales volume and additional months of operation⁵³. *China*⁵⁴ reported an underlying loss of €1 million due to business development expenses that included the opening of several new branches.

Net income of *South East Asia* increased by €5 million to €8 million in line with underlying earnings. *China*'s net income was €-15 million given the impact of its entry in the scope of consolidation (one-time recognition of past losses).

⁵¹ Indonesia, Singapore (both fully consolidated, except for AXA Mandiri JV), Thailand and Philippines (both equity consolidated)

⁵² All SEA entities reported APE for the first time in 2007

⁵³ Indonesia, Thailand, Philippines and China only reported 9 months of earnings in 2006

⁵⁴ China was consolidated for the first time in 2007 using the equity method.

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.

Property and Casualty Segment (a)

(in euro million)

	FY 2007	FY 2006 Restated (b)	FY 2006 Published	FY 2005 Restated (c)	FY 2005 Published
Gross written premiums	25,101	19,548	19,830	18,638	18,913
Fees and revenues from investment contracts without participating feature	-	-	-	-	-
Revenues from insurance activities	25,101	19,548	19,830	18,638	18,913
Net revenues from banking activities	-	-	-	-	-
Revenues from other activities	79	52	52	43	43
TOTAL REVENUES	25,180	19,600	19,882	18,681	18,956
Change in unearned premium reserves net of unearned revenues and fees	(362)	(139)	(142)	(272)	(269)
Net investment result excluding financing expenses	2,057	1,564	1,594	1,433	1,461
Technical charges relating to insurance activities	(16,702)	(12,697)	(12,841)	(12,187)	(12,347)
Net result of reinsurance ceded	(599)	(629)	(632)	(565)	(581)
Bank operating expenses	-	-	-	-	-
Insurance acquisition expenses	(4,634)	(3,712)	(3,787)	(3,327)	(3,382)
Amortization of value of purchased life business in force	-	-	-	-	-
Administrative expenses	(2,274)	(1,817)	(1,851)	(1,915)	(1,960)
Valuation allowances on tangible assets	4	11	11	(1)	(1)
Change in value of goodwill	-	-	-	-	-
Other	(24)	(18)	(20)	14	12
Other operating income and expenses	(24,229)	(18,863)	(19,120)	(17,980)	(18,259)
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	2,647	2,162	2,213	1,862	1,890
Net income from investments in affiliates and associates	5	9	9	3	3
Financing expenses	(13)	(8)	(8)	(11)	(11)
OPERATING INCOME GROSS OF TAX EXPENSE	2,639	2,163	2,214	1,854	1,882
Income tax expense	(726)	(704)	(719)	(483)	(493)
Minority interests in income or loss	(50)	(42)	(42)	(44)	(44)
UNDERLYING EARNINGS	1,863	1,417	1,453	1,327	1,346
Net realized capital gains or losses attributable to shareholders	562	440	441	335	307
ADJUSTED EARNINGS	2,425	1,857	1,895	1,662	1,653
Profit or loss on financial assets (under fair value option) & derivatives	4	70	71	51	85
Exceptional operations (including discontinued operations)	(2)	51	13	25	-
Goodwill and other related intangible impacts	(67)	(2)	(2)	(1)	(1)
Integration costs	(142)	-	-	-	-
NET INCOME	2,218	1,977	1,977	1,737	1,737

(a) Before intercompany transactions

(b) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(c) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.

Consolidated Gross Revenues

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
France	5,377	5,219	5,219	5,096	5,096
United Kingdom & Ireland	5,111	4,742	4,742	4,413	4,413
Germany	3,531	2,759	2,759	2,798	2,798
Belgium	2,130	1,520	1,520	1,462	1,462
Mediterranean Region (b)	5,298	3,831	3,831	3,612	3,612
Switzerland	1,981	95	95	90	90
Other countries	1,752	1,435	1,717	1,210	1,485
TOTAL	25,180	19,600	19,882	18,681	18,956
Intercompany transactions	(164)	(89)	(89)	(81)	(81)
Contribution to consolidated gross revenues	25,016	19,510	19,793	18,600	18,874

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.

(b) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (b)	FY 2005 Published
France	426	382	382	363	363
United Kingdom & Ireland	262	386	386	399	399
Germany	325	181	181	178	178
Belgium	216	147	147	128	128
Mediterranean Region (c)	362	173	173	146	146
Switzerland	125	7	7	2	2
Other countries	147	140	176	111	130
UNDERLYING EARNINGS	1,863	1,417	1,453	1,327	1,346
Net realized capital gains or losses attributable to shareholders	562	440	441	335	307
ADJUSTED EARNINGS	2,425	1,857	1,895	1,662	1,653
Profit or loss on financial assets (under Fair Value option) & derivatives	4	70	71	51	85
Exceptional operations (including discontinued operations)	(2)	51	13	25	-
Goodwill and related intangibles impacts	(67)	(2)	(2)	(1)	(1)
Integration costs	(142)	-	-	-	-
NET INCOME	2,218	1,977	1,977	1,737	1,737

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.

(c) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

Property & Casualty Operations – France

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	5,377	5,219	5,096	5,096
Current accident year loss ratio (net)	74.3%	74.6%	74.0%	74.0%
All accident year loss ratio (net)	72.7%	73.5%	73.5%	73.5%
Net technical result	1,467	1,390	1,345	1,345
Expense ratio	24.2%	24.1%	24.4%	24.4%
Net investment result	495	464	464	464
Underlying operating earnings before tax	657	592	569	569
Income tax expenses / benefits	(230)	(210)	(206)	(206)
Net income from investments in affiliates and associates	-	-	-	-
Minority interests	(0)	(0)	(0)	(0)
Underlying earnings group share	426	382	363	363
Net capital gains or losses attributable to shareholders net of income tax	93	70	85	57
Adjusted earnings group share	519	452	448	419
Profit or loss on financial assets (under FV option) & derivatives	34	64	17	45
Exceptional operations (including discontinued operations)	-	-	-	-
Goodwill and other related intangibles impacts	-	-	-	-
Integration costs	-	-	-	-
Net income group share	553	515	464	464

(a) Restated means : transfer of the forex impact from adjusted earnings to net income

Gross revenues amounted to €5,377 million. On a comparable basis, gross revenues increased by 3%:

- *Personal lines* (60% of gross revenues) increased by 1% to €3,185 million, mainly reflecting (i) positive net inflows in Household (+40K new contracts) combined with an increase in the average premium and (ii) positive net inflows in Motor (+99K new contracts) offset by lower average premium in the context of a still very competitive market.
- *Commercial lines* (40% of gross revenues) increased by 6% to €2,145 million driven by Construction following positive portfolio development.

Net technical result improved by €77 million or 6% to €1,467 million driven by 0.7 point improvement of the all accident year net loss ratio to 72.7%

- The **current accident year loss ratio** improved by 0.3 point to 74.3%, reflecting the favorable claims experience in Property (both Personal and Commercial lines) and natural events, partly offset by an increase on Personal Motor current accident year net loss ratio (impact of 0.4 point on total loss ratio).
- **Prior accident year net technical result** increased by €25 million to €85 million, mainly due to a higher level of positive loss reserves development in Property.

Expense ratio increased slightly by 0.2 point to 24.2% following higher tied agents commissions and a 0.1 point non commission ratio increase due to higher cost of buildings lease, taxes and advertising costs.

As a consequence, the **combined ratio** improved by 0.5 point to 97.0%.

Net investment result improved by €32 million to €495 million driven by higher income from fixed maturities resulting from a higher asset base.

Income tax expenses were up €20 million to €-230 million in line with increased taxable income.

