Half Year 2005
MANAGEMENT REPORT

FINANCIAL PROTECTION

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

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

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and AXA's plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). These risks and uncertainties include, without limitation, the risk of future catastrophic events including possible future weather-related catastrophic events or terrorist related incidents. Please refer to AXA's Annual Report on Form 20-F and AXA's Document de Reference for the year ended December 31, 2004, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Market conditions in first half year 2005

Financial markets

STOCK MARKETS

Performance in the equity markets was mixed over the period: although the global progression was 3.52%, the US markets were down (-4.7% for the Dow Jones, -1.7% for the S&P 500 and -5.5% for the NASDAQ). Japanese Nikkei was nearly flat (+0.8%). In Europe, the CAC 40 was up +10.7%, the STOXX 50 +7.8%, and the FTSE +6.2%.

BOND MARKETS

All of the world's bond markets turned in a positive performance. Globally, 10-year government maturities are up +4.61%, with both Bund (+6.76%) and Gilt (+5.79%) yields standing out. As for spread bonds, performance has also been positive across the board: emerging markets (+5.11%), investment grade corporate bonds (+3.43%), High Yield debt (+1.31%) and BBB-rated corporate debt (+1.22%). For two-year government bonds, the rise was less spectacular (+0.97%) due to expectations of key rate increases by the Federal Reserve. The Federal Reserve Board raised its intervention rate to 3.25%, a 100bp hike since the beginning of this year. Elsewhere - in the eurozone, the United Kingdom and Japan - the status quo has ruled so far this year.

EXCHANGE RATES

Compared to December 31, 2004, the US dollar recovered against the euro (by 12% from 1.36 to 1.21 USD/€), as well as the GBP (from 0.71 to 0.67 GBP/€) and the Yen (from 140.6 to 133.4 JPY/€).

June 30, 2005 operating highlights

Capital and financing operations

CAPITAL OPERATIONS

On June 29, 2005, the Management Board of AXA (following a meeting of the Supervisory Board) and the Board of Directors of FINAXA approved the terms and conditions of **the merger of FINAXA into AXA.**

For AXA and its shareholders, this merger simplifies the shareholder structure, improves the standing of the stock and increases the proportion of publicly traded shares. In addition, AXA will obtain ownership of the "AXA" brand which is currently the property of FINAXA. For FINAXA shareholders, this transaction improves the liquidity of their securities and eliminates the discount which affects the value of their securities.

Following the studies conducted by the committees of independent directors appointed within the Supervisory Board of AXA and the Board of Directors of FINAXA, the Management Board of AXA and the Board of Directors of FINAXA have set an exchange ratio of 3.75 AXA shares for one FINAXA share, corresponding to 15 AXA shares for 4 FINAXA shares. Independent banks respectively appointed by the Supervisory Board of AXA and the Board of Directors of FINAXA have each given a fairness opinion confirming that the exchange ratio is fair to the shareholders of each company.

AXA will undertake a capital increase of a minimum of 288 million shares. This number could go up to 299 million shares depending on the proportion of Finaxa's dividend paid in newly issued FINAXA shares. This number could also be adjusted for Finaxa stock-options and convertible bonds exercised up to the suspension date of these operations.

Following this capital increase, AXA shares currently held by Finaxa and its subsidiaries, which amount to 336 million shares, would be cancelled. As a consequence, AXA's shareholders equity would be reduced by Euro 0.8 to 0.9 billion, following the merger.

Under IFRS principles, this merger would be +1.2% accretive to AXA non-diluted EPS as soon as 2005 and -0.7% dilutive to fully diluted EPS.

Mutuelles AXA[1] and FINAXA currently own 20.35% of AXA outstanding shares and 32.20% of AXA voting rights. Following the merger, the Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares representing 80.53% of FINAXA voting rights, would become the principal AXA shareholder, holding approximately 14% of AXA shares representing 23% of voting rights.

The terms and conditions of the merger, including the exchange ratio, will be submitted to Court Appointed Merger Auditors (“Commissaires aux Apports et à la Fusion”) who will deliver their reports before December 16, 2005, the date of the Extraordinary General Assemblies of FINAXA and AXA at which the merger will be presented for approval to the shareholders of each company.

AXA will undertake FINAXA rights and obligations as at January 1, 2005.

FINANCING OPERATIONS

On January 25, 2005, AXA issued, under its €5 billion Euro Medium Term Notes program, **€250 million of undated deeply subordinated notes** (“Titres Super Subordonnés”), allowing the Group to improve debt quality and to strengthen hybrid capital, whilst anticipating the refinancing of debts maturing in 2005 and after.

OTHER

In order to further protect the Group balance sheet exposure to the USD, an additional $1.950 billion economic **hedges** have been implemented in the first half year 2005, through Cross Currency Swaps.

Events subsequent to June 30, 2005

On July 28, 2005, AXA Investment Managers (AXA IM) and Framlington Group Limited announced that AXA IM entered into an agreement to buy **Framlington Group Limited** from HSBC Holdings plc and Comerica Incorporated. Completion of the transaction is subject to certain conditions, including FSA approval. Framlington is an investment management boutique with an emphasis on specialist, high-performance and high-value-added equity investments, and has a significant market position within the UK retail market segment, capturing 10.7% of overall UK retail net sales during 2004. Assets under management, as at the end of June 2005, were £4.5 billion.
Under this agreement, AXA IM will buy 100% of Framlington Group Limited shares for a total consideration of £174 million over consolidated Net Asset Value at completion. This acquisition will be financed internally within the AXA Group.

On July 29, 2005, AXA announced its intention to acquire from the group Caixa Geral de Depósitos **the insurance company “Seguro Directo Gere – Companhia de Seguros, S.A**.”. Usually known as Seguro

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[1] *AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle and AXA Courtage Assurance Mutuelle*

Directo, the company operates in the direct insurance market in Portugal (by telephone and Internet), where it has a market share of almost 50% and gross revenues of approximately Euro 23 million.
This acquisition is consistent with the growth strategy of AXA Portugal and will allow the company to diversify its distribution channels and further improve the service to its 700.000 clients. AXA has the objective of growing the direct distribution channel and re-establishing the leadership position Seguro Directo once held in Portugal.
The transaction is subject to regulatory approvals, including the Portuguese Insurance Institute and Antitrust Authority.

On August 29, 2005, Hurricane Katrina made landfall on the U.S. Gulf Coast causing severe damages and floods. AXA has exposures to this event mainly through its reinsurance activities in AXA RE, and marginally through its large risks (AXA Corporate Solutions Assurance) and Art (AXA Art) businesses. As at the date of publication of this Management Report, AXA RE only received limited information from its cedants in relation with this event. The corresponding cost to AXA, of which a significant part will be reinsured or retroceded outside of the AXA Group, will be included in the Full Year 2005 financial statements. Based on our current knowledge, including an insurance market loss in the range of $40 billion to $60 billion, the costs related to Hurricane Katrina are estimated to be approximately $200 million before tax and net of retrocession in AXA RE.

On September 14, 2005, AXA Financial, Inc., a Delaware corporation (the "Company"), and Merrill Lynch, Pierce, Fenner & Smith Incorporated, a Delaware corporation ("Merrill Lynch"), entered into a definitive Stock Purchase Agreement, dated as of September 14, 2005 (the "Stock Purchase Agreement").
Pursuant to the Stock Purchase Agreement, Merrill Lynch will purchase from the Company all of the issued and outstanding shares of capital stock of The Advest Group, Inc. ("Advest"), a Delaware corporation and a wholly owned subsidiary of the Company, for $400 million in cash, subject to adjustments in certain circumstances. The Company's estimated post-tax proceeds from the sale will be approximately $297 million. The Company preliminarily estimates that the purchase price will result in a pre-tax gain to the Company of approximately $6 million and a post-tax loss to the Company of approximately $96 million. This transaction reduces the Company's goodwill by approximately $190 million, representing 31% of the total goodwill related to the MONY acquisition in 2004.
The sale of Advest is expected to close in the fourth quarter of 2005 and is subject to certain regulatory approvals.

Consolidated Operating results

Consolidated gross revenues

Consolidated Gross Revenues (a)		
(in euro million)	**HY 2005**	**HY 2004**
Life and Savings	21 907	21 085
of which Gross written premiums	*21 127*	*20 570*
of which Fees and revenues from investment contracts with no participating feature	*237*	*216*
Property & Casualty	10 314	9 794
International Insurance	2 501	2 284
Asset Management	1 550	1 518
Other Financial services (Net banking revenues) (b)	225	198
Holding companies activities	0	0
TOTAL	**36 499**	**34 880**

(a) Net of intercompany eliminations

(b) Excluding net realized capital gains and change in fair value of assets under fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €200 million and €36,473 million for the period of June 30, 2005.

Consolidated gross revenues for Half-Year 2005 were **€36,499 million**, up 4.6% compared to previous period.

Excluding the unfavorable impact of the appreciation of the euro against other currencies (1.5 point, mainly from the US Dollar), and additional revenues stemming from (i) Mony integration (€867 million or 2.5 points) and (ii) the change in consolidation method of Turkey, Hong-Kong and Singapore P&C operations (€287 million, or 0.8 point)[2], gross consolidated revenues were **up 3.3% on a comparable basis.**

Life & Savings revenues growth was **+2.4% to €21,907 million,** mainly driven by good performances in **France (+10.7% to 6,583 million)** primarily due to a surge in Unit-Linked premiums and price increases in Health, **Belgium (+27.1% to 1,353 million)** driven by Individual Investment non Unit-Linked products (Crest) and individual investment structured Unit-Linked product (Millesimo), and **Southern Europe (+25.2% to €717 million)**, mainly due to large corporate Investment & savings contracts in Italy. This trend was partly offset by lower revenues in **the United States (-2.5% to €6,623 million), the UK (-2.1% to €1,130 million)** and **Japan (-16.5% to €2,322 million).** The **US** revenues were down **-2.5%, or +2.0% excluding Real Estate Institutional Separate Account premiums**. This growth was mainly attributable to an increase in First Year Life premiums (+15%) and Variable Annuity premiums (+5%), as well as increases in asset management fees (other revenues), partially offset by a decline in Life renewal premiums (-4%) and Fixed Annuity premiums (-46%). In the **UK**, the decline **(-2.1%)** mainly stemmed from Investment & Savings, as the market is shifting away from Old World products towards Self Invested Personal Pensions and Stakeholder products in advance for Pensions Simplifications in 2006. Investment & Savings margins increased €27 million (+14.8 %) mostly due to €17 million higher fees on account balance and €9 million front end fees. **In Japan (-16.5%), excluding group pension transfers and conversion program**, premiums **decreased by 6% to €2,195 million**. This was mainly due to a 22% decrease in Investment & Savings, primarily as a result of a reduction in group pension premiums (€-63 million) and individual fixed annuities sold via bancassurance partnerships (€-187 million). This trend was partially offset by the 17% health premium increase driven by the good retention on high margin medical products such as Medical Whole Life and Medical Riders.

[2] *Fully consolidated starting January 1, 2005 (previously accounted for under the equity method)*

Group New Business APE[3] reached €2,515 million, up +10.8% compared to Half-Year 2004. On a pro-forma basis[4], Group New Business APE increased by +6.5%, stemming from all significant countries except Germany. Germany APE decline (-19%) was primarily due to a new business surge at the end of 2004 in anticipation of a change in the tax regulation (non UL products), and to a decrease in Health due to a weak market environment.

Property & Casualty gross written premiums were **up 2.9% to €10,314 million**, mainly driven by France (+3.8% to 2,770 million), Southern Europe (+5.5% to €1,551 million), while Germany, Belgium and the UK showed lower performance. **Personal lines** were **up nearly 4%,** stemming from both **Motor** (France +3% and Southern Europe +5%), benefiting from positive net inflows of 35,300 and 91,300 respectively) and **Non Motor** (mainly in Household in the UK +11%, Southern Europe +9%, France +2% and Belgium +3%). **Commercial lines (+1.5%)** benefited from **Non Motor** lines (+2%) primarily in France and Southern Europe (+7% for both), mainly as a result of tariff increases in most business lines, while maintaining a strict underwriting policy. **Motor** lines declined (-1%) mainly in Ireland, due to falling average premiums reflecting the competitive market. **Other lines** increased by 2% driven by UK health (+8%).

International Insurance revenues were **up 10.6% to €2,501 million,** both attributable to AXA RE and AXA Corporate Solutions Assurance. **AXA RE** sticks to its underwriting strategy aiming at diversifying the portfolio both geographically in Property as well as in terms of lines of business. The growth in revenues **(+15.4% to €1,056 million)** was mainly driven by higher non life gross written premiums (97% of reinsurance activity) which increased by 15% on a comparable basis, notably including higher premiums in European proportional Property Cat and Credit business, as well as selected non proportional General Liability business. **AXA Corporate Solutions Assurance** revenues were up **+9.2% to €1,059 million,** as a result of the combined effect of increased activity in Marine (+17% to €224 million), Aviation (+28% to €109 million) and Construction (+42% to €81 million) lines partly offset by decrease in Liability (-3% to €255 million). However, it should be noted that marine and aviation growth benefited from seasonal effect in first half year 2005.

Asset management revenues increased by **+5.7% to €1,550 million**, driven by higher average Assets under Management and strong net inflows. **Alliance Capital** revenues were **up +1.2% to €1,117 million**, thanks to higher investment advisory fees, driven by higher average Asset Under Management (AUM) (+10%) and higher performance fees in 2Q05, offset by lower distribution revenues and lower shareholder servicing fees. **AXA Investment Managers** showed a **+20.2%** performance to **€433 million**, due to AUM growth (+19%) and higher performance fees.

Net banking revenues in Other Financial Services were up **+15.9% to €225 million**, mainly attributable to AXA Bank Belgium (+20.6% to €161 million), as a result of higher revenues on mortgage loans and lower interest paid for certificates of deposits, partly offset by lower income from inter-bank operations.

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[3] *Annual premiums equivalent is New regular premiums plus one tenth of Single premiums*

[4] *Excluding Mony in the United States*

Consolidated underlying, adjusted earnings and net income

Underlying earnings, adjusted earnings and Net income		
	HY	
(in euro million)	**2005**	**2004**
Gross written premiums	33 844	32 571
Fees and revenues from investment contracts with no participating feature	237	216
Revenues from insurance activities	***34 082***	***32 786***
Net revenues from banking activities	***200***	***207***
Revenues from other activities	***2 192***	***1 900***
TOTAL REVENUES	**36 473**	**34 893**
Change in unearned premium reserves net of unearned revenues and fees	***-1 943***	***-1 723***
Net investment result excluding financing expenses (a)	***12 308***	***10 118***
Technical charges relating to insurance activities (a)	-36 313	-33 347
Net result of reinsurance ceded	-302	-585
Bank operating expenses	-26	-58
Acquisition costs	-3 142	-2 740
Amortization of value of purchased life business in force and other intangible asset	-370	-167
Administrative expenses	-3 932	-3 627
Valuation allowances on tangibles assets	25	-18
Other	-56	-130
Other operating income and expenses	***-44 116***	***-40 672***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**2 723**	**2 617**
Income arising from investment in associates - Equity method	9	40
Financing debts expenses	-305	-291
OPERATING INCOME GROSS OF TAX	**2 427**	**2 366**
Income tax	-439	-742
Minority interests share in income	-226	-227
UNDERLYING EARNINGS	**1 761**	**1 398**
Net realized capital gains attributable to shareholders	370	263
ADJUSTED EARNINGS	**2 132**	**1 661**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	119	-16
Exceptional operations (including discontinued operations)	27	126
Goodwill and other related intangible impacts	-4	-38
NET INCOME	**2 274**	**1 733**

(a) For the periods ended June 30, 2005 and June 30, 2004, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+3,807 million and €+3,483 million and benefits and claims by the offsetting amounts respectively.

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
Life & Savings	972	815
Property & Casualty	695	577
International Insurance	103	138
Asset Management	154	123
Other Financial Services	42	8
Holding companies	-205	-265
UNDERLYING EARNINGS	**1 761**	**1 398**
Net realized capital gains attributable to shareholders	370	263
ADJUSTED EARNINGS	**2 132**	**1 661**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	119	-16
Exceptional operations (including discontinued operations)	27	126
Goodwill and other related intangible impacts	-4	-38
NET INCOME	**2 274**	**1 733**

Group underlying earnings reached **€1,761 million, up +26% or €+363 million**. **At constant exchange rates**, the growth was **€+393 million**, attributable to all operational segments except International Insurance as AXA RE was unfavorably impacted by major losses in the first half of 2005:

Life & Savings underlying earnings were **up €+183 million**. In the United States, incremental underlying earnings coming from Mony was **€64 million** (or €61 million at current exchange rate). Underlying earnings also included **non-recurring impacts** in **Japanese earnings for €47 million** (reported improvement was €+43 million): mainly a positive tax impact (€193 million), reflecting the improvement in recoverability of tax losses carried forward, partly offset by additional VBI and DAC amortization due to a change in future investment assumptions (€-136 million net of tax).

Excluding Mony and Japan, underlying earnings were up €+76 million, mainly attributable to **France** (€+31 million to €249 million), **the United States** (€+25 million), and **Germany** (€+15 million to €15 million). The improvement was mainly the result of **(i) higher Fees and Revenues** (€+261 million), pulled up by France, the US, and the UK, **(ii) an improved net technical margin** (€+28 million), partly offset by **(iii) higher expenses** (€-205 million), mainly in the US, UK, and France, and **(iv) a decrease in investment margin** (€-31 million) , primarily in the US.

Property & Casualty underlying earnings improved by **€+118 million** to **€695 million**. This improvement was attributable to all countries (mainly France €+31 million, Germany €+38 million, UK €+16 million, Canada €+20 million) except Belgium, and derived from:

(i) **A higher net technical result** (€+271 million to €2,734 million), with an **accounting loss ratio improving by 1.5 point to 70.2%**

(ii) **Higher expenses** (€-170 million to €-2,508 million), **the expense ratio slightly deteriorating by 0.5 point to 27.3%, but only due to higher acquisition ratio** in France and in the UK.

As a consequence, **Group combined ratio improved by 1.0 point to 97.5%.**

(iii) **Higher investment income overall** (€+105 million to €819 million) mainly as a result of higher technical reserves and stable investment yield.

(iv) **Higher income tax expense** (€-61 million to €-321 million) in line with higher pre-tax earnings

(v) Income/Loss arising from investment in affiliates and associates-equity method decreased by €-17 million as a result of the change in consolidation method for Asian P&C entities and Turkey.

(vi) Minority interest increased by €9 million, of which €7 million on Turkey, previously accounted for under the equity method.

International Insurance underlying earnings reached **€103 million, down €-35 million**.

This was mainly attributable **to AXA RE (€-33 million or €-20 million on a comparable basis**[5]), as a result of lower technical result (as two major losses - Erwin storm and Suncor Energy fire - occurred at the beginning of 2005 for €73 million as well as negative development on 2004 hurricanes for €39 million mitigated by other boni). The combined ratio increased by 2.6% to 97% as a consequence of the deterioration of the loss ratio (up 5.1 points to 82%) and despite the improvement of the expense ratio by 2.6 points to 15% (decrease in general expenses)

AXA Corporate Solutions Assurance improvement **(€+12 million**) mainly stemming from higher investment revenues, was more than offset by the **deterioration in other transnational activities** (€-10 million or €-23 million on a comparable basis), as a result of a €-9 million mali on 2004 US hurricanes (exposure coming from the program business of AXA RE P&C Insurance Company, now in run off) and a €10 million decrease in US Life reinsurance earnings (decrease in premiums volume on this portfolio and the implementation cost of a dynamic hedging program on part of the business). In **AXA Corporate Solutions Assurance**, the combined ratio increased by 0.6 point to 100.5%, reflecting the loss ratio deterioration (up 0.6 point to 87.4%) while the expense ratio remained stable at 13.1%.

Asset Management underlying earnings increased by **€+37 million to €154 million**, attributable to both Alliance Capital and AXA Investment Managers.

In **Alliance Capital**, the improvement was €+17 million (to €98 million) due to (i) slightly higher fees, commissions and other revenues (higher investment advisory fees driven by 10% higher average AUM and increased performance fees, partially offset by lower distribution revenues and lower shareholder servicing fees in the retail channel), whereas expenses remained flat, (ii) and higher ownership interest in Alliance Capital (from approximately 58% at June 2004 to 61% at June 2005 following the acquisition by AXA Financial of 8.16 million private units in H2 2004). The operating cost income ratio improved by 1.5 point from 71.6% in 2004 to 70.1% in 2005.

In **AXA Investment Managers** (€+20 million to €57 million), the increase in fees, commissions and other revenues (mainly driven by management fees reflecting higher average AUM (+19% on a comparable basis), and higher performance fees) was beyond the increase in general expense, and resulted in an improved operating cost income ratio (-2.8 pt to 75.7%).

In Other Financial Services underlying earnings increased by **€+34 million to €42 million**, mainly attributable to (i) AXA Bank Belgium (€+22 million to €36 million), mainly due to an improved interest margin and the reversal of a provision for risks (€16 million), and (ii) CFP: €+14 million to €7 million, following positive run-off developments in first half 2005.

[5] *Transfers of US AXA RE Life and non life activity to other Transnational activities*

Holdings underlying earnings were **up €+57 million to €-205 million**. This improvement was mainly attributable to (i) AXA SA (€+67 million to €-86 million), mainly due to a €47 million non recurring tax benefit, the non-recurrence of the 2004 interest charge on the ORAN issued for Mony financing (€10 million), and a tax saving of €8 million related to withholding taxes on dividends received, (ii) partly offset by AXA Financial Holdings (€-18 million at constant exchange rate to €-43 million) due to higher net interest expense principally related to the MONY acquisition.

Net capital gains attributable to shareholders were **up €+107 million to €370 million**, mainly as a result of:

- An additional €114 million release of valuation allowance on tax losses carried forward in Japan
- Higher realized capital gains by €130 million (including impact of foreign exchange),
- €-200 million in Japan related to a reserve strengthening following a change in future investment assumptions in 2005 (€-322 million pre-tax), and
- €+65 million in the UK related to the unfavorable impact in 2004 of the transfer of ownership of the Isle of Man subsidiary.

As a result, **net realized capital gains remained nearly flat (€-5 million** including impact of foreign exchange**).**

As a result of higher underlying earnings and higher net capital gains, **adjusted earnings were up €+471 million to €2,132 million.**

The Half-Year 2005 **Net Income** reached **€2,274 million, up €+541 million or +31%** compared to half-Year 2004. At constant exchange rates, the growth amounted to **+33%.**

This growth was the result of:

(i) **Higher adjusted earnings** (+28% or €+471 million to €2,132 million)

(ii) **Higher result (excluding exchange rates) on financial assets accounted for under Fair Value Option and derivatives (€+135 million to €119 million).** This trend was mainly attributable to Life & Savings, Property & Casualty, and Holdings operations.

Life & Savings operations (€+43 million to €41 million) were positively impacted by:

- Higher profit and loss on change in fair value of underlying assets within consolidated mutual funds accounted for under fair value option (€+16 million), of which €+11 million in France
- Higher positive change in fair value of derivatives partly offset by lower profit and loss on assets under fair value option (€+38 million net impact). This was mainly attributable to France (€+45 million) reflecting a higher positive change in fair value of derivative and positive performance of equities and fixed interest securities markets during the first half year 2005 partly offset by €-10 million in the US
- In the UK, the non symmetric accounting treatment on unrealized gains attributable to policyholders in Unit Linked Life (€-11 million tax impact)

Property & Casualty operations (€+35 million to €47 million) encountered higher profit and loss on change in fair value of consolidated Mutual funds (€+42 million), of which €+28 million in France, €9 million in Germany, and €5 million in Belgium.

In **Holdings** operations (€+48 million to €26 million), AXA SA and other French Holdings showed positive change in fair value of derivatives

(iii) **Lower goodwill and other related intangible impacts (€+34 million to €-4 million),** as Half-Year 2004 included the goodwill amortization of the remaining balance in The Netherlands P&C (€-33 million; AXA Schade) following the sale of Unirobe, which was a distributor for AXA Schade, and the amortization of the goodwill related to the minority interest buy-out of AXA Re Finance (€-5 million). Half-Year 2005 goodwill expense only related to the normal amortization of Mony intangible asset.

(iv) Partly offset by lower result of exceptional operations (€-99 million to €27 million)

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

Half-Year **2004 exceptional operations (€126 million)** related to:

- The realized capital gains on the disposal of Unirobe in The Netherlands Holding (€+104 million),
- The realized capital loss on the disposal of AXA Bausparkasse in Germany (€-22 million, net group share, of which €-8 million in the Life company)
- An exceptional profit in the AXA Financial holding (pre-tax gain on disposal of the discontinued Investment Banking and Brokerage segment of €66.7 million, or €43.4 million net of Federal income taxes). The gain resulted from the reduction of state tax liabilities related to the 2000 sale of DLJ.