Underlying earnings increased by €44 million (+12%) to €426 million reflecting an improved combined ratio and the growth in net investment result.

Adjusted earnings improved by €68 million (+15%) to €519 million resulting from the underlying earnings increase (€+44 million) and from higher net realised capital gains (€+24 million to €93 million) notably on equities.

Net income increased by €38 million (+7%) to €553 million under the combined effect of (i) higher adjusted earnings (€+68 million) partly offset by an unfavourable change in fair value of assets under fair value option (€-59 million), due to negative impacts on fixed maturity mutual funds, and (ii) change in fair value on derivatives (€+31 million) explained by positive impacts on equity swaps.

Property & Casualty Operations - United Kingdom & Ireland

	(in euro million)			
	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	5,111	4,742	4,413	4,413
Current accident year loss ratio (net)	71.8%	63.6%	65.1%	65.1%
All accident year loss ratio (net)	66.4%	61.8%	63.1%	63.1%
Net technical result	1,663	1,790	1,610	1,610
Expense ratio	35.0%	34.7%	33.3%	33.3%
Net investment result	380	338	283	283
Underlying operating earnings before tax	311	501	442	442
Income tax expenses / benefits	(49)	(114)	(43)	(43)
Net income from investments in affiliates and associates	-	-	-	-
Minority interests	(1)	(0)	-	-
Underlying earnings group share	262	386	399	399
Net capital gains or losses attributable to shareholders net of income tax	71	75	62	64
Adjusted earnings group share	333	461	461	464
Profit or loss on financial assets (under FV option) & derivatives	(5)	(9)	3	-
Exceptional operations (including discontinued operations)	-	-	-	-
Goodwill and other related intangibles impacts	(17)	-	-	-
Integration costs	(4)	-	-	-
Net income group share	307	451	464	464
Average exchange rate : 1.00 € = £	0.6845	0.6817	0.6840	0.6840

(a) Restated means : transfer of the forex impact from adjusted earnings to net income

Gross revenues increased by 8% to €5,111 million on a reported basis, and by 8% on a comparable basis reflecting significant growth in:

- *Personal Lines* (52% of gross revenues) revenues were up 12% to €2,662 million, mainly due to Motor growth of 21% to €747 million principally arising from new business written through the internet platform Swiftcover which benefited from increased volumes through the aggregator website, 10% growth across all classes in Health and 32% growth in Travel as a result of increased volumes from delegated authority business, partly offset by a decrease in the creditor business (-23%) due to a market contraction.
- *Commercial* (46% of gross revenues) revenues were up 3% to €2,365 million predominantly reflecting strong growth in AXA PPP Health business.

Net Technical Result decreased by €127 million to €1,663 million on a reported basis, or €121 million (-7%) on a constant exchange rate basis:

- The **current accident year loss ratio** increased by 8.1 points to 71.8%, mainly as a result of adverse weather events, including Kyrill storm (€56 million, +1.1 point), the June and July floods (€271 million, +5.5 points) and 0.9 point higher loss ratio on UK Commercial lines. While Commercial lines remained profitable overall, market pressure, including from new entrants, prevented rate increases from keeping up with claims inflation.
- The **all accident year loss ratio** increased by 4.6 points to 66.4%, as the adverse current accident year loss ratio was partially offset by favorable development in prior years reserves development (€268 million in 2007).

Expense ratio deteriorated by 0.3 point to 35.0%, with the acquisition ratio down 0.2 point due to the favourable impact from lower profit commissions resulting from adverse weather events, more than offset by +0.5 point in

administrative expenses due to +0.3 point for the brokers and +0.2 point to support volume growth in PPP Health business.

As a result, the **combined ratio** amounted to 101.4%, a deterioration of 4.9 points from 96.5% in 2006.

Net investment result increased by €42 million to €380 million on a reported basis, or €43 million (+13%) on a constant exchange rate, as a result of higher average investment returns.

Income tax expense decreased by €65 million to €-49 million on both current and constant exchange rate base, reflecting the deterioration in the pre-tax result, and a €32 million benefit from a settlement on prior years, partly offset by a negative €18 million due to the decrease in deferred tax assets following the reduction in the Corporate tax rate (from 30% to 28%).

Underlying earnings decreased by €124 million to €262 million on a reported basis, or €124 million (-32%) on a constant exchange rate basis, primarily reflecting the adverse weather events experienced during the year including Kyrill storm and the June and July floods, partially offset by favorable prior year reserves development and a reduction in income tax expenses.

Adjusted earnings decreased by €128 million to €333 million on a reported basis, or €127 million (-28%) on a constant exchange rate basis, primarily as a result of the decrease in underlying earnings and €32 million higher realized capital gains offset by €36 million impairment charges including €13 million on Northern Rock.

Net income decreased by €144 million to €307 million on a reported basis, or €143 million (-32%) on a constant exchange rate basis, in line with the adjusted earnings evolution and €17 million of customer intangible amortization related to brokers' acquisition.

Property & Casualty Operations – Germany

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	3,531	2,759	2,798	2,798
Current accident year loss ratio (net)	78.7%	74.2%	72.2%	72.2%
All accident year loss ratio (net)	69.0%	67.8%	65.8%	65.8%
Net technical result	1,094	889	958	958
Expense ratio	29.3%	30.3%	32.5%	32.5%
Net investment result	339	239	218	218
Underlying operating earnings before tax	401	293	266	266
Income tax expenses / benefits	(74)	(108)	(76)	(76)
Net income from investments in affiliates and associates	5	4	3	3
Minority interests	(7)	(7)	(15)	(15)
Underlying earnings group share	325	181	178	178
Net capital gains or losses attributable to shareholders net of income tax	92	77	87	80
Adjusted earnings group share	416	259	265	258
Profit or loss on financial assets (under FV option) & derivatives	29	26	30	37
Exceptional operations (including discontinued operations)	-	(3)	-	-
Goodwill and other related intangibles impacts	-	-	-	-
Integration costs	(36)	-	-	-
Net income group share	410	282	295	295

(a) Restated means : transfer of the forex impact from adjusted earnings to net income

Gross revenues increased by 28% to €3,531 million on a reported basis. On a comparable basis, revenues were up 2% despite the softening market:

- **Personal Lines** (64% of gross revenues) revenues were up 1% to €2,243 million. Motor was up 1% due to the strong positive net inflows. Property and Liability increased by 2% and +3% respectively, following the successful launch of the new packaged product "Profischutz" for professionals and trades people.
- **Commercial Lines** (30% of gross revenues) revenues were up 2% to €1,061 million mainly due to Motor as a result of higher average number of vehicles in existing fleets as well as to new business in Liability (+3%).
- **Other lines** (6% of the P&C premiums) grew by 6% to €202 million triggered by improved premiums in AXA Art (7%) and Assumed Business.

Net Technical Result increased by 23% to €1,094 million. Excluding Winterthur, net technical result decreased by €31 million (-3%).

- **Current accident year loss ratio** increased by 4.5 points to 78.7%, mainly driven by natural events and higher large claims impact. Excluding Winterthur, the current accident year loss ratio increased by 3.0 points to 77.2 % driven by the storm 'Kyrill' with an impact of 1.9 point in 2007 and higher large claims charge on Commercial Property and Liability lines.
Winterthur current accident year loss ratio amounted to 84.4%, of which the Kyrill impact amounted to 1.4 point.
- The **all accident year loss ratio** increased by 1.2 point to 69.0%. Excluding Winterthur, the all accident year loss ratio increased by 1.8 point to 69.5%, due to the higher current accident year loss ratio, partly offset by a non recurring increase in claim handling costs reserve in 2006.
Winterthur net technical result amounted to €236 million with an all accident year loss ratio of 66.7%.