Consolidated Shareholders' Equity

As of June 30, 2005, consolidated shareholders' equity totaled €32.7 billion. The movement in shareholders' equity since December 31, 2004 is presented in the table below:

	Shareholders' Equity *(in euro million)*
At December 31, 2004	**28 523**
- Share capital	4
- Capital in excess of nominal value	25
- Equity-share based compensation	-5
- Treasury shares	-12
- Change in equity component of compound financial instruments	0
- Super subordinated debt (including accrued interests)	236
- Fair value recorded in shareholders' equity	1 695
- Impact of currency fluctuations	1 127
- Cash dividend	-1 164
- Actuarial gains and losses on pension benefits	-15
- Other	-8
At June 30, 2005 (before net income of the period)	**30 406**
Net income for the period	**2 274**
At June 30, 2005	**32 680**

Creation of Shareholder Value

EARNINGS PER SHARE ("EPS")

	HY 2005		**HY 2004**		**Var. HY05 versus HY04**	
(in euro million except ordinary shares in millions)	**Basic**	**Fully diluted**	**Basic**	**Fully diluted**	**Basic**	**Fully diluted**
Weighted numbers of shares	**1 885,2**	**1 957,7**	**1 749,6**	**1 930,5**		
Net income	2 274	2 328	1 733	1 812		
Net income Per Ordinary Share	***1,21***	***1,19***	***0,99***	***0,94***	***21,8%***	***26,7%***
Adjusted Earnings	2 132	2 186	1 661	1 741		
Adjusted Earnings Per Ordinary Share	***1,13***	***1,12***	***0,95***	***0,90***	***19,1%***	***23,8%***
Underlying Earnings Per Ordinary Share	***0,93***	***0,93***	***0,80***	***0,77***	***16,9%***	***21,2%***

RETURN ON EQUITY (ROE)[6]

(in euro million except percentages)	**HY 2005**	**FY 2004**	**Var. HY 2005 / FY 2004**
Average Shareholder's equity	**29 464**	**23 505**	
Average Shareholder's equity (a)	**22 854**	**18 511**	
Net income	2 274	3 738	
ROE	***15,4%***	***15,9%***	***-0,5 pts***
Adjusted Earnings	2 132	3 344	
Adjusted ROE	***18,7%***	***18,1%***	***0,6 pts***
Underlying ROE	***15,4%***	***14,3%***	***1,2 pts***

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

[6] *ROE on Net Income are calculated on total average shareholder's equity, whereas adjusted and underlying ROE are calculated with Shareholder's equity excluding change in Fair Value on invested assets and derivatives (included in consolidated shareholder's equity)*

Life & Savings Segment

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

Life & Savings Segment (a)		
	HY	
(in euro million)	**2005**	**2004**
Gross written premiums	21 131	20 574
Fees and revenues from investment contracts with no participating feature	237	216
Revenues from insurance activities	***21 368***	***20 790***
Net revenues from banking activities	***0***	***0***
Revenues from other activities	***543***	***300***
TOTAL REVENUES	**21 911**	**21 090**
Change in unearned premium reserves net of unearned revenues and fees	***-119***	***-196***
Net investment result excluding financing expenses (b)	***11 221***	***9 233***
Technical charges relating to insurance activities (b)	-28 697	-26 188
Net result of reinsurance ceded	54	-3
Bank operating expenses	0	0
Acquisition costs	-1 397	-1 152
Amortization of value of purchased life business in force and other intangible asset	-362	-162
Administrative expenses	-1 389	-1 264
Change in tangible assets impairment	2	-5
Others income and expenses	-32	-49
Other operating income and expenses	***-31 821***	***-28 822***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**1 191**	**1 304**
Income arising from investment in associates - Equity method	4	16
Financing debts expenses	-51	-39
OPERATING INCOME GROSS OF TAX	**1 144**	**1 281**
Income tax	-101	-388
Minority interests share in income	-70	-78
UNDERLYING EARNINGS	**972**	**815**
Net realized capital gains attributable to shareholders	213	168
ADJUSTED EARNINGS	**1 185**	**983**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	41	-1
Exceptional operations (including discontinued operations)	0	-7
Goodwill and other related intangible impacts	-4	0
NET INCOME	**1 223**	**975**

(a) before intercompany transactions

(b) For the periods ended June 30, 2005 and June 30, 2004, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+3,807 million and €+3,483 million and benefits and claims by the offsetting amounts respectively.

Consolidated Gross revenues [a]		
(in euro million)	**HY 2005**	**HY 2004**
France	6 587	5 948
United States	6 623	6 183
United Kingdom	1 130	1 176
Japan	2 322	2 890
Germany	1 718	1 672
Belgium	1 353	1 065
Southern Europe	717	572
Other countries	1 461	1 584
TOTAL	**21 911**	**21 090**
Intercompany transactions	-4	-5
Contribution to consolidated gross revenues	**21 907**	**21 085**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
France	249	218
United states	388	317
United Kingdom	43	38
Japan	118	80
Germany	15	1
Belgium	42	41
Southern Europe	25	23
Other countries	92	97
UNDERLYING EARNINGS	**972**	**815**
Net realized capital gains attributable to shareholders	213	168
ADJUSTED EARNINGS	**1 185**	**984**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	41	-1
Exceptional operations (including discontinued operations)	0	-7
Goodwill and other related intangible impacts	-4	0
NET INCOME	**1 223**	**975**

Life & Savings operations - France

(in euro million)	Periods ended June 30, 2 005	2004
Gross revenues	**6 587**	**5 948**
APE (group share)	*581*	*539*
Underlying investment margin	515	519
Underlying fees & revenues	564	518
Underlying technical margin	65	48
Underlying expenses	-745	-716
Underlying amortization of VBI	-28	-27
Underlying operating earnings before tax	**371**	**342**
Underlying income tax expenses / benefits	-120	-116
Minority interests	-2	-8
Underlying earnings group share	**249**	**218**
Net capital gains attributable to shareholders net of income tax	35	47
Adjusted earnings group share	**284**	**265**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	44	-11
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**328**	**254**

Gross revenues increased by €638 million, or +10.7%, to €6,587 million resulting from

- Strong growth in *Investments & Savings* (68% of gross revenues) of 11.2% to €4,487 million, as both general account and unit linked premiums grew by respectively 6% and 39%.
- Steady growth in *Life & Health* (32% of revenues) of 9.8% to €2,099 million mainly due to rate increases in the Group Life & disability business.

APE grew by 7.8% (€+42 million) to €581 million reflecting increased investments and savings APE (+13%) due to strong growth in individual unit-linked premiums (up 39% to represent 28% of individual investments and savings APE) partly offset by Group business which was impacted by strict underwriting and significant large premiums reported in the first half of 2004.

Underlying investment margin decreased by €4 million or -1% to €515 million, as higher investment income by €157 million to €1,958 million mainly benefiting from higher dividend yields on the European equity markets was offset by higher amounts credited to policyholders (€-161 million to €1,444 million).

Fees & revenues were up €46 million or +9% to €564 million mainly resulting from strong growth of fees on unit linked products (€+17 million to €170 million), and on non unit linked business (€+29 million to €394 million, mainly group life business), both due to new inflows and higher account balances.

Net technical margin improved by €17 million to €65 million, as half year 2004 was negatively affected by adverse claims experience in Group disability.

Expenses increased by €29 million to €745 million mainly due to €35 million higher commissions, in line with increased volume, partly offset by lower administrative expenses.

VBI amortization remained stable at €-28 million.

Underlying cost income ratio improved by 1.6% to 69.5% as a result of higher fees and revenues, increased technical margin and lower administrative expenses, partly offset by higher commissions paid.

Income tax expenses increased by €4 million to €-120 million as the higher taxable result was partly offset by reduced tax rate.

As a consequence, and net of minority interests (which dropped following capital operations regarding real estate companies), **underlying earnings** improved by €31 million to €249 million.

Adjusted earnings improved by €18 million to €284 million, reflecting increased underlying earnings offset mainly by unrealized foreign exchange losses on currency macro hedge (€-39 million versus nil in 2004) and despite higher net realized gains mainly on equities (€+27 million to €74 million with gross realized gains at €235 million).

Net income was up €74 million to €328 million resulting from increased adjusted earnings and from positive change in fair value of derivatives (€+21 million) and assets designated at fair value through profit & loss (€+33 million net) including consolidated mutual funds, in line with positive performance of equities and fixed interest securities markets during the first half year 2005.

Life & Savings operations - United States

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**6 623**	**6 183**
APE (group share)	*829*	*687*
Underlying investment margin	374	363
Underlying fees & revenues	648	454
Underlying technical margin	275	185
Underlying expenses	-728	-553
Underlying amortization of VBI	-24	0
Underlying operating earnings before tax	**545**	**449**
Underlying income tax expenses / benefits	-158	-132
Minority interests	0	0
Underlying earnings group share	**388**	**317**
Net capital gains attributable to shareholders net of income tax	16	27
Adjusted earnings group share	**404**	**344**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	2	8
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	-4	0
Net income group share	**402**	**352**
Average exchange rate : 1.00 € = $	*1,29*	*1,23*

Gross revenues increased by 7.1% to €6,623 million or by 12% on a constant exchange rate basis. Excluding the contribution of MONY (€867 million), gross revenues decreased by 3% at constant exchange rate, as the 5% increase in Variable Annuity premiums and the 15% increase in First Year life premiums were more than offset by a 68% decrease in Real Estate Institutional Separate Account premiums, a 46% decline in Fixed Annuity premiums and a 4% decline in Life renewal premiums. Other revenues were up 25% driven by increases in asset management fund fees resulting from higher account balances.

APE increased by 21% to €829 million or by 26% on a constant exchange rate basis. Excluding the contribution from MONY's distribution channels, APE was up 3% primarily driven by Life APE (up 9%) and Variable Annuity APE (up 5%) partly offset by a 45% decline in Fixed Annuity APE, as, in the current interest rate environment, this product does not match Group profitability targets.

Underlying investment margin increased by €11 million to €374 million, or by €29 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, investment margin decreased by €34 million, or €19 million on a constant exchange rate basis. *Investment income*, despite a higher level of assets in the general account, decreased by €10 million to €999 million, primarily due to, (i) lower yields, (ii) lower prepayments on fixed maturities and (iii) lower partnership distributions. *Interest and bonus credited* increased by €9 million to €671 million as the impact of lower credited rates in life and annuity business were more than offset by higher general account balances.

Fees & revenues increased by €193 million to €648 million, or by €224 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, fees and revenues increased by €84 million, or €110 million on a constant exchange rate basis. This increase was mainly due to higher fees earned on separate account business, resulting from positive net cash flows and higher average account balances.

Net technical margin increased by €90 million to €275 million, or by €103 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, the net technical margin increased by €6 million, or by €15 million on a constant exchange rate basis. This increase was notably attributable to a €26 million better life mortality experience. “GMDB/GMIB" margins decreased slightly (€-9 million) primarily due to the impact of poor market performance in first half year 2005 on the unhedged portfolio.

Expenses increased by €175 million to €728 million and by €209 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, expenses increased €55 million, or €84 million on a constant exchange rate basis, principally due to (i) greater commission expenses (€-34 million), (ii) an increase in other miscellaneous expenses primarily within variable expenses and growth initiatives partly offset by lower amortization of IT expenses net of capitalization (net impact of €-41 million), (iii) higher DAC amortization (€-63 million) reflecting reactivity to higher margins in products which are DAC reactive and lower favorable DAC unlocking in the first half of 2005 for expected higher emerging margins on variable life and annuity products, partly offset by (iv) higher DAC capitalization (€+54 million).

VBI amortization was €24 million in 2005 reflecting the consolidation of MONY.

Underlying cost income ratio decreased slightly to 77.3% versus 77.8% in 2004, as the strong improvement in fees & revenues was partly offset by higher expenses.

Income tax expenses increased by €25 million, or by €33 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, these amounts decreased by €9 million and €3 million, respectively.

Underlying earnings increased by €71 million to €388 million and by €89 million on a constant exchange rate basis. MONY contributed €61 million in 2005. Excluding the contribution of MONY in 2005, underlying earnings increased by €25 million on a constant exchange rate basis. This increase primarily reflects higher fees and revenues and net technical margin partially offset by higher expenses including DAC amortization.

Adjusted earnings were €404 million, up €60 million or a €79 million on a constant exchange rate basis. MONY contributed €65 million in 2005. Excluding the contribution of MONY in 2005, adjusted earnings increased by €11 million on a constant exchange rate basis. This increase was driven by the higher underlying earnings partially offset by €14 million lower net capital gains to €12 million (gross realized gains amounted to €36 million in half year 2005 or €28 million excluding Mony).

Net income increased by €50 million to €402 million, or €69 million on a constant exchange rate basis. MONY contributed €59 million in 2005. Excluding the contribution of MONY in 2005, net income increased by €7 million on a constant exchange rate basis, in line with adjusted earnings.

Life & Savings operations - United Kingdom

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**1 130**	**1 176**
APE (group share)	*381*	*339*
Underlying investment margin	97	106
Underlying fees & revenues	212	167
Underlying technical margin	18	3
Underlying expenses	-288	-219
Underlying amortization of VBI	-12	-23
Underlying operating earnings before tax	**28**	**34**
Underlying income tax expenses / benefits	15	4
Minority interests	0	0
Underlying earnings group share	**43**	**38**
Net capital gains attributable to shareholders net of income tax	8	-65
Adjusted earnings group share	**51**	**-27**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-11	-1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**40**	**-27**
Average exchange rate : 1.00 € = £	*0,69*	*0,67*

Gross revenues decreased by 4% to €1,130 million or 2% on a constant exchange rate basis:

Investment & Savings (67% of gross revenues)

- *Insurance Premiums* (49% of gross revenues) decreased by 4% as a result of a reduction in premiums from Old World pension products that are categorized as Insurance.
- *Margins on Investments Products* (18% of gross revenues) increased 15% reflecting higher fund management charges driven by net new money growth in 2004 and 2005 and improved stock market levels during 2005.

Life Insurance premiums (33% of gross revenues) decreased by 6% primarily due to lower volumes of single premium Creditor Insurance written in 2005.