Expense ratio amounted to 29.3%. Excluding Winterthur, the expense ratio improved by 1.0 point to 29.3% mainly due to a slight positive volume effect while overall expenses decreased by €11 million explained by the release of

provisions on bad debts in reinsurance business and lower marketing expenses, partly offset by the release of VAT provisions in 2006.

Winterthur expense ratio amounted to 29.3%.

As a result, **combined ratio** amounted to 98.2% including the 'Kyrill' impact of 1.8 point. Excluding Winterthur, the combined ratio deteriorated by 0.7 point to 98.8%.

Winterthur combined ratio amounted to 95.9%.

Net investment result increased by €100 million to €339 million. Excluding Winterthur, net investment result increased by €23 million (+10%) mainly as a result of a shift in the asset-mix towards higher yielding bonds as well as higher dividends from equities.

Winterthur contribution amounted to €77 million.

Income tax expense decreased by €35 million to €-74 million. Excluding Winterthur, income tax expense decreased by €79 million (-73%) reflecting the €42 million positive outcome of a tax audit on the ex-Albingia portfolio, the €31 million favourable impact of the new income tax rate on the deferred tax liabilities (32% versus 40% applicable on current income from 2008), and a €12 million tax reserve release.

Winterthur contribution amounted to €-45 million.

Underlying earnings increased by €143 million to €325 million. Excluding Winterthur, underlying earnings increased by €84 million (+46%), primarily reflecting the significantly lower underlying taxes due to the one-off effects in 2007 and the increase of the net investment result.

Winterthur contribution amounted to €59 million.

Adjusted earnings increased by €158 million to €416 million. Excluding Winterthur, adjusted earnings increased by €109 million (+42%) mainly driven by higher underlying earnings and higher net capital gains notably on equities.

Winterthur contribution amounted to €48 million.

Net income increased by €128 million to €410 million. Excluding Winterthur, net income increased by €89 million (+32%) driven by the increase in adjusted earnings, partially offset by €-24 million integration costs.

Winterthur contribution amounted to €39 million including €-12 million integration costs.

Property & Casualty Operations – Belgium

(in euro million)

	FY 2007	FY 2006	FY 2005
Gross revenues	2,130	1,520	1,462
Current accident year loss ratio (net)	77.6%	78.1%	81.4%
All accident year loss ratio (net)	67.5%	66.0%	70.0%
Net technical result	693	512	439
Expense ratio	29.8%	29.3%	28.7%
Net investment result	235	178	167
Underlying operating earnings before tax	290	245	183
Income tax expenses / benefits	(73)	(98)	(55)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings group share	216	147	128
Net capital gains or losses attributable to shareholders net of income tax	119	142	53
Adjusted earnings group share	335	290	181
Profit or loss on financial assets (under FV option) & derivatives	(29)	(6)	1
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(34)	-	-
Net income group share	272	283	183

Gross revenues increased by 40% to €2,130 million on a reported basis. On a comparable basis, gross revenues increased by 1%.

- *Personal Lines* (60% of the P&C premiums) revenues were up 4% due to the implementation of the Natural Disaster guarantee in the household policies and Motor portfolio growth.

- *Commercial Lines* (40% of the P&C premiums) revenues were down 3% reflecting losses in portfolio in the context of strong pressure on prices.

Net technical result increased by €181 million to €693 million. Excluding the contribution of Winterthur, net technical result decreased by €27 million to €485 million. Winterthur net technical result amounted to €207 million.

- *Current accident year loss ratio* decreased by 0.4 point to 77.6%.

Excluding the contribution of Winterthur, the current accident year loss ratio increased by 1.2 points to 79.2%, mainly due to the Kyrill storm (2.1 points impact).

Winterthur current accident loss ratio amounted to 73.4% (0.8 point Kyrill impact).

- *All accident year loss ratio* increased by 1.4 point to 67.5%.

Excluding the contribution of Winterthur, the all accident year loss ratio increased by 2.5 points to 68.5%, reflecting the unfavorable current accident year loss ratio and a decrease in prior years' results (€-16 million).

Winterthur all accident year loss ratio amounted to 64.8%.

Expense ratio increased by 0.5 point to 29.8%. Excluding the contribution of Winterthur, the expense ratio deteriorated by 0.9 point to 30.3% driven by override commissions (0.6 point impact) and administrative expenses (0.3 point impact).

Winterthur expense ratio amounted to 28.6%.

As a result, the **combined ratio** deteriorated by 1.9 points to 97.3%. Excluding the contribution of Winterthur, the underlying combined ratio deteriorated by 3.4 points to 98.7%.

Winterthur combined ratio amounted to 93.4%.

Net investment result increased by €57 million to €235 million. Excluding the contribution of Winterthur, net investment result increased by €5 million (+3%) to €183 million.

Winterthur contribution amounted to €52 million.

Income tax expenses decreased by €24 million to €-73 million. Excluding the contribution of Winterthur, income tax expenses decreased by €61 million (-62.5%) including a €10 million positive contribution resulting from the favorable court decision from insurance companies on RDT (“Revenus Définitivement Taxés”: tax exemption on 95% of dividends on equities newly extended to insurance companies).

Winterthur contribution amounted to €-37 million.

Underlying Earnings increased by €69 million to €216 million. Excluding the contribution of Winterthur, underlying earnings increased by €16 million (+11%).

Winterthur contribution amounted to €54 million.

Adjusted Earnings increased by €45 million to €335 million. Excluding the contribution of Winterthur, adjusted earnings slightly decreased by €-1 million, as the €16 million increase in underlying earnings was offset by a €16 million decrease in realized capital gains after a very high level in the first half year 2006 (€130 million).

Winterthur contribution amounted to €46 million.

Net income decreased by €11 million to €272 million. Excluding the contribution of Winterthur, net income decreased by €38 million (-13%) resulting from a €-22 million integration costs and a €-17 million unfavourable change in fair value on fixed income mutual funds under fair value option due to interest rate increase.

Winterthur contribution amounted to €26 million including €-12 million integration costs.

Property & Casualty Operations – Mediterranean Region

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	5,298	3,831	3,612	3,612
Current accident year loss ratio (net)	76.5%	77.2%	77.5%	77.5%
All accident year loss ratio (net)	72.1%	74.8%	76.2%	76.2%
Net technical result	1,453	941	827	827
Expense ratio	23.3%	23.3%	23.2%	23.2%
Net investment result	351	245	226	226
Underlying operating earnings before tax	591	314	246	246
Income tax expenses / benefits	(195)	(106)	(72)	(72)
Net income from investments in affiliates and associates	-	-	-	-
Minority interests	(34)	(34)	(28)	(28)
Underlying earnings group share	362	173	146	146
Net capital gains or losses attributable to shareholders net of income tax	172	57	29	29
Adjusted earnings group share	534	231	176	175
Profit or loss on financial assets (under FV option) & derivatives	(16)	(1)	1	2
Exceptional operations (including discontinued operations)	(2)	-	-	-
Goodwill and other related intangibles impacts	(28)	-	-	-
Integration costs	(60)	-	-	-
Net income group share	428	230	177	177

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

The scope of the following analysis includes Italy (AXA alone), Spain (Winterthur+AXA), Portugal, Greece (Alpha Insurance consolidated as of 01/01/2007), Turkey and Morocco. For volume indicators the comparable basis reflects this scope, for both 2006 and 2007. For earnings, Winterthur Spain is excluded from the comparable basis. MPS (Italy) P&L will be consolidated from 2008 on (full consolidation with an opening balance sheet as of 31/12/2007).

Gross revenues increased by 38% on reported basis to €5,298 million. On a comparable basis (including Winterthur in Spain and Alpha Insurance in Greece for both periods), revenues increased by 5%:

- **Personal Lines** (71% of the P&C premiums) increased by 8% to €3,789 million. Motor business (+8%) benefited from higher volumes (+419 k contracts) driven by the strong success of the new products and tariffs. Average premium remained stable as the higher weight of "full-cover" policies (especially in Spain and Turkey) was offset by the strong market competition and the higher weight of motorbike policies. Non-motor lines (+6%) were driven by Property lines (+7%) and Health (+6%).
- **Commercial Lines** (28% of the P&C premiums) were up 1% to €1,508 million driven by non motor lines (+2%), especially Health and Workers' Compensation, partly offset by Motor (-4%) due to a lower contribution from former Winterthur fleet rental business, and low profitable Mechanical guarantees (-76%).

Net technical result increased by €512 million on a reported basis to €1,453 million. Excluding Winterthur and on a constant exchange rate basis, net technical result increased by €166 million (+18%). Excluding the newly acquired Greek entity contribution (€+29 million), net technical result increased by €137 million (+15%).

- **Current accident year loss ratio** stood at 76.5% (-0.7 point). Excluding Winterthur, it deteriorated by 0.8 point to 78.0%, mainly driven by an increase in motor personal lines (+2.0 points) following the strong new business impact and the stable average premium (as compared to a 4% average weighed inflation rate). Winterthur current accident year loss ratio stood at 71.1%.

- **All accident year loss ratio** stood at 72.1% (-2.7 points). Excluding Winterthur, it improved by 1.8 point to 73.0% thanks to the favourable development of claims reserves from previous year (€+115 million) mainly focused on motor lines (€+138 million).

The Winterthur all accident year loss ratio stood at 68.6%.

Winterthur contribution amounted to €346 million.

Expense ratio remained stable at 23.3% on a reported basis. Excluding Winterthur, expense ratio decreased by 0.1 point to 23.1% as the increase in the commission ratio, mainly driven by an exceptional reimbursement of commissions in 2006 (€9 million) and a higher weight of the household portfolio in 2007, was offset by (i) the synergies arising in Spain from the merger with Winterthur (€8 million) and (ii) lower expenses on staff reduction plan in Portugal (€6 million).

The Winterthur expense ratio stood at 23.8%.

As a result the **combined ratio** improved by 2.7 points to 95.4%. Excluding Winterthur, the combined ratio improved by 2.0 points to 96.1%, driven by the lower loss ratio.

The Winterthur combined ratio stood at 92.5%.

Net investment result increased by €106 million on a reported basis to €351 million. Excluding Winterthur and on a constant exchange rate basis, net investment result increased by €43 million (+18%) driven by higher asset base, interest rates and dividends, and the implementation of a more dynamic asset management strategy including the switch to assets with a higher duration.

Winterthur contribution amounted to €63 million.

Income tax expenses increased by €89 million on a reported basis to €195 million. Excluding Winterthur and on a constant exchange rate basis, income tax expenses increased by €45 million (+42%). Tax rate remained stable as positive and negative exceptional elements compensated each other (positive litigation settlement in Italy (€+16 million), negative impact of decrease in tax rate in most countries due to a significant Deferred Tax Asset position (€-11 million), and Deferred Tax Liability cancellation in Italy (€-6 million) in 2006).

Winterthur contribution amounted to €43 million.

Underlying earnings increased by €188 million on a reported basis to €362 million. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €86 million (+49%). Excluding the acquisition of Greece and Morocco minority shares, underlying earnings increased by €68 million (+36%).

Winterthur contribution amounted to €103 million.

Adjusted earnings rose by € 303 million on a reported basis to €534 million. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by €190 million (+82%) including €+103 million higher net capital gains mostly focused on equities (mainly in Morocco) and real estate.

Winterthur contribution amounted to €113 million.

Net income increased by €198 million on a reported basis to €428 million. Excluding Winterthur and on a constant exchange rate basis, net income increased by €148 million (+64%) including integration costs in AXA Spain (€-25 million) and the decrease in fair value of invested assets under fair value option through P&L (€-19 million).

Winterthur contribution amounted to €51 million including €-35 million integration costs.

Property & Casualty Operations – Switzerland

	(in euro million)		
	FY 2007	FY 2006	FY 2005
Gross revenues	1,981	95	90
Current accident year loss ratio (net)	77.6%	63.3%	66.4%
All accident year loss ratio (net)	75.2%	72.2%	75.6%
Net technical result	490	27	21
Expense ratio	24.0%	24.1%	26.9%
Net investment result	142	4	3
Underlying operating earnings before tax	159	8	1
Income tax expenses / benefits	(33)	(1)	1
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	-	-
Underlying earnings group share	125	7	2
Net capital gains or losses attributable to shareholders net of income tax	(6)	2	1
Adjusted earnings group share	119	9	3
Profit or loss on financial assets (under FV option) & derivatives	(10)	-	-
Exceptional operations (including discontinued operations)	(0)	-	-
Goodwill and other related intangibles impacts	(17)	-	-
Integration costs	(7)	-	-
Net income group share	84	9	3

Gross revenues amounted to €1,981 million. On a comparable basis, gross revenues were stable both on Motor (the acquisition of new clients offsetting the impact of tariff reduction), and non Motor (the impact of tariff increase in Workers' compensation and Property offsetting a decrease in Health and Transport reflecting fierce competition).

2006 and 2005 numbers are related to AXA Switzerland before the Winterthur acquisition. As this acquisition increased dramatically the size of AXA in Switzerland, the following comments focus only on overall Switzerland numbers in 2007 without comparison to 2006.

Net Technical Result reached €490 million:

- *Current accident year loss ratio* stood at 77.6 % with a claim experience characterized by a very substantial level of large losses (notably flood and hail events impacting both Motor and Property lines of business).
- *Prior years net technical result* amounted to €47 million mainly driven by positive reserve development in Health and Liability.

Expense ratio stood at 24.0 %.

As a result, the **combined ratio** stood at 99.2 %.

Net investment result reached €142 million.

Income tax expenses amounted to €-33 million.

Underlying earnings reached €125 million.

Adjusted earnings amounted to €119 million stemming from the underlying earnings contribution and €-6 million net capital losses mainly on equities.

Net income reached €84 million including a change in fair value of assets under fair value option and derivatives (€-10 million), Winterthur integration costs (€-7 million), and amortization of Winterthur customer intangible assets (€-17 million).

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Canada	1,085	1,059	1,059	858	858
The Netherlands	-	-	282	-	275
Other countries	667	376	376	352	352
Japan	167	158	158	140	140
Asia (excluding Japan) (b)	205	149	149	144	144
Luxembourg	80	69	69	69	69
Central and Eastern Europe	12	-	-	-	-
Korea	203	-	-	-	-
TOTAL	1,752	1,435	1,717	1,210	1,485
Intercompany transactions	(9)	(4)	(4)	(5)	(5)
Contribution to consolidated gross revenues	1,743	1,431	1,713	1,206	1,481

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.

(b) Includes Hong Kong, Singapore and Malaysia (Malaysia has been fully consolidated for the first time in 2007).