APE was up 14% on a constant exchange rate basis to €381 million reflecting increases in unit linked Pension and Bond sales. Total unit linked bond APE were €141 million, up 32%, benefiting from a 13% Onshore Bond growth and an 85% Offshore Bond growth. Group pensions were up 25% due to an increased number of large schemes in the first half of 2005.

The unit linked share of total APE increased by 5 points to 87% reflecting a significant increase in unit linked bond sales

Underlying investment margin decreased by €9 million or €7 million on a constant exchange rate basis to €97 million, driven by a €8 million reduction on shareholders' participation in With-Profit bonus payments.

Fees and revenues increased by €45 million or €49 million on a constant exchange rate basis to €212 million, due to (i) €33 million increase in loadings on premiums on life and pension products mainly attributable to the increasing volume of Creditor Insurance business and (ii) €16 million increase in fees earned due to higher average account balances coming from net new inflows and improved stock market levels.

Net technical margin increased by €16 million on a current and constant exchange rate basis to €18 million mainly due to the non recurrence of a €8 million 2004 reserves strengthening on possible mis-selling obligations, while 2005 benefited from a €7 million reserves release.

Expenses, net of policyholder allocation[7] increased by €70 million, or €75 million on a constant exchange rate basis to €288 million, mainly as a result of (i) €20 million lower allocation of expenses to the With-Profit fund due to the decreasing volumes of new business, (ii) €23 million increase in amortization of deferred expenses relating to single premium Creditor Insurance business written in 2004 and 2005 (offsetting the increase in loadings on premiums above) and (iii) €30 million increased expenses mainly relating to new investments in sales and customer service, including the acquisition of the sales force of the Britannia Building Society.

The **underlying cost income ratio** has increased from 109.6% to 114.5% in 2005, due to lower business written in the with profit funds.

VBI amortization declined by €11 million both on a current and constant exchange rate basis to €12 million, due to changes in amortization patterns driven by recent favorable changes in lapse and mortality experience of Insurance products.

Income tax decreased by €11 million both on current and constant exchange rate basis to a tax benefit of €15 million, partly due to lower taxable profits and partly due to differing profit profiles by entity.

Underlying earnings increased by €5 million or €6 million on a constant exchange rate basis to €43 million.

Adjusted earnings increased by €78 million or €79 million on a constant exchange rate basis to €51 million. This increase was much stronger than the underlying increase due to the negative impact in 2004 adjusted earnings of the transfer of ownership of the Isle of Man subsidiary.

Net income included the undiscounted tax adjustment on unrealized gains attributable to policyholders in Unit Linked Life[8], for €11 million in 2005. As a result, net income increased by €67 million or €68 million on a constant exchange rate basis to €40 million.

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

8 Mismatch where undiscounted deferred tax is provided on unit linked assets but the unit liability reflects the expected timing of the payment of future tax."

Life & Savings operations – Japan

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**2 322**	**2 890**
APE (group share)	*258*	*252*
Underlying investment margin	-41	11
Underlying fees & revenues	428	437
Underlying technical margin	70	50
Underlying expenses	-310	-286
Underlying amortization of VBI	-266	-68
Underlying operating earnings before tax	**-118**	**144**
Underlying income tax expenses / benefits	240	-61
Minority interests	-3	-3
Underlying earnings group share	**118**	**80**
Net capital gains attributable to shareholders net of income tax	114	119
Adjusted earnings group share	**232**	**199**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	3	10
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**236**	**209**
Average exchange rate : 1.00 € = Yen	*136,99*	*131,75*

Gross revenues decreased by 16% on a constant exchange rate basis to €2,322 million. Excluding (i) group pension transfers (€13 million versus €61 million last year) and (ii) the conversion program started in January 2003 to life products (€32 million versus €147 million last year) and to health products (€82 million versus €258 million last year), premiums decreased by 6% to €2,195 million driven by the following factors:

- *Investment & Savings* (31% of gross revenues excluding conversions and group pension transfers): Premiums decreased by 22% to €680 million reflecting (i) a reduction in group pension premiums (€-63 million) due to a lower inforce and (ii) a reduction in single premium individual fixed annuities sold via bancassurance partnerships (€-187 million) partly offset by higher recurring premiums from existing individual annuity contracts (€+17 million) especially after strong sales in 2004.
- *Life* (46% of gross revenues excluding conversions and group pension transfers): premiums decreased by 1% to €1,006 million mainly driven by lower regular premiums in Endowment and Whole Life as a result of lower in-force, since these products were not promoted for new business. This was partly offset by the strong sales in LTTP (Long-Term Term Product) launched in October 2004, LTPA (Long-Term Personal Accident) launched in March 2005 and term riders as a result of increasing clients' needs for savings.
- *Health* (23% of gross revenues excluding conversions and group pension transfers): premiums increased by 17% to €509 million driven by the good retention on high margin medical products such as Medical Whole Life and Medical Riders.

APE increased by 7%, with individual business APE up 4%, driven by Term Life products and riders (following the launch of new products in October 2004 and March 2005), and Group Life APE up 164%, thanks to the New Mutual Aid product. After a slow start in 1Q05 Japan APE grew strongly during the second quarter with new business APE increasing by 10% as a result of new product launch and improved productivity in the AXA Advisors channel.

Half-year 2005 net income included the following two significant items:

Adjusted net realized capital gains net of valuation allowance reached €322 million, mainly following a change in asset allocation from US Bonds to Japanese government bonds. AXA Japan actively manages its investments considering both income and realized capital gains/losses to optimize continuously the investment yield in the context of low interest rates and significant traditional insurance in-force. Therefore, investment income and realized gains are taken into account together to fund investment items such as guaranteed credited interest and bonuses as well as reserves impacts due to change in future investment assumptions in 2005.

In this context, AXA Japan recorded a strengthening of insurance reserves (€352 million pre-tax), mainly resulting from a change in future investment assumptions, which impacted the investment margin (€329 million pre-tax). In addition, this new set of assumptions led to record higher VBI and DAC amortization (respectively €197 million and €22 million).

Secondly, following an improved outlook on recovery of the tax losses carried forward, a €309 million release of valuation allowance on deferred tax assets was recorded.

The overall combined impact of these two significant items was €+47 million underlying earnings and €-39 million on adjusted earnings and net income.

Underlying investment margin decreased by €52 million, or €54 million at constant exchange rate, to €-41 million mainly driven by:

- A €44 million reduction to €251 million in net investment income due to a lower gross investment yield from 2.5% to 2.0% as a result of higher currency hedge costs and a fixed-income portfolio restructuring at the end of 2004 (partly out of US bonds into Japanese government bonds).
- Higher interest credited (€2 million) to €285 million mainly due to increased contract in-force.

Fees & revenues decreased by €9 million at current exchange rate, or increased by €9 million at constant exchange rate, to €428 million reflecting the contribution from new business resulting from the launch of new Term products and sales of high margin health products, along with continuing efforts to retain profitable policies. This increase was partly offset by a small decline in group medical fees and revenues, which was limited by the implementation of a retention program on Medical Term customers in a competitive environment.

Net technical margin increased by €20 million, or by €23 million at constant exchange rate, to €70 million. The mortality margin improved by €38 million to €57 million driven by (i) a better morbidity on health products and (ii) a lower insurance reserve strengthening on annuity portfolio (€+11 million to €18 million). The surrender margin decreased by €15 million to €13 million mainly due to lower individual annuity conversions and surrenders partly offset by improved retention on Medical riders.

Expenses increased by €24 million, or by €36 million at constant exchange rate, to €310 million following (i) higher DAC amortization (€34 million) resulting from higher in-force and a change in future investment assumptions, (ii) increased operating expenses (€6 million) due to increased spending on projects focused on product development and distribution partially offset by (iii) lower commissions net of capitalization (€4 million) driven by a decline in commission rate.

VBI amortization increased by €198 million or €209 million at constant exchange rate, to €266 million mainly due to a change in future investment assumptions.

Underlying cost income ratio increased from 74.4% to 76.9% mainly reflecting lower net investment income.

Income tax expense reduced significantly compared to last year by €300 million, or €310 million at constant exchange rate to a tax benefit of €240 million. A €193 million release of valuation allowance was recorded in 2005 reflecting the improvement in recoverability of tax losses carried forward. Excluding this impact, income tax expenses reduced by €108 million, or €110 million at constant exchange rate, to €+48 million due to lower pre-tax earnings in 2005.

Underlying earnings increased by €38 million, or €43 million at constant exchange rate, to €118 million mainly driven by the release of valuation allowance on tax losses carried forward (€193 million) and improved mortality profits partly offset by lower net investment income and higher VBI and DAC amortization (€+122 million and €+14 million respectively) due to a change in future investment assumptions. Excluding the combined impact of the two significant items mentioned above, underlying earnings slightly decreased by €9 million or €6 million at constant exchange rate.

Adjusted earnings increased by €34 million, or €43 million at constant exchange rate, to €232 million in line with the €+43 million improvement of underlying earnings due to:

- Higher pre-tax **realized capital gains** net of valuation allowances (€+74 million to €314 million) were offset by a strengthening of insurance reserves following a change in future investment assumptions in 2005 (€-326 million to €314 million);
- Lower DAC and VBI amortization reactivity (€+62 million) linked to realized gains in 2004;
- Lower income tax impact due to an additional €114 million release of valuation allowance on tax losses carried forward coupled with reduced tax expense resulting from lower pretax operating income in 2005.

Net income increased by €27 million, or €36 million at constant exchange rate, to €236 million following the improvement in adjusted earnings by €43 million partly offset by a €7 million decrease of gains on fair valued invested assets in 2005 (€27 million in 2005 versus €22 million in 2004, before tax, DAC and VBI reactivity and minority interests).

Life & Savings operations – Germany

(in euro million)	Periods ended June 30, 2 005	2004
Gross revenues	**1 718**	**1 672**
APE (group share)	*132*	*163*
Underlying investment margin	35	36
Underlying fees & revenues	45	37
Underlying technical margin	19	16
Underlying expenses	-35	-31
Underlying amortization of VBI	-6	-7
Underlying operating earnings before tax	**58**	**51**
Underlying income tax expenses / benefits	-41	-50
Minority interests	-1	0
Underlying earnings group share	**15**	**1**
Net capital gains attributable to shareholders net of income tax	2	-25
Adjusted earnings group share	**17**	**-24**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	-1
Exceptional operations (including discontinued operations)	0	-7
Goodwill and other related intangibles impacts	0	0
Net income group share	**17**	**-32**

Gross revenues rose by 3% (€+46 million to €1,718 million) mainly due to unit-linked business.

- *Investment & Savings* (22% of gross revenues) increased by 17% to €371 million, mainly driven by regular unit-linked premiums as a result of high new business in the previous years. The share of unit-linked premiums grew significantly to 22% (14% for the same period in 2004). Non-unit linked premiums increased by 5% to €288 million mainly driven by annuity business.
- *Life* (47% of gross revenues) were flat at €801 million. Decrease in Life non unit-linked premiums (-3%) was compensated by strong growth in unit-linked premiums (+19%). The share of unit-linked premiums thus rose to 15% (12% for the same period in 2004).
- *Health* (26% of gross revenues) slightly increased by 1% to €448 million due to the last step of legal premium adjustment, which was partly offset by higher cancellations at the end of 2004.
- *Other* (5% of gross revenues) amounted to €97 million (-10%) due to the decrease in Medical Council business and lower consortium business.

APE decreased by -19% to €132 million, due to lower activity level in the first half of 2005 (mainly in non unit linked products: -30%) as a result of a change in tax regulation at year end 2004, partly offset by increase in unit linked (+11%).

Underlying investment margin remained stable at €35 million due to an increase in net investment Income (€+31 million in Life) mainly driven by a higher proportion of fixed income securities in the asset mix, offset by a corresponding increase (€-32 million in Life) in policyholder participation.

Fees & revenues amounted to €45 million, up €8 million, mainly due to increased unit linked business.

Net technical margin increased by €3 million to €19 million mainly driven by higher profit from lapses in health and lower policyholder ratio applied to technical items in Life.

Expenses increased by €5 million to €35 million as lower expenses were more than offset by a lower policyholder bonus rate applied to expenses (similarly to technical items)

Amortization of VBI remained stable at €-6 million.

As a consequence, **underlying cost income ratio** improved by 18.8 points to 58.0%.

Tax expenses decreased by €9 million to €-41 million mainly explained by non recurring tax items in 2004.

Underlying earnings increased by €15 million to €15 million mainly due to the increase of fees & revenues and to lower tax expenses.

Adjusted earnings increased by €41 million to €17 million benefiting from increased underlying earnings and higher net capital gains (€+27 million to €2 million) due to the fact that capital losses accounted for in the first half of 2004 were attributable for a significant part to the shareholders.

Net income increased by €50 million to €17 million, benefiting from increased adjusted earnings and the non recurrence of the loss on the sale of Bausparkasse in 2004 (€8 million).