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Restated (b)	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Canada	125	113	113	80	80
The Netherlands	-	-	36	-	19
Other countries	22	27	27	31	31
Japan	0	1	1	5	5
Asia (Excluding Japan) (c)	18	23	23	18	18
Luxembourg	12	9	9	8	8
Central and Eastern Europe	(10)	(6)	(6)	-	-
Korea	3	-	-	-	-
UNDERLYING EARNINGS	147	140	176	111	130
Net realized capital gains or losses attributable to shareholders	22	16	18	18	23
ADJUSTED EARNINGS	169	157	194	129	153
Profit or loss on financial assets (under Fair Value option) & derivatives	1	(2)	(1)	(2)	(0)
Exceptional operations (including discontinued operations)	-	54	16	25	-
Goodwill and related intangibles impacts	(5)	(2)	(2)	(1)	(1)
Integration costs	(1)	-	-	-	-
NET INCOME	164	206	206	152	152

(a) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(c) Includes Malaysia, Hong Kong and Singapore.

CANADA

Gross revenues amounted to €1,085 million. On a comparable basis, gross revenues increased by €57 million (+5%) as a result of a €+34 million impact of the 24 month policies first launched in 2005 and a €+23 million growth in premiums mainly reflecting increased volume during the second half of the year.

Underlying earnings amounted to €125 million. On a constant exchange rate basis, underlying earnings increased by €16 million mainly resulting from 1.2 point improvement (excluding restructuring costs in 2006 related to Citadel) in the combined ratio to 89.0% and higher investment income (€+5 million) driven by an increased investment base.

Adjusted earnings increased by €13 million on a constant exchange rate basis to €135 million, driven by the improvement in underlying earnings by €16 million partly offset by lower net capital gains of €-2 million.

Net income increased by €19 million on a constant exchange rate basis to €134 million, as a result of higher adjusted earnings (€+13 million), the non recurring impact of 2006 Citadel's restructuring costs (€+4 million), and the impact of foreign exchange (€+2 million).

JAPAN

Gross written premiums increased by 17% on a constant exchange rate basis to €167 million, mainly driven by Motor business growth. Motor revenues accounted for 96% of the total and rose by 18%.

Underlying earnings decreased by €1 million on both current and constant exchange rate bases to €0 million. The combined ratio reached 102.5%, slightly increasing compared to 2006, due to the deterioration of the loss ratio (+ 2.2 points at 65.5%) following unfavourable reserve developments on previous years. The expense ratio improved by 1.5 points to 37%, despite the additional costs linked to the launch of new products.

Adjusted earnings and **net income** were in line with underlying earnings.

ASIA (EXCLUDING JAPAN)

SINGAPORE

Gross written premiums increased by €8 million on a constant exchange rate basis to €90 million, mainly driven by Private Motor, Commercial Property and Marine, notably thanks to a new rating structure and marketing campaigns.

Underlying earnings decreased by €1 million on a constant exchange rate basis to €8 million, mainly attributable to the lower underwriting results (€2 million) due to worsening Motor claims experience. The combined ratio increased from 90.2% to 93.7%.

Adjusted earnings and **net income** remained stable at €10 million as higher realized capital gains offset the lower underwriting results.

HONG KONG

Gross written premiums decreased by €1 million on a constant exchange rate basis to €57 million, mainly attributable to the loss of a major account in Motor business (€2 million) and the hard market condition.

Underlying earnings decreased by €3 million on a constant exchange rate basis to €5 million, due to a worsening claims experience with several large claims, which led to an increase in the combined ratio from 95.2% to 99.6%.

Both **adjusted earnings** and **net income** increased by €3 million on a constant exchange rate basis to €12 million, mainly due to an increase in capital gains (€5 million), which offset the lower underlying earnings.

MALAYSIA

Malaysia has been fully consolidated for the first time in 2007 (versus equity method consolidation in 2006)

Gross written premiums were €58 million. On a comparable basis, premiums increased by €2 million, mainly attributable to a growth in private Motor and Health business.

Underlying earnings remained stable on a constant exchange rate basis to €5 million, a slight increase of the combined ratio (from 81.4% to 83.5%) being offset by a higher investment income.

Adjusted earnings increased by €1 million to €7 million.

Net income decreased by €11 million to €7 million, attributable to recognition of net asset value through P&L for the first time consolidation last year (€13 million). Excluding this impact, net income increased by €1 million following the trend of adjusted earnings.

POLAND

Gross revenues increased to €12 million mainly reflecting the positive development of the activity in Motor with 43 k new contracts.

Underlying earnings decreased by €4 million to €-10 million mainly due to expenses resulting from the launch of the activity.

Net income decreased by €-4 million to €-10 million resulting from the underlying earnings decrease.

KOREA

Kyobo is a newly acquired entity that contributed 6 months to earnings in 2007.

Gross written premiums reached €203 million over 6 months. Motor accounted for 94% of total revenues, driven by the strong growth of the portfolio as well as the recent rate increase.

Motor net new inflows reached 39 k policies over 6 months, bringing the total portfolio as of the end of December to 873 k contracts.

Underlying earnings reached €3 million over 6 months. The combined ratio reached 99.8% with a loss ratio at 72.5% and an expense ratio at 27.3%.

Adjusted Earnings were in line with underlying earnings.

Net Income was €0 million, including the impact of the acquired portfolio amortization.

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)

	FY 2007	FY 2006	FY 2005
AXA RE	-	-	1,460
AXA Corporate Solutions Assurance	1,823	1,697	1,614
AXA Cessions	69	57	60
AXA Assistance	809	702	621
Other (a)	1,002	1,355	147
TOTAL	3,703	3,811	3,903
Intercompany transactions	(135)	(95)	(90)
Contribution to consolidated gross revenues	3,568	3,716	3,813

(a) Including €896 million in 2007 (€1,217 million in full year 2006) of business fronted by AXA RE and fully reinsured by Paris RE (fronting arrangement set in place from January 1, 2006 to September 30, 2007 in the context of the sale of AXA RE's business to Paris RE).

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
AXA RE	-	-	11	11
AXA Corporate Solutions Assurance	97	84	72	72
AXA Cessions	13	15	9	9
AXA Assistance	19	21	17	17
Other (b)	89	11	(41)	(41)
UNDERLYING EARNINGS	218	131	68	68
Net realized capital gains or losses attributable to shareholders	23	60	88	94
ADJUSTED EARNINGS	241	191	156	162
Profit or loss on financial assets (under Fair Value option) & derivatives	(1)	(1)	5	(1)
Exceptional operations (including discontinued operations)	3	66	23	23
Goodwill and related intangibles impacts	-	(12)	-	-
Integration costs	-	-	-	-
NET INCOME	243	244	184	184

(a) Restated means the transfer of the forex impact from adjusted earnings to net income.

(b) Including AXA RE run off business, AXA RE Life and AXA Liabilities Managers.

AXA Corporate Solutions Assurance

	(in euro million)			
	FY 2007	FY 2006 Published	FY 2005 Restated (b)	FY 2005 Published
Gross revenues	1,823	1,697	1,614	1,614
Current accident year loss ratio (net) (a)	94.1%	88.7%	88.9%	88.9%
All accident year loss ratio (net)	87.8%	87.3%	87.9%	87.9%
Net technical result	220	207	189	189
Expense ratio	12.3%	12.8%	12.9%	12.9%
Net investment result	163	144	123	123
Underlying operating earnings before tax	161	144	110	110
Income tax expenses / benefits	(63)	(59)	(37)	(37)
Net income from investments in affiliates and associates	-	-	-	-
Minority interests	(1)	(1)	(1)	(1)
Underlying earnings group share	97	84	72	72
Net capital gains or losses attributable to shareholders net of income tax	27	32	20	30
Adjusted earnings group share	124	116	92	102
Profit or loss on financial assets (under FV option) & derivatives	1	1	5	(5)
Exceptional operations (including discontinued operation)	-	-	-	-
Goodwill and other related intangibles impacts	-	-	-	-
Integration costs	-	-	-	-
Net income group share	125	117	97	97

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

(b) Restated means : transfer of the forex impact from adjusted earnings to net income.