Life & Savings operations - Belgium

(in euro million)	Periods ended June 30, 2 005	2004
Gross revenues	**1 353**	**1 065**
APE (group share)	*115*	*91*
Underlying investment margin	61	64
Underlying fees & revenues	68	61
Underlying technical margin	25	21
Underlying expenses	-90	-94
Underlying amortization of VBI	-1	-1
Underlying operating earnings before tax	**64**	**51**
Underlying income tax expenses / benefits	-21	-10
Minority interests	0	0
Underlying earnings group share	**42**	**41**
Net capital gains attributable to shareholders net of income tax	21	55
Adjusted earnings group share	**63**	**95**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	1	-7
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**64**	**88**

Gross revenues increased by 27% to €1,353 million.

- *Individual Life and Savings* (86% of gross revenues) increased by 31% to €1,158 million due to the growth in the main guaranteed rate product Crest (+23% to €722 million) and in unit-linked contracts (+126% to €249 million) following the successful launch of a new structured product (Millesimo) at the end of 2004.
- *Group Life and Savings* (14% of gross written revenues) went up by 9% to €194 million mainly due to the growth of Traditional products (+11%) which represent 86% of Group. Regular premiums increased by 6% to €172 million and single premiums by 42% to €23 million.

APE increased by 26% on a comparable basis, to €115 million. Single premiums APE increased by 32% to 98 million due to Crest 30 and structured unit-linked products. New business for regular premiums went up by 1.6% to €17 million mainly due the group life product “Optiplan Groupe”.

Underlying investment margin decreased by €2 million to €61 million due to the decrease of the rate of return (-20 bps on an annual basis) while average credited rate was stable. As a consequence of the high production in products with lower guaranteed rates (Crest 30), the average guaranteed rate decreased by 34 bp on an annual basis.

Fees & revenues at €68 million went up by €6 million (+10%) mainly due to higher sales.

Net technical margin increased by €5 million to €25 million, mainly due to a higher mortality margin and a recovery on undue annuity paid to a social security body.

Expenses decreased by €4 million, to €-90 million.

VBI amortization remained stable.

The **underlying cost income ratio** decreased from 66.6% to 65.7% as a consequence of higher revenues and lower expenses.

Income tax expense increased by €11 million to €21 million, mainly due to higher underlying before tax and the non recurrence of an exceptional refund in 2004.

Underlying earnings increased by €2 million to €42 million, driven by increasing margins partly offset by the increasing income tax expense.

Adjusted earnings decreased by €32 million to €63 million mainly driven by reduced capital gains (€-34 million to €21 million).

Net income decreased by €24 million to €64 million as the decrease of €32 million of adjusted earnings was partly offset by profit on mutual funds under fair value option.

Life & Savings operations – Southern Europe

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**717**	**572**
APE (group share)	*71*	*52*
Underlying investment margin	28	23
Underlying fees & revenues	53	47
Underlying technical margin	13	22
Underlying expenses	-59	-54
Underlying amortization of VBI	-3	-3
Underlying operating earnings before tax	**32**	**34**
Underlying income tax expenses / benefits	-8	-11
Minority interests	0	0
Underlying earnings group share	**25**	**23**
Net capital gains attributable to shareholders net of income tax	4	6
Adjusted earnings group share	**29**	**29**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	2	0
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**31**	**29**

Gross revenues were €717 million up 25.2% driven by savings products (86% of the business) up 28.8% as well as a sustained growth in traditional life premiums (+7.1%).

- *Investment unit-linked* premiums (13% of gross revenues) increased by 16.7% to €91 million benefiting from new bank distribution agreement signed early 2005 in Spain.
- *Investment & savings non-unit linked* premiums (73% of gross revenues) were up 31.1% to €523 million as a result of a sustained market growth in Italy and Portugal, and several non-recurring large contracts in Italy.
- *Life* premiums (14% of gross revenues) increased by 7% to €103 million benefiting from distribution agreements with banks in Spain. This evolution is expected to slow down over the second half-year following the termination of the Hispamer agreement.

APE was up by 36.4% driven by (i) increasing investment single premium sales, notably in Italy and Spain, and (ii) the strong activity from bank distribution agreements in Spain. In line with gross written premium evolution, APE increase should slow down over the second half year as explained above.

Underlying investment margin rose by €5 million to €28 million, driven by higher investment income (€+8 million to €162 million) as a result of a larger average asset base partly offset by higher interests credited (€3 million to €134 million) mainly following a new business shift towards products with a lower crediting rate.

Fees & revenues were up by €7 million to €53 million in line with volume growth.

Net technical margin decreased by €9 million to €13 million, reflecting (i) a lower release of insurance reserve on an old-generation guaranteed index-linked product in Italy (€-6 million) and (ii) a €3 million lower mortality margin as a result of a slight deterioration of frequency and average costs on traditional products over the period mainly in Spain.

Expenses increased by €5 million to €59 million mainly as a result of higher commissions in line with volume growth.

As a result, the **underlying cost income ratio increased** by 0.6 point to 68.0%.

Income tax expenses decreased by €3 million to €8 million mainly as a result of lower pre-tax underlying earnings.

Underlying earnings increased by €1 million to €25 million as a result of the evolutions mentioned above.

Adjusted earnings remained stable at €29 million. Net capital gains amounted to €4 million. Gross realized gains amounted to €16 million.

Net income was up €2 million to €31 million due to the positive change in fair value of consolidated funds and derivative products following improved equity markets.

Life & Savings Operations - Other Countries

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

Consolidated Gross revenues

(in euro million)	**HY 2005**	**HY 2004**
Australia / New Zealand	566	601
Hong Kong	357	363
The Netherlands	291	457
Other countries	246	162
Singapore	63	53
Switzerland	68	40
Canada	35	31
Morocco	27	28
Luxembourg	17	10
Turkey (a)	37	0
TOTAL	**1 461**	**1 584**
Intercompany transactions	0	-2
Contribution to consolidated gross revenues	**1 461**	**1 582**

(a) Change in consolidation method in Turkey (from equity method to full consolidation) as at January 1st, 2005.

Underlying, Adjusted earnings and Net Income

(in euro million)	**HY 2005**	**HY 2004**
Australia / New Zealand	29	29
Hong Kong	36	39
The Netherlands	19	23
Other countries	7	7
Singapore	0	0
Switzerland	1	1
Canada	0	1
Morocco	2	2
Luxembourg	2	1
Turkey	1	1
UNDERLYING EARNINGS	**92**	**97**
Net realized capital gains attributable to shareholders	13	4
ADJUSTED EARNINGS	**105**	**102**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	1	1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	0
NET INCOME	**106**	**102**

AUSTRALIA AND NEW ZEALAND[9]

Total gross revenues of €566 million were 5% lower than last year on a constant exchange rate basis.

- *Gross written premiums* decreased by 9% to €460 million on a constant exchange rate basis. This reflects the ongoing planned reduction in retirement income business following continued tactical pricing increases and legislative changes in late 2004. The decision to channel individual pension business into Generations, a simplified administration platform for mutual fund portfolios, has also contributed to the reduction in premiums (*see Net mutual retail fund sales below*).
- *Fees from investment contracts without discretionary participation features* of €17 million remained in line with last year.
- *Revenues from mutual fund and advice businesses*, which remains the key growth area for the Australian market, increased 18% from last year to €88 million as a result of improved sales of the global equity growth and value funds, the successful launch of the Generations platform and funds growth from improved market conditions.
- *Net mutual retail fund sales* of €468 million are 14% lower than last year. Whilst the launch of the Generations product range has been successful, the 2005 result includes a higher level of retail unit trust outflows A local bank was utilizing an AXA solution until the development of their own product, which has now occurred.

APE of €95 million group share (€183 million on a 100% ownership basis) increased by 2% on a constant exchange rate basis. The decrease in traditional products, due to the planned reduction in retirement income was more than offset by an increase in mutual funds sales driven by global equity growth and value funds and the successful launch of the Generations administration platform.

Underlying earnings increased by €1 million on a constant exchange rate basis to €29 million. Improvements in **fees & revenues** of €11 million largely from mutual fund fees as discussed above were partly offset by an €8 million decrease in **net technical margin** driven by a return to a normalized claims pattern from the income protection portfolio, consistent with expectations. As a result, the **underlying cost income ratio** increased marginally from 77.8% to 78.4% following higher commissions from the growing servicing business.

Adjusted earnings and **net income** increased by €6 million on a constant exchange rate basis to €32 million as a result of the increased underlying earnings mentioned above as well as €2 million higher net capital gains to €3 million reflecting improved Australian equity market. Last years result also included a tax expense of €3 million on the sale of AXA IM shares to the AXA parent company.

HONG-KONG[10]

Gross revenues of €357 million were 3% higher than last year on a constant exchange rate basis reflecting continued improvement in persistency and higher sales in the unit linked life and investment products, partly offset by decreases in non-unit linked financial protection sales.

APE was up 13% on a constant exchange rate basis to €62 million group share due to Dimensions, a unit linked product launched in late 2004 and higher sales of “Mandatory Provident Fund”, a pension product.

Underlying earnings of €36 million decreased by €3 million or by €1 million on a constant exchange rate basis mainly driven by a lower net **technical margin** (€-4 million) due to higher death claims

9 The AXA Asia Pacific group is 51.6% owned by AXA earnings and APE are presented on a Group Share basis while revenues are presented on a 100% basis.

resulting from a more severe and extended winter period partly offset by increased **fees & revenues** (€+3 million) reflecting increased sales and in-force portfolio.

The underlying cost income ratio improved from 47.0% to 46.1% driven by lower expenses reflecting timing differences on expenditure.

Adjusted earnings and **net income** decreased by €3 million on a constant exchange rate basis to €39 million as a result of the reduction in underlying earnings (€-1 million) and in net capital gains (€-3 million to €2 million) following the increase in the corporate spread for the US corporate bonds.

THE NETHERLANDS

Gross revenues were flat at €291 million on a comparable basis [10].

APE decreased by €3 million (-11%), mainly due to lower mortgages and group pensions.

Underlying earnings decreased by €3 million, or increased by €5 million on a comparable basis to €19 million driven by increased fees & revenues and a higher investment margin partly offset by higher commissions expenses.

Adjusted earnings and net income increased by €2 million, or increased by €10 million respectively to €26 million and €27 million on a comparable basis, mainly due to lower valuation allowance of €30 million and higher realized losses of €24 million.

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[10] The Life segment now excludes the health and disability portfolios. Health portfolio has been disposed of at December 1st 2004, and disability portfolio is now reported under Property & Casualty segment.

Property & Casualty Segment

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

Property and Casualty Segment (a)

	HY	
(in euro million)	**2005**	**2004**
Gross written premiums	10 369	9 821
Fees and revenues from investment contracts with no participating feature	0	0
Revenues from insurance activities	***10 369***	***9 821***
Net revenues from banking activities	***0***	***0***
Revenues from other activities	***21***	***21***
TOTAL REVENUES	**10 391**	**9 841**
Change in unearned premium reserves net of unearned revenues and fees	***-1 217***	***-1 141***
Net investment result excluding financing expenses	***828***	***724***
Technical charges relating to insurance activities	-6 137	-5 896
Net result of reinsurance ceded	-304	-342
Bank operating expenses	0	0
Acquisition costs	-1 584	-1 457
Amortization of value of purchased life business in force and other intangible asset	-1	0
Administrative expenses	-931	-866
Change in tangible assets impairment	22	-14
Others income and expenses	-14	-1
Other operating income and expenses	***-8 948***	***-8 575***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**1 054**	**849**
Income arising from investment in associates - Equity method	1	18
Financing debts expenses	-9	-9
OPERATING INCOME GROSS OF TAX	**1 047**	**858**
Income tax	-321	-260
Minority interests share in income	-31	-21
UNDERLYING EARNINGS	**695**	**577**
Net realized capital gains attributable to shareholders	140	121
ADJUSTED EARNINGS	**835**	**698**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	47	12
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	-32
NET INCOME	**882**	**677**

(a) before intercompany transactions

Consolidated Gross revenues [a]		
(in euro million)	**HY 2005**	**HY 2004**
France	2 797	2 668
Germany	1 802	1 807
United Kingdom & Ireland	2 311	2 391
Belgium	781	779
Southern Europe	1 558	1 466
Other countries	1 142	730
TOTAL	**10 391**	**9 841**
Intercompany transactions	-77	-47
Contribution to consolidated gross revenues	**10 314**	**9 794**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
France	195	164
United Kingdom & Ireland	161	145
Germany	105	68
Belgium	84	92
Southern Europe	70	67
Other countries	81	42
UNDERLYING EARNINGS	**695**	**577**
Net realized capital gains attributable to shareholders	140	121
ADJUSTED EARNINGS	**835**	**698**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	47	12
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	-32
NET INCOME	**882**	**677**

Property & Casualty Operations - France

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**2 797**	**2 668**
Current accident year loss ratio (net)	74,5%	74,9%
All accident year loss ratio (net)	74,5%	76,4%
Net technical result	**628**	**552**
Expense ratio	24,0%	23,1%
Net underlying investment result	275	251
Underlying operating earnings before tax	**311**	**260**
Underlying income tax expenses / benefits	-116	-96
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**195**	**164**
Net capital gains attributable to shareholders net of income tax	13	15
Adjusted earnings group share	**208**	**179**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	29	1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**237**	**180**

Gross revenues increased by 4.8% to €2,797 million, or 3.8% to €2,770 million net of intercompany transactions, in a more competitive French market with some pressure on rates, mainly on the personal motor business and on commercial property.