Gross revenues increased by €125 million (or +7%) to €1,823 million driven by portfolio developments in Marine, Property, Motor and Construction.

The **net technical result** increased by €13 million to €220 million:

- *The current accident year net technical result* decreased by €74 million to €105 million mainly due to higher large losses (€+88 million to €274 million) and a decrease in premium rates especially in Aviation and Property.
- *The prior accident year net technical result* increased by €87 million to €115 million due to positive reserve developments in Marine, Property and Aviation.

As a consequence, the all accident year loss ratio increased by 0.5 point to 87.8 %.

Expenses increased by €14 million to €220 million resulting from a commission increase (€+17 million to €106 million) following both an activity growth and an exceptional impact in 2006 (the non renewal of a large motor contract with high commission rate), and (ii) a slight general expenses decrease (€-3 million).

Expense ratio decreased by 0.5 point to 12.3%.

As a result, **the combined ratio** remained stable at 100.1%.

Net investment result increased by €18 million to €163 million due to a higher asset base.

Income tax expenses increased by €4 million to €-63 million with the effective tax rate decreasing by 1.9 point mainly due to the activation of past years tax deficits in Germany.

As a consequence, **underlying earnings** increased by €13 million to €97 million.

Adjusted earnings increased by €8 million to €124 million resulting from the underlying earnings increase and partly offset by a decrease of €5 million to €27 million of realized gains.

Net income increased by €7 million to €125 million in line with adjusted earnings evolution.

AXA Cessions

Underlying earnings decreased by €1 million to €13 million mainly as a result of Kyrill storm (€-3 million impact).

AXA Assistance

Gross revenues increased by 15% to €809 million or +16% on a comparable basis mainly due to Home Serve business in the United Kingdom (€+27 million), increased premiums in Travel business in Germany (€+15 million) and a good commercial performance in France.

Underlying earnings decreased by €2 million to €19 million mainly due to a provision for litigation. Excluding this exceptional one-off expense, underlying earnings amounted to €26 million.

Adjusted earnings and **net income** decreased by €2 million to 19 million in line with underlying earnings evolution.

Other international activities

Underlying earnings increased by €78 million to €89 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, underlying earnings increased by €61 million mainly due to (i) the continuous favourable loss reserve development on some run-off portfolios in 2007 (€117 million pre-tax including AXA RE run-off), (ii) lower reserve strengthening on Asbestos, and (iii) €19 million improvement in Life run-off portfolio fully explained by the cost of fully hedging the remaining exposure of this portfolio in 2006.

Winterthur contribution amounted to €19 million, notably due to the favourable run off development.

Adjusted earnings increased by €45 million to €84 million. Excluding Winterthur contribution and on a constant exchange rate basis, adjusted earnings increased by €26 million (+67%) reflecting the underlying positive impact (€+61 million), partly offset by lower net realized gains (€-32 million). Winterthur contribution amounted to €19 million.

Net income decreased by €8 million to €84 million. Excluding Winterthur contribution and on a constant exchange rate basis, net income decreased by €27 million (-29%) mainly as a result of the non recurring €66 million gain after tax on the sale of AXA RE's business in 2006 partly offset by the €+26 million improvement in adjusted earnings, and the €12 million charge in 2006 related to the impairment of the goodwill formerly allocated to the reinsurance business. Winterthur contribution amounted to €19 million.

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)

	FY 2007	FY 2006	FY 2005
AllianceBernstein	3,277	3,102	2,581
AXA Investment Managers	2,006	1,679	1,195
TOTAL	5,283	4,781	3,776
Intercompany transactions	(420)	(375)	(343)
Contribution to consolidated gross revenues	4,863	4,406	3,433

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
AllianceBernstein	314	302	240	240
AXA Investment Managers	276	206	156	156
UNDERLYING EARNINGS	590	508	396	396
Net realized capital gains or losses attributable to shareholders	1	1	6	5
ADJUSTED EARNINGS	591	509	402	402
Profit or loss on financial assets (under Fair Value option) & derivatives	3	10	10	11
Exceptional operations (including discontinued operations)	(2)	91	3	3
Goodwill and related intangibles impacts	-	-	(4)	(4)
Integration costs	(5)	-	-	-
NET INCOME	588	610	411	411

(a) Restated means the transfer of the forex impact from adjusted earnings to net income.

AllianceBernstein

	(in euro million)		
	FY 2007	FY 2006	FY 2005
Gross revenues	3,277	3,102	2,581
Net investment result	2	23	(21)
Total revenues	3,279	3,125	2,560
General expenses	(2,306)	(2,204)	(1,852)
Underlying operating earnings before tax	973	921	707
Income tax expenses / benefits	(313)	(260)	(193)
Net income from investment in affiliates and associates	-	-	-
Minority interests	(346)	(359)	(274)
Underlying earnings group share	314	302	240
Net capital gains or losses attributable to shareholders net of income tax	1	1	6
Adjusted earnings group share	315	303	246
Profit or loss on financial assets (under FV option) & derivatives	-	-	-
Exceptional operations (including discontinued operation)	(2)	91	8
Goodwill and other related intangibles impacts	-	-	-
Integration costs	-	-	-
Net income group share	313	394	254
Average exchange rate : 1,00 € = \$	1.3699	1.2563	1.2453

Assets under Management (“AUM”) decreased by €0.7 billion to €543 billion, as the strong global net inflows of €23 billion across all client categories (€13 billion from institutional clients, €4 billion from retail clients and €6 billion from private clients) and the €37 billion market appreciation were offset by a negative €62 billion exchange rate impact.

Gross revenues increased by 15% on a comparable basis to €3,277 million, largely due to higher base fees (+25%, with +28% in institutional clients, +20% in retail clients and +24% in private clients) driven by higher average assets under management (+21%) partly offset by lower performance fees (-66%), especially on hedge funds. Other revenues (mainly distribution fees, institutional research and other fees) were up 10%.

General expenses increased by €102 million to €-2,306 million. On a constant exchange rate basis, general expenses increased by €310 million (+14%), mainly due to higher compensation expenses (€+228 million) from higher headcount, increased occupancy from expansion of offices in New York and overseas (€+25 million) and higher technology costs (€+29 million), offset by lower professional fees (€-14 million).

The **underlying cost income ratio** improved by 0.4 point to 66.8%.

Income tax expenses increased by €53 million to €-313 million. On a constant exchange rate basis, income tax expenses increased by €81 million (+31%) due to +15% higher pre tax-earnings and a higher effective tax rate resulting from increased earnings from foreign subsidiaries.

As a result of the acquisition of 8.16 million private units in February 2007, AXA Financial's ownership interest in AllianceBernstein increased 3 points from approximately 60.3% at December 31, 2006 to 63.2% at December 31, 2007.

Underlying earnings increased by €13 million (+4%), or €41 million on a constant exchange rate basis to €314 million of which €+16 million due to the increased ownership interest.

Adjusted earnings increased by €13 million to €315 million. On a constant exchange rate basis, adjusted earnings increased by €41 million (+14%) in line with the underlying earnings evolution.

Net income decreased by €80 million to €313 million. On a constant exchange rate basis, net income decreased by €52 million (-13%) as higher underlying earnings were more than offset by the non recurrence of 2006 one-time items of €85 million, mainly dilution gain from the issuance of AllianceBernstein Holding units and related reversal of deferred tax Liability from prior period (€81 million).

AXA Investment Managers (“AXA IM”)

(in euro million)

	FY 2007	FY 2006 Published	FY 2005 Restated (a)	FY 2005 Published
Gross revenues	2,006	1,679	1,195	1,195
Net investment result	38	30	27	27
Total revenues	2,043	1,709	1,222	1,222
General expenses	(1,577)	(1,330)	(956)	(956)
Underlying operating earnings before tax	466	379	267	267
Income tax expenses / benefits	(141)	(132)	(78)	(78)
Net income from investment in affiliates and associates	-	-	-	-
Minority interests	(49)	(41)	(32)	(32)
Underlying earnings group share	276	206	156	156
Net capital gains or losses attributable to shareholders net of income tax	-	-	-	(1)
Adjusted earnings group share	276	206	156	156
Profit or loss on financial assets (under FV option) & derivatives	3	10	10	11
Exceptional operations (including discontinued operation)	-	-	(5)	(5)
Goodwill and other related intangibles impacts	-	-	(4)	(4)
Integration costs	(5)	-	-	-
Net income group share	274	216	156	156

(a) Restated means : transfer of the forex impact from adjusted earnings to net income.

Assets under management (AUM) increased by €64 billion to €548 billion from year-end 2006 (+13% on a reported basis). This variation was driven by €5 billion Net New Money (including €5 billion from Third-party institutional clients), €7 billion market appreciation and €68 billion change in scope (mainly from the integration of Winterthur), partly offset by €-16 billion unfavorable exchange rate variation.

Gross revenues increased by €327 million (+19%) to €2,006 million on a reported basis. On a comparable basis, gross revenues increased by 21% mainly due to higher average assets under management. The favorable client and product mix evolution was offset by a slight decrease in performance fees.

General expenses increased by €247 million (+19%) to €1,577 million on a reported basis at a lower pace than revenues. This evolution was mainly explained by more commissions paid to third-party agents (directly correlated with the increase in revenues), more staff to support the business development, and higher staff incentive.

Underlying cost income ratio improved by 0.7 point from 68.3% to 67.6%.

Underlying and adjusted earnings increased by €70 million to €276 million on a reported basis.

Net income increased by €58 million to €274 million on a reported basis mainly driven by the underlying earnings growth as the negative change in fair value of “AWF and FIIS US” Libor plus funds* (€-45 million net of tax) was partly offset by positive impacts from carried interests, forex and real estate funds.

* On July 23, AXA Investment Managers (AXA IM) announced that, based on the assessment that the US Mortgage-Backed and Structured Securities' markets were experiencing a liquidity crisis, AXA IM had taken exceptional and temporary steps in order to ensure that redemptions incurred by the **US Libor Plus** strategy would not induce further pressure, by ensuring liquidity in the funds. In particular, AXA IM will match all redemptions that will be carried out by clients in these funds in subscribing a number of shares equal to the number redeemed at the prevailing NAV, and that up until market liquidity gets back to normal.

At December 31, 2007, AXA IM marked-to-market investment in Libor Plus funds was €305 million.

Banking segment

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

Consolidated Gross Revenues

(in euro million)

	FY 2007	FY 2006	FY 2005
AXA Bank (Belgium)	246	306	339
AXA Banque (France)	85	59	70
Others (a)	43	32	28
TOTAL	374	397	437
Intercompany transactions	(35)	(19)	(13)
Contribution to consolidated gross revenues	339	377	424

(a) Includes notably German banks.

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006	FY 2005
Axa Bank (Belgium)	40	21	50
Axa Banque (France)	0	0	(8)
Others (a)	(4)	(3)	3
UNDERLYING EARNINGS	36	18	44
Net realized capital gains or losses attributable to shareholders	(5)	8	6
ADJUSTED EARNINGS	31	26	50
Profit or loss on financial assets (under Fair Value option) & derivatives	(0)	(15)	8
Exceptional operations (including discontinued operations)	-	(1)	2
Goodwill and related intangibles impacts	(0)	-	-
Integration costs	(25)	-	-
NET INCOME	6	10	60

(a) Includes notably German banks.

AXA Bank (Belgium)

Net banking revenues were down €-60 million or 20% to €246 million. On a comparable basis (since the first half year 2007, commissions paid on deposit accounts and current accounts are included in commercial margin and not anymore in Distribution commissions), net banking revenues were down €-38 million or 15%, in the context of an unfavourable yield curve and higher refinancing costs following higher short term interest rates.

Underlying earnings increased by €19 million to €40 million mainly due to an increase in commercial margin (€+18 million) and a decrease in expenses (€+17 million) partly offset by lower fixed income capital gains (€-16 million) and higher credit losses (€-5 million).

Adjusted earnings increased by €6 million to €35 million notably driven by the increase in underlying earnings (€+19 million) partly offset by a decrease in capital gains on equities (€-6 million) and an impairment charge of €7 million.

Net income decreased by €18 million to €12 million driven by higher integration costs related to early retirement pension plan (€-25 million), lower change in fair value in mutual funds (€-14 million) and the non recurrence of 2006 trading equities activity (€-5 million) partly offset by the change in fair value of loans covered by fair value hedge and related derivatives (€15 million) and the increase in adjusted earnings.

AXA Banque (France)

Underlying and adjusted earnings remained stable at breakeven.

Net income increased by €14 million to €-4 million, reflecting a €14 million less negative impact of the change in fair value of macro-hedge derivatives instruments (from €-17 million to €-4 million).

Other

AXA BANK (GERMANY)

Net banking revenues decreased by €3 million to €24 million mainly due to increasing refinancing expenses for the credit business.

Underlying earnings, adjusted earnings and net income decreased by €4 million to €-2 million due to lower revenues and higher expenses.

Holdings and other companies

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

Underlying, Adjusted earnings and Net Income

(in euro million)

	FY 2007	FY 2006 Restated (a)	FY 2006 Published	FY 2005 Restated (b)	FY 2005 Published
AXA	(224)	(219)	(219)	(203)	(282)
Other French holdings companies	(9)	1	1	(12)	(12)
Foreign holdings companies	(202)	(239)	(239)	(255)	(255)
Others (c)	20	33	33	23	23
UNDERLYING EARNINGS	(414)	(424)	(424)	(448)	(527)
Net realized capital gains or losses attributable to shareholders	27	23	23	39	6
ADJUSTED EARNINGS	(388)	(402)	(401)	(409)	(520)
Profit or loss on financial assets (under Fair Value option) & derivatives	(365)	(341)	(341)	30	(4)
Exceptional operations (including discontinued operations)	483	31	30	(99)	(99)
Goodwill and related intangibles impacts	0	0	0	0	0
Integration costs	(17)	0	0	0	0
NET INCOME	(287)	(712)	(712)	(478)	(623)

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA has reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity for all periods presented with impact on net income, and (iii) the restatement of The Netherlands' activities as discontinued businesses.

(c) Includes notably CDOs and Real Estate entities.

AXA⁵⁵

Underlying earnings decreased by €4 million to €-224 million mainly due to:

- €+77 million profit linked to foreign currency options hedging AXA Group underlying earnings denominated in foreign currencies (2007 dollar earnings hedged at 1.28\$/€ compared to 1.37 average rate),
- €+59 million due to a lower financial charge mostly related to a strengthening of the Euro (versus main other currencies) which reduced the interest charge denominated in foreign currencies and a positive carry (notably Yen/Euro) on interest swaps backing debts,
- €-36 million higher expenses including higher AXA trademark support further to Winterthur acquisition,
- and €-108 million due to the non recurrence of 2006 positive items of which (i) €69 million financial income on proceeds from Winterthur financing (capital increase and Perpetual Deeply Subordinated Debts issues) and (ii) €39 million tax benefit.

Adjusted earnings decreased by 22 million to €-212 million including a €17 million decrease in realized capital gains.