- *Personal lines* (61% of gross revenues) grew by 2.4% to €1,691 million, reflecting positive net inflows in Motor with +35,300 new contracts and tariff increase in Household.
- The 6.1% increase in *Commercial lines* revenues (39% of gross revenues, €1,079 million) resulted from rate increases mainly on Construction and Liability.

Net technical result improved by €76 million to €628 million reflecting both the volume effect and the improvement of the all accident year loss ratio by 1.9 point to 74.5%:

- The *current net technical result* increased by €40 million to €628 million resulting from increased activity and the improvement of the current accident year loss ratio by 0.3 point to 74.5%, as better frequency in personal motor offset the continued increase of claims average cost.
- The *prior years net technical result* improved by €36 million to nil mainly due to adverse loss developments in construction in half year 2004 and positive developments in property in half year 2005 offset by reserve strengthening on natural events (€40 million related to 2003 drought) and the decrease of discounting rate on annuities.

Expense ratio increased by 0.9 point to 24% explained by higher acquisition ratio by 0.9 point to 14.9%. Expenses increased by €50 million to €591 million under the combined effect of (i) increased commissions by €15 million to €393 million in line with increased volume, (ii) slightly higher expenses (€+6 million to €150 million) due to IT costs, and (iii) a €28 million lower level of capitalization on acquisition costs to €48 million.

As a result, the **combined ratio** improved by 1.0 point to 98.5%.

Net underlying investment result increased by €26 million to €275 million reflecting higher income mainly in bonds following an increase in the average asset bases and in equities following higher dividend yield.

Income tax expenses increased by €20 million to €-116 million in line with increased taxable result.

As a consequence, **underlying earnings** increased by €31 million to €195 million.

Adjusted earnings grew by €29 million to €208 million resulting from increased underlying earnings and higher realized gains mainly on equities (€+26 million to €38 million) offset by unrealized losses on foreign currency macro hedge (€-29 million to €25 million). In half year 2005, gross realized gains amounted to €53 million of which €49 million on equity.

Net income increased by €57 million to €237 million mainly due to the increase of adjusted earnings and favorable change in fair value of consolidated mutual funds.

Property & Casualty Operations - United Kingdom & Ireland

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**2 311**	**2 391**
Current accident year loss ratio (net)	66,7%	68,9%
All accident year loss ratio (net)	65,5%	68,4%
Net technical result	**746**	**699**
Expense ratio	31,8%	29,1%
Net underlying investment result	148	128
Underlying operating earnings before tax	**206**	**183**
Underlying income tax expenses / benefits	-46	-38
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**161**	**145**
Net capital gains attributable to shareholders net of income tax	28	37
Adjusted earnings group share	**189**	**182**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**189**	**182**
Average exchange rate : 1.00 € = £	*0,69*	*0,67*

Gross revenues decreased by 1% to €2,311 million, or increased by 1% on a comparable basis.

- *Personal lines* (35% of gross revenues) were up 4% at €809 million. This reflects continued growth in Property (+15%), and Creditor (+24%) driven by new business deals, partially offset by a 6% decrease following a fall of average premiums and lower volumes in Ireland.
- *Commercial Lines* (38% of gross revenues) were down 4% at €878 million. This reflects lower new business in liability lines (-9%) due to decreasing rates in the UK while Property remained flat. Motor performance (-7%) was mainly explained by falling premiums in Ireland.
- *Health* business (27% of gross revenues) was up 7% at €624 million. This was mainly due to a transfer of a major portfolio in November 2004 in Personal medical insurance.

Net technical result increased by €47 million to €746 million, or by €61 million on a constant exchange rate basis.

- The *current accident year loss ratio* improved by 2.2 points to 66.7% mainly due to favorable claims experience in the UK, in particular the absence of exceptional large injury loss claims on Personal Motor, and a favorable product mix.
- The *all accident year loss ratio* improved by 2.9 point to 65.5% as a result of better current accident year loss ratio and positive prior year reserves development.

Expense ratio deteriorated by 2.7 points to 31.8%, driven by an increase in commission ratio by 3.7 points to 19.8%, reflecting the change in business mix towards, higher commission products and increased profit share payments in Creditor business. This was partially offset by an improvement of the general expense ratio by 1.0 point to 12%, reflecting improved controls on management expenses together with reduced staff and associated costs following the sale of AXA Direct

As a result, the **combined ratio** improved by 0.2 point to 97.3%.

Net underlying investment result increased by €20 million to €148 million, or €23 million on a constant exchange rate basis. The key drivers were higher reserves and higher cash interest rates.

Income tax expenses increased by €8 million to €-46 million, reflecting the higher proportion of earnings coming from the UK with higher tax rate.

Underlying earnings increased by €16 million in 2005 to €161 million, driven by an improved combined ratio and a higher investment income.

Adjusted earnings and net income increased by €7 million in 2005, or €9 million on a constant exchange rate basis to €189 million as the increase in underlying earnings was partly offset by a €10 million reduction in realized gains to €28 million. In half year 2005, realized gains gross of tax amounted to €37 million.

Property & Casualty Operations - Germany

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**1 802**	**1 807**
Current accident year loss ratio (net)	77,0%	77,2%
All accident year loss ratio (net)	69,4%	70,0%
Net technical result	**430**	**428**
Expense ratio	27,3%	29,2%
Net underlying investment result	130	107
Underlying operating earnings before tax	**177**	**118**
Underlying income tax expenses / benefits	-64	-46
Net income from investment in affiliates and associates	1	2
Minority interests	-9	-6
Underlying earnings group share	**105**	**68**
Net capital gains attributable to shareholders net of income tax	38	-18
Adjusted earnings group share	**143**	**50**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	13	12
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	1
Net income group share	**157**	**62**

Gross revenues decreased by 0.3% to €1,802 million, or decreased by 0.8% on a comparable basis[11]:

- *Personal lines* (59% of total gross revenues) decreased by 0.2% due to the decrease in motor (-0.3%), partly offset by an increase in Liability (+2.3%) due to additional premium in services, craft and medical sector.
- *Commercial lines* (33% of total gross revenues) decreased by 0.4% due to the reduction in Aviation line, which was partly offset by tariff increases and new business in Industrial Liability and Engineering.
- *Other lines* (8% of total gross revenues) decreased by 5.9 % mainly due to continued reduction in assumed business.

Net technical result improved by €2 million to €430 million, due to:

- *The current accident year loss ratio* improved slightly by -0.3 point to 77.0%.
- *The all accident year loss ratio* improved by -0.5 point to 69.4% due to €9 million higher boni in 2005. The €101 million boni in 2005 included €44 million on fire and weather related events, and €22 million mainly in aviation.

Expense ratio decreased by 1.9 point to 27.3% explained both by a €15 million non recurring cost in 2004 and slightly lower administrative expenses.

As a result, the **combined ratio** improved by 2.5 points to 96.7%.

11 Including Daëv Sach in 2004 (€9 million gross revenues) which is a newly consolidated entity in 2005.

Net underlying investment result was up by €24 million to €130 million mainly driven by higher fixed income revenues as a consequence of a higher asset base coupled with a higher proportion of fixed income assets in the investment portfolio.

Income tax expense increased by €18 million in line with taxable earnings.

Underlying earnings improved by €38 million to €105 million, mainly driven by the increase in net investment income and lower expenses.

Adjusted earnings increased by €94 million to €143 million resulting from the improvement of underlying earnings and €56 million higher capital gains, as 2004 experienced realized losses (mainly a negative currency impact on foreign government bonds: €12 million net of tax) whereas realized gains on equities (€+24 million to €36 million) and fixed maturities (€+18 million to €7 million) were recorded in 2005. In 2005, gross capital gains amounted to €41 million.

Net income improved by €94 million to €157 million, in line with the increase of adjusted earnings.

Property & Casualty Operations – Southern Europe

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**1 558**	**1 466**
Current accident year loss ratio (net)	80,6%	80,9%
All accident year loss ratio (net)	75,1%	75,2%
Net technical result	**356**	**334**
Expense ratio	24,0%	23,8%
Net underlying investment result	92	77
Underlying operating earnings before tax	**104**	**89**
Underlying income tax expenses / benefits	-35	-22
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**70**	**67**
Net capital gains attributable to shareholders net of income tax	16	42
Adjusted earnings group share	**86**	**109**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**86**	**110**

On a comparable basis, **gross revenues** were up by +6.3% to €1,558 million:

- *Personal lines* (75% of gross revenues) rose by 6.4% to €1,172 million, reflecting a sustained growth in motor (+5.2% to €859 million) driven by the net inflow in all countries. Motor portfolio was up 2.6% increasing by 91,300 policies since December 2004. Non motor lines were up by 9.8% notably thanks to net inflows in household (+14,900 policies representing a 1.6% growth since December 2004).
- *Commercial lines* (25% of gross revenues) were up +5.7% to €386 million. Motor was down 0.6% following the non-renewal of one large fleet contract. Non-motor increased by +8.2% driven by commercial liability business developing on local administration agreements.

Net technical result improved by €22 million to €356 million driven by a 6.1% earned premium growth.

- *The current accident year loss ratio* slightly improved by 0.3 point to 80.6% driven by the favorable evolution of bodily injury claim frequency in motor.
- *The all accident year loss ratio* remained almost stable at 75.1% (-0.1 point).

Expense ratio increased by 0.2 point to 24.0%. Commission ratio remained stable at 13.8% and other acquisition costs were up by €11 million reflecting gross written premium growth as well as an increase in marketing costs to further develop the direct distribution sales.

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

Net underlying investment result increased €15 million to €92 million mainly driven by a larger average asset base.

Income tax expense increased by €12 million to €35 million due to higher pre-tax underlying earnings and the non-recurrence of a tax gain accounted for in 2004 following the sale of real estate in Spain.

Consequently, **underlying earnings** were up €3 million to €70 million.

Adjusted earnings and **net income** were down respectively by €23 million and €24 million to €86 million due to the €26 million net capital gains decrease to €16 million resulting from significant capital gains on real estate realized in 2004 (€2 million compared to €24 million in 2004). Gross realized gains amounted to €23 million in half year 2005.

Property & Casualty Operations - Belgium

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**781**	**779**
Current accident year loss ratio (net)	81,6%	79,8%
All accident year loss ratio (net)	68,0%	66,1%
Net technical result	**229**	**242**
Expense ratio	28,5%	28,8%
Net underlying investment result	95	97
Underlying operating earnings before tax	**119**	**132**
Underlying income tax expenses / benefits	-36	-41
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**84**	**92**
Net capital gains attributable to shareholders net of income tax	37	21
Adjusted earnings group share	**120**	**113**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	5	-1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**125**	**112**

Gross written premiums increased by 0.2% to €781 million driven by growth in both personal and commercial lines.

- *Personal lines* (62% of the total gross revenues) increased by 1.2% at €482 million. Motor (57% of personal lines written premiums) remained stable (+0.1%) at €276 million due to a decrease in portfolio offset by rates increases. Household increased by 4.9% to €118 million as a result of rate increases.
- *Commercial lines* (38% of the total gross revenues) increased by 0.8% at €299 million, driven by Workers' Compensation (+5.6% mainly due to an increase in average premium) and Motor (+1.9% following portfolio increases), partly offset by a decrease in Corporate Accident (-6.0%).
- *Other Lines* decreased from €6 million in 2004 to nil 2005 due to the decrease of internal reinsurance and ceded premium.

The net technical result was down by €13 million to €229 million:

- *The current year loss ratio* deteriorated by 1.7 point to 81.6% mainly due to a deteriorated claims pattern in Personal and Collective Accidents, Personal Liability, Health and Workers' Compensation on Small Businesses.
- *The all accident year loss ratio* deteriorated by 1.9 point to 68.0% due to the deterioration in current year loss ratio.

Compared to first half 2004, **the expense ratio** slightly decreased by 0.2 point to 28.5%.

As a result, the **combined ratio** deteriorated by 1.6 points to 96.5%.

Net underlying investment results decreased by €2 million.

Income tax expense decreased by €5 million as a result of lower taxable earnings.

Underlying earnings decreased by €8 million to €84 million as a result of deterioration in combined ratio and lower net investment income partially offset by lower tax expenses.

Adjusted earnings increased by €8 million to €120 million as increased capital gains more than offset lower underlying earnings.

Net income increased by €13 million to €125 million with the increase of adjusted earnings and capital gains on mutual funds under fair value option.

Property & Casualty Operations - Other Countries

Consolidated Gross revenues

(in euro million)	**HY 2005**	**HY 2004**
Canada	413	371
The Netherlands	189	128
Other countries	540	231
Morocco	73	70
Japan	73	63
Switzerland	60	59
Luxembourg	42	39
Turkey (a)	217	0
Hong Kong (a)	34	0
Singapore (a)	41	0
TOTAL	**1 142**	**730**
Intercompany transactions	-2	0
Contribution to consolidated gross revenues	**1 139**	**730**

(a) Change in consolidation method in Turkey, Hong-Kong and Singapore (from equity method to full consolidation) as at January 1st, 2005.

Underlying, Adjusted earnings and Net Income

(in euro million)	**HY 2005**	**HY 2004**
Canada	45	25
The Netherlands	9	0
Other countries	27	17
Morocco	13	10
Japan	-6	-9
Switzerland	1	1
Luxembourg	4	3
Turkey	5	4
Hong Kong	6	5
Singapore	4	3
UNDERLYING EARNINGS	**81**	**42**
Net realized capital gains attributable to shareholders	7	23
ADJUSTED EARNINGS	**88**	**65**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	0	0
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	-34
NET INCOME	**88**	**32**

CANADA

Gross revenues increased by €42 million (+11.3%) to €413 million, or €28 million (+7.6%) on a comparable basis. This was mainly due to (i) the positive impact of a strong inflow of policies issued for a set tariff over a 18 to 24 months period (€+19 million) and (ii) increased revenues (€+10 million) in commercial lines as a result of both rate and volume increases.

Net technical result increased by €27 million to €154 million.

- The *current accident year loss ratio* decreased by 0.4 point to 67.7% due to lower reinsurance cost partly offset by a larger number of large claims mainly in Personal auto and in Commercial Property.
- The prior year technical result improved by €19 million to €+31 million due to boni resulting from favorable developments and better weather conditions in December 2004 than expected in the early close-off. Consequently, the *all accident year loss ratio* improved by 5.2 points to 59.6%.

Expense ratio improved by 0.8 point to 29.0% due to lower contingent commissions paid to brokers partly offset by increased employee expenses.

As a result, the **combined ratio** improved by 6 points to 88.6%.

Net underlying investment result improved by €2 million to €22 million reflecting higher income on bonds and on Treasury.

Income tax expenses increased by €5 million to €22 million due to higher taxable income.

Underlying earnings increased by €20 million or €19 million on a constant exchange rate to €45 million, due to the strong improvement of the combined ratio.

Adjusted earnings and net income increased by €20 million or €18 million on a constant exchange rate basis to €50 million in line with the increase of underlying earnings.

NETHERLANDS

The disability portfolio which was previously reported under the Life segment is now reported under the Property & Casualty segment. The Health portfolio which was previously reported under the Life segment has been disposed of at December 1st 2004.

The figures on comparable basis include the disability portfolio.

Gross revenues increased by 48% or by 1% on a comparable basis to €189 million. This increase was mainly explained by the disability portfolio, which was up €6 million as a result of higher insured sums (change in regulations).

Underlying earnings increased by €9 million or by €5 million on a comparable basis to €9 million, as current year technical result improved by €5 million mainly in Fire and Disability. **Combined ratio** improved by 9 points to 99% or by 5 points on a comparable basis due to an improvement of the P&C (excluding disability) accounting loss ratio.

Adjusted earnings increased by €13 million or by €8 million on a comparable basis to €15 million driven by underlying earnings and higher realized capital gains of €4 million due to the sale of real estate in 2005.

Net income increased by €46 million or by €40 million on a comparable basis to €15 million, as 2004 was impacted by goodwill impairment of €33 million.

MOROCCO[12]

Gross revenues increased by 5.2% on a constant exchange rate basis to €73 million.

Underlying earnings increased by €3 million to €13 million thanks to higher dividend income from the equity portfolio and a slight improvement of the **combined ratio** (-0.3 point at 101.0%).

Adjusted earnings and net income decreased by €16 million to €8 million mainly attributable to a high level of realized gains on equity securities in 2004.

JAPAN

Gross revenues increased by 18.5% on a constant exchange rate to €73 million, mainly driven by motor business growth (+27%, 78% of revenues). Total motor portfolio (309,000 contracts) continued to show a sharp increase (+76,000 contracts compared to June 2004) thanks to competitive rates.

Underlying earnings improved by €2 million both on constant and current exchange rates, to €-6 million following the improvement of the **combined ratio** from 117.9% in June 2004 to 111.7% this year. This continuing improvement resulted mainly from the increased scale attributable to the motor portfolio growth.

Adjusted earnings and net income were €-8 million, following the booking of €1 million losses on sales of fixed maturities in June.

TURKEY[13]

On a comparable basis**, gross revenues** increased by 16.8% to €217 million mainly driven by motor growth which benefited from a positive net inflow.

Underlying earnings increased by €1 million to €5 million reflecting business volume growth and the deterioration of expense ratio. The **combined ratio reached 98.2%.**

Adjusted earnings and **net income** were up €2 million to €6 million as a result of realized capital gains on bonds.

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[12] AXA Assurance Maroc is 51% owned by AXA.

[13] AXA Oyak is 35% owned by AXA. Turkish operations, which were previously accounted under the equity method, were consolidated from January 2005.

International Insurance Segment

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

Consolidated Gross revenues [a]

(in euro million)	**HY 2005**	**HY 2004**
AXA RE	1 065	1 005
AXA Corporate Solutions Assurance	1 068	990
AXA Cessions	29	71
AXA Assistance	304	264
Other	86	23
TOTAL	**2 552**	**2 353**
Intercompany transactions	-51	-69
Contribution to consolidated gross revenues	**2 501**	**2 284**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income

(in euro million)	**HY 2005**	**HY 2004**
AXA RE	55	88
AXA Corporate Solutions Assurance	38	26
AXA Cessions	4	10
AXA Assistance	10	9
Other	-5	5
UNDERLYING EARNINGS	**103**	**138**
Net realized capital gains attributable to shareholders	32	22
ADJUSTED EARNINGS	**135**	**159**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-3	2
Exceptional operations (including discontinued operations)	23	0
Goodwill and other related intangible impacts	-0	-5
NET INCOME	**155**	**156**

AXA RE

(in euro million)	Periods ended June 30, 2 005	2004 proforma [d]	2 004
Gross revenues	**1 065**	**853**	**1 005**
Attritional current year loss ratio [a] [b]	56,9%	61,7%	63,2%
Attritional all accident year loss ratio [a] [b]	57,6%	55,7%	58,0%
All accident year loss ratio (net) [c]	82,0%	76,8%	76,9%
Net technical result (excluding fees)	**100**	**123**	**153**
Expense ratio	15,0%	17,6%	18,1%
Net underlying Investment result	66	56	70
Underlying operating earnings before tax	**82**	**86**	**111**
Underlying income tax expenses / benefits	-28	-11	-23
Underlying earnings net of tax	**54**	**75**	**87**
Net income from investment in affiliates and associates	1	0	1
Minority interests	0	0	0
Underlying earnings group share	**55**	**75**	**88**
Net capital gains attributable to shareholders net of income tax	10	14	19
Adjusted earnings group share	**64**	**88**	**107**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	1	2	2
Exceptional operations (including discontinued operation)	0	0	0
Goodwill and other related intangibles impacts	0	-5	-5
Net income group share	**66**	**85**	**103**

(a) Net of ceded reinsurance (cession and retrocession)

(b) Attritional data exclude (i) major losses in claims charge and (ii) covers cost in ceded premiums

(c) (Attritional claim charge and major loss cost on all accident years) divided by (net earned premiums, net of all reinsurance costs including covers)

(d) Transfer of AXA RE US entities from AXA RE segment to "Other Transnational Activities" from October 2004

Gross revenues increased by 15% on a comparable basis up to €1,065 million, due to the non-recurrence of some 2004 negative premium adjustments and to higher premiums in European proportional Property Cat and Credit business as well as in selected non proportional General Liability business in order to take advantage of favorable pricing conditions.

Net technical result decreased by €23 million to €100 million, mainly explained by the following:

Non Life net technical result decreased by €42 million to €73 million:

- *The net attritional margin on current accident year* increased by €12 million up to €243 million driven by a 1.8 point lower *net attritional current year* loss ratio at 59.0%.
- *The cost of cover programs* decreased by €22 million to €-73 million.
- *The technical result on prior years* decreased by €4 million to €-24 million. 2005 notably experienced €-39 million mali (net of reinsurance) on 2004 US hurricanes, partly offset by various boni on other underwriting years.
- *Major losses cost* was €73 million in 2005, due to Erwin storm and Suncor Energy fire versus nil in 2004.

Life net technical result increased by €19 million to €27 million due to the good performance of stock market in the first half year 2005.

Expense ratio improved by 2.6 points to 15% as a result of a decrease in general expenses by €10 million to €83 million, due to lower employment costs.

Overall, the **combined ratio** increased by 2.6 points to 97.0%.

Net underlying investment result increased by €10 million to €66 million in 2005, mainly driven by an increased asset base.

Income tax expense amounted to €-28 million in 2005, or a €17 million increase, mainly due to the increase of AXA RE Paris gross tax result and to an unfavorable mix of taxable and non taxable results in 2005.

Underlying earnings decreased by €20 million to €55 million mainly as the result of lower technical result (as two major losses occurred at the beginning of 2005) and a higher effective tax rate.

Adjusted earnings decreased by €24 million to €64 million driven by the decrease in underlying earnings and lower realized capital gains attributable to shareholders net of tax (€-4 million to €10 million). Accordingly, realized gains gross of tax decreased by €6 million to €15 million explained by a €10 million negative impact of exchange rate derivatives.

Compared to the change in adjusted earnings**, net income** decreased only by €19 million to €66 million due to the non recurrence of a €5 million impairment of the goodwill generated by the buyout of AXA RE Finance minority interests in 2004.

AXA Corporate Solutions Assurance

(in euro million)	Periods ended June 30,	
	2 005	2004
Gross revenues	**1 068**	**990**
Current accident year loss ratio (net) [(a)]	88,6%	86,7%
All accident year loss ratio (net)	87,4%	86,8%
Net technical result	**104**	**100**
Expense ratio	13,1%	13,0%
Net underlying investment result	79	51
Underlying operating earnings before tax	**63**	**45**
Underlying tax expenses / benefits	-24	-18
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**38**	**26**
Net capital gains attributable to shareholders net of income tax	19	-5
Adjusted earnings group share	**58**	**21**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-3	0
Exceptional operations (including discontinued operation)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**54**	**21**

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

Gross revenues increased by 7.9% to €1,068 million, reflecting a selective growth on Marine, Aviation and Construction. However, it should be noted that marine and aviation growth benefited from seasonal effect in half year 2005. Other lines experienced a more limited growth in a softening market.

Net technical result improved by €4 million to €104 million mainly due to:

- Decreased current net technical result by €10 million to €89 million. This is the result of an increased *net current accident year loss ratio* by 1.9 point to 88.6% mainly due to higher impact of large claims.
- Increased prior accident year net technical result by €14 million to €15 million due to higher boni following positive experience in Property, Construction and Aviation. Overall, the *all accident year loss ratio* increased by 0.6 point to 87.4%.

The **expense ratio** remained stable at 13.1%.

As a result, the **combined ratio** increased by 0.6 point to 100.5%.

Net underlying investment result improved by €28 million to €79 million mainly due to higher fixed income revenues resulting from significant investments in bonds since half year 2004 on the back of improved cash flows.

Income tax expense increased by €6 million to €-24 million due to an increased taxable income.

Underlying earnings increased by €12 million to €38 million resulting from the increase of the net investment income partly offset by the slight deterioration of the combined ratio.

Adjusted earnings increased by €37 million to €58 million and **net income** increased by €33 million to €54 million in line with (i) the increase of the underlying earnings, (ii) foreign exchange gains (increase of €9 million to €4 million) and (iii) net realized capital gains mainly on equities (net increase of €12 million to €14 million).

AXA Cessions

Underlying earnings and adjusted earnings decreased by €5 million to €5 million, mainly due to a decrease in the net technical margin (notably lower boni).

AXA Assistance

Gross revenues increased by €40 million or +15% on a comparable basis to €304 million reflecting increased business with car manufacturers, new partnerships regarding home services providing, positive new inflow on travel activity in France and Germany and increased legal protection agreements in Italy.

Underlying earnings increased by 10% to €10 million due to higher revenues offset by increased expenses mainly commissions.

Adjusted earnings increased by €2 million or +24% to €12 million in line with underlying earnings and realized foreign exchange gains.

Net income increased by €25 million to €34 million due to the sale of CAS, a UK based software company.

Other

Other transnational activities

The US based reinsurance Life and Non Life entities were transferred from AXA RE to the other transnational segment from October 2004.

Underlying earnings decreased by €-23 million to €-5 million on a comparable basis mainly due to a €-9 million mali on 2004 US hurricanes (exposure coming from the program business of AXA RE P&C Insurance Company, now in run off) and a €10 million decrease in US Life reinsurance earnings, mainly due to the decrease in premiums volume on this portfolio and the implementation cost of a dynamic hedging program on part of the business.