The mark to market of derivatives non eligible to hedge accounting is booked in net income which accounted for €-218 million on interest rate derivatives and €-85 million on foreign exchange instruments notably covering debt instruments accounted for in shareholders' equity. Compared to 2006, **net income** was up €+52 million to €-532 million of which:

- €+91 million change in the mark to market of interest rate and foreign exchange derivatives instruments, and
- €-17 million of Winterthur integration costs (wind down costs related to the head office).

⁵⁵ All the figures are after tax

Other French holding companies

AXA France Assurance.

Underlying earnings decreased by €10 million to €-23 million mainly due to higher tax expenses (€+12 million) resulting from higher dividends (eliminated in consolidation) received from operational entities.

Adjusted earnings decreased by €14 million to €-25 million resulting from the underlying earnings decrease.

Net income decreased by €18 million to €-25 million resulting from the adjusted earnings decrease and the non recurring 2006 tax gain (€3 million).

Other French holdings.

Underlying earnings remained stable to €14 million.

Adjusted earnings increased by €19 million to €34 million due to realized capital gains on shares by €20 million.

Net income decreased by €25 million mainly due to the change in fair value of derivatives not eligible to hedge accounting (a €30 million loss versus a €15 million profit in 2006)

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings increased by €30 million (+22%) to €-105 million. On a constant exchange rate basis, underlying earnings increased by €21 million (+16%) due to a €23 million decrease in stock based compensation, partially offset by higher interest expense on new intercompany borrowings from AXA in 2007.

Adjusted earnings increased by €30 million (+22%) or €+20 million (+15%) on a constant exchange rate basis to €-105 million.

Net income decreased by €36 million (-47%) to €-112 million. On a constant exchange rate basis, net income decreased €46 million (-60%) reflecting the non recurrence of an after-tax gain related to the sale of Advest and an exceptional adjustment to taxes, both in 2006, and a negative impact from the mark to market on interest rate swaps, partially offset by an after-tax gain on the sale of Frontier Trust in 2007.

AXA Asia Pacific Holdings^{56 57}

Underlying earnings remained stable at €-24 million. A reduction in net interest expense was offset by the relative EUR/AUD foreign exchange impact. Adjusted earnings and net income increased by €2 million and €5 million respectively mainly due to relative AUD/NZD and AUD/USD foreign exchange impacts.

AXA UK Holdings

Underlying Earnings increased by €89 million to nil. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €84 million principally resulting from the non recurring release in 2007 of a €66

⁵⁶ All comparisons to prior year figures are on a constant exchange rate basis

⁵⁷ AXA interest in AXA Asia Pacific Group is 53.86% broken down into 53.00% direct interest holding and an additional 0.86% owned by the AAPH Executive plan trust.

million deferred tax provision held against un-remitted earnings as well as €8 million arising from a reduction in tax provision following the decrease in Corporation Tax rate.
Winterthur contribution amounted to €5 million.

Adjusted earnings increased by €89 million to nil in line with the evolution of underlying earnings.

Net income increased by €59 million to €-27 million, or €55 million excluding Winterthur and on a constant exchange rate basis, as the growth in adjusted earnings was partly offset by the negative foreign exchange rate impact on a euro denominated intercompany loan.

German Holding companies

Underlying earnings decreased by €64 million to €-35 million. Excluding Winterthur, underlying earnings decreased by €29 million (-102%) primarily driven by the absence of positive one off impact related to the recognition of the corporate tax refund of €30 million in 2006.

Winterthur contribution amounted to €-35 million.

Adjusted earnings and **net income** decreased by €57 million to €-38 million. Excluding Winterthur, adjusted earnings and net income decreased by €20 million (-104%) in line with the underlying earnings evolution, partly offset by the non recurrence of a €10 million impairment on a participation in 2006.

Belgium Holding companies

Underlying earnings decreased by €6 million to €-16 million due to €-9 million taxes on higher received dividends partly compensated by €+6 million related to the interest income on a €1 billion loan granted to AXA SA following the sale of AXA Netherlands.

Adjusted earnings decreased by €-8 million to €-16 million in line with underlying earnings evolution.

Net income increased by €471 million to €462 million following the sale of the Dutch activities end of August to SNS REAAL. It was decided to present all their contributions (result up to the closing date €74 million and gains on disposal €406 million) in one Geographical and Activity segment in view to isolate this 2007 non recurring event. Belgium was chosen since it is the main shareholder of the former AXA Netherlands subsidiary, but also because the gain was only realized on the historical AXA activities; the other shareholders are Germany Holding (for the former DBV activities) and Switzerland Life and Holding (for the former Winterthur activities).

Other

CFP

Underlying earnings decreased by €16 million to €18 million due to lower contribution of the run off portfolios in 2007.

Outlook

2008 has started in a less favorable environment with very volatile and bearish equity markets, a continuation of the liquidity crisis, concern about a slowdown in world economic growth, lower interest rates and high credit spreads.

In this environment and assuming equity markets stabilize at current levels, AXA should achieve positive revenue and underlying earnings growth in 2008:

- In the Life & Savings segment (50% of earnings⁵⁸), AXA should continue to benefit from positive cash-flows as both our general account products and unit linked products with secondary guarantees are well-suited for customers in the current environment.
- Our Property & Casualty and International business (39% of earnings⁵⁹) should continue to benefit from our strong and growing market positions as well as from a gradual positive turn of the cycle in some of AXA's markets.
- Asset Management (11% of earnings⁶⁰) mix of assets, tight expense management and long term track record should partly offset the negative impact from equity markets.

Our Ambition 2012 program continues as planned.

⁵⁸ Underlying earnings excluding Banking and Holdings and other companies segments.

⁵⁹ Underlying earnings excluding Banking and Holdings and other companies segments.

⁶⁰ Underlying earnings excluding Banking and Holdings and other companies segments.

Glossary

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

On a comparable basis means that the data for the current year period were restated using the prevailing foreign currency exchange rate for the same period of prior year (**constant exchange rate** basis). 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:

- (i) The impact of exceptional operations (primarily change in scope, including integration costs related to a newly acquired company during the considered full year accounting period).
- (ii) Goodwill and other related intangible impacts, and
- (iii) Profit and loss on financial assets accounted for under fair value option (excluding assets backing contract liabilities for which the financial risk is borne by the policyholder) and derivatives related to invested assets (including all impacts of foreign exchange in particular the ones related to currency options in earnings hedging strategies, but excluding derivatives related to insurance contracts evaluated according to the “selective unlocking “accounting policy)).

UNDERLYING EARNINGS

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

Net realized gains or losses attributable to shareholders include

- realized gains and losses (on assets not designated under fair value option or trading assets) and change in impairment valuation allowance, net of tax,
- related impact on policyholder participation net of tax (Life business),
- DAC and VBI amortization or other reactivity to those elements if any (Life business).

EARNINGS PER SHARE

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

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

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, that is primarily the "Investment Margin" and the "Net Technical Margin".
- (iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with 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 non unit-linked 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 result includes the following components:

- (i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefits and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits, including changes in valuation assumptions and additional reserves for mortality risk. This margin does not include the claims handling costs and change in claims handling cost reserves,
- (ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination,
- (iii) Policyholder bonuses if the policyholder participates in the risk margin,
- (iv) Other changes in insurance reserves and economic hedging strategy impacts related to insurance contracts valued according to the "selective unlocking" accounting policy allowing Liability adjustment so as to better reflect the current interest rates for these contracts,
- (v) Ceded reinsurance result.

Underlying Expenses are:

- (i) Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales),
- (ii) Capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,
- (iii) Amortization of acquisition expenses on current year and prior 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 inforce 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.

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 excludes customer intangible amortization and integration costs related to newly acquired company.

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.

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

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 fees.