Asset Management Segment

Consolidated Gross revenues		
(in euro million)	**HY 2005**	**HY 2004**
Alliance Capital	1 173	1 208
AXA Investment Managers	537	452
TOTAL	**1 709**	**1 660**
Intercompany transactions	-159	-142
Contribution to consolidated gross revenues	**1 550**	**1 518**

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
Alliance Capital	98	86
AXA Investment Managers	57	38
UNDERLYING EARNINGS	**154**	**123**
Net realized capital gains attributable to shareholders	5	2
ADJUSTED EARNINGS	**159**	**125**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-2	1
Exceptional operations (including discontinued operations)	3	0
Goodwill and other related intangible impacts	0	0
NET INCOME	**160**	**126**

Alliance Capital

(in euro million)	Periods ended June 30, 2 005	2004
Gross revenues	**1 173**	**1 208**
Net underlying investment result	-10	-11
Total revenues	**1 162**	**1 197**
General expenses	-878	-920
Underlying operating earnings before tax	**285**	**277**
Underlying income tax expenses / benefits	-74	-66
Net income from investment in affiliates and associates	0	0
Minority interests	-113	-126
Underlying earnings group share	**98**	**86**
Net capital gains attributable to shareholders net of income tax	4	2
Adjusted earnings group share	**102**	**87**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0
Exceptional operations (including discontinued operation)	3	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**105**	**87**
Average exchange rate : 1,00 € = $	*1,29*	*1,23*

Assets under Management ("AUM") increased by €31 billion from year-end 2004 to €427 billion at the end of June 2005 as net positive long-term inflows (€4 billion), a positive exchange rate impact (€48 billion) and a slightly favorable market impact (€1 billion) more than offset the €22 billion decrease in AUM related to the sale of the Cash Management Services to Federated Investors.

Fees, commissions and other revenues were down €35 million to €1,173 million, or up 1% on a comparable basis, due to higher investment advisory fees driven by 10% higher average AUM and increased performance fees, partially offset by lower distribution revenues and lower shareholder servicing fees in the Retail channel. In addition, Alliance has restructured its Private Client fee structure during the first half of 2005, effectively eliminating transaction charges while raising base fees.

General expenses decreased by €-42 million or remained flat at constant exchange rate.

The **operating cost income ratio** decreased by 1.5 point from 71.6% in 2004 to 70.1% in 2005.

Income tax expenses increased by €9 million to €74 million, or up €12 million at constant exchange rate due to higher pre tax-earnings.

Underlying earnings increased by €12 million to €98 million, or up €17 million at constant exchange rate due to higher earnings and higher ownership interest in Alliance Capital.

Adjusted earnings increased by €15 million to €102 million or up €20 million at constant exchange rate basis driven by higher underlying earnings and higher net capital gains (€+2 million)

Net income increased by €18 million to €105 million, up €23 million at constant exchange rate due to increased adjusted earnings and net capital gains largely from the sale of Alliance cash management business (€3 million).

As a result of the acquisition of 8.16 million private units in the second half of 2004, AXA Financial's ownership interest in Alliance Capital increased 2.8 points from approximately 58% at June 2004 to 61% at June 2005.

AXA Investment Managers ("AXA IM")

(in euro million)	Periods ended June 30, 2 005	2004
Gross revenues	**537**	**452**
Net underlying investment result	9	5
Total revenues	**545**	**457**
General expenses	-444	-388
Underlying operating earnings before tax	**102**	**69**
Underlying income tax expenses / benefits	-30	-23
Net income from investment in affiliates and associates	0	0
Minority interests	-14	-8
Underlying earnings group share	**57**	**38**
Net capital gains attributable to shareholders net of income tax	0	0
Adjusted earnings group share	**57**	**38**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-2	1
Exceptional operations (including discontinued operation)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**55**	**39**

Assets Under Management ("AUM") were €382.4 billion as of June 30, 2005, increasing by €37 billion compared to December 2004 (+11% on a comparable basis) driven by positive net new money (€+12 billion), mainly from third-party institutional and retail clients, market appreciation (€+16 billion), foreign exchange variance (€+7 billion) and a change in scope on money market AUM (€+3 billion).

Fees, commissions and other revenues, including those earned from AXA insurance companies eliminated in consolidation, increased by €85 million from 1H2004 to €537 million (or +20%). Excluding fees retroceded to distributors, net revenues grew by 25.3%, or 21.4% on a comparable basis (including carried interest), which is mainly driven by higher average AUM (+19% on a comparable basis), and higher performance fees.

General expenses increased by €56 million to €444 million. Excluding commissions paid to third-party agents, expenses increased by 21.9% on a constant exchange rate basis. Excluding non-recurring costs, expenses increased by 19.7%, i.e. at a lower pace than fees, commissions and other revenues.

The **operating cost income ratio** improved from 78.5% to 75.7%.

Tax expenses increased by €7 million, broadly in line with the growth in taxable earnings.

Underlying and adjusted earnings, increased by €18 million to €57 million as a result of business growth and an improvement in cost income ratio.

The **net income** increased by €15 million to €55 million.

Other Financial Services Segment

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

Consolidated Gross revenues

(in euro million)	HY 2005	HY 2004
AXA Banque (France)	53	41
AXA Bank (Germany)	14	14
AXA Bank (Belgium)	164	140
Other	2	8
TOTAL	**232**	**203**
Intercompany transactions	-7	-5
Contribution to consolidated gross revenues	**225**	**198**

Underlying, Adjusted earnings and Net Income

(in euro million)	HY 2005	HY 2004
AXA Banque (France)	-2	-6
AXA Bank (Germany)	1	2
AXA Bank (Belgium)	36	14
Other	8	-2
UNDERLYING EARNINGS	**42**	**8**
Net realized capital gains attributable to shareholders	5	-0
ADJUSTED EARNINGS	**47**	**8**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	10	-7
Exceptional operations (including discontinued operations)	2	0
Goodwill and other related intangible impacts	0	0
NET INCOME	**58**	**1**

AXA Banque (France)

Underlying earnings and adjusted earnings increased by €3 million to €-2 million resulting from stable underlying banking revenues while expenses were down following the non recurrence of the 2004 media campaign.

Net income increased by €15 million to €7 million resulting from favorable impact of the change in fair value of macro-hedge derivatives (€10 million compared to €-2 million in 2004).

AXA Bank (Germany)

Gross revenues decreased slightly by €1 million to €12 million mainly due to reduced commission income. **Underlying and adjusted earnings** decreased both by €1 million to €1 million.

AXA Bank (Belgium)

Underlying earnings increased by €22 million to €36 million, mainly due to an improved interest margin (€+6 million) and the reversal of a provision for risks related to loan activities in France following a favorable Court decision (€16 million).

Adjusted earnings increased by €27 million to €41 million due to an increase in underlying earnings and in capital gains on equities (€+5 million).

Net income increased by €36 million to €45 million mainly driven by the increase in adjusted earnings and the change in fair value of derivatives.

Other

CFP subgroup **underlying earnings** increased by €14 million to €7 million, explained by positive run-off developments in first half 2005.

Holding Company Activities

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

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
AXA the company	-86	-153
Other French holdings companies	-11	-13
Foreign holdings companies	-109	-99
UNDERLYING EARNINGS	**-205**	**-265**
Net realized capital gains attributable to shareholders	-25	-50
ADJUSTED EARNINGS	**-230**	**-314**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	26	-22
Exceptional operations (including discontinued operations)	0	134
Goodwill and other related intangible impacts	0	0
NET INCOME	**-204**	**-202**

AXA (the parent company)

Underlying earnings improved by €67 million from half year 2004. This was mainly due to (i) a €47 million non recurring tax benefit, (ii) the non-recurrence of the 2004 interest charge on the ORAN issued for Mony financing (€10 million), and (iii) a tax saving of €8 million related to withholding taxes on dividends received.
First half 2005 experienced a moderately higher financial charge mainly due to the increase of the percentage of fixed rate debt; this increase in fixed rate debt to the detriment of variable debt was the consequence of our current funding policy which, in the context of declining long term rates, aims at protecting future financial charges, whilst locking-in attractive medium term fixed rates.

Adjusted earnings increased by €88 million to €-102 million mainly driven by the increase of the underlying earnings and an increase of €18 million on foreign exchange operations due to lower exchange losses and a better optimization of hedge accounting related to net investment hedges.

The Mark-to-Market on the portion of interest rate derivative instruments which were not considered as hedge accounting under IFRS, improved by €60 million mainly resulting from (i) the decline of €uro interest rates in H1 2005 and (ii) the widening of the €uro/USD interest yield curve differential. Offsetting this improvement, and mainly due to the rise of the USD against the €uro, the mark-to-market on options hedging AXA's underlying earnings denominated in foreign currencies decreased by €62 million during the first half 2005 against €-17 million in the first half 2004 closing.

As a result**, net income** increased by €103 million to €-102 million**.**

Other French holding companies

Underlying and adjusted earnings were nearly flat at €-11 million. Due to a favorable change in fair value of derivatives (€+26 million**), net income** was up €+24 million to €15 million.

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings decreased by €16 million or €18 million on a constant exchange rate basis to €-43 million due to higher net interest expense principally related to the MONY acquisition. **Adjusted earnings** decreased by €16 million, or by €18 million on a constant exchange rate basis, to €-42 million. **Net income** decreased by €52 million, or by €54 million on a constant exchange rate basis, to €-41 million reflecting the absence of the adjustment recognized in 2004 to income taxes on the gain on the sale of DLJ in 2000.

AXA Asia Pacific Holdings

Underlying earnings increased by €8 million on a constant exchange rate basis to €4 million driven by positive income received on cross currency interest rate swaps used to hedge the US dollar denominated debt and investment in Hong-Kong.

Net capital gains increased by €11 million on a constant exchange rate basis to €8 million due to a loss on currency hedging instruments in 2004. This has not recurred in 2005 due to a restructure of the instruments.

As a result, **adjusted earnings** and **net income** increased by €19 million on a constant exchange rate basis to a loss of €4 million.

AXA UK Holdings

Adjusted earnings and **net income** increased by €3 million in 2005, both on current and constant exchange rate bases, to €-33 million due to a tax release, partly offset by a reduction in the net investment result.

Other foreign holding companies

German Holding companies.

Underlying earnings and adjusted earnings decreased by €6 million to €-28 million mainly due to higher interest expenses as well as higher tax expenses.

Net Income increased by €7 million to €-28 million as the decrease in adjusted earnings was more than offset by the non recurrence of the €-13 million impact of the sale of Bausparkasse in 2004.

Belgium Holding companies.

The **net income** decreased by €1.5 million to €-8 million, with lower financial charges due to an early repayment of a loan to AXA bank partly offset by higher tax income expense.

Outlook

In the first half of 2005, the Group demonstrated its capacity to deliver very strong earnings growth in Life & Savings, Property & Casualty and Asset Management. Management currently expects the financial market environment to remain good for Life & Savings and Asset Management, and more particularly for higher margin unit-linked products in a context of low interest rates.

In Property & Casualty, management expects a continuation of the positive trends witnessed in the first half of the year, despite some pricing pressure, due to continued moderate claims frequencies.

Despite the recent weather related events in the US and barring any new major catastrophic events, Management believes that the Group is well on track to deliver a strong double digit earnings growth for the full year 2005.

Glossary

COMPARABLE BASIS

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

ADJUSTED EARNINGS

Adjusted earnings represent the net income (group share) before

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

(ii) Goodwill and other related intangible impacts, and

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

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

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

UNDERLYING EARNINGS

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

Net realized gains or losses attributable to shareholders include

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

The Statement of Income referred here-after and presented page 8 of the current document is based on an underlying basis.

LIFE & SAVINGS MARGIN ANALYSIS

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

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

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

- **For insurance contracts and investment contracts with DPF:**

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

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

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

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

- **For investment contracts without DPF:**

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

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

Underlying Investment margin includes the following items:

(i) Net investment income

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

Underlying Fees & Revenues include:

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

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

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

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

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

Underlying Net Technical result includes the following components:

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

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

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

(iv) Other changes in insurance reserves and economic hedging strategies impacts related to insurance contracts valuated according to the "selective unlocking" accounting policy.

(v) Ceded reinsurance result.

Underlying Expenses are:

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

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

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

(iv) Administrative expenses

(v) Claims handling costs

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

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

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

LIFE & SAVINGS COST INCOME RATIO

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

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

- "Underlying" operating margin is the sum of (i) Underlying Investment margin; (ii) Underlying Fees and revenues excluding the change in deferral income, and (iii) Underlying Net technical Margin (all items defined above).

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

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

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

(i) Earned premiums, gross of reinsurance,

(ii) Claims charges, gross of reinsurance,

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

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

Expense ratio is the ratio of:

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

(ii) Earned revenues, gross of reinsurance.

Expenses include two components: expenses (including commissions) related to acquisition of contracts (with the related **acquisition ratio**) and all other expenses (with the related **administrative expense ratio**)

Current accident year loss ratio (Property & Casualty) net of reinsurance is the ratio of:

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

(ii) Earned revenues, gross of reinsurance.

All accidents year loss ratio (Property & Casualty) net of reinsurance is the ratio of:

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

(ii) Earned revenues, gross of reinsurance.

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

AXA RE

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

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

Net technical margin includes:

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

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

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

(iv) Claims handling costs.

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

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

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

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

(iv) Claims handling costs.

ASSET MANAGEMENT

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

